

Exploring the relationship between Workforce Diversity on Organizational Innovativeness in Higher Education Institutes

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Abstract: This study investigates the relationship between workforce diversity and organizational innovativeness in Higher Education Institutions (HEIs), with a specific emphasis on diversity management practices. Employing a descriptive-causal research design, data were collected from 400 faculty members selected through multistage sampling across various universities. Workforce diversity was measured using four key dimensions—Receptivity to diversity, Equal representation, Hiring and retention of diverse employees, and Promotion of gender diversity—while organizational innovativeness was assessed using a set of nine variables. The reliability of the measurement instruments was confirmed with high Cronbach's alpha values across all constructs. Correlation analysis revealed statistically significant positive associations between workforce diversity and organizational innovativeness, particularly highlighting the role of gender diversity and inclusive hiring practices in fostering innovation. The findings underscore the strategic value of diversity management in enhancing institutional performance and innovativeness in academia.

Keywords: Workforce Diversity, Organizational Innovativeness etc.

I. INTRODUCTION

This study underscores the importance of workforce diversity and inclusion in driving organizational innovation. Thomas and Ely (1996) and Bilimoria et al. (2008) similarly emphasize the need for organizations to create environments that integrate diverse workforces and promote inclusion, enabling employees to feel valued and fairly treated. This view is supported by Shore et al. (2011), who define inclusion as the degree to which individuals perceive themselves as accepted group members, satisfying their needs for belonging and uniqueness. Consistent with this inclusive perspective, Hewlett et al. (2013) and Bassett-Jones (2005) highlight the role of diversity in enhancing innovation and competitiveness. Hewlett et al. (2013) further introduce the concept of two-dimensional (2D) diversity—comprising both inherent and acquired traits—as a key driver for outperforming peers in innovation. Yadav and Lenka (2020) reinforce this stance by suggesting that diversity enables faster customer response and better service delivery. Similarly, Vedpuriswar (2008) recognizes India's evolving workforce composition and calls for a stronger focus on diversity management. Adding to the affirmative evidence, Nishii (2013) and Khan et al. (2019) observe a positive impact of diversity on organizational performance and employee engagement. However, contrasting viewpoints also emerge in the literature. Harrison and Klein (2007) caution that unmanaged diversity—especially along lines of race, gender, and age—can reduce team cohesion and productivity. This highlights a key dissimilarity: while

several scholars celebrate diversity as a strategic advantage, others point to its potential pitfalls when poorly managed. Further complexity arises in the structural and industry-specific context. According to PricewaterhouseCoopers (2013), organizational size, sector (e.g., manufacturing, electronics), and structural design can either facilitate or constrain innovation. Larger firms in competitive industries are typically more responsive to change, whereas smaller firms or those in less competitive environments may underinvest in innovation due to limited resources.

While there is broad consensus on the strategic benefits of workforce diversity and inclusion, divergences remain regarding the conditions under which these benefits are realized. This study, therefore, aims to explore how diversity and inclusion practices influence organizational innovation, with implications for leaders and HR practitioners tasked with building adaptable, high-performing teams.

II. LITERATURE REVIEW

a) Workforce diversity

The literature on workplace diversity reveals a wide spectrum of perspectives regarding its definition, implications, and outcomes. While no single definition fully captures the complexity of diversity, Kreitz (2008) offers a foundational understanding by defining it as “any significant difference that distinguishes one individual from another.” This inclusive view resonates with Urick (2017), who argues that treating the workforce as a homogenous entity limits organizational effectiveness, as diverse individuals require context-sensitive social treatment. A consistent similarity across multiple scholars is the recognition of diversity as a vital contributor to both employee and organizational development. Corritore et al. (2020) emphasize the importance of diversity-conscious HRM practices for attracting, retaining, and developing a diverse workforce, while Cropanzano and Mitchell (2005), drawing from social exchange theory, explain that employees exhibit positive behaviors and greater productivity when they feel their contributions are valued. Forbes (2021) supports this by linking diversity-oriented practices to reduced bias and increased innovation. Khan (2019) further asserts that the integration of diverse talents leads to improved performance when managed effectively. A point of divergence arises in the empirical findings related to the impact of demographic diversity on performance. For instance, Pathak and Purkayastha (2016) find that top-level gender diversity improves decision-making and organizational performance. In contrast, Singh and Vinnicombe (2004), along with Mavin (2016) and Gatrell and Swan (2008), discuss the persistent underrepresentation of women in leadership, highlighting the “glass ceiling” that restricts their advancement. These studies expose a contradiction: while gender diversity is acknowledged as beneficial, systemic barriers continue to hinder progress. Similarly, the impacts of ethnic and racial diversity are viewed both positively and negatively. Marimuthu (2008) and Setati et al. (2019) report that ethnic and gender diversity at the board or employee level enhances organizational performance in contexts like Malaysian firms and South African higher education, respectively. However, Harrison and Klein (2007) argue that unmanaged racial, ethnic, and age diversity may damage cohesion and performance, especially if subgroups feel disenfranchised. Generational diversity introduces another layer of complexity. Johnson and Johnson (2010) and Zemke et al. (2013) discuss how generational cohorts develop distinct workplace expectations based on shared historical experiences. The challenge of bridging generational gaps is echoed in the assumption by Khan (2019) that diversity, when well-integrated, yields positive results. However, Joseph and Selvaraj (2015) present a contradictory view, finding no significant correlation between diversity dimensions (age, gender, ethnicity) and employee performance in their Singapore-based study, suggesting a context-dependent nature of diversity outcomes. The sectoral variation in diversity impact also presents a mix of similarities and dissimilarities. Mathan (2018) identifies both positive and negative outcomes of diversity in the banking sector, varying by management level. Yao et al. (2019) in the hospitality sector argue that high turnover rates are more linked to job nature than to diversity, implying operational rather than demographic causes. Employee and stakeholder perceptions offer further insight. Kundu, Bansal, and Purthi (2019) highlight the importance of employee perspectives in evaluating the effectiveness of diversity initiatives. This is echoed by Gomez and Valdes (2019) in the context of higher

