THE EFFECTS OF DIVERSITY AND DIVERSITY MANAGEMENT ON EMPLOYEE'S JOB SATISFACTION, EMPLOYEE'S JOB TURNOVER AND WORKGROUP PERFORMANCE: EVIDENCE FROM GOVERNMENT SECTOR OF PAKISTAN

By

Asif, Muhammad

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ABSTRACT

The Effects of Diversity and Diversity Management on Employee's Job Satisfaction, Employee's Job Turnover and Workgroup Performance: Evidence from Government Sector of Pakistan

By

Asif, Muhammad

Managers of private and public organizations are concerned with the changing attitude of employees towards diversity issues. Government of Pakistan has introduced the diversity management policies and programs to harmonize the demographic difference of employees to reduce the conflict but little empirical research has tried to identify the effect of demographic diversity on employee's job satisfaction, employee's job turnover and workgroup performance. The study identifies the effects of demographic diversity on employee's job satisfaction, employee's job turnover and workgroup performance.

For this study, primary data was collected from the government employees through questionnaires. To test the hypothesis simple linear and multiple regression were used for analysis with the help of statistical package SPSS. The findings indicated that demographic diversity has no relationship with the work-related outcomes (except age). Diversity management is positively related to employee's job satisfaction and workgroup performance, and negatively associated with the employee's job turnover.

The study implies that diversity management has strong effects on the overall performance of organizations. The organizations can achieve desired goals and objectives while properly

managing the diversity issues through affirmative action and equal employment opportunity. Resources should be allocated for making programs, policies and training opportunities for managing the diversity in all areas of human resource management i.e. from recruitment process to retirement of an employee. Training on diversity management should be given to newly recruited employees for understanding the differences of workforce.

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DEDICATED TO

My Beloved Parents
&
Respected Teachers

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I. INTRODUCTION

Workforce plays an important role in overall performance of country's Gross Domestic Product (GDP) regardless they work in Public Sector or in Private Sector. The private sector aims to maximize the profits of a firm by reducing the cost, mainly through reduction in employees benefits and downsizing of the firm, whereas the objective of the public sector is to serve the nation by employing civil servants – regardless they belongs to different gender, ethnic group or belongs to different areas of a country.

Pakistan being part of the sub-continent of Asia was colonized by the British Crown since 1858. After the War of Independence, 1857, popularly known in the history as the Indian Rebellion of 1857, the colony became British India. The colonial rule ended when the people of British India started freedom movement and British Crown accepted their demands for new states, the both sates named as Pakistan and India on 14th & 15th August, 1947 were came into being respectively. Based on religion, there were two major groups in British India i.e. Islam and Hinduism. The followers of both religions were living across the territory of British India. After the announcement of partitioning of British India, an exodus mass migration took place. In a result, different people consisting of variety of languages, races and ethnic cultures, historical and geographical backgrounds migrated from India and settled in different areas of Pakistan.

Since independence the workforce of Pakistan is categorized in terms of locations or regional existence, religion, cultural affinity, language, race and demographics. Workforce may be diverse if it may comprise a diverse culture, social and geographical location, standard of living, views on global issues and historical belongings (Shen et al., 2009).

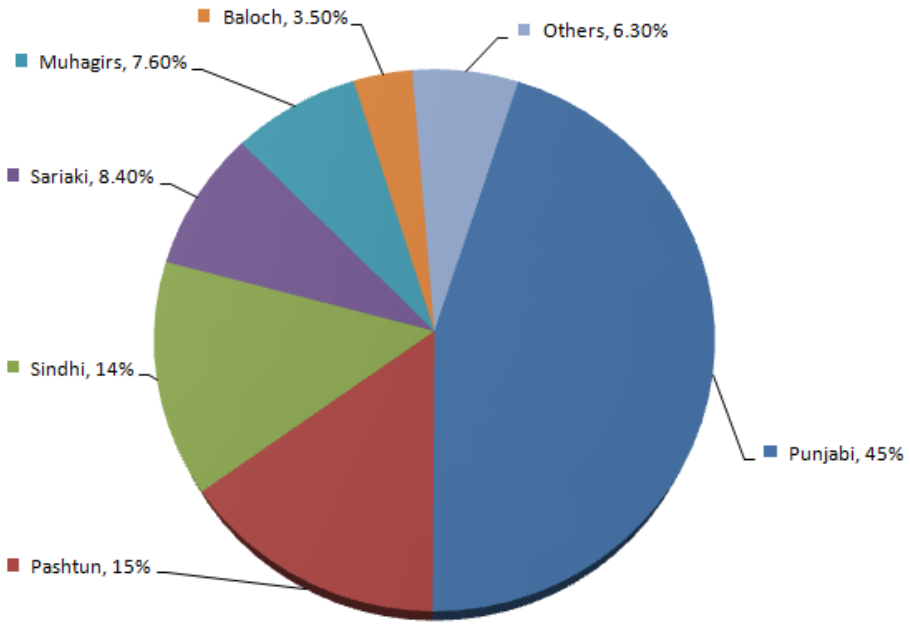

Figure-I Ethnic Groups in Pakistan

The population of Pakistan – today consists of many different groups based on ethnicity. These groups are "Punjabi (45%), Pashtun (15%), Sindhi (14%), Sariaki (8.4%), Muhajirs (7.6%), Baloch (3.5%), and other smaller ethnic groups (6.3%). Further, this population may be divided based on gender and resulted into 51% are male and 49% are female in this Pakistan's society" (Livingston & O'Hanlon, 2011).

The Pakistan's workforce is going to be more diversified because of greater access and proper representation of women and minorities in both government sector and private sector organizations. Representation of diverse workforce is now a political and legal issue (Brewer, 2002), but it will also increase the social justice in the society (Kellouhg, 1990). In this context, it is necessary to understand the effect of diversity on the organizational outcome mainly workgroup performance, employee's job satisfaction and employee's job turnover (Milliken and Martins, 1996). Managing diversity plays an important role to fulfill the legal

requirement and helps in achieving high organizational performance (Cox, 1993). Diversity researchers agreed that diversity management helps Affirmative Action (AA) to take advantages of diverse workforce and results into better organizational performance (Wise and Tschirhart, 2000).

The diverse workforce increases the chances of conflicts and misunderstanding in an organization. This diverse workforce, while interacting with other groups exhibits negative behaviour and such behaviour affects the overall efficiency of an organization (Carrell *et al.*, 2006). In this case, the responsibility of the Public Managers has been increased as they try to achieve desired goals through managing the diverse workforce. Pakistan's society is a male dominant society and females face problems in getting jobs and performance based award mainly in public sector organizations despite affirmative action and equal employment opportunity (EEO) programs introduced by government.

Government sector organizations have been more committed towards managing diverse workforce through implementation of Equal Employment Opportunity and Affirmative Action policies and programs than private sector organizations, resulting into high level of diverse workforce in public sector organizations (Choi and Rainey 2010; Foldy 2004).

EEO is key concept in the socio-economic research and unequal distribution in the income level exists everywhere in the world due to employment discriminations and social stratification. Wang and Kleiner (2001) argued that those group of society, who have lower social status mainly ethnic and religious minorities, having lower income and having less purchasing power to buy goods and services. Less purchasing power or lower incomes are the result of job discrimination due to unfair organizational decisions (Cohn, 2000). Therefore,

job discrimination is the starting point of social inequities (Wang and Kleiner, 2001) and as a result employees get dissatisfied with their job, overall workgroup performance will suffer and turn into high turnover in the organization.

Pakistan's Government is managing the diversity mainly through affirmative action and equal employment opportunity. In this regard, a Labour Policy 2002 was introduced by the Federal Government to giving powers to labor courts, to build good employee-employer relationship, to give protection to contractual employees, ban on child labor and discrimination on the basis of geographical, ethnic, gender etc. (Ahmed, 2009).

Public managers are now putting their efforts on diversity and trying to find out ways to manage the diversity with the application of diversity management programs (Naff & Kellough, 2003; Pitts, 2009). The individuals feel satisfaction, if the diversity management programs are implemented in true spirit because the employment opportunities, promotion, and reward are on equal base without any bias. Furthermore, Barak & Levin (2002) states that organizational diversity management programs plays important role in retention of the employees in the organization. In the presence of diversity management programs, employees feel that the promotion and reward system is solely based on merit and result in employees' job satisfaction.

Both Federal and Provincial Government of Pakistan have introduced diversity management program on equal employment opportunity and affirmative action through quota system in 1973 for jobs in the Public Sector Organizations on different bases like gender, geographical (Punjab, Sindh, Baluchistan, Khyber Pakhtunkhwa, and Northern Areas of Pakistan), disability and minorities (Christian, Sikh and others).

