

EXPLORING THE IMPACT OF WORKFORCE DIVERSITY ON EMPLOYEE PERFORMANCE IN MALAYSIAN PRIVATE UNIVERSITIES

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Abstract: *Workforce diversity plays a critical role in fostering an inclusive and productive workplace, with the potential to enhance innovation, performance, and overall employee satisfaction. In the context of Malaysian private universities, this paper explores the impact of workforce diversity on employee performance, specifically how diverse backgrounds, experiences, and perspectives influence academic outcomes. As higher education institutions increasingly prioritize inclusivity, it is essential to understand the effects of various dimensions of diversity such as ethnicity, gender, age, and academic discipline on teamwork, innovation, and productivity among academic staff. This paper reviews existing theoretical frameworks and proposes methodologies for investigating the relationship between workforce diversity and employee performance in higher education settings. While diversity can stimulate creativity and improve problem-solving, it may also present challenges related to communication and integration within teams. The paper concludes with recommendations for cultivating an inclusive organizational culture that leverages diversity to enhance employee performance in Malaysian private universities.*

Keywords: *Workforce Diversity, Employee Performance, Organizational Culture, Private Universities*

Introduction

In today's fast-changing global environment, workforce diversity has become a crucial factor in driving success and innovation for organizations. Diversity includes a wide range of differences among people, such as age, gender, ethnicity, and education. These differences go beyond simple demographics, offering distinct perspectives, experiences, and skills that can significantly improve an organization's ability to adapt, innovate, and stay competitive in the global market (Cox & Blake, 1991). For organizations, especially those in fields like higher education, leveraging workforce diversity is not just about meeting compliance or social obligations, it's a strategic necessity.

It has been agreed upon through research that a diverse workforce facilitates better employee performance through fostering a more innovative and creative workplace, especially because diverse ways of thinking promote better problem-solving and decision-making while elevating the engagement and job satisfaction of employees. Nevertheless, diversity and its relationship to performance remain complex issues that in turn depend on the organizational culture, styles of leadership, and even the type of job being done. Organizational culture plays a critical role in examining the influence of diversity on performance. A culture of inclusion or one that values diversity allows for increased cooperation, less friction, and greater commitment among the workforces. On the other hand, an organizational culture that is not adapted to support diversity leads to misunderstanding, reduction in team cohesion, and conflict that hurt performance.

Workforce diversity is very instrumental in Malaysian private universities because the society is multicultural and multi-ethnic. This means that these universities shape this knowledge and innovations and, therefore, proper management of workforce diversity acts as a success factor. The diverse institution benefits from a wide range of ideas and standpoints with a mix of local and international staff across different ages, genders, ethnicities, and educational backgrounds. With all these advantages, very few studies have been conducted on Workforce Diversity and its Influence on Performance in Malaysian Private Universities. Most research has been directed to the corporate settings, which is quite different from academic environments (Mushtaque et al., 2021). It is at the universities that the group must balance between collaboration effort and individual research work. Currently, Malaysian private universities face growing competition and pressure to improve their global rankings, attract international students, and contribute to national development goals. Managing workforce diversity effectively is crucial to unlocking human potential, driving innovation, enhancing teaching and research, and boosting overall performance (Abdullah et al., 2023).

Dimension of Diversity Among Workforces

Primary	Secondary	Tertiary
Race	Religion	Beliefs
Ethnicity	Educational Background	Assumptions
Gender	Sexual Orientation Perceptions	Sexual Orientation Perception
Age	Thinking Style	Attitudes
Disability	Geographical Origin	Feelings
	Marital Status	Values
	Political Orientation	Group Norms

Source : Pal and Jain (2021)

Figure 1: Dimensions of Diversity Among Workforces

Problem Statement

Diversity in the workforce has gained much attention in most sectors today, such as education, since it improves organizational performance and enables inclusivity. Workforce diversity entails age, gender, ethnicity, and educational background that carry multiple thoughts, which give birth to creativity and innovation, although there is a possibility of conflict and misunderstandings arising from it, hence influencing employee performance. This study explores workforce diversity and its impact on employee performance in Malaysian private universities-a context in which research into this area is still scant despite the growing importance of the issue.

Malaysian private universities function within a unique socio cultural environment characterized by diverse ethnicities, languages, and cultural practices. These institutions increasingly employ diverse workforces, including individuals of various ages, genders, ethnicities, and educational backgrounds, both local and international. While this diversity reflects Malaysia's societal composition and aims to boost global competitiveness, its impact on employee performance in these universities is not well understood, as most studies focus on corporate settings with different organizational structures and cultures (Mushtaque et al., 2021).

