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[Impact of Workforce Diversity on Employee Engagement: The Mediating Role of Inclusion]

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ABSTRACT

This study examines the relationship between workforce diversity and employee engagement. Furthermore, the mediating effect of inclusion was also examined between workforce diversity and employee engagement. This study was conducted at public universities in Pakistan's Malakand division, Khyber-Pakhtunkhwa. For this purpose, a cross-sectional, quantitative study and survey research methodology was adopted. The sample size of 191 faculty members were selected from the total population of 380 in selected public sector universities in Malakand Division. The sample was selected by Krejcie & Morgan (1970) sampling formula technique. For measuring variables, the previously adopted questionnaires were used. The result showed that workforce diversity has a significant effect on employee's engagement, while inclusion plays a mediating role between these two variables. Therefore, a diverse workforce gives every business a competitive edge because it encourages employees to contribute positively to the mission and vision of the company. Further, inclusion is also emphasized in the research, which is essential for any business to include employees in all decisions and treat them as an asset and makes them feel valued and respected. Therefore, diversity initiatives must be complemented with strong inclusion practices. This includes establishing clear inclusion policies, celebrating cultural differences, and ensuring all voices are heard in meetings and decision-making processes. Further, organizations should encourage environments where employees from all backgrounds feel safe to express ideas, provide feedback, and raise concerns. Inclusive communication strengthens the connection between diversity and engagement.

Keywords: Employee Engagement, Inclusion, Workforce Diversity

Introduction

In the 21st century, the world has transformed into a global village where there are no racial, gender, or religious boundaries. Barak (2016) argued that those businesses are succeeding by having a diverse workforce. For this, they needed people with different knowledge, skills, and experiences. Therefore, organizations need to hire a diversified workforce to tackle their challenges. As a result, the presence of people from a wide range of backgrounds, experiences, opinions, and characteristics within an organization, diversity in the workforce has emerged as a crucial factor influencing contemporary workplace features. According to Kaiser and Prange (2004), an undeniable variation in the workforce over time has led to a significant shift in the working conditions of different organizations.

In a similar vein, Kahn (1990) was the first to coin the term "employee engagement." According to Khan, "employee engagement" refers to an employee's effort to become more involved in their work and become involved in the organization. An employee can engage and express themselves physically, emotionally, and psychologically at this stage. Engaging employees psychologically encourages them to pay more attention to the company. The employee has a very positive emotional reaction to the organization and its leadership. Physically, employee engagement can motivate

workers to complete their work for the company. Additionally, according to Gallup (2004), an enthusiastic worker contributes innovative ideas to the organization's success. High engagement employees may go above and beyond what is expected of them. This kind of behavior is able to improve individual's performance.

Furthermore, inclusion is referred to as balancing and satisfying individual needs for uniqueness and belongingness within workgroups (Shore et al., 2011). It can be built through strong interpersonal relationships within groups in which employees feel like they are full members of the group and that their individual expertise has a distinct value and that their points of view are valued. Further, Shore et al. (2011) added that an organization's inclusive behaviors can send informational cues that can balance the need for belonging and the uniqueness of group members to foster individual perceptions of workgroup inclusion. Furthermore, creating a work environment in which group members, regardless of their status hierarchies, feel valued and are considered as group members helps to balance this requirement. Members of the group are encouraged to communicate, share information, and feel a sense of belonging.

Therefore, in this challenging setting, every organization tries to maintain a workforce that is diverse in terms of age, education, experience, and skills in order to meet future challenges and resolve issues. Companies must recognize that today's workforce is becoming increasingly diverse in order to compete. Organizations will fall behind if they don't work to promote policies and practices that support and include people from all backgrounds. According to Thomas & Ely (1996), organizations can benefit from putting diversity practices into practice. Furthermore, Purdie-Vaughns, Steele, Davies, Dittmann, & Crosby (2008), argued improving our comprehension of how organizations can create environments where a diverse workforce experiences trust is a major obstacle facing the diversity of the workforce. Thus high employee perceptions of inclusion will strengthen the connection between diversity practices and trust climate. In this instance, inclusion is significant because it makes it easier for an employee to feel like an insider in the organization by giving them access to crucial networks and decision making procedures (Mor Barak, 2008).

Therefore, the primary goal of this study is to determine the relationship between workforce diversity and employee engagement, with inclusion serving as a mediator. While many organizations in Pakistan have yet to embrace the idea of workforce diversity, some, like the Pakistani higher education sector, have begun actively encouraging workforce diversity practices. This study is therefore motivated by the fact that the concept of workforce diversity in Pakistan is still ambiguous, despite its growing popularity. Therefore, the goal of this study is to also fill this gap. Similarly, to the extent of my knowledge it seems that none of the studies have investigated the mediating role inclusion in the relationship between work force diversity & employees engagement in higher education sector within context of Pakistan.