The Federal Government of Pakistan announced a recruitment policy - mentioned the recruitment for vacant posts on merit and on quota based on province or region, to enter into the Federal Civil Service. According to Government of Pakistan, Establishment Division Office Memorandum (2007),

> *"the vacant posts are divided into merit, province and region quota i.e. Merit (7.5%), Punjab, including Federal Area of Islamabad (50%), Sindhi (19%) Khyber Pakhtunkhwa (11.5%), Balochistan (6%), Northern Areas and Federally Administrated Tribal Areas (4%), Azad Kashmir (2%), Women Reserved Quota: (10%) Women quota will be observed / calculated from the share of each province / region".*

The constitution of a country provides the basis that how a country can be governed. It contains the information about the rights, duties and provides the complete guidelines that how the government will discharge its duties. According to the "Fundamental Rights" clause Article 27 of the Pakistan's constitution adopted in 1973,

> *"No citizen otherwise qualified for appointment in the service of Pakistan shall be discriminated against in respect of any such appointment on the ground only of race, religion, caste, sex, residence or place of birth".*

The constitution of Pakistan gave an exception to this rule for 20 years in anticipation of the government's efforts aimed at improving the education system across the country (rural and urban) to ensure equal quality and level of education among all citizens.

The affirmative action i.e. quota system also contradicts with various international human rights institutions such as the Convention on the Rights of the Child (1979); the Universal Declaration on Human Rights; and African Charter on Human and Peoples Rights, all condemned any form of discrimination based on geographical, ethnic, religion or social belonging (Nyasa Time, 2010).

Many countries like Brazil, Canada, United States, India, Sri Lanka, Japan etc. are also using the quota system to ensure proper representation of different groups in the recruitment process. Quota system in recruitment process is a controversial topic because Government's quota system policy assumes that this system will promote diversity and eliminate the imbalances in the recruitment – based on ethnicity, race, culture, language, religion, sense of belongingness, and demographics. Most of the people believe that the division of employment by province is a good and fair system to avoid inequalities, discrimination and injustice. On the other hand, the quota system discriminates against prospective employees because they do not fit in the establish quota system. The current employment system in government sector of Pakistan is not fair, effective and competitive enough to meet the current challenges of development.

Since public sector job in Pakistan is seen as a source of deriving socio-economic benefits through achieving the administrative power that in turn results in social prestige, job security, future benefits in terms of retirement pension, hence the perceived imbalances in distribution of jobs discourages the culture of meritocracy as same level of higher/technical education may bring varying degree of benefits to those who gain a major portion of jobs at the cost of

those whose gains are restricted by way of reducing the natural level of their access to the powerful corridors of bureaucracy a consequence of quota system (Waseem, 1997).

In the light of discussion with qualified and competent youths of Pakistan, the result showed that most of young graduates have problems in finding the right job in a right government sector in which they can utilize their potential. Indeed, it has discouraged the new generation and has criticized government for adopting such inefficient employment system.

1.1 Research Questions

The purpose of this study is to identify the effects of demographic diversity on employee's job satisfaction, employee's job turnover and workgroup performance, as well as explore the linkages between the diversity management and employee's job satisfaction, employee's job turnover and workgroup performance in public organizations. Furthermore, it also aims to investigate the relationships between independent variable of demographic diversity and the organizational affective outcomes as dependent variables.

Particularly this paper explores:

i. the demographic diversity such as ethnic diversity, gender diversity , age diversity, and religion diversity in the public organizations affects employee's job satisfaction,
ii. the demographic diversity such as ethnic diversity, gender diversity , age diversity, and religion diversity in the public organizations affects employee's job turnover,

iii. the demographic diversity such as ethnic diversity, gender diversity , age diversity, and religion diversity in the public organizations affects workgroup performance, and

iv. determine, if there is any significant association between the diversity management and work-related outcomes i.e. employee's job satisfaction, employee's job turnover and workgroup performance in the public organizations.

The study progress as follows: Chapter-II reviews the previous literature on the demographic diversity such as ethnicity, gender, age and religion, and diversity management through equal employment opportunity and affirmative action in the workgroup. Chapter-III, presents the hypotheses and on the basis of theoretical arguments try to find out the effects of demographic diversity on organizational outcomes-employee's job satisfaction, employee's job turnover and workgroup performance. Chapter-IV, describes the methodology, including sample selection methods and, data collection. Chapter-V, analyses the hypotheses by using the regression and ANOVA. Chapter-VI concludes with discussion on findings and implications and then suggests the future research.

II. Literature Review

Review of literature gives important linkages between theory and empirical studies; therefore, it may have an important impact on overall study. The core purpose of literature review is to highlight the relevance of the earlier literature on the current study.

2.1 Demographic Diversity

The demographic diversity refers to differences in age, gender, ethnicity, backgrounds, and belief. Williams and O'Reilly (1998) suggested there are five major individual demographic characteristics like, gender, race/ethnicity, organizational tenure, and functional background that effect organizational functioning. Over the past decades, the workforce's composition in the workplace is changing due to domestic immigration from rural to urban areas and international immigrations from developing to developed countries. The shifting trends have caused a greater degree of demographic diversity in organizations. Due to the changing composition of workforce, managers are encountering a demographic diversity in the organization (Riordan and Shore, 1997).

Representative bureaucracy theory states that if public bureaucracy is composed of the people who present the values and attitude of the public, the policies will imitate the interest of public (Selden, 1997). It means that if bureaucracy has similar attitude, belief, and values as the same of the group they lead, then this association may reflect in decision and in public policies. Hambrick and Mason (1984) argued that decisions may affect due to association of policy makers towards the specific group having same values, belief, and culture.

2.2 Diversity Management

Organizations give importance to the issue of diversity in workforce, as the organizations are increasing their outreach being their global existence whereas, workforce shifts from one location to another that hinders the expanding pace of multinational organization (Hite and McDonald, 2006). Workforce may be diverse if it may comprise of a diverse culture, social and geographical location, standard of living, views on global issues and historical belongings (Shen et al., 2009).

There are two types of approaches for defining the diversity was given in the literature, one base on Equal Employment Opportunity (EEO), Affirmative Action (AA) and the other base on values, religion, demographic, culture etc. Most of the authors define the workforce diversity in a border way i.e. ethnicity, gender, age, religion, culture, race, color, national origin, language etc. and this diverse workforce may affect the overall efficiency of an organization (Carrell *et al.*, 2006).

Diversity is a universal concept that has more than one dimension and the ethnicity is main aspect of it (Pitts, 2009). A lot of work has been done to manage the diversity but only 46% companies in year 2004 have written diversity policy or programs although it is a smaller of percentage whereas it is an increase of 35% over the result of survey conducted in year 1992. Further the workforce diversity policies and programs have positive effect on organizations (Carrell *et al.*, 2006). Barak and Levin, 2002 have proposed that women will be 47% of the total workforce and ethnic or racial minorities will be more than 30% of the workers by the year 2020.

The diverse workforce increases the chances of conflicts and misunderstanding in an organization. This diverse workforce, while interacting with other groups exhibits negative

behaviour and such behaviour affects the overall efficiency of an organization (Carrell *et al.*, 2006). A number of studies have mentioned that diversity in the workforce may have potential benefits (Richard 2000; Maxwell *et al.* 2001) that help the organization in achieving the organizational goals by improved variety of ideas, skill and capabilities for making better decision making (Cox 1993; Cox and Balke 1991).

Diversity is an emerging concept in HRM area and it can be managed through friendly HRM policies and programs. In this context, the responsibility of the managers increases to manage the diverse workforce and to achieve desire objective of the organization.

2.3 Workgroup Performance

Workgroup performance is the overall performance of the employees working in a group, unit, department or section. Employees divided into different categories either on the basis of demographical or on gender base. When these employees work in a group or section, the issues of diversity arise. If this diversity is managed through policies and program it may increase the overall performance of the group otherwise it turns into conflicts resulting in poor performance. Employees feel comfortable and performed better if they made self-selected group either on gender base or area. Workgroup performance evaluated through the productivity, quality of work that they performed and the satisfaction of the employees (Cragan & Wright, 1995).

Diversity is like a double edge sward, it increase the chance of creativity in the workgroup and at the same time increases the chance of conflicts among the group members and then it leads to dissatisfaction of employees (Milliken & Martins, 1996). There are mixed results proposed by the researchers about the relationship between the diversity and the workgroup

performance in the organization. For instance, Ancona & Caldwell (1992) have shown positive effect of diversity on workgroup performance, whereas Cox, Lobel, & McLeod (1991) have shown negative effect of diversity on workgroup performance. Public managers should play important role in harmonizing the diversity and enhancing the interpersonal connection within the group which increases the overall performance (Stewart and Johnson, 2006).

2.4 Employee's Job Satisfaction

Job satisfaction is a hot issue in this era and at the same time retention of an employee becomes more challenging job for human resource managers. According to Kovack (1977), employee's job satisfaction acts as basic building block in the concept of organizational commitment. Satisfaction with job is a degree to which an employee how much is satisfied with his job (Bettencourt and Brown, 1997). Chelladurai (1999) states job satisfaction as an attitude of the employees towards their jobs. Organizations are more effective where employees are satisfied with their jobs than those with less satisfied employees (Robbins, 1998).