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education, where student surveys are used to assess faculty performance, emphasizing the value of stakeholder feedback in assessing diversity outcomes.

b) Organizational Innovativeness

Innovation is widely recognized as a critical determinant of organizational growth and competitiveness. Companies that prioritize innovation tend to outperform their less innovative counterparts. For instance, the PwC Global Innovation Survey (PricewaterhouseCoopers, 2013) revealed that the most innovative companies experienced 38% growth over three years, compared to just 10% among the least innovative firms. This illustrates the direct correlation between innovation and organizational performance. While innovation is universally acknowledged as vital, scholars diverge in their interpretations of its scope. Fatur and Likar (2009, 2010) emphasize the multidimensional nature of innovation, defining it as the creation of better products, services, processes, and technologies, broadly acceptable to markets, governments, and society. Similarly, Tohidi and Jabbari (2012) argue that innovation implies deep, structural transformations in industries and supports organizational growth in a dynamic business environment. Wijk et al. (2008) further elaborate on its impact, highlighting its significance in areas such as job satisfaction, quality management, knowledge systems, and overall firm sustainability. Innovation's relationship with human resources is also extensively discussed. Maier et al. (2014) underscore that human capital is a key driver of innovation, fostering a competitive organizational culture and creating systems that support creative processes. In this context, effective human resource strategies are essential to creating an environment conducive to innovation. Regional studies present both similarities and contrasts. The Middle East, particularly the UAE, has emerged as a distinctive example of embracing innovation despite the broader regional lag in knowledge production. While Gul et al. (2015) highlight the UAE's strategic embrace of innovation for peace and economic prosperity, Ryan and Daly (2019) reinforce this by noting the country's investments in education and innovation as pillars of its knowledge-based economy. This contrasts with the general innovation gap observed across the rest of the Middle East, where political and socio-economic diversity creates barriers to innovation diffusion.

III. RESEARCH METHODOLOGIES

This study aims to examine the relationship between workforce diversity and organisational innovativeness among faculty members in Higher Education Institutes (HEIs), with a particular focus on the diversity management practices adopted across various institutions. A descriptive-causal research design was adopted to explore patterns and test potential causal linkages. A systematic multistage sampling strategy was employed to ensure comprehensive representation across different universities. In the first stage, purposive sampling was used to select universities based on their geographic distribution and classification as tertiary institutions. In the second stage, random sampling was applied to select departments within these universities. Finally, stratified sampling was used to select faculty members, ensuring balanced representation across academic ranks (e.g., assistant professors, associate professors, professors) and academic disciplines. Primary data were gathered through structured questionnaires administered to faculty members from the selected institutions. Out of the 500 questionnaires distributed, 400 valid responses were received, yielding an effective response rate of 80%.

IV. RESULTS AND FINDINGS

Data on workforce diversity were collected using a structured rating scale comprising 24 statements, representing four key dimensions of workforce diversity. Organisational innovativeness was measured using a Likert scale based on 9 variables designed to capture various aspects of innovation within Higher Education Institutes (HEIs). To examine the relationship between workforce diversity and organisational innovativeness, correlation analysis was employed. This statistical method was used to determine the strength and direction of the association between the diversity dimensions (Receptivity to diversity, Equal representation, Hire and retain diverse employees and Promotion of gender diversity) and the innovation-related variables.