The limited amount of empirical research into how workforce diversity influences performance in private Malaysian universities suggests a severe lack of knowledge in the academic and management literature. Unlike their corporate counterparts, the nature of teaching and research in Malaysian private universities, combined with hierarchical structures, suggests that such effects will differ in nature. It is thus important to understand this very dynamic as part of strategies for improving institutional effectiveness toward attainment of educational excellence. While diversity today is viewed as a strength, if not well managed, it has some drawbacks. Diverse teams can have issues that involve communication, cultural misunderstanding, conflict, and a range of other factors that might adversely impact performance. Organizational culture, therefore, plays a very important role in moderating the effects of diversity on performance: an inclusive culture that values diversity fosters a sense of belonging, respect, and collaboration, enhancing positive outcomes. Thomas et al. (2008) state that, in the absence of this type of culture, tensions rise, and the many advantages of diversity are considerably reduced.

Besides, the numerous diversities and their effects on performance in private Malaysian universities need to be understood. Whereas apparent differences such as gender and ethnicity must be excellently managed to avoid discrimination, less visible diversities like age and educational background equally come with challenges and opportunities. Exploiting these dimensions will give further detail on how diversity management works within academics. The research also investigates workforce diversity on employee performance in private Malaysian universities, organizational culture as moderator in the relationship, and how specific types of diversity might influence performance. This will help provide information to enable university administrators to create an inclusive, high-performing environment.

In trying to answer these questions, the present study attempts to fill a certain literature gap in diversity management at higher education institutions and provide some actionable steps that could be taken to improve employee performance. The understanding of the impact of diversity within this setting would be of paramount importance toward the provision of an inclusive academic environment and toward the realization of educational and research objectives in a

globally competitive environment. The findings are expected to contribute to the broader discussions of diversity and inclusion within higher education and inform effective diversity management practices that are supportive of private universities' strategic goals in Malaysia.

Literature Review

Workforce diversity has become a focal point of research in recent years, especially in sectors like education, where it is increasingly recognized for its potential to enhance organizational performance and inclusivity. In the workplace, diversity encompasses various dimensions such as age, gender, ethnicity, and educational background, all of which contribute unique perspectives that can foster creativity and innovation. However, while diversity can positively impact performance, it may also introduce challenges, such as conflicts or misunderstandings, which, if unmanaged, can undermine employee productivity and cohesion (Hunt et al., 2015).

Despite the growing importance of workforce diversity, research on its effect on employee performance within Malaysian private universities remains limited. This gap in literature is especially notable given Malaysia's multicultural and multi-ethnic society, where universities employ faculty from a diverse range of backgrounds. The impact of such diversity on employee performance in higher education settings has not been adequately explored, especially in comparison to corporate environments, which have been the focus of much existing research.

Malaysian private universities, operating in a unique socio cultural environment, employ staff from diverse ethnicities, genders, ages, and educational backgrounds, both locally and internationally. This diversity reflects Malaysia's broader societal structure and is strategically utilized to enhance universities' global competitiveness (Khushairi et al., 2024). However, the effect of workforce diversity on employee performance in these institutions is not fully understood, as much of the existing literature has focused on corporate environments, where organizational structures and cultures differ significantly.

Universities, unlike corporations, serve a dual purpose of teaching and research, and their hierarchical structures may lead to different dynamics in how diversity affects performance. As such, understanding the interplay between diversity and performance in this context is crucial for developing effective strategies that enhance institutional effectiveness and the quality of education. While diversity is often seen as an asset, its benefits can be compromised if not carefully managed, as it can lead to communication barriers, cultural misunderstandings, and internal conflict, which negatively affect performance. The organizational culture plays a significant role in either mitigating or exacerbating these challenges, thus influencing the outcomes of diversity (Williams & O'Reilly, 1998).

An inclusive organizational culture that actively supports the values of diversity fosters a sense of belonging and mutual respect among employees, which is crucial for teamwork, innovation, and improved performance outcomes (Thomas et al., 2008). Conversely, an organization that lacks such a culture may experience heightened tensions and diminished performance, particularly in an academic setting where collaboration and respect for diverse perspectives are critical. This paper aims to explore how various dimensions of workforce diversity such as ethnicity, gender, age, and educational background affect employee performance in Malaysian private universities and how organizational culture may act as a moderating factor.

