Managing a Diverse Workforce in Zambian Firms

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ABSTRACT

This study aims to examine the impact of workforce diversity on organizational performance within Zambian firms, specifically focusing on how diversity constructs like gender, age, and cultural background are mediated through leadership and organizational policies and procedures. Employing a cross-sectional research design, primary data were collected from 197 informants using a 5-point Likert scale questionnaire. Hierarchical multiple regression analyses were conducted to test the relationships among the variables. The analysis revealed strong positive correlations between organizational performance and leadership (68%) and organizational policies and procedures (81.1%). Both models confirmed statistically significant relationships (p < 0.01) between performance outcomes and diversity constructs, including gender, age, and cultural background, as well as mediating variables like leadership and policies. The findings offer theoretical foundations and practical insights into the nexus between diversity constructs and performance outcomes in the context of Zambian firms, emphasizing the crucial mediating roles of leadership and policies. This study contributes to the existing literature by focusing on an under-researched context i.e. Zambian firms and by introducing the mediating roles of leadership and organizational policies and procedures in the relationship between diversity and performance.

Keywords: workforce diversity, performance, leadership, policies and procedures

JEL Classification: M14, L25

INTRODUCTION

Workforce diversity has become a hot topic in both academic and corporate settings in recent years. The aspects of diversity are multifaceted, including not only age, gender, and cultural background but also dimensions like religious beliefs, mental and physical abilities, and sexual orientation. A growing body of research indicates a strong positive relationship between a diverse workforce and multiple aspects of organizational performance, such as innovation and financial growth (Ehilebo et al., 2022; Rafaqat et al., 2022). However, the contexts and methods in which these studies were conducted limit their universal applicability.

Nevertheless, embracing diversity also presents challenges. Diverse teams may offer a wider range of perspectives and solutions but can also be a source of potential conflicts and misunderstandings (Confetto et al., 2023). The impact of diversity on organizational performance remains a subject of debate, especially in emerging markets like Zambia, which present unique challenges and opportunities.

Historically, workforce diversity has evolved from being a compliance requirement to a strategic organizational asset. Early research often categorized group differences, but modern studies dig deeper, exploring the value and impact of diversity in different work settings (Elhoushy et al., 2023; Roberson et al., 2017). Today, organizations are acutely aware that a genuine commitment to diversity and inclusion can attract a more varied workforce. However, the effectiveness of this commitment is often reflected in how companies communicate about diversity. While some companies issue generic messages, others lend credibility to their intentions by detailing specific initiatives. As the field of diversity continues to evolve, researchers are now focused on understanding the underlying conditions and mechanisms that dictate whether diversity has positive or negative effects within organizations (Confetto et al., 2023).

Even though the subject has received much attention, there is a glaring deficit in the empirical evidence accessible specifically for Zambian enterprises. This absence also pertains to organizational strategies and leadership's ability to mitigate the effects of diversity on performance (Kele & Cassell, 2023). This study aims to empirically analyze the results of managing a diverse workforce in the context of Zambian firms in order to fill these gaps. The study examines the connections between several facets of diversity, including gender, age, and cultural background, and organizational performance. It also looks at how leadership and internal policies play a part in this relationship. Using a cross-sectional research approach, data for this study were gathered from informants in various sectors throughout Zambia.
The goal of this research is to contribute in various ways. Firstly, it adds to the limited body of knowledge on diversity in the Zambian business landscape, offering insights into the challenges and opportunities specific to emerging markets. Secondly, it introduces the concept of mediating factors like leadership and organizational policies that influence the relationship between diversity and performance. By doing so, this study hopes to offer both theoretical frameworks and practical guidelines for organizations seeking to leverage the advantages of a diverse workforce in Zambia.

**LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

This study built its foundation on the social identity theory proposed by Tajfel et al. (1979) and further covered by other scholars (Brown, 2000; Burke, 1980; Stets & Burke, 2000), and continues to present itself as critical in explaining diversity in the workplace. According to this theory, an individual's sense of self-worth is driven by their membership in social groups such as race, gender, religion, and culture, to mention a few. Therefore, individuals are more likely to identify with those who are similar and reject working with those who are unlike them. Accordingly, organizations must foster an inclusive culture that recognizes and values variety to prevent intergroup conflict. For example, Harwood (2020) provided discourse on why societal fundamentals led to discrimination among people of different backgrounds, identities, and responses by marginalized groups. The discussion extended to other constructs involved in social identity promotion, including the media and its outcome on audience choice and relationship with social identity among consumers of the content produced. Kusku et al. (2022) added further voice by explaining the differences between employees who feel a sense of belonging and those who feel like outsiders regarding their ideas on how diversity works. The out group members remained dissatisfied with diversity work in their organizations, based on four key factors: competence of diversity actors, integration of diversity work into organizational policies and practices, diversity awareness in HRM functions, and diversity-related employee satisfaction. However, the findings by Moon and Christensen (2020) still emphasized that a positive, varied climate moderated the relationship between racial diversity, functional diversity, tenure diversity, and organizational performance.