Employees sometimes face dissatisfaction from their job may have reasons i.e. rewarding system is not better, discrimination between employees, supervisors and colleagues are not cooperative and work environment is not comfortable for an employee. Robbins (1998) states employees may express dissatisfaction in four ways i.e. exit, voice, loyalty and neglect. *Exit dissatisfaction* expressed through directly leaving the organization and looking for new job, *voice dissatisfaction* expressed actively attempting to improve the condition through suggestions and discussing the problem, *loyalty dissatisfaction* through passively speaking up

or criticise the organization to improve the conditions wait for improve conditions and *neglect dissatisfaction* expressed through absenteeism, reduce effort and lateness.

Barak and Levin (2002) argued that in youth dominant culture, the older employees are dissatisfied and de-motivated that leads their termination from jobs and sometimes they are discriminated. In order to understand the concept of employee's job satisfaction, it is important to understand what factor motivates employees in the organization. It is possible that some employees may get motivated through intrinsically (taking pleasure in an activity rather than working for external reward) and some motivated through extrinsically (perform an activity for the purpose of an outcome i.e. external reward).

Many theories have explained the employee's job satisfaction, whereas the following three theories are considered as important. The Content Theory is first conceptual framework, which states that if employee's need for growth and self-actualization are met from job then employee feels job satisfaction. Maslow's (1954) states that employee's job satisfaction is based on five human needs (also called *hierarchy of needs theory*) i.e. physiological or basic needs, safety, social esteem and self-actualization (Saif *et. al.*, 2012). Based on the Maslow theory, Fredrick Hertzberg (1974) proposed *two-factor theory* (also called motivation-hygiene theory). According to this theory, intrinsic factors are related to employee's job satisfaction such as responsibility, recognition, and advancement, whereas extrinsic factors are related to dissatisfaction such as pay, working conditions, and organization's polices (Robbins, 1998).

The second is Process Theory, which explains the employee's job satisfaction by focusing on "how the motivation takes place?" In process motivation, J. Stacy Adams (1963) has

proposed the equity theory. According to this theory, employees compare their job input-outcomes ratio with the others job input-outcomes ratio and then respond accordingly. If there is no difference in the ratios then the state of equity occurs (Robbins, 1998). Victor H. Vroom (1964) proposed *expectancy theory* (also called Vroom's expectancy theory) and argues that employee will be motivated when believe that his /her effort will leads to the good performance appraisal and then leads to organizational rewards such as increase in salary, bonus, and promotion, and this reward will be according to the employee's personal goals (Robbins, 1998).

The third conceptual framework is Situational Theories, which explains how an employee's personal traits interact with the organizational traits. Quarstein, McAfee and Glassman (1992) proposed *situational theory* and argue that employee's job satisfaction is determined by two factors. The first is situational characteristics, for instance, before accepting a job employee considers working condition, salary, organizational policies, and promotional opportunities. The second factor is situational occurrences are things take place after accepting the job. These things may physically exist or not, positive (e.g. extra leave) or negative (e.g. equipment not properly installed or faulty).

2.5 Employee's Job Turnover:

Employee turnover plays a significant role in financial cost implications for companies as they spend resources in terms of time and money for recruitment, training and development of newly recruited employee. Employee's job turnover is an important research area and human resource scholars all over the world have provided different results. First, Sheehan (1988) and Hall (1994) explains that employee's job turnover can have positive and negative effects on self-concept about their job and employees' careers. The "stayers" as well as the "leavers" may affect from it. Second, generally employee's job turnover is costly for

organizations and it needs to be documented properly (Gaudet, 1990). It is a big problem for organization to find the appropriate replacement and bear the financial and as well as non-financial costs on recruiting and training of new employees. Third, employee's job turnover may have a positive effect on organizations as it provides opportunities for promotion; new replacement brings creativity, new thoughts and technology, changes in the current policies and practice (Staw, 1995). According to Dalton and Todor (1994), lack of employee's job turnover also creates problems for organizations, such as slow/struck promotion process, use of out-dated techniques, and no creativity.

Employee's job turnover can be divided into two types (1) voluntary and (2) involuntary. *Voluntary turnover* occurs when employees leave the organization at their own choice. The organizations try to minimize the rate of voluntary turnover as it shows the overall health and environment of the organization. *Involuntary turnover (termination)* occurs when the employees leave the organization not by own choice or employee leave the organization other than personal choice. It includes firing, termination of employees due poor performance, violation of rules and regulation of the organization (Price, 2001).

Human resource scholars classify the reasons of employee's job turnover but no standard reason in the literature explained for leaving the organization (Ongori, 2007). Some of the reasons of employee's job turnover, for instance, low paid salaries, unfavorable working environment working, bias policies for promotion, and lack of training opportunities (Jeromy, 2001; and Arthur, 2001). According to Boxall *et al*. (2003), the key reason of employee's job turnover is, the employee find a suitable job in another organization. It is therefore, managers should consider all above factor to control and minimize the effects of employee's job turnover.

III. Hypothesis Development

Much work on managing the diverse workforce was in descriptive nature that could not help in evaluating the assumption about the links between employee's job satisfaction and workgroup performance (Pitts, 2009; Choi, 2008, 2010). This thesis hypothesizes on indentifying the relationship between diversity management and organizational outcome including (i.) employee's job satisfaction (ii.) employee's job turnover (iii.) workgroup performance (iv) employee's job satisfaction effects on employee's job turnover.

3.1 Diversity Management Effect on Employee's Job satisfaction

The first hypothesis is the relationship between diversity management and employee's job satisfaction in the public organization. Generally, diversity management will not give the job satisfaction to all employees of the organization. People of different background show job satisfaction if the diversity management is strong. It might be possible that the management is taking care of people of different background (Pitts, 2009). Therefore it identifies that the people of different geographical area are satisfied with their jobs in the presence of diversity management.

H1 Diversity management in terms of employees from different backgrounds feels higher job satisfaction.

$H1_a$ Higher the ethnic diversity in the group then there will be the higher employee's job satisfaction.

$H1_b$ Higher the gender diversity in the group then there will be the higher employee's job satisfaction.

$H1_c$ Higher the age diversity in the group then there will be the higher employee's job satisfaction.

$H1_d$ Higher the religion diversity in the group then there will be the higher employee's job satisfaction.

3.2 Diversity Management Effect on Employee's Job Turnover

The second hypothesis is to determine the association between diversity management and employee's job turnover in the public organization. The diversity researcher argued that the diversity in a workgroup may leads to decrease employee's job satisfaction and employees' commitment towards organization. It means, in the presence of diversity in the workgroup, there will be the high employee's job turnover in the organization (Choi, 2008). The consequences of diversity first lead to absenteeism and the turn it into the turnover. Cummings, Zhou, and Oldham (1993) found that women in the organization are more likely to be absent and sometimes results into a turnover than men.

Previous studies related to demographic diversity argued that it might decrease the employees' commitment towards the organization, attachment between the group members (Tusi, Egan, and O' Reilly 1992) and employee's job satisfaction who are minority in the organization (Sackett *et al.*, 1991). The consequences of these outcomes lead to employees' turnover (O'Reilly, Caldwell, and Barnett 1989, Wagber, Pfeffer, and O'Reilly 1984). Therefore it identifies that the people of different geographical area are satisfied with their jobs in the presence of diversity management.

H2 Employee's job turnover is lower in workplaces with low diversity.

$H2_a$ Higher the ethnic diversity in the group then there will be the lower the employee's job turnover.

$H2_b$ Higher the gender diversity in the group then there will be the lower the employee's job turnover.

$H2_c$ Higher the age diversity in the group then there will be the lower the employee's job turnover.

$H2_d$ Higher the religion diversity in the group then there will be the lower the employee's job turnover.

3.3 Diversity Management Effect on Workgroup Performance

This third hypothesis based on the literature that diversity management will have a significant impact on workgroup performance because the workforce diversity in terms of ethnicity, race and gender is increasing. Organizations that have diverse workforce and they adapted the differences then the employees retention rate will high and the performance as a whole of the group will be increased. Bureaucracy theory if true and organization provide the environment like the employees feels citizen of that organization so the retention rate and performance of the group will increase (Pitts, 2009).

H3 Diversity Management leads to higher workgroup performance.

$H3_a$ Higher the ethnic diversity in the group then there will be the higher workgroup performance.

$H3_b$ Higher the gender diversity in the group then there will be the higher workgroup performance.

$H3_c$ Higher the age diversity in the group then there will be the higher workgroup performance.

$H3_d$ Higher the religion diversity in the group then there will be the higher workgroup performance.