Workforce Diversity and Employee Performance

Research indicates that workforce diversity can enhance organizational performance by fostering innovation, creativity, and problem-solving abilities. Diversity encompasses various dimensions, including age, gender, ethnicity, and educational background, each contributing unique perspectives to the workplace. Age diversity, for example, allows organizations to blend the experience of older employees with the energy and new ideas of younger workers, which can lead to more comprehensive solutions (Ng & Feldman, 2012). Gender diversity fosters a more inclusive environment and encourages diverse approaches to management and problem-solving (Joshi & Roh, 2010). Ethnic diversity introduces a range of cultural experiences, enhancing creativity and innovation (Hunt et al., 2015). Educational diversity, meanwhile, broadens the knowledge base of an organization, promoting innovation through a variety of academic and professional perspectives (Siti Murni, 2020).

However, the relationship between workforce diversity and employee performance is not always straightforward. Diversity can lead to increased creativity, but it may also result in communication barriers, misunderstandings, and conflicts if not carefully managed (Williams & O'Reilly, 1998). The impact of diversity on performance depends on a variety of factors, including organizational context, culture, and management practices (Ely & Thomas, 2001).

Organizational Culture as A Moderating Variable

Organizational culture plays a vital role in shaping the effects of diversity on employee performance. A culture that is supportive and inclusive can enhance the positive impacts of diversity by encouraging open communication, mutual respect, and collaboration among employees (Thomas et al., 2008). In contrast, an organizational culture that does not actively support diversity may worsen the challenges that come with it, such as conflicts and miscommunication, ultimately reducing performance.

In higher education institutions, where teaching and research require both independent and collaborative efforts, organizational culture's role becomes even more important. An inclusive culture can harness the diverse skills and perspectives of faculty and staff, improving teaching quality and research productivity (Abdullah et al., 2023). Conversely, a non-inclusive culture may hinder collaboration, reducing overall performance, especially in the complex academic settings of Malaysian private universities.

Workforce Diversity in Malaysian Private Universities

Malaysian private universities employ faculty and staff from diverse backgrounds, reflecting the country's multicultural society. This diversity is a strategic asset, helping universities to improve their global competitiveness and provide a rich educational experience for students (Sharifuddin et al., 2017). However, managing such diversity poses unique challenges, particularly as there is little research on how different dimensions of diversity affect employee performance in the higher education sector. Understanding these effects, along with the moderating role of organizational culture, is essential for developing effective diversity management practices that align with the strategic objectives of Malaysian private universities.

Dimensions Of Diversity and Their Impact on Employee Performance

Organizational There are few dimensions of diversity that have been mentioned and give impact on employee performance. First, age diversity brings together the knowledge and experience of older employees with the fresh ideas and perspectives of younger workers. This blend can enhance employee performance through innovative problem-solving and dynamic

teaching methods. However, generational conflicts, if left unaddressed, may negatively affect performance (Ng & Feldman, 2012).

H1: Age diversity has a significant impact on employee performance in Malaysian private universities.

Second, gender diversity promotes a more inclusive and productive environment by fostering diverse problem-solving and decision-making approaches. In higher education, gender diversity among faculty and staff enhances the learning experience for students and encourages equality. However, gender bias can impede collaboration, which negatively impacts performance (Ely & Thomas, 2001).

H2: Gender diversity has a significant impact on employee performance in Malaysian private universities.

Third, ethnic diversity introduces multiple cultural perspectives that can stimulate creativity and innovation. In Malaysian private universities, ethnic diversity enriches the academic environment, providing diverse role models and mentors for students. However, if not properly managed, ethnic diversity can lead to cultural misunderstandings and conflicts, which could harm performance (Hunt et al., 2015).

H3: Ethnic diversity has a significant impact on employee performance in Malaysian private universities.

Finally, educational background diversity enhances intellectual capital, stimulating creative discussions and collaborations in academic settings. However, differing pedagogical approaches and academic training may cause misalignments, potentially reducing performance (Siti Murni, 2020).

H4: Educational background diversity has a significant impact on employee performance in Malaysian private universities.

Additionally, the study explores how organizational culture moderates these relationships:

H5a: A supportive organizational culture enhances the positive impact of age diversity on employee performance.

H5b: Organizational culture moderates the relationship between gender diversity and employee performance.

H5c: Organizational culture moderates the relationship between ethnic diversity and employee performance.

H5d: Organizational culture moderates the relationship between educational background diversity and employee performance.

This conceptual paper contributes to the literature on workforce diversity by examining its effects on employee performance within Malaysian private universities. By analyzing how different dimensions of diversity interact with organizational culture, this study provides

valuable insights for university administrators seeking to implement effective diversity management strategies. Ultimately, fostering an inclusive academic environment will enhance institutional effectiveness and improve educational quality.