**Contextualising Workforce Diversity**

Diversity management is not a novel concept, but its significance has expanded substantially during the past decade. In the past, corporations frequently saw diversity management as a compliance issue, focusing on completing...
legal requirements and preventing prejudice. However, there has been a shift towards a more strategic approach to diversity management in recent years, aggressively capitalizing on the benefits of a diverse workforce and fostering an inclusive environment where all employees feel appreciated and respected. Numerous theoretical frameworks exist for understanding diversity management, including social identity theory, the contact hypothesis, and the paradox of diversity management.

### Defining Workforce Diversity

The concept of workforce diversity is as vast as its accompanying terminology, and no single definition can claim to cover all elements of what constitutes diversity. However, this has not prevented scholars and researchers from investigating the topic and contributing to the ongoing dialogue. Köllen (2021), for instance, emphasizes the necessity to link management practice to the significance of specific diversity components and then to consider establishing desirable objectives for the critical dimensions. This is a significant observation, as the variability of employee traits suggests that profiling individual employee attributes by any company is only worthwhile if tied to the intended objectives. Further, Saxena (2014) provided a definition that first and foremost identified the need to appreciate individual differences and similarities, expressed in various ways such as age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. Therefore, the section below builds hypotheses based on the outcome of the empirical reviews regarding the subject matter.

### Gender Diversity and Performance Outcomes

Due to the rise of affirmative action by many pressure groups that defend marginalized interests, gender is another hot topic. Women’s marginalization dates back to the late 1900s, with some activities reserved for men. After realizing that all personnel, regardless of gender, may expand an organization, this has changed. Gender diversity advocates argue that being an excellent performer is more about attitude and skills than gender. For example, enterprises Brahma et al. (2021) identified a positive association between company performance and the appointment of females to the Board of Directors for 100 companies listed on the Stock Exchange in the United Kingdom, consistent with Provasi and Harasheh (2021) findings about listed Italian companies that met tight gender requirements had higher performance and ethical standards, which did not mean that women do better than men, but everyone should recognize women’s role in increasing organizational
performance (Brahma et al., 2021; Provasi & Harasheh, 2021). Doing so will promote peace, acceptance, and growth among staff. Mousa (2021) found that female academics in Egypt's three higher education institutions boosted workplace contentment. So, management must provide a platform for talent management for all employees, regardless of gender, as part of the organization's long-term strategic plan. According to Kravariti et al. (2023), line managers are crucial to talent management. Every successful company relies on maintaining diligent people who have institutional memory and work hard to achieve goals. In a study conducted in the US, educated employees who felt engaged in the company's inclusive agenda were likelier to stay (Kaifi et al., 2012)

The existing literature has primarily focused on correlating gender diversity with organizational performance, but there is a gap in exploring the mechanisms by which this occurs. Additionally, most studies are limited by their geocentric focus, primarily examining organizations in Western contexts. Furthermore, the scope of gender diversity is often reduced to a binary framework, thereby marginalizing non-binary or transgender individuals. Thus, while the prevailing evidence suggests a positive relationship between gender diversity and performance outcomes, the nature of this relationship remains under explored, and the existing research may lack full inclusivity.

Following the preceding discussion, we propose the following hypothesis:

H1: There is a positive relationship between gender diversity and performance outcomes.

Age Diversity and Performance Outcomes

The impact of age diversity on organizational performance outcomes is a topical issue that cuts across all countries. The changing demographic trends worldwide present unique challenges to employees and organizations. Undeniably, people live longer than before, putting financial pressure on health facilities and social security institutions providing old-age pensions and healthcare. To avert the old age challenge, many governments have raised the retirement age from 55 to 72, resulting in many elderly workers working past retirement to support themselves. Further, age stereotyping is an epidemic that can harm organizational performance if left unchecked. Hence, 21st-century intergenerational workforce management is crucial as it presents a mix of employees with varying ages that require working in unison. Of note is the need for management to develop strategies that harmonize and unify a multi-generational workforce involved in producing goods and services. The absence of strategies can result in unproductivity and dysfunctional conflicts, affecting overall organizational performance. For example, a study of public institutions
in Nigeria, suggests using several tactics to ensure exceptional productivity from all personnel and improve performance outcomes (Solaja & Ogunola, 2016).