3.4 Employee's Job Satisfaction Effects on Employee's Job Turnover

Much work has been done to identify the relationship between employee's job satisfaction and the employee's job turnover. The result shows significant variations like both variables have positive as well as negative relationship (Sheng, 2003). It is shown in the previous research that satisfied employees do not prefer to leave the organisation than those who are dissatisfied with the organization (Mobley, 1997). Olive (1998) identify that higher employee's job turnover is the result of the dissatisfaction and employees try to find out new job those fit for them. Therefore, if the employee is satisfied with his work then the employee's job turnover will decrease (Muchinsky, 1993; 2000). However, Rahman *et al.* (2008) argues that employee's job satisfaction has a negative relationship with the employee's job turnover intension, whereas, other found no significant relationship between employee's job satisfaction and employee's job turnover (Irvine and Evans, 1995).

There are several theories about employee's job satisfaction such as Maslow's (1954) states that employee's job satisfaction is based on five human needs (also called *hierarchy of needs theory*) i.e. physiological or basic need, safety, social esteem and self-actualization (Saif *et. al.*, 2012). Based on the Maslow theory, Hertzburg (1974) proposed *two-factor theory* (also

called motivation-hygiene theory). According to this theory, intrinsic factors are related to employee's job satisfaction such as responsibility, recognition, and advancement, whereas extrinsic factors are related to dissatisfaction such as pay, working conditions, and organization's polices (Robbins, 1998). When discussion on employee's job turnover starts, employee's job satisfaction plays a dominant part. Cotton and Tuttle (1986); Carsten and Spector (1987); and Porter and Steers (1973) empirically proved negative relationship between employee's job satisfaction and employee's job turnover.

Hom Katerberg and Hulin, (1979) found conflicting results about the linkages between employee's job satisfaction and the employee's job turnover and explained that satisfaction with job does not matter, but still employees intends to leave the organization because of attractive job opportunity elsewhere.

H4 Higher the level of employee's job satisfaction-lower the level of employee's job turnover.

3.5 Proposed Model:

The following model has been developed on the basis of previous literature and research questions. The independent variable is diversity such as ethnic diversity, sex diversity, age diversity and religion diversity where as the dependent variables are employee's job satisfaction, employee's job turnover and workgroup performance.

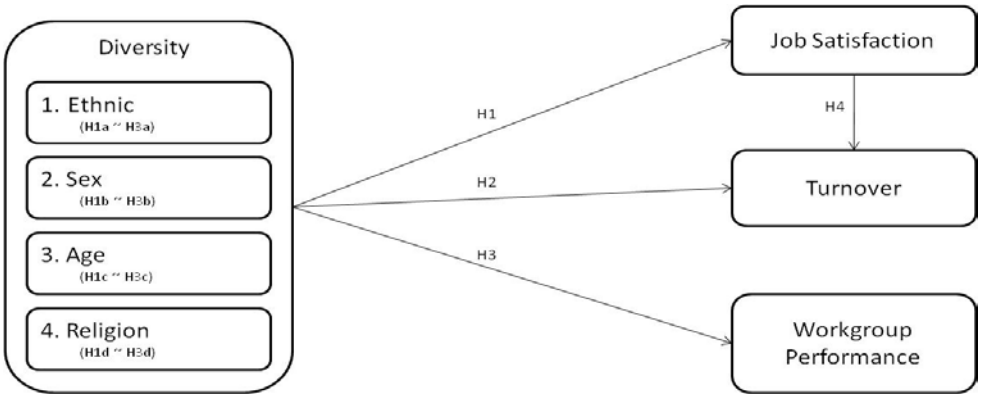

Figure 2: Proposed model

IV. Research Methodology

Hypotheses developed in chapter three (3) on the diversity management effects on employee's job satisfaction, employee's job turnover, and work group performance is further elaborated and tested in this chapter. For this purpose, a research survey was prepared and circulated to respondents who were permanent employees of federal and provincial governments in Pakistan. Selection of sample size, data collection techniques, procedures and measures is further discussed in detail below:

4.1 Sample Selection:

The public sector organizations of Government of Pakistan consist of a diverse workforce and this workforce was considered as a population. The sample size was selected using random sampling technique. The survey primarily focused on permanent employees from different Government organizations such as Auditor General of Pakistan AGP), Accountant General of Pakistan (AGPR), Planning Commission of Pakistan, Ministry of Economic Affairs and Statistics, Central Directorate of National Savings etc.

4.2 Data Collection Method

To test the perceptions of the government employees about diversity management, job satisfaction, employee turnover and workgroup performance, a questionnaire (at Annex I) was developed and circulated. The questionnaire contained five sections such as demographic information, statements about diversity management, employee's job satisfaction, employee's job turnover and workgroup performance using set of questions against each statement.

This data was collected by using web-based self-report questionnaires modeled using Qualtrics <*http://kdischool.qualtrics.com*> an online survey so that respondent can respond at no charge. The survey was sent out for each respondent (N=100) directly via email, presented with an informed consent statement, and invited to participate in the study. A link in the email took respondents to the survey in Qualtrics. The survey instrument was available to each member for two weeks after the initial email; with two reminder emails during that time seeking participation – resulting in an overall response of 77 usable surveys, with 77% response rate.

The employees of the government were hesitant in filling such kind of questionnaire and providing personal and job related information. To avoid this uncertainty, the purpose of the study was briefly mentioned in the beginning and potential respondent was assured that the responses will be kept confidential.

4.3 Characteristics of Variable (s)

4.3.1 Diversity Management

Diversity based on demographics like ethnicity, sex, age, and religion and these correlated with individual outcome i.e. employee's job satisfaction and employee's job turnover as well as workgroup outcome i.e. performance. Diversity management is measured through five questions. (1) Supervisor (s) in your work unit is committed to recruit workforce that is representative of all segments of society? (2) Policies and programs (i.e. recruiting minorities and women, training in awareness of diversity issues, mentoring) promote diversity in the workplace? (3) Managers/supervisors/teams leaders work well with the employees of different backgrounds? (4) Your work unit recruits people with the right skills/unbiased? (5) Your workload is reasonable as per your job specification? The cronbach's alpha of these five

items is 0.85. Five items scale will be use to measure the diversity management by using five point likert-scale as used by Choi, (2008), Pitts, (2009) and Choi and Rainey (2010). Respondent will be rated diversity management from 1 to 5, with 1 representing “strongly disagree” and 5 representing “strongly agree.”

4.3.2 Employee’s Job Satisfaction

Employee’s job satisfaction (JS) is measured though seven questions. (1) Overall, how much are you satisfied with your job? (2) Overall, how much are satisfied you with your organization? (3) Overall, how much are you satisfied with the training you receive for your present job? (4) Overall, how much are you satisfied with your salary? (5) Overall, how much are you satisfied with the working environment conditions? (6) How much satisfied are you with the recognition you receive for doing a good job? (7) How much satisfied are you with the policies and practices of your senior management? The cronbach’s alpha of these seven items is 0.92. Seven items scale will be use to measure the job satisfaction by using five point likert-scales as used by Barak and Calvin (2002), Choi, (2008) and Pitts, (2009). Respondent will be rated job satisfaction from 1 to 5, with 1 representing “very dissatisfied” and 5 representing “very satisfied.”

4.3.3 Employee’s Job Turnover

Employee’s job turnover (ET) is measured though three questions. (1) I will likely actively look for a new job in the next year (2) I often think about quitting, (3) I probably look for a new job in the private sector. The cronbach’s alpha of these three items is 0.87. Three items scale will be use to measure the employee turnover by using five point likert-scales as used by Cummann et al., (1979) and Stewart (2011). Respondent will be rated employee turnover from 1 to 5, with 1 representing “strongly disagree” and 5 representing “strongly agree.”

4.3.4 Workgroup Performance

Workgroup performance (WGP) is measured though five questions. These are (1) how would u rate the overall quality of work done by your workgroup? (2) How would you rate the physical conditions such as light, building and computer etc. effect employees workgroup performance? (3) How would you rate a job is being done by your immediate supervisor (s)? (4) The workforce has the relevant knowledge and skills necessary to accomplish organizational goals? (5) How would you rate the skill level in your work unit over the last year? The cronbach's alpha of these five items is 0.74. Five items scale will be use to measure the workgroup performance by using five point likert-scales as used by Pitts (2009) and Choi and Rainey (2010). Respondent will be rated diversity management from 1 to 5, with 1 representing "very bad" and 5 representing "very good."

4.3.5 Demographic Variable

Demographic variable such as gender, age, geographic location, domicile, years in government service, basic pay scale, government type, religion and sect were also asked to see the effects on the dependent variables i.e. employee's job satisfaction, employee's job turnover and workgroup performance.

The gender variable is recorded as "1" for a male and "2" for a female respondent. The age variable is recorded as five-ordinal variable, where 1=20~29, 2=30~39, 3=40~49, 4=50~59 and 5=60~69. The geographical location is dichotomous variable which is recorded as "1" for headquarter and "2" for field office. The domicile shows that the respondent is belong to which province of Pakistan and domicile variable is recorded as "1" for Punjab, "2" for Sindh, "3" for Khyber Pakhtunkhwa, "4" for Baluchistan, "5" for Northern Areas and "6" for others.