Table 1: Reliability statistics for dimensions of workforce diversity

S.No.	Dimensions Of Workforce Diversity	Number variables	of Reliability statistics
1	Receptivity to diversity and diversity management (RECP)	8	.896
2	Equal representation and developmental opportunities (EQUAL)	5	.860
3	Hire and retain diverse employees(HIRE)	3	.844
4	Promotion of gender diversity(GEND)	2	.892
5	Organizational Innovativeness	9	.854

Table 1 presents the reliability statistics (Cronbach's Alpha values) for the various dimensions of workforce diversity and organizational innovativeness. These values assess the internal consistency of the items within each dimension, indicating how closely related the items are as a group. Generally, a Cronbach's Alpha value of 0.70 or above is considered acceptable, with higher values indicating stronger reliability. The dimension "Receptivity to diversity and diversity management (RECP)" consists of 8 variables and shows a high reliability score of 0.896, suggesting strong internal consistency among the items measuring this construct. "Equal representation and developmental opportunities (EQUAL)" includes 5 items and has a reliability score of 0.860, indicating good consistency. Similarly, the "Hire and retain diverse employees (HIRE)" dimension, with 3 items, exhibits a Cronbach's Alpha of 0.844, which is also within the acceptable range. The "Promotion of gender diversity (GEND)" dimension, although comprising only 2 items, demonstrates a high reliability score of 0.892, indicating that the items are well-aligned in measuring this construct. Finally, "Organizational Innovativeness" is measured using 9 variables and yields a reliability coefficient of 0.854, confirming that the items collectively provide a reliable measure of innovativeness.

Table 2: Correction among variables under study

Correlations		Receptivity to diversity	Equal representation	Hire and retain diverse employees	Promotion of gender diversity	Organizational Innovativeness
Receptivity to diversity	Pearson Correlation	1	.030	.108*	.637**	.225**
	Sig. (2-tailed)		.554	.031	.000	.000
Equal representation	Pearson Correlation	.030	1	.169**	.508**	.282**
	Sig. (2-tailed)	.554		.001	.000	.000
Hire and retain diverse employees	Pearson Correlation	.108*	-.169**	1	.302**	.538**
	Sig. (2-tailed)	.031	.001		.000	.000
Promotion of gender diversity	Pearson Correlation	.637**	.508**	.302**	1	.500**
	Sig. (2-tailed)	.000	.000	.000		.000
Organizational Innovativeness	Pearson Correlation	.225**	.282**	.538**	.500**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

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

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

Based on the correlation analysis, the hypotheses regarding the relationship between workforce diversity and various dimensions were tested.

H0a: There is no significant relationship between Workforce diversity and Receptivity to diversity.

H1a: There is a significant relationship between Workforce diversity and Receptivity to diversity.

The results revealed a statistically significant positive correlation between workforce diversity and receptivity to diversity ($r = 0.225$, $p < 0.01$), leading to the rejection of the null hypothesis (H0a). This indicates that as workforce diversity improves, faculty members are more receptive to diverse perspectives within their institutions.

H0b: There is no significant relationship between Workforce diversity and Equal representation H1b: There is a significant relationship between Workforce diversity and Equal representation

Similarly, a significant positive relationship was found between workforce diversity and equal representation ($r = 0.282$, $p < 0.01$), resulting in the rejection of H0b. This implies that institutions with better diversity practices tend to offer more balanced representation across different groups.

H0c: There is no significant relationship between Workforce diversity and Promotion of gender diversity.

H1c: There is a significant relationship between Workforce diversity and Promotion of gender diversity.

Furthermore, the relationship between workforce diversity and the promotion of gender diversity was also statistically significant and strongly positive ($r = 0.500$, $p < 0.01$), which supports the rejection of H0c. This suggests that a diverse workforce contributes to more active efforts in promoting gender equality.

H0d: There is no significant relationship between Workforce diversity and Organizational Innovativeness.

H1d: There is a significant relationship between Workforce diversity and Organizational Innovativeness.

Finally, a significant correlation was observed between workforce diversity and organizational innovativeness, particularly through the variables like hiring and retaining diverse employees ($r = 0.538$, $p < 0.01$) and promotion of gender diversity ($r = 0.500$, $p < 0.01$). Consequently, the null hypothesis H0d was also rejected. This confirms that workforce diversity significantly enhances the innovative capacity of Higher Education Institutions by bringing varied perspectives, experiences, and ideas into the organizational environment.

V. CONCLUSION

In conclusion, this study has demonstrated that various dimensions of workforce diversity significantly influence organizational innovativeness in Higher Education Institutes (HEIs). The positive relationships observed between workforce diversity and key diversity management practices, such as receptivity to diversity, equal representation, the hiring and retention of diverse employees, and the promotion of gender diversity, underscore the importance of a diverse workforce in fostering innovative environments. Specifically, the strong correlation between workforce diversity and organizational innovativeness, particularly through the promotion of gender diversity and the hiring and retention of diverse employees, suggests that diverse perspectives and experiences contribute to the creative and innovative capacity of HEIs. These findings emphasize that diversity is not merely a demographic characteristic but a key driver of organizational change and innovation. Furthermore, the study reveals that a diverse workforce, when supported by inclusive policies and practices, can lead to a more open, dynamic, and innovative organizational culture. By embracing diversity at all levels, HEIs can enhance their ability to generate novel ideas, adapt to changing educational needs, and improve overall institutional performance. Consequently, these findings have practical implications for university leadership and policymakers, highlighting the need for strategic diversity management that goes beyond mere representation to actively promote diversity across all facets of the institution. Future research may further explore

the mechanisms through which different dimensions of workforce diversity interact with organizational innovativeness, potentially revealing additional insights into the complex relationship between diversity and innovation.

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