Further, Ozaydin (2019) studied the management of numerous age groups in a project in Turkey and found that productivity varied by age and that each category needed specific techniques to boost output. The author believes any institution's management should use broad-based tactics to create age-group harmony. Any CEO must optimize production aspects to benefit the company. Awareness of the differences across age groups puts an organization in a better position because all employees will feel needed and included in everyday operations. Flinchbaugh et al. (2018) highlighted that participatory management is an effective method to boost productivity in any organization and is promoted by considering the viewpoints of different age groups.

The discourse on age diversity tends to focus on the challenges posed by an aging workforce and stereotypes affecting productivity. However, there is a lack of focus on the benefits that an age-diverse workforce brings, such as the inter generational transfer of skills and knowledge. Additionally, most studies use quantitative measures of performance, ignoring qualitative aspects like employee satisfaction and innovation. The current body of work lacks longitudinal studies to track the long-term effects of age diversity on performance outcomes.

Following the preceding discussion, we propose the following hypothesis:

H2: There is a positive relationship between age diversity and performance outcomes.

Cultural Background Diversity and Performance Outcomes

Among the dimensions studied in the literature is the impact of culture on an organization's operations, viewed from two different perspectives. First, any organization develops a culture that influences the behaviour of its personnel over time. Over time, the specific corporate goals and direction instilled in personnel from the organization's identity regarding what it represents and how it conducts business. The second dimension is the informal yet potent cultural link between employees with similar backgrounds and perspectives, which can be a boon or a bane for the organization, depending on its utilization by management to enhance organizational performance. For example, Jones et al. (2022) evaluated the performance outcomes of ethnically varied staff pools in Australian hotels and discovered that the benefits of diversity outweighed the disadvantages. This was further reinforced by Don-Solomon and Fakidouma (2021), who claim that culturally diverse personnel not only give numerous business solutions but also drive the inventive agenda that modern organizations need to remain competitive. This explains why, in a
study of automotive sectors in South Africa, it was concluded that management to devote time and effort to managing culturally diverse workforce as a tool for promoting innovativeness and commercial performance (Khumalo & Zondo, 2021).

The integrated world has led to increased global trade and the expansion of multinational corporations into numerous countries, making this initiative crucial for all organizations. The above evidence demonstrates that globalization has fostered cultural diversity, albeit at varying rates from region to region, and is reinforced by the findings of Kharroubi (2021), who discovered that Europe and North America have greater cultural diversity than some areas of Eastern Europe. Therefore, the management of any enterprise must understand the cultural landscape of the community in which they operate and of their employees, who are the backbone of any productive effort, and then instill the values that foster teamwork and shared goals among all employees and foster a unified strategy and a shared mission for advancing the organization’s objectives.

Cultural diversity is often measured in broad strokes, without a deep dive into how different elements of culture influence organizational behavior. Additionally, there is a lack of focus on how to manage the challenges posed by cultural diversity, such as potential conflicts arising from cultural misunderstandings. The research to date has primarily focused on the positive aspects of diversity, sideling the complexities that come with managing a multicultural workforce. There is a need for case-specific studies that can offer strategies for effective diversity management.

Following the preceding discussion, we propose the following hypothesis:

**H3:** There is a positive relationship between cultural background diversity and performance outcomes.

**Leadership and Performance Outcomes**

Any endeavour to make diversity the focal point of an organization necessitates strong leadership and begins with ensuring that the organization makes a concerted and ongoing effort to encourage diversity and teamwork. Leadership helps tackle the negative overtones that arise from having a diverse ethnic and cultural workforce (Ashikali et al., 2021). Jonsen et al. (2021) further demonstrated that embracing diversity was essential in countries such as France, Germany, Spain, the United Kingdom (UK), and the United States of America (USA) for attracting skilled labour and delivering high-performing teams brought together by a shared desire to increase enterprise productivity and competitiveness.
Employee inclusivity is crucial for attaining a competitive edge in any industry (Alexander et al., 2015). It is important to note that choosing team members based on technical competence requires managers to be objective in their decisions, as advocated by Shaban (2016) and Schreier et al. (2019), who assert that a well-balanced workforce enables enterprises to overcome operational challenges posed by employees from diverse backgrounds. Further, Noon and Ogbonna (2021) advocated promoting pro-diversity goals with a focus on gender and race. Tang et al. (2017) also contributed to the discussion by proposing the adoption of a multi-level theory in China to promote employee inclusion in team management, which is consistent with the author's conviction that insights gleaned from the writings of Tang et al. can serve as a foundation for improved leadership of diverse teams, ensuring any organization success.