The years in government service or tenure of the job of employee variable is recorded as eight-ordinal variable, where 1= less than 1 year, 2=1~5, 3=6~10, 4=11~15, 5=16~20, 6=21~25, 7=26~30 and 8= 31 or above. The basic pay scale (BPS) variable is recorded as three-ordinal variable, where 1=1~8, 2=9~16 and 3=17 or more. The type of the government is classified into two types – Federal Government and Provincial Government as recorded in "1" and "2" respectively. The religion variable is divided into four types, "1" for Islam, "2" for Christian, "3" for Hindu and "4" for Other minor whereas sect variable that is part of religion is subdivide into three types and these are Sunni, Shia and others as recorded as "1", "2" and "3" respectively.

Table 1: Descriptive Statistics

Variables	Mean	Std. Dev	Min	Max	Unit
Gender	1.208	0.408	1	2	1 = Male and 2 = Female
Age	1.818	0.721	1	4	Years (1=20~29, 2=30~39, 3=40~49, 4=50~59 and 5=60~69)
Geographical Location	1.338	0.476	1	2	1 = Headquarter and 2 = Field office.
Domicile	2.247	1.461	1	6	1 = Punjab, 2 = Sindh, 3 = Khyber Pakhtunkhwa, 4 = Baluchistan, 5 = Northern Areas and 6 = others.
Years in Govt. Service	3.195	1.469	1	8	Years (1 = Less than 1 year, 2 = 1~5, 3=6~10, 4 = 11~15, 5 = 16~20, 6 = 21~25, 7 = 26~30 and 8 = 31 or above)
Basic Pay Scale (BPS)	2.766	0.456	1	3	1 = 1~8, 2 = 9~16 and 3 = 17 or more.
Government type	1.091	0.289	1	2	1 = Federal Government and 2 = Provincial Government
Religion	1.013	0.114	1	2	1 = Islam, 2 = Christian, 3 = Hindu and 4 = Other minor
Sect	1.208	0.496	1	3	1 = Sunni, 2 = Shia and 3 = others

How would you rate the overall quality of work done by your work group?	3.896	0.788	1	5	1 = Very bad, 2 = Bad, 3 = Neither good nor Bad, 4 = Good and 5 = Very good
How would you rate a job is being done by your immediate supervisor (s)?	3.935	0.833	1	5	1 = Very bad, 2 = Bad, 3 = Neither good nor Bad, 4 = Good and 5 = Very good
Overall, how much are you satisfied with your job?	3.649	0.929	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
Overall, how much are satisfied you with your organization?	3.636	0.986	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
Overall, how much are you satisfied with the training you receive for your present job?	3.273	1.084	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
Overall, how much are you satisfied with your salary?	3.130	1.018	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
Overall, how much are you satisfied with the working environment conditions?	3.247	1.028	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
How much satisfied are you with the recognition you receive for doing a good job?	3.299	1.089	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
How much satisfied are you with the policies and practices of your senior management?	3.221	1.131	1	5	1 = Very Dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Very Satisfied
Supervisor (s) in your work unit are committed to recruit workforce that is representative of al...	3.273	0.898	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree
Policies and programs (i.e. recruiting minorities and woman, training in awareness of diversity...	3.506	1.008	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree

Managers/supervisors/team leaders work well with employees of different backgrounds?	3.494	0.968	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree
Your work unit recruits people with the right skills/unbiased?	3.104	0.968	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree
Your workload is reasonable as per your job specification?	3.325	1.006	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree
I will likely actively look for a new job in the next year?	3.234	1.123	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree
I often think about quitting?	2.948	1.134	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree
I probably look for a new job in the private sector?	3.013	1.130	1	5	1 = Strongly Disagree, 2 = Disagree, 3 = Neither Agree nor Disagree, 4 = Agree and 5 = Strongly Agree

V. Data Analysis

5.1 Data Analysis

After the data was collected, it was then edited and coded considering each single response as separate variable. Data analyses was carried to test the hypotheses on Statistical Package for the Social Sciences (SPSS) by using simple linear and multiple regression analyses as well as for path analysis and model fit analyses were employed through Analysis of Moment Structures (AMOS). Profile of participants and the collected data were reported using mean, standard deviation, frequency, percentage, and correlation coefficient.

In the multiple regression analysis, demographic variables were first entered as independent variables followed by dependent variables such as employee's job satisfaction, employee's job turnover and workgroup performance one by one to test the hypotheses H1a, H1b, H1c, H1d, H2a, H2b, H2c, H2d, H3a, H3b, H3c, H3d and in the simple linear regression analysis, diversity management was entered first followed by dependent variables such as employee's job satisfaction, employee's job turnover and workgroup performance one by one to test the hypotheses H1, H2, H3. Further to test the hypothesis H4, employee's job satisfaction as independent variable was entered and employee's job satisfaction as dependent variable. Further, to test the model, Analysis of Moment Structures (AMOS) software was used for Confirmatory Factor Analysis (CFA). Results and finding after the data analysis are elaborated in the next section.

5.2 Results and Findings

Table 2: Descriptive statistics – Gender

Gender	Frequency	Percent
Male	61	79.2
Female	16	20.8
Total	77	100.0

From table 2, it reveals that out of 77 respondents, 61 are male (79.2%) and 16 are female (20.8%).

Table 3: Descriptive statistics – Age Distribution

Age (Years)	Frequency	Percent
20 ~ 29	26	33.8
30 ~ 39	41	53.2
40 ~ 49	8	10.4
50 ~ 59	2	2.6
Total	77	100.0

Table 3 indicates that 26 respondents are in the group of 20~39 (i.e. 33.8% of the total respondent), while the preponderance part of the respondents (41) are in the group of 30~39 which is 53.2% of the total respondents. Whereas, 8 respondents (10.4%) are in the age group of 40~49 and 2 respondents (2.6%) are in the age group of 50~59. It is also noticed that there is no respondent in the age group of 60~69.

Table 4: Descriptive statistics – Geographical location

Geographical Location	Frequency	Percent
Headquarter	51	66.2
Field Office	26	33.8
Total	77	100.0

Table 4 shows that out of 77 respondents, 51 respondents (66.2%) are working the headquarters whereas 26 respondents (33.8) are working in field offices of the ministries or divisions.

Table 5: Descriptive statistics – Ethnicity

Domicile	Frequency	Percent
Punjab	35	45.5
Sindh	14	18.2
Khyber Pakhtunkhwa	12	15.6
Baluchistan	9	11.7
Northern Areas	4	5.2
Others	3	3.9
Total	77	100.0

Table 5 depicts that majority of the respondents are from Punjab i.e. 35 respondents (45.5%) out of 77 respondents, whereas 14 respondents (18.2%) are from Sindh, 12 respondents (15.6%) from Khyber Pakhtunkhwa, 9 respondents (11.7%) from Baluchistan, 4 respondents (5.2%) from Northern areas and 3 respondents (3.9%) from other areas.

Table 6: Descriptive statistics – Years in Government Service

Years in Govt. Service	Frequency	Percent
Less than 1 year	3	3.9
1 ~ 5	29	37.7
6 ~ 10	18	23.4
11~ 15	14	18.2
16 ~ 20	7	9.1
20 ~ 25	3	3.9
25 ~ 30	2	2.6
31 or more	1	1.3
Total	77	100.0

Table 6 indicates that out of total 77 respondents, 3 respondents (3.9%) have less than one year experience in Government, while the majority of the respondents (29) are in the group of 6~10 which is 37.7% of the total respondents. Whereas, 14 respondents (18.2%) are in the age group of 11~15, 7 respondents (9.1%), 3 respondents (3.9%), 2 respondents (2.6%) and 1 respondent (1.3%) are in the group of 16~20, 21~25, 25~30 and 31 or more respectively.

Table 7: Descriptive statistics – Basic Pay Scale (BPS)

Basic Pay Scale (BPS)	Frequency	Percent
1 ~ 8	1	1.3
9 ~ 16	16	20.8
17 and above	60	77.9
Total	77	100.0

Table 7 shows that 1 respondent belongs to basic pay scale from 1 to 8 (i.e. 1.3% of the total respondent) and 16 respondents (20.8%) belongs to BPS 9 to BPS 16, while the majority of the respondents (60) are in the BPS from 17 and above which is 77.9% of the total respondents.

Table 8: Descriptive statistics – Type of Government

Government type	Frequency	Percent
Federal Government	70	90.9
Provincial	7	9.1
Total	77	100.0

Table 8 depicts that majority of the respondents are working the Federal Government i.e. 70 respondents (90.9%) out of 77 respondents, whereas 7 respondents (9.1%) are working in the Provincial Government.