Objectives

- To examine the relationship among work force diversity (WD) & employee engagement (EE)

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- To test the mediating role of inclusion among WD and EE

Significance of the Study

Understanding the effect of workforce diversity on employee engagement is critically significant in today's increasingly globalized and multicultural work environment. Diverse teams bring a wide range of perspectives, experiences, and skills, which can foster innovation and creativity. However, diversity alone is not sufficient to guarantee positive organizational outcomes. Without a sense of inclusion where employees feel valued, respected, and integrated into the workplace diversity may lead to division or disengagement. By examining inclusion as a mediating factor, this research bridges a crucial gap in existing literature, offering a more nuanced view of how and why diverse workforces can drive higher levels of engagement. This has practical implications for HR policies and procedures, leadership practices, guiding organizations to not only hire diverse talent but also to create inclusive environments where every employee can succeed. Ultimately, the findings can help businesses enhance performance, retention, and employee satisfaction through more informed diversity and inclusion strategies. Thus, this study's findings have a significant impact on the diverse workforce environment of an organization. This calls for a shift in managerial approaches and urges the incorporation of inclusive practices into diversity management procedures to achieve better engagement results.

Literature Review

Workforce Diversity and Employee Engagement

Workforce diversity has emerged as a critical area of focus in contemporary organizational studies, driven by globalization, demographic shifts, and evolving societal values. It refers to the inclusion of individuals from a wide range of backgrounds including but not limited to age, gender, ethnicity, race, religion, disability, and cultural background within an organization (Cox & Blake, 1991). The growing emphasis on diversity reflects not only a legal and ethical imperative but also a strategic business interest, as diverse teams are often associated with increased innovation, creativity, and improved decision-making (Shore et al., 2011).

According to Purdie-Vaughns et al. (2008), the connection between workforce diversity practices and a reliable environment is strengthened by increased employee engagement. The significance of diversity exercise for both individuals and organizations is highlighted by research. Minority work execution is directly impacted by the perspective of a diverse environment (McKay, Avery, and Morris, 2008). In a similar vein, outcomes, such as intentions for turnover and organizational responsibility, are influenced by diversity practices independently of additional race-related compensation considerations (Buttner, Lowe, and Billings-Harris, 2010).

Therefore, the following hypothesis was developed

H1: There is significant & positive association between WD and EE

Workforce Diversity and Inclusion

According to previous studies (Bilimoria, Euphoria, and Liang, 2008; Roberson, 2006), creating conditions where a diverse workforce feels inclusion is important. According to

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Findler, Wind, and Mor Barak (2007), demonstrates a close connection between workforce diversity and inclusion, with an emphasis on employee participation in direction and information sharing.

Therefore, the following hypothesis was developed

H2: There is significant and positive association among WD and inclusion

Inclusion and Employee Engagement

In recent years, the concept of inclusion has gained prominence as organizations strive to create more equitable and engaging workplaces. Inclusion refers to the extent to which employees feel valued, respected, and integrated into the organizational culture, regardless of their individual differences (Mor Barak, 2005). It emphasizes not only the physical presence of diverse individuals but also their psychological safety, sense of belonging, and opportunities for full participation in decision-making processes (Shore et al., 2011).

Leadership plays a critical role in fostering inclusion and, by extension, employee engagement. Inclusive leaders who demonstrate openness, fairness, and support for diverse perspectives create environments in which employees feel more engaged and committed to the organization (Carmeli et al., 2010). In addition, inclusive organizational policies such as flexible work arrangements, equitable recognition systems, and diversity training reinforce a culture that values employee contributions, further enhancing engagement.

Employees' perceptions of job execution and responsibility have been significantly impacted by inclusion (Cho and Mor Barak, 2008).

According to (Hallberg and Schaufeli, 2006) that those organizations in which employees participate in information sharing and trust building experience an increase in interest, responsibility, and devotion to hierarchical objectives.

Therefore, the following hypothesis was developed

H3: There is significant and positive association among inclusion and EE

Inclusion role as a mediator among WD and EE

According to Roberson (2006), is the participation of every member of a workforce in a group, which increases engagement and cooperation while utilizing workforce diversity for business advantage. Further, Kumar and Swetha (2011) suggested that the foundation for enhanced business execution and increased efficiency is the establishment of a workplace that fosters congeniality, fosters positive connections, and attracts energy from employees.