Although there is a consensus that strong leadership is essential for managing workforce diversity effectively, the literature is often prescriptive rather than exploratory. There's a shortage of empirical studies examining how leadership styles interact with different types of diversity. In many cases, ‘leadership’ itself remains an ambiguously defined term, lacking specific criteria that can be universally applied. The question of how leadership mediates the relationship between diversity and performance remains open for further nuanced investigation.

Following the preceding discussion, we propose the following hypothesis:

**H4**: There is a positive mediating effect of leadership on the relationship between workforce diversity of gender, age and cultural background and performance outcomes.

**Organizational Policies and Procedures and Performance Outcomes**

In addition to providing leadership in the employee diversity initiative, every organization needs to have well-documented rules that, according to Michalicka et al. (2021), provide institutions with policy direction and are significant since they give guidelines for how all employee-related concerns can be handled and are further influenced by the management style adopted at any given moment. There is need to streamline human resources activities and focus not only on resolving dysfunctional conflicts in South Africa but also on addressing all issues that impede the smooth execution of the employee diversity drive (Ikuabe et al., 2022). The findings are also comparable to those of Bartram et al. (2021), who found it beneficial to adopt employee management strategies to integrate individuals with intellectual disabilities into the mainstream workforce. Further, inclusive practices outlined in organizational policies and guidelines catalyzed greater productivity and innovativeness across the entire value chain.
in the United Arab Emirates (Chaudhry et al., 2021). Abaker et al. (2019) also reported that the uniqueness of each employee's disposition plays a critical role in retaining skilled workers and providing solutions to the various market segments, with Dixit and Bajpai (2015) adding a similar voice for the situation in India, which had the most diverse employee pool.

Research in this domain often assumes that the mere presence of diversity policies is indicative of their efficacy, overlooking the implementation gap that can exist in organizations. There is also limited research on how these policies interact with local cultural and social norms, which could significantly influence their success. The studies often ignore the role of employee input in shaping these policies, which can result in a top-down approach that may not be effective in fostering a truly inclusive environment.

Following the preceding discussion, we propose the following hypothesis:

**H5: There is a positive mediating effect of organisational policies and procedures on the relationship between workforce diversity of gender, age and cultural background and performance outcomes.**

In summary, the literature review illustrates the multidimensional nature of workforce diversity, touching upon gender, age, cultural background, leadership, and organizational policies and procedures as salient variables that influence performance outcomes. However, it's essential to conceptually tighten these variables by anchoring them in established theories. As guided by the social identity theory, the nuanced behaviours and attitudes in a diverse workplace are not merely anecdotal observations but are deeply rooted in complex social categorizations and affiliations. By looking through the lens of social identity theory, we can more precisely understand how the ‘in-group’ and ‘out-group’ dynamics may either facilitate or impede performance outcomes. Each hypothesis thus serves as a proposition that empirically tests these theoretical assumptions. The objective is not merely to establish correlations but to elucidate the mechanisms by which diversity dimensions intersect with performance outcomes. By doing so, the study aims to offer both a theoretically robust and empirically enriched narrative that advances the discourse on workforce diversity.

**THEORETICAL FRAMEWORK**

The underpinning Theoretical Framework in Figure 1 below provides a summary of the relationship between the independent variables of workforce diversity (Gender, Age and Cultural Background Diversity), moderating variables (Leadership and Organisational Policies and Procedures) and the dependent variable (Organisational Performance).
RESEARCH METHODOLOGY

Research Design

The study adopts a cross-sectional research design to examine the relationships between dependent (organizational performance), independent (gender, age, and cultural background), and mediating variables (leadership, innovative culture, and organizational policies and procedures). A questionnaire was developed using a 5-point Likert scale to collect data at a single point in time. The questionnaire consisted of multiple sections, each aimed at assessing specific variables. The survey included demographic questions, items measuring attitudes toward workplace diversity, and questions related to organizational policies and leadership styles. The items were validated through a pilot study to ensure reliability and were designed to minimize response bias.

Sampling procedure and data collection

A simple random sampling method was used, targeting a population of 755 employees in public and private organizations in Zambia. The Raosoft Sample Size Calculator indicated a sample size of 255 as appropriate for this population. Data was collected through online and paper surveys distributed to employees in both sectors. Participants were informed about the purpose of the study and assured of their anonymity. A total of 255 responses were gathered, of which 197 were complete and usable for data analysis.
Data analysis method

Data analysis deployed the hierarchical multiple regression method using JASP version 0.17.1 to examine the extent of the relationship among variables represented by the model described below.