Table 9: Descriptive statistics – Sect

Sect	Frequency	Percent
Sunni	64	83.1
Shia	10	13.0
Others	3	3.9
Total	77	100.0

From table 9, it reveals that majority of the respondents are Sunni i.e. 64 respondents (83.1%) out of 77 respondents, whereas 10 respondents (13%) are belongs to sect of Shia and the rest 3 respondents (3.9%) are belongs to other minor sects.

Table 10: Means, Standard Deviation, and Correlations

	Mean	SD	1	2	3	4	5	6	7	8
1. Ethnicity	2.25	1.46	1							
2. Gender	1.21	0.41	0.001	1						
3. Age	1.82	0.72	0.093	-0.138	1					
4. Religion	1.01	0.11	0.060	-0.059	0.189	1				
5. Employee's Job Satisfaction	3.35	0.74	0.065	0.042	0.120	-0.010	1			
6. Employee's Job Turnover	3.06	0.91	0.008	0.141	**-0.250(*)**	0.034	**-0.605(**)**	1		
7. Workgroup Performance	3.92	0.69	0.054	0.156	0.008	0.014	**0.536(**)**	**-0.310(**)**	1	
8. Diversity Management	3.34	0.66	0.007	0.067	-0.062	0.081	**0.710(**)**	**-0.518(**)**	**0.550(**)**	1

*Correlation is significant at the 0.05 level (2-tailed).
** Correlation is significant at the 0.01 level (2-tailed).

Table 10 shows the means, standard deviations and correlation. As revealed from Pearson correlation, there is a significant negative relationship between age and employee's job turnover at significant level ($r = -0.250$, $p < 0.05$), employee's job satisfaction also negatively correlated with employee's job turnover at significant level ($r = -0.605$, $p < 0.01$), whereas job satisfaction have significant positive relationship with the workgroup performance at a signification level ($r = 0.536$, $p < 0.01$). Further as shown, employee's job turnover has significant negative relationship with the workgroup performance at a significant level ($r = -0.310$, $p < 0.01$).

Employee's job satisfaction ($r = 0.710$, $p < 0.01$), and workgroup performance ($r = 0.550$, $p < 0.01$) are significantly correlated with diversity management, whereas, diversity management is significant negatively correlated with employee's job turnover at a significant level ($r = -0.518$, $p < 0.01$).

There is no relationship between ethnicity and employee's job satisfaction, employee's job turnover, and workgroup performance. Moreover, there is no relationship between gender and employee's job satisfaction, employee's job turnover, and workgroup performance. It is further noticed that there is no relationship between employee's job satisfaction and

workgroup performance. Religion has also no relationship with the employee's job satisfaction, employee's job turnover, and workgroup performance.

5.2.2 Regression analysis

Model 1:

In model 1, demographic variable such as religion, gender, ethnicity and age as independent variable and employee's job satisfaction as dependent variable was entered to run the multiple regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.148[a]	.022	-.032	.75666

a. Predictors: (Constant), Religion, Gender, Ethnicity, Age

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.922	4	.230	.403	.806[a]
	Residual	41.223	72	.573		
	Total	42.145	76			

a. Predictors: (Constant), Religion, Gender, Ethnicity , Age

b. Dependent Variable: Employee's Job Satisfaction

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.146	.845		3.726	.000
	Ethnicity	.028	.060	.054	.465	.644
	Gender	.105	.215	.057	.488	.627
	Age	.134	.124	.130	1.080	.284
	Religion	-.226	.777	-.035	-.290	.772

a. Dependent Variable: Employee's Job Satisfaction

In the model summary R^2 is 0.022 and adjusted R^2 is -0.032. From Analysis of Variance Analysis (ANOVA) table, F value is 0.403 and the significance of the model is 0.806. The standardized coefficients (β) for ethnicity, gender, age and religion is 0.054, 0.057, 0.130 and -0.035 respectively and the significance of predictor variables is not significant whereas, β for religion is negative which indicate that larger the religion diversity in group then lower the employee's job satisfaction. Therefore, the hypotheses H1a, H1b, H1c and H1d are rejected.

Model: 2

In model 2, multiple regression analysis was used and demographic variable namely religion, gender, ethnicity and age as independent variable and employee's job turnover as dependent variable was entered to run the regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.286[a]	.082	.031	.89391

a. Predictors: (Constant), Religion, Gender, Ethnicity, Age

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.142	4	1.285	1.609	.181[a]
	Residual	57.534	72	.799		
	Total	62.675	76			

a. Predictors: (Constant), Religion, Gender, Ethnicity , Age

b. Dependent Variable: Employee's Job Turnover

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.610	.998		2.616	.011
	Ethnicity	.016	.071	.026	.228	.820
	Gender	.246	.254	.111	.969	.336
	Age	-.319	.147	-.253	-2.178	.033
	Religion	.694	.918	.087	.756	.452

a. Dependent Variable: Employee's Job Turnover

In the model summary table, R^2 is 0.082 and adjusted R^2 is 0.031. From Analysis of Variance (ANOVA) table, F value is 1.609 and the significance of the model is 0.181. The standardized coefficient (β) for age is -0.253 and marginally significant at the level of 0.033. It indicates, a negative relationship between age diversity and the employee's job turnover, whereas, the standardized coefficients (β) for ethnicity, gender and religion are 0.026, 0.111 and 0.087 respectively having no significant association with the employee's job turnover. Keeping in view the results, hypothesis H2c is accepted and hypotheses H2a, H2b, and H2d are rejected.

Model: 3

In this model, demographic diversity variables such as religion, gender, ethnicity and age as independent variable and workgroup performance as dependent variable were entered in the SPSS to run the multiple regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.168[a]	.028	-.026	.69901

a. Predictors: (Constant), Religion, Gender, Ethnicity, Age

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.021	4	.255	.523	.719[a]
	Residual	35.180	72	.489		
	Total	36.201	76			

a. Predictors: (Constant), Religion, Gender, Ethnicity , Age

b. Dependent Variable: Wprkgroup Performance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.395	.780		4.352	.000
	Ethnicity	.024	.055	.050	.430	.668
	Gender	.271	.198	.160	1.367	.176
	Age	.022	.115	.023	.191	.849
	Religion	.098	.718	.016	.137	.891

a. Dependent Variable: Wprkgroup Performance

In the model summary R^2 is 0.028 and adjusted R^2 is -0.026. Analysis of variance (ANOVA) table shoes that F value is 0.0.523 and the significance of the model is 0.719. The standardized coefficients (β) for ethnicity, gender, age and religion is 0.054, 0.057, 0.130 and -0.035 respectively and there is no significant association between the demographic diversity variable and the workgroup performance. The results show that the predictor variables are not important in predicting the workgroup performance. Therefore, the hypotheses H3a, H3b, H3c and H3d are rejected.

Model: 4

In this model, the simple linear regression was used through SPSS. To test hypothesis H4, employee's job satisfaction as independent variable and employee's job turnover as dependent variable was entered in the SPSS to run the simple regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605[a]	.366	.357	.72797

a. Predictors: (Constant), Employee's Job Satisfaction

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.930	1	22.930	43.269	.000[a]
	Residual	39.745	75	.530		
	Total	62.675	76			

a. Predictors: (Constant), Employee's Job Satisfaction

b. Dependent Variable: Employee's Job Turnover

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.536	.385		14.389	.000
	Employee's Job Satisfaction	-.738	.112	-.605	-6.578	.000

a. Dependent Variable: Employee's Job Turnover

In the model summary table R^2 is 0.366 and adjusted R^2 is 0.357. Analysis of variance (ANOVA) table, F value is 43.269 and the significance of the model is 0.000. The standardized coefficient β for employee's job satisfaction is -0.605 and the significance is 0.000. It shows a significant negative association between employee's job satisfaction and employee's job turnover. Therefore, hypothesis H4 is accepted meaning higher the employee's job satisfaction, lowers the employee's job turnover.

Model: 5

In this model, linear simple regression was used to check the relationship of the variables and test the hypothesis H1 that there is a positive association between the diversity management and the employee's job satisfaction. Therefore, independent variable i.e. diversity management and dependent variable i.e. employee's job satisfaction were entered in SPSS software to run the simple regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710[a]	.504	.497	.52805

a. Predictors: (Constant), Diversity Management

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.232	1	21.232	76.146	.000[a]
	Residual	20.913	75	.279		
	Total	42.145	76			

a. Predictors: (Constant), Diversity Management

b. Dependent Variable: Employee's Job Satisfaction

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.657	.315		2.088	.040
	Diversity Management	.806	.092	.710	8.726	.000

a. Dependent Variable: Employee's Job Satisfaction

In the model summary table R^2 is 0.504 and adjusted R^2 is 0.497. Analysis of variance (ANOVA) table, F value is 76.146, the significance of the model is 0.000. The standardized coefficient β is 0.716 with the significance of 0.000. Therefore, it revealed from the results that hypothesis H1 is accepted meaning that there is significant positive association between the diversity management and the employee's job satisfaction.