Therefore, the following hypothesis was developed

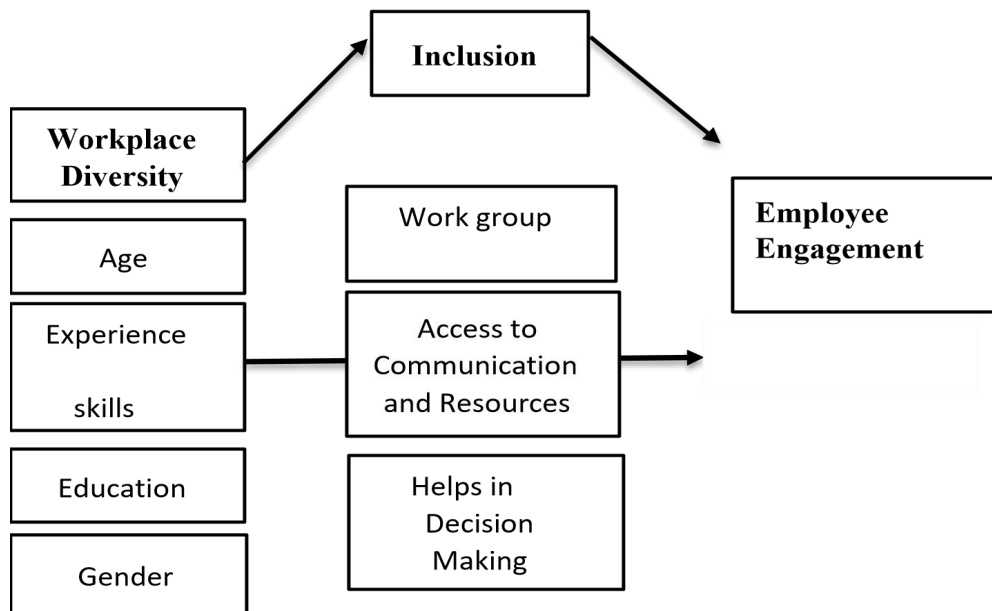
H4: inclusion has a mediating variable between WD and EE

In the light of above literature the following conceptual framework was developed

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Conceptual Framework



Research Methodology

Research Design

For this study, a quantitative research approach was applied by developing hypotheses and utilizing data collection techniques. Thus, the data is collected at a single moment in time, and the study is cross-sectional and survey-based, which implies that data is only obtained from participants once.

Population and Sampling

This study was conducted at public universities in Pakistan's Malakand division, Khyber-Pakhtunkhwa. The sample size of 191 faculty members were selected from the total population of 380 in selected public sector universities in Malakand Division. The sample was selected by Krejcie & Morgan (1970) sampling formula technique.

Measurement

The workforce diversity scale was adapted from Abbas and Hameed (2010), the employee engagement scale from Brusoni (2012), and the inclusion scale from Mor Barak and Cherin (1998). All questions are measured by five-point Likert scales as indicated by (Hair et al., 2006) that the five-point Likert scale was more reasonable than others in social sciences.

Data Collection Procedure

The data was collected through questionnaires. For this google form tool was used distributed with the consent of everyone who received a link to the online questionnaire. Once completed, the questionnaire data is downloaded and analyzed.

Results

Demographic Information

Table 1: Demographic Information of the Survey Participants

	Frequency	Percentage
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Gender		
Male	136	71.20
Female	55	28.80
Age		
30 to 35	67	35.07
35 to 40	70	36.64
40 to 45	50	26.17
45 to 50	4	2.09

Table 1 showed demographic information's that indicates 136 males (71.20%) and 55 females (28.80%) participated in this study. For respondent's age, 35.07% participants belonged to the 30 to 35 years' age category, while (36.64%) belonged to the 35 to 40 years' age category and 2.09 participants belonged to the 45 to 50 years' age category respectively.

Reliability

Table 2 Reliability

Variables	Number of items	Cronbach's Alpha
Work force diversity	21	.76
Employee engagement	13	.88
inclusion	15	.81

The Cronbach alpha values for each variable is above 0.70 so it shows satisfactory reliability for our measures.

Table 3: Multiple Regression Analysis of Variables Association

Variables	Standardized Coefficient (Beta)	T value	Sig
WD-EE	0.74	8.57	000
WD-INC	0.48	6.78	000
EE-INC	0.62	8.34	000
F Value	89.814		
R Square	.72		
Adjusted R Square	.68		

Table.3 above explains results of regression analysis and shows that WD has a significant impact on EE ($\beta=0.74$, $p< 0.05$ and WD affects INC ($\beta=0.48$, $p< 0.05$. the results further show that EE has significant effect on INC where ($\beta=0.62$, $p< 0.05$. all these values are significant and thus support the hypothesis.