Dependent variable \( Y \) = Performance, Independent variables \( X_i \) = \( X_1 \), \( X_2 \) and \( X_3 \), and Control variables \( C_i \) = \( C_1 \) and \( C_2 \); represented by the Population Regression Model (1) below as follows:

\[
Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + C_1 Z_1 + C_2 Z_2 + \ldots \ldots \ldots \ldots \beta_n X_n + \varepsilon \quad (1)
\]

where:
\( \beta_0 \) = Y-intercept, \( \beta_1 \) = Coefficient for Gender Diversity, \( \beta_2 \) = Coefficient for Age Diversity.
\( \beta_3 \) = Coefficient for Cultural Background Diversity (Cult_B), \( C_1 \) = Coefficient for Leadership (Lead), \( C_2 \) = Coefficient for Policies and Procedures (Poli_Pro), and \( \varepsilon \) = Random error term or residual term.

Before conducting the regression analysis, preliminary analyses were carried out to ensure no violation of the assumptions of normality, linearity, and multicollinearity. Dummy variables were created for categorical data, and statistical significance was assessed at the 0.05 level.

RESULTS AND DISCUSSION

Response rate

From the 255 questionnaires randomly administered to respondents, only 197 informants returned them and deemed them useful for the inquiry by the authors, accounting for a 77% response rate. Butler et al. (2018) and Shih and Fan (2008) guide researchers to put the acceptability of the response rate to randomly administered questionnaires at least 50% returns by informants, giving the 77% return rate acceptable for the inquiry.

Reliability score

The reliability test assisted in determining the internal consistency of the variables under consideration. Table 1 below reports a Cronbach alpha value of 0.74, which, provided an acceptable benchmark for the collected data.
Table 1.
Frequentist Scale Reliability Statistics

<table>
<thead>
<tr>
<th>Estimate</th>
<th>Cronbach α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Point estimate</td>
<td>0.740</td>
</tr>
<tr>
<td>95% CI lower bound</td>
<td>0.680</td>
</tr>
<tr>
<td>95% CI upper bound</td>
<td>0.790</td>
</tr>
</tbody>
</table>

Correlation analysis

We determined the magnitude and orientation of a link between the explanatory and outcome variables by computing their correlation coefficient (r), which guided the relationships’ direction, strength, and significance, as shown in Table 2 below. A strong positive correlation of 70.4% subsisted between organizational performance and cultural background diversity, with gender and age showing no significant correlation with organizational performance. In addition, evidence indicates a strong positive correlation between organizational performance and leadership (68%) and policies and procedures (81.1%).

Table 2.
Correlations between explanatory and outcome variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.Performance</td>
<td>Pearson's r -</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>2.Gender</td>
<td>Pearson's r -0.013</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.859</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>3.Age</td>
<td>Pearson's r 0.045</td>
<td>0.217**</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>0.527</td>
<td>0.002</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>4.Cultural_Back</td>
<td>Pearson's r 0.704***</td>
<td>0.042</td>
<td>0.045</td>
<td>—</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>&lt;.001</td>
<td>0.559</td>
<td>0.534</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td>5. Leadership</td>
<td>Pearson's r 0.680***</td>
<td>0.005</td>
<td>0.093</td>
<td>0.580***</td>
<td>—</td>
<td></td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>&lt;.001</td>
<td>0.949</td>
<td>0.194</td>
<td>&lt;.001</td>
<td>—</td>
</tr>
<tr>
<td>6. Policies_Procedures</td>
<td>Pearson's r 0.811***</td>
<td>-0.032</td>
<td>0.120</td>
<td>0.721</td>
<td>0.696</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>p-value</td>
<td>&lt;.001</td>
<td>0.653</td>
<td>0.092</td>
<td>&lt;.001</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>

* p < .05, ** p < .01, *** p <.001

Hypothesis testing

The model summary in Table 3 reports the extent of the variations among model variables. Model 1 (H1) indicates that overall, the variations in organizational performance ($R^2 = 70.8\%$, adjusted $R^2 = 70.1\%$) are attributed to the independent
variables of gender diversity, age diversity, cultural diversity, leadership, and policies and procedures. In addition, Model 0 (H0) evidence indicates variations in organizational performance ($R^2 = 68.4\%$, adjusted $R^2 = 68.1\%$) attributable solely to control variables of leadership and policies and procedures. In terms of individual contributions to the variations in organizational performance by the control variables, Model 0 (H0) indicates that leadership and policies and procedures account for 68.4% ($R^2$ Change = 68.4%), with 2.4% ($R^2$ Change = 2.4%) attributable to the other predictors (gender diversity, age diversity, and cultural background diversity) in Model 1 (H1). Therefore, evidence indicates a strong influence of control variables on performance outcomes.