Model: 6

In this model, linear simple regression was used to check the relationship of the variables and test the hypothesis H2 that there is a negative association between the diversity management and the employee's job turnover. Therefore, diversity management as independent variable and employee's job turnover as dependent variable were entered in the SPSS software to run the simple regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518[a]	.268	.259	.78190

a. Predictors: (Constant), Diversity Management

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.823	1	16.823	27.517	.000[a]
	Residual	45.853	75	.611		
	Total	62.675	76			

a. Predictors: (Constant), Diversity Management

b. Dependent Variable: Employee's Job Turnover

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.463	.466		11.730	.000
	Diversity Management	-.718	.137	-.518	-5.246	.000

a. Dependent Variable: Employee's Job Turnover

In the model summary table R^2 is 0.268 and adjusted R^2 is 0.259. Analysis of variance (ANOVA) table showed that F value is 27.517 and the significance of the model is 0.000. The standardized coefficient is negative ($\beta = -0.518$) and the significance is 0.000. Therefore, it revealed from the results that hypothesis H2 is accepted meaning thereby that there is a significant negative association between the diversity management and the employee's job turnover.

Model: 7

In this model, linear simple regression was used to check the relationship of the variables and test the hypothesis H3 that there is a positive association between diversity management and workgroup performance. Therefore, diversity management as independent variable and workgroup performance as dependent variable were entered in the SPSS software to run the simple regression analysis.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550[a]	.303	.293	.58018

a. Predictors: (Constant), Diversity Management

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.956	1	10.956	32.547	.000[a]
	Residual	25.246	75	.337		
	Total	36.201	76			

a. Predictors: (Constant), Diversity Management

b. Dependent Variable: Wprkgroup Performance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.981	.346		5.731	.000
	Diversity Management	.579	.102	.550	5.705	.000

a. Dependent Variable: Wprkgroup Performance

In the model summary table R^2 is 0.303 and adjusted R^2 is 0.293. From ANOVA table, F value is 32.527 indicating that independent variable i.e. diversity management moderately explains variations in the dependent variable i.e. workgroup performance and the significance of the model is 0.000 that shows there is a highly linear relationship between the independent and depended variables. The standardized coefficient is negative (β = 0.550) and the

significance is 0.000. Therefore, it revealed from the results that hypothesis H3 is accepted meaning thereby that there is a positive significant association between the diversity management and the workgroup performance.

5.2.3 Confirmatory Factor Analysis (Model Fit)

A series of statistical framework were specified to assess the measurement properties of the models and to test the hypothesis (Anderson and Gebing, 1998). For this purposes, Analysis of Moment Structures (AMOS) software was used for confirmatory factor analysis (CFA). A structural model enables to test relationship among diversity management, employee's job satisfaction, employee's job turnover and workgroup performance. The CFA shows that the model fit was modest.

To obtain CMIN, Chi-square is divided by the degree of freedom. This model yields $\chi 2$ = 5.154, the degree of freedom = 2; χ^2/df = 2.577, which indicates a favorable value, In reference to model fit, numerous indicators of goodness-of-fit were used. Some common fit indexes are the Incremental Fit Index (IFI) i.e. 0.974, Comparative Fit Index (CFI) i.e. 0.973, Normed Fit Index (NFI) i.e. 0.58, Non-Normed Fit Index (NNFI) i.e. 0.919, also known as root mean square error of approximation (RMSEA) i.e. 0.144.

According to McDonald & Ho (2002), the Incremental Fit Index (IFI), should be equal or greater than 0.9 to accept the model, whereas, in this study model, the IFI is equal to 0.974. According to Bentler (1990) and Thompson (2000), the critical value for CFI is 0.9 or above in evaluating model fit, whereas, the CFI of this study model is equal to 0.973. Therefore, the overall model fit of the study 97%. The suggested value for RMSEA is 0.05 or below/good fit; below 0.08/fair fit. The current study had a RMSEA of 0.144, showing not fair fit, the reason might the less number of respondents. Table 11 shows both the suggested guidelines for evaluating model fit (Arbuckle, 2006; McDonald & Ho, 2002) and the results of indices for the study model.

Table 11: Results of model fit indices

Model fit indices	Values	Suggested guidelines
χ^2/df	2.57	Less than 3.0
GFI	0.968	Less than or equal to 1, A value of 1 indicates a perfect fit.
RMR	0.24	The smaller the RMR is, the better. An RMR of zero indicates a perfect fit.
CFI	0.973	equals/be greater than 0.9
TFI, IFI	0.973	equals/be greater than 0.9
RMSEA	0.144	0.05 or below / Good fit; below 0.08 / Fair fit

Source: McDonald & Ho (2002)

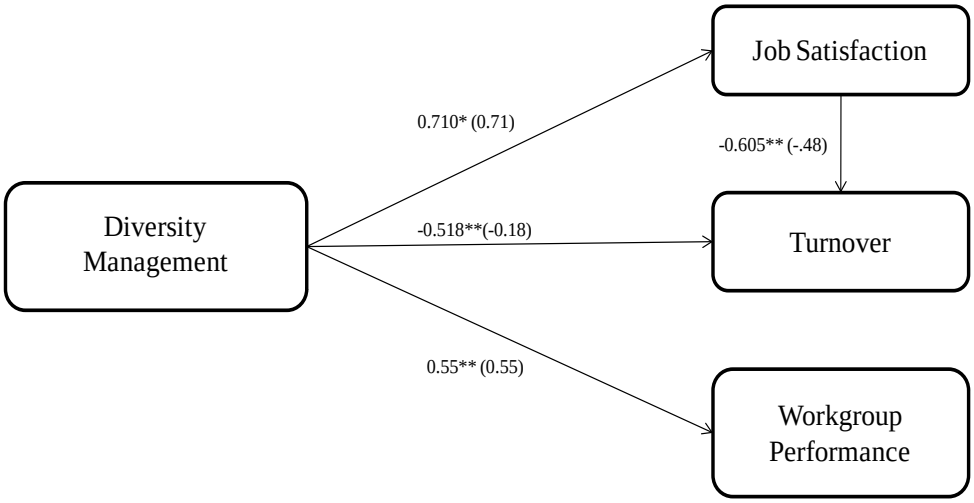

Figure 3: Structural relationship
*p < 0.05, ** p < 0.01, Standardized estimates shown in the parentheses.

VI. Discussion and Conclusion

This study empirically identifies the impact of demographic diversity such as ethnicity, gender, age and religion and diversity management on the work-related outcomes, which are employee's job satisfaction, employee's job turnover and workgroup performance. Moreover, the study focuses on degree to which demographic variables and employee's job satisfaction, employee's job turnover and workgroup performance are positively associated. Finally, the link between diversity management, employee's job satisfaction, employee's job turnover and workgroup is investigated. The result of this study will contribute towards better understanding of the role of demographic diversity and its management in the public sector organizations.

6.1 Summary of results

The findings and results of this study conclude the followings: first, demographic diversity such as ethnic, gender, and religion in the workgroup have no association with the employee's job satisfaction, employee's job turnover, and workgroup performance (table 10) whereas, age diversity in the workgroup is negative associated with the employee's job turnover (table 10) and has no significant association with employee's job satisfaction and workgroup performance. Second, employee's job satisfaction is negatively related with the employee's job turnover. Third, diversity management is positively related with the employee's job satisfaction. Fourth, diversity management is negatively associated with the employee's job turnover. Fifth, diversity management is positively associated with the workgroup performance. Therefore, two basic findings from the results are: first, managing the diverse workforce matters and second, diversity management matters for employees of different age groups.

6.1.1 Demographic Diversity and Work-related Outcomes

The results indicate that there is no significant association between the age diversity in the workgroup and the employee's job satisfaction. Hulin & Smith (1965) explained a strong positive relationship between the age and employee's job satisfaction. There is a mixed result about the relationship of the gender and employee's job satisfaction in the literature. Choi (2008) concluded with a negative relationship between gender and the employee's job satisfaction, whereas gender and job satisfaction have no relationship concluded by Al Hashaan (2003). The results of this study have shown no significant relationship between gender and the employee's job satisfaction and this result fully support the research by Al Hashaan (2003). The relationship between age and employee's job turnover is marginally negatively significant supported with Porter & Steers (1973). Further, there is no relationship between gender and employee's job turnover intention as results supported with the study of Steven and Hannon (2008).

6.1.2 Diversity Management and Employee's Job Satisfaction

The result shows positive relationship between diversity management and employee's job satisfaction. If diversity is fully managed through policies and practices, then the employees feels comfort within the group. Adler (2002); Pitts and Jarry (2005) and Pitts (2005, 2009) also concluded the same results. Generally, in the presence of diversity management there will be no job satisfaction for all employees. Stronger diversity management impacts employees with different backgrounds positively and they demonstrate job satisfaction. It is possible that the management is taking care of people of different backgrounds (Pitts, 2009).