Mediation Analysis

Table 4: Mediation Analysis

Step One WD AND EE

	b β	Standard Error	t-value	P-value
Constant	44.3	3.213	4.237	.000
WD	.52	.044	9.470	.000

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R²	.610			
Adjusted R²	.640			
F Statistics	88.479			
Step two WD and inclusion				
	β	Standard Error	t-value	P-value
Constant	41.319	4.725	7.315	.000
WD	.246	.051	5.682	.000
R²	.189			
Adjusted R²	.198			
F Statistics	20.624			
Step Three Inclusion and EE				
	β	Standard Error	t-value	P-value
Constant	19.814	4.331	4.178	.000
Inclusion	.745	3.223	9.234	.000
R²	.587			
Adjusted R²	.578			
F Statistics	134.109			
Step Four Inclusion ,WD and EE				
	β	Standard Error	t-value	P-value
Constant	30.7765	4.234	3.678	.000
INC	.645	.258	8.342	.000
WD	.289	.437	6.778	.000
R²	.746			
Adjusted R²	.759			
F Statistics	117.376			
Sobel Test			4.23	0.000

(Baron and Kenny, 1986) mediation analysis technique was adopted for this study. The mediator's influence on both variables was determined by using the mediation analysis. The Baron and Kenny mediation process has four steps. The independent and dependent variables were linked in the initial phase. The independent and mediator variables were linked in the second phase, then the dependent and mediator variables were linked in the third phase, and the impact of the mediator variable was applied to the independent and dependent variables in the last phase.

Thus, the result shows as mentioned in table (4) that inclusion plays as a mediating role among workforce diversity & employee engagement.

Discussion

Organizations should maintain a diverse workforce like different gender, education, skills,

age, & experiences wise. Further the intervening influence of inclusion enhanced employee engagement. Finding of this study showed significant positive relationship between workforce diversity and employee engagement. Employees should also be included in a way that makes them feel like they are a part of the company and is treated fairly and with respect everywhere. This study is also supported by previous research on the effects of employee engagement and workforce diversity on organizational consequences (Groeneveld, 2011). Further, according to Shore et al. (2011), businesses with a diverse workforce have the advantage of generating new ideas and expertise to compete challenges. April, Katoma, & Peters (2009) provided additional support for the study. That employees feel like they are a part of the organization in which inclusion is practiced, that the organization includes employees in decision-making processes, and that this makes them more motivated to work toward the organization's goals.

Conclusion

In conclusion, this study emphasizes the critical interplay between workforce diversity, inclusion, and employee engagement. While diversity introduces a wide array of perspectives, talents, and experiences into the workplace, it is the presence of an inclusive environment that truly unlocks the potential of this diversity. Inclusion serves as a key mediating factor that enables diverse employees to feel respected, valued, and empowered to contribute fully, thereby enhancing their level of engagement. Without inclusive practices, diversity efforts may fall short, leading to disengagement or workplace fragmentation. Therefore, organizations aiming to maximize the benefits of a diverse workforce must not only focus on representation but also cultivate inclusive cultures that foster belonging and equitable participation. Ultimately, this research highlights that diversity and inclusion are not separate initiatives but interdependent drivers of sustained employee engagement and organizational success.

The hypothesis of this study has been proven correct: there is a strong correlation between employee engagement and workforce diversity. In addition, inclusion has acted as a link between employee engagement and workforce diversity. The study assumes that the universities in the Malakand Division's workforce diversity significantly increases employee engagement. It has been demonstrated that having a workforce that is diverse is a significant benefit for any business because there will be individuals with diverse experiences, skills, knowledge, and education, and they will learn from one another, resulting in a culture in which each employee can benefit from the other. Employee engagement and workforce diversity are significantly mediated by inclusion, according to the research.

Recommendation

Diversity initiatives must be complemented with strong inclusion practices. This includes establishing clear inclusion policies, celebrating cultural differences, and ensuring all voices are heard in meetings and decision-making processes.

Encourage environments where employees from all backgrounds feel safe to express ideas, provide feedback, and raise concerns. Inclusive communication strengthens the connection between diversity and engagement. Furthermore, all universities & other organizations in Pakistan must prioritize diversity initiatives and

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Encourage diversity-preparation programs. And also encourage an environment in the organizations where all employees feel esteemed and regarded.

Limitations and Future Research Directions

This study has a few limitations. The sample was picked from the universities of Malakand division only, however, it should be extended to other universities at the national level. This study provides deeper investigation into the field of workforce diversity and inclusion within academic institutions. Future study should look into the impact of diverse authority on inclusion, the role of mentorship programs in assisting diverse employees, and the efficacy of diversity preparation initiatives. Furthermore, this study is conducted by quantitative research methodology, while further study should be conducted by qualitative research methodology.

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