**Table 3.**
Model summary – Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>RMSE</th>
<th>$R^2$ Change</th>
<th>F Change</th>
<th>Df1</th>
<th>Df2</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0</td>
<td>0.827</td>
<td>0.684</td>
<td>0.681</td>
<td>0.497</td>
<td>0.684</td>
<td>209.874</td>
<td>2</td>
<td>194</td>
<td>&lt;.001</td>
</tr>
<tr>
<td>H1</td>
<td>0.842</td>
<td>0.708</td>
<td>0.701</td>
<td>0.482</td>
<td>0.024</td>
<td>5.301</td>
<td>3</td>
<td>191</td>
<td>0.002</td>
</tr>
</tbody>
</table>

Note. Null model includes Leadership, Policies_Procedures

Table 4 reports the assessment undertaken by the authors in ascertaining the regression model's statistical significance in predicting the outcomes of the relationships among variables using the Analysis of Variance (ANOVA) methodology. The overall regression model represented in Model 1 (H1) indicates a statistically significant relationship between the outcome variable (performance) and predictors (gender, age, cultural background, leadership, and policies and procedures) at $p < 0.001$, which is less than 0.01. In addition, evidence from Model 0 (H0) indicates a statistically significant relationship between performance outcomes and control variables (leadership and policies and procedures) at $p < 0.002$, which is less than 0.01. Therefore, we conclude that the two regression models represented by Model 0 and Model 1 were fit for use as predictors of the outcomes of the relationship between variables in the inquiry.

In examining the individual contributions of each predictor to the outcome variable, the authors used the findings reported in Table 5 below. In Model 0 (H0), evidence indicates a statistically significant relationship between organizational performance outcomes and leadership ($b = 0.225$ and $p < 0.001$) and policies and procedures ($b = 0.654$ and $p < 0.001$), with the latter contributing the highest. In the overall regression model represented by Model 1 (H1) at 95% confidence level, the relationship between performance and cultural background diversity ($b = 0.213$ and $p < 0.001$) provided statistically significant results for the main variables, while gender diversity ($b = 0.005$ and $p = 0.909$) and age diversity ($b = -0.047$ and $p = 0.251$) provided statistically insignificant relationships with
organizational performance. In addition, the individual contributions of the control variables (Policies and Procedures (b = 0.529 and p < 0.001) contributing the highest and Leadership (b = 0.193 and p < 0.001) the lowest) in the overall model (H₁) indicated a statistically significant relationship with the outcome variable. Therefore, the authors conclude that while cultural background diversity influenced performance outcomes, control variables of leadership and policies and procedures also influenced performance outcomes. Further, policies and procedures contributed the highest (b = 0.529 and p < 0.001), followed by cultural background diversity (b = 0.213 and p < 0.001), with leadership (b = 0.193 and p < 0.001) providing the lowest contribution. The following equation illustrates the overall results based on the population regression model (2).

In equation:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + C_1 Z_1 + C_2 Z_2 + \cdots + \beta_n X_n + \epsilon \]  \hspace{1cm} (2)

as:

\[ Y=0.920+0.005\text{Gender}–0.046\text{Age}+0.193\text{Cult}\_B+0.193\text{Lead} +0.463\text{Poli}\_\text{Pro} \]  \hspace{1cm} (2)
<table>
<thead>
<tr>
<th>Model</th>
<th>Beta (Unstandardized)</th>
<th>Std. Error</th>
<th>Beta (Standardized)</th>
<th>Std. Error</th>
<th>t-statistic</th>
<th>Sig.</th>
<th>95% CI Lower</th>
<th>95% CI Upper</th>
<th>Collinearity Statistics</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>H0 (Intercept)</td>
<td>1.021</td>
<td>0.182</td>
<td></td>
<td></td>
<td>5.621</td>
<td>&lt; .001</td>
<td>0.663</td>
<td>1.379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>0.225</td>
<td>0.056</td>
<td>0.225</td>
<td>0.056</td>
<td>4.006</td>
<td>&lt; .001</td>
<td>0.114</td>
<td>0.336</td>
<td>0.516</td>
<td>1.938</td>
</tr>
<tr>
<td>Poli_Pro</td>
<td>0.573</td>
<td>0.049</td>
<td>0.654</td>
<td>0.049</td>
<td>11.644</td>
<td>&lt; .001</td>
<td>0.476</td>
<td>0.670</td>
<td>0.516</td>
<td>1.938</td>
</tr>
<tr>
<td>H1 (Intercept)</td>
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<td>0.223</td>
<td></td>
<td></td>
<td>4.133</td>
<td>&lt; .001</td>
<td>0.481</td>
<td>1.359</td>
<td>0.516</td>
<td>1.938</td>
</tr>
<tr>
<td>Gender</td>
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<td>0.040</td>
<td>-0.047</td>
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<td>-1.152</td>
<td>&lt; .001</td>
<td>-0.126</td>
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<tr>
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<td>0.052</td>
<td>0.213</td>
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<td>3.699</td>
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<td>Leadership</td>
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<td>0.350</td>
<td>0.577</td>
<td>0.938</td>
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DISCUSSION

The authors investigated the performance outcomes of managing a diverse workforce in Zambian firms by exploring variables that may impact organizational performance, such as age, gender, and cultural background, while also exploring the mediating effect on the performance of other vital constructs like leadership and organizational policies and procedures.