6.1.3 Diversity Management and Employee's Job Turnover

The results indicate that diversity management is negatively associated with the employee's job turnover. Tusi, Egan, and O' Reilly (1992) argued that it might decrease the employees' commitment towards the organization, attachment between the group members and job satisfaction of employees who are minority in the organization (Sackett et al., 1991). The consequences of these outcomes lead to employees' turnover (O'Reilly, Caldwell, and Barnett 1989, Wagber, Pfeffer, and O'Reilly 1984). Organizations try to minimize the employee's job turnover because the cost related to the recruitment of new employees and their cost of training is high. Therefore, organizations are very keen to eliminate the factors that increase the employee's turnover and make policies for healthy work environment and the employee's feel citizen of the organization.

6.1.4 Diversity Management and Workgroup Performance

Results show that there is significant positive impact of diversity management on the workgroup performance. Organizations intend to increase the workgroup performance to achieve the organizational goals by minimizing the differences among the employees. The results are in line with the research by Pitts (2009). It means that if organizations implement the affirmative action / equal employment opportunity policies and programmes in such a manner that the diverse employees feel comfort, then workgroup performance will increase.

6.1.5 Employee's Job Satisfaction and Employee's Job turnover

The results show that employee's job satisfaction has inverse relationship with the employee's job turnover, which is consistent with the results of Carsten and Spector (1987); Lambert, Hogan, and Barton (2001); Rehman et al. (2008); and Sheng (2003). A study on the

banking sector of Pakistan regarding employee's job satisfaction and employee's job turnover by Ali and Baloch (2010) also concluded negative relationship between two. This study focused only on the public sector organizations in Pakistan and found that type of organizations i.e. public or private does not affect the relationship between employee's job satisfaction and employee's job turnover. The employees exhibit the same behavior regarding job satisfaction and job turnover irrespective of type of organization, whether they are working in public or private organization.

6.2 Implications of the study

6.2.1 Practical and Managerial Implications

The implications of the study are lucid that diversity management matters for organizations. This study provides the basis that how to achieve higher work-related outcomes i.e. employee's job satisfaction, employee's job turnover; and workgroup performance of diverse workforce through effective management to managers of public organizations. Findings suggest that managers should consider and capitalize the demographic diversity in workgroup and provide appropriate workgroup environment. In other words, diverse groups may perform well in that environment where they can feel sense of group identity and built their good relationship. In this scenario, managers should avoid placing their groups in that environment which is stable and efficient because these diverse groups may hinder the productivity of the employees. In other case, if these diverse groups placed in stable environment then the responsibility of the manager to manage the diverse workforce will increase. In this case, manage should encourage and implement common goals. As a result, the differences among workgroup are focused on a common goal of maintaining stability and efficiency.

Furthermore, in the organization, resources should be utilized for making programs, policies and training opportunities for managing the diversity. The organization can get the benefits from the diversity if it is properly managed through affirmative action and equal employment opportunities in shape achieving desired goals and objective. The training should be given to the employees; especially to managers who are dealing with diverse workforce. Policies should not only be made for diversity management but should also be made in all areas of human resource management starts from recruitment process to retirement process. Further, the students should be graduated and given training on diversity management and it is also recommended that training on diversity management should be given to newly recruited employees for understanding the differences of workforce.

6.2.2 Theoretical Implications

This study is an extension of the representative bureaucracy theory and the finding described that if bureaucracy has similar attitude, belief, and values as the same of the group they lead, then this association reflect in decision and in public policies; and it further leads to effect the work-related outcomes i.e. employee's job satisfaction, employee's job turnover and workgroup performance significantly. Moreover, this study is also an extension of the content theory of employee's job satisfaction because if the polices and programmes are based on association of specific group or policy maker neglected the specific group, in both cases, the employee's need for growth and self-actualization will not be met which causes dissatisfaction. The employees may expressed their dissatisfaction in four ways i.e. exit, voice, loyalty and neglect. The finding from this study further suggests that workgroup performance is significantly improved in the presence of employee's job satisfaction and to reduce the employee's job turnover in the organization.

6.4 Limitations and Future Research

There are some limitations to this study. First, all the variables reflects the perception of the employees and no direct data was used. For example, no database resources were available and used from the database agency. Second, workgroup performance is a qualitative measure and also based on employee's perception. Third, diversity management operationalized with five variables, generally there would be more variables to operationalized management of workforce diversity; whereas, five variables have quality high reliability. Future research should consider the limitations of this research and may also conduct structured interviews with both managers and the employees. Demographic variables such as education, marital status should also be considered in the future research.

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Annexures

Annex-I (Questionnaire)

Dear Respondent,

This questionnaire is a part of my dissertation and the purpose of this study is to identify the effects of diversity on job satisfaction, turnover and workgroup performance in the government sector.

There is no right or wrong answers and your individual responses are confidential. Please respond as accurately and carefully as possible. The typical respondent will take less than 10 minutes to complete the survey.

If you have any question regarding the completion of this questionnaire please contact to Mr. Muhammad Asif (email: asifansare@yahoo.com).

SECTION I. Demographics

In the following, we want to ask you about some basic demographic information about yourself. The information is needed for the meaningful analysis of responses. We assure you that the information gathered will be use for data analysis purpose only and will be kept confidential.

Q1. Name: _____

Q2. Contact No.: _____

Q3. Designation: _____

Q4. Organization Name: _____

Q5. What is your gender?

❑1 Male ❑2 Female

Q6. What is your age (years)

❑1 20 ~ 29

❑2 30 ~ 39

❑3 40 ~ 49

❑4 50 ~ 59

❑5 60 ~ 69

Q7. Geographical location of the organization?

❑1 Headquarter

❑2 Filed office

Q8. Domicile of the employee?

❑1 Punjab

❑2 Sindh

❑3 Khyber Pakhtunkhwa

❑4 Baluchistan

❑5 Northern Areas

❑6 Others

Q9. Years in Government service?

❑1 Less than 1 year

❑2 1 ~ 5

❑3 6 ~ 10

❑4 11 ~ 15

❑5 16 ~ 20

❑6 21 ~ 25

❑7 26 ~ 30

❑8 31 or more

Q10. Basic Pay Scale (BPS)?

❑1 1 ~ 8

❑2 9 ~ 16

❑3 17 ~ 21

Q11. Government type?

❑1 Federal Government

❑2 Provincial Government

Q12. What is your religion?

❑1 Islam

❑2 Christian

❑3 Hindu

❑4 Others

Q13. What is your sect?

❑1 Sunni

❑2 Shia

❑3 Others

SECTION II. Workgroup Performance

[Statements about workgroup performance]

		Very Bad	Bad	Neither Good nor Bad	Good	Very Good
Q14.	How would you rate the overall quality of work done by your workgroup?	❑1	❑2	❑3	❑4	❑5
Q15.	How would you rate physical conditions such as light, building and computer etc. effect employees workgroup performance?	❑1	❑2	❑3	❑4	❑5
Q16.	How would you rate a job is being done by your immediate supervisor(s)?	❑1	❑2	❑3	❑4	❑5
Q17.	The workforce has the relevant knowledge and skills necessary to accomplish organizational goals?	❑1	❑2	❑3	❑4	❑5
Q18.	How would you rate the skill level your work unit over the year?	❑1	❑2	❑3	❑4	❑5

SECTION III. Job Satisfaction

[Statements about job satisfaction]

		Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
Q19.	Overall, how much are you satisfied with your	❑1	❑2	❑3	❑4	❑5

		Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
	job?					
Q20.	Overall, how much are you satisfied with your organization?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q21.	Overall, how much are you satisfied with the training you receive for your present job?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q22.	Overall, how much are you satisfied with your salary?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q23.	Overall, how much are you satisfied with the working environment condition?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q24.	How much satisfied with are you with the recognition you receive for doing a good job?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q25	How much satisfied are you with the policies and practices of your senior management?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5

SECTION IV. Diversity Management

[Statements about diversity management]

		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Q26.	Supervisor(s) in your work unit are committed to recruit workforce that is representative of all segments of society?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q27.	Policies and programs (i.e. recruiting minorities and woman, training in awareness of diversity issues, mentoring) promote diversity in the workplace?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q28.	Managers/supervisor/team leaders work well with employees of different backgrounds?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q29.	Your work unit recruits people with the right skills/unbiased?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5
Q30.	Your workload is reasonable as per your job specification?	☐❑1	☐❑2	☐❑3	☐❑4	☐❑5

SECTION V. Employee Turnover

[Statements about employee turnover]

		Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Q31.	I will likely actively look for a new job in the next year.	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Q32.	I often think about quitting.	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5
Q33.	I probably look for a new job in the private sector.	❑ 1	❑ 2	❑ 3	❑ 4	❑ 5

Q34. Any other comments and suggestions