Empirical findings from other studies regarding gender diversity indicated a positive relationship with performance outcomes. For example, Russen et al. (2021) indicated the link between female role models and performance improvement in the hospitality industry. Further, Brahma et al. (2021) reported improved financial performance among FTSE 100 firms in the UK on account of gender diversity. Dwaikat et al. (2021) reported similar findings in Palestinian firms, while Galletta et al. (2021) also attributed improved sustainability performance to gender (Dwaikat et al., 2021). Similarly, Kiefer et al. (2022) reported that female-led businesses performed poorly compared to those operated by male counterparts.

However, study outcomes provided evidence of a statistically insignificant relationship between gender diversity and performance outcomes. While the study outcomes appear unique given the consensus from existing literature about the positive relationships between gender diversity and performance outcomes, the results appear consistent with the Hedija and Němec (2021) study, which found the gender composition of the executive body statistically insignificant in its impact on the firm’s performance and financial health. Further, mixed gender did not improve corporate social responsibility performance by Australian firms (Rao & Tilt, 2021). In addition, mixed results suggest that propagating a positive relationship between gender and performance outcomes may be inconclusive without considering other factors that impact outcomes. For example, Papangkorn et al. (2021) showed a positive relationship between gender and performance during the 2008 economic crisis while being inconclusive during other periods. Therefore, the authors assert that in order to fully realize the benefits of gender diversity, organizations must actively combat gender biases and foster an inclusive culture. Successful diversity management demands open communication and knowledge exchange among team members, regardless of their gender. In order to foster inclusivity and maximize the benefits of diverse teams, organizations must establish a transparent and respectful culture.

Mixed results from existing empirical studies exist regarding age diversity and its impact on performance outcomes. For example, Wegge and Meyer (2020) reported inconclusive outcomes in the absence of more dimensions within
the age diversity that required examination before conclusively indicating the outcome. While some studies reported a positive relationship between age diversity and performance outcomes (Bellotti et al., 2022; Sousa et al., 2021), results from the present study indicated contrarian results. The authors’ findings appear consistent with other studies. For example, Prior Jonson et al., (2020) found that age diversity negatively impacted performance when driven by the desire to increase gender equality in South Africa (Jonsen et al., 2021). Subjective-age diversity negatively affected bonding social capital in German organizations (Kunze et al., 2021). Bryson et al. (2020) found no link between age and workplace financial success, suggesting that companies’ reluctance to hire older workers proved unjustified given the study’s outcome. Butler et al. (2018) added further voice by contending that inter generational teams appreciated talent, not age, and implored employers to value each team member’s skills and experiences. Therefore, the authors assert that by investing in the development and training of all employees, organizations can foster the growth and potential of their personnel and not focus on age stereotyping, as doing so eliminates communication obstacles and misconceptions while promoting team cohesion and superior performance.

Results from the study found a strong statistically significant relationship between organizational performance and cultural background diversity. In addition, several other studies reported consistent findings about the positive relationships between performance and cultural background diversity. For example, Akpoviro et al. (2018) reported a positive impact on frozen fish companies in Nigeria, while Ayega and Muathe (2018) identified workplace cultural diversity as an essential tool for the firm to use in gaining a competitive advantage over other rivals. Several studies also attributed improved organizational performance to cultural background diversity (Lo et al., 2020; Mahfouz & Muhumed, 2020; Zain-Ul-Abidin et al., 2020). Other researches included improved organizational productivity and customer service (Goswami & Rangaswamy, 2019), improved organizational performance, strategic decision-making, and innovation in the automobile industry in South Africa (Khumalo & Zondo, 2021), and safeguarding integrity through cultural diversity and management styles (Adeshola et al., 2022). Therefore, the authors resonate with the study’s findings as well as others reported by scholars and contend that continuously encouraging employees to appreciate one another’s differences, educating them about cultural norms and differences, and cultivating cross-cultural dialogue to develop a diverse workplace culture that welcomes people of all backgrounds becomes an essential catalyst for inclusiveness. Gallou et al. (2021) also support the assertion by the authors in the study that provided evidence that linked the change in employees from concentrating on cultural group norms to a more inclusive approach as employees’ tenure in the
organization increased.

Results from the study provided evidence of a strong positive mediating effect of leadership on the relationship between workforce diversity in terms of gender, age, and cultural background and performance outcomes. The results show consistency with other reports that provided evidence of the link between leadership and improved organizational performance (Aras & Jufri, 2022; Bataineh et al., 2022; Madanchian et al., 2016; Ullah et al., 2022). Other researches showed the role leadership responsibility played in cultivating a positive organizational culture (Christopher & Edwinah, 2022), organizational citizenship behaviour (Alsayyed et al., 2020), improved innovation in the information technology sector (Arif & Akram, 2018; Jaroliya & Gyanchandani, 2022), the hospitality industry in Ghana (Day et al., 2022), and financial services in Ghana (Kyei-Frimpong et al., 2022). The findings from existing literature and the study under review resonate with the author’s beliefs about the importance of leadership in organizations. Therefore, authors contend that effective diversity management necessitates managers with the skills to foster inclusiveness and respect, which forms a requirement for firms operating in multiple nations that may require navigating varying cultural norms and expectations about diversity and inclusion. As a result, promoting diversity and creating inclusive workplaces requires effective cross-cultural communication and management techniques. At the center of the discourse is good leadership, which is necessary for fostering diversity and establishing inclusive workplaces. Diverse and inclusive leaders can increase employee engagement, retention, and productivity. In contrast, leaders who do not value diversity may perpetuate biases and discrimination, resulting in unfavourable organizational outcomes.

POLICIES AND PROCEDURES

Study outcomes indicated a strong positive mediating effect of organizational policies and procedures on the relationship between workforce diversity of gender, age, and cultural background and performance outcomes. The findings seem consistent with other studies that examined the relationship between organizational performance and policies and procedures. For example, Godbless et al. (2020) provided evidence that a well-documented grievance-handling procedure positively affects performance in Nigerian banks, with similar outcomes reported by Phiri and Phiri (2022) on the organizational performance at the National Assembly of Zambia. Similarly, Obeidat et al. (2020) reported a positive impact of internal environmental control and human resources practices on environmental performance in the Qatari oil and gas industry. Others of note included a positive correlation between the reward system and employee performance (Francis et al., 2020), organizational policy...
moderating employee commitment to strategy implementation (Murthy & Kumar, 2021), and strategic performance (Nwachukwu et al., 2020).

Moreover, empirical data affirming a positive correlation between internal controls and performance outcomes underscores the significance of these constructs (Abiodun, 2020; Jayalakshmi et al., 2023). In alignment with these findings, the study argues that effective management of workforce diversity necessitates a comprehensive, top-down leadership approach. This should encompass the formulation of robust policies and procedures aimed at fostering an inclusive environment. Communication channels need to be transparent, encouraging inclusivity while actively discouraging discriminatory practices. Talent management should prioritize an individual’s skills and competencies, irrespective of race, ethnicity, or religious beliefs.

Additionally, setting specific diversity goals, implementing anti-discrimination measures, and offering comprehensive training programs in diversity and inclusion are critical to the development of effective diversity policies. Hence, organizations should commit to providing the requisite resources for successfully managing diversity and fostering an inclusive culture, which includes specialized training and development initiatives as well as inclusive policies and procedures.

CONCLUSION

This study explored the implications of workforce diversity on organizational performance within Zambian enterprises, focusing on key variables such as age, gender, cultural background, as well as the mediating roles of leadership and organizational policies. The baseline model (H₀) revealed a statistically significant correlation between leadership practices, organizational policies, and performance outcomes. Furthermore, the comprehensive regression model (H₁) indicated a significant impact of cultural diversity on performance at a 95% confidence level, whereas age and gender diversity did not yield statistically significant results.

Consequently, the study concludes that cultural diversity has a measurable impact on performance outcomes. However, leadership and organizational policies stand as significant control variables affecting performance as well. These findings offer actionable insights for businesses, positioning diversity and inclusion as strategic imperatives for sustainable organizational performance. As such, companies should integrate diversity and inclusion principles into their organizational mission and values to ensure long-term success. To effectively build an inclusive workplace, it is crucial to foster a culture that not only values diversity but actively promotes it, including but not limited to diversifying leadership roles, incentivizing employee engagement in diversity programs,
celebrating cultural differences, and integrating diversity in various managerial positions.

CONFLICT OF INTEREST

The authors unequivocally affirm that there are no existing financial or personal conflicts of interest that could influence the outcome of this study. Additionally, no financial assistance or remuneration has been received for the execution of this research or the composition of this article. We also confirm that we have no direct financial or personal affiliations that could potentially bias the results or interpretations presented herein.

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Simumba & Qutieshat Diverse Workforce in Zambian Firms