Conceptual Framework

The theoretical framework is embedded in Social Identity Theory and postulates the interaction between workforce diversity across dimensions of age, gender, ethnic, and educational background with employee performance. In addition, the framework considers the moderating role of organizational culture to the extent that a supportive and inclusive culture may help amplify the positive effects of diversity on performance. employed by the Malaysian public sector at all levels serve as the units of analysis for this individual-level study.

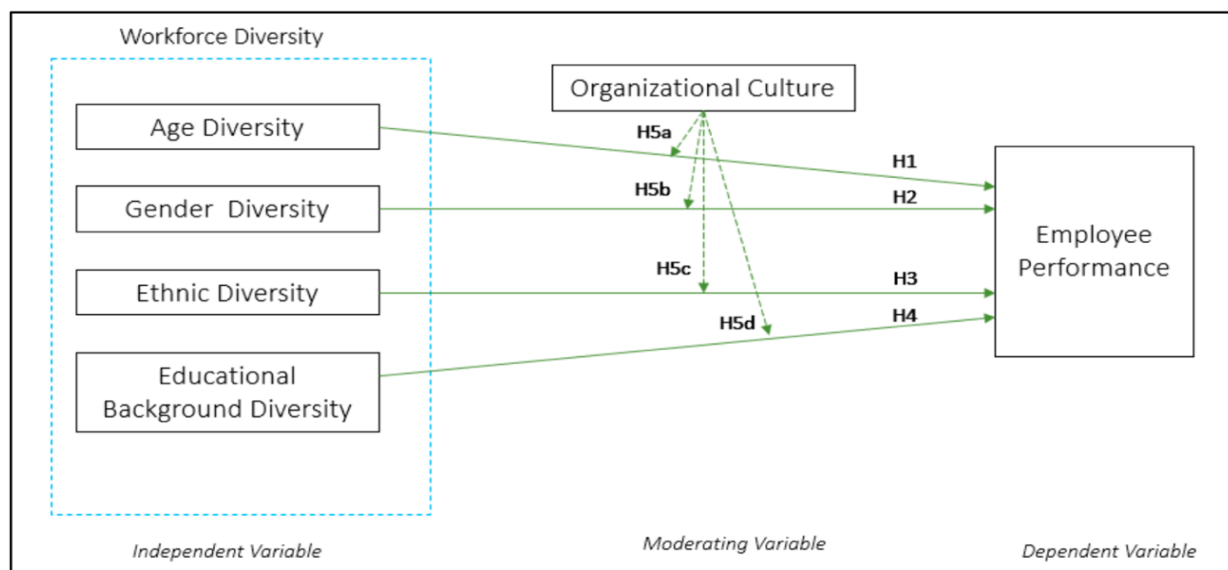


Figure 2: Conceptual Framework of the Impact of Workforce Diversity on Employee Performance

Methodology

The methodology to be applied in this present study is a quantitative approach investigating the proposed relationships between workforce diversity, organizational culture, and employee performance in Malaysian private universities. The collection of data will be obtained from an online, structured survey questionnaire among faculty and administrative staff drawn from various private universities. The questionnaire, therefore, covers items on age, gender, ethnic and educational background diversity, and perceived organizational culture and employee performance. Responses are recorded on a five-point Likert scale from 1= strongly disagree to 5= strongly agree as an indication of the extent of agreement with each statement. This is a standardized way of measuring each variable. The sample size shall be determined using stratified sampling with the purpose of covering representation across various demographic and professional categories. The testing of direct effects of workforce diversity on employee performance shall be done through multiple regression analysis, whereas the moderating effect of organizational culture shall be done through hierarchical regression. Cronbach's alpha and factor analysis shall be done to test the reliability and validity of the constructs. The research will strictly observe ethical considerations; informed consent and confidentiality are assured. It is expected that the findings will provide empirical data on how diversity and organizational

culture impact performance and inform the development of effective diversity management strategies in higher education.

The study is expected to provide empirical data on how various dimensions of workforce diversity (age, gender, ethnicity, educational background) influence employee performance specifically within Malaysian private universities. Findings will also likely elucidate the role of organizational culture in moderating the effects of diversity on performance, identifying practices that promote inclusivity and mitigate conflicts. The research is anticipated to highlight the challenges posed by workforce diversity, such as communication barriers and cultural misunderstandings, as well as the opportunities it presents for enhancing creativity and innovation. Thus, the study is expected to differentiate the impacts of visible and less visible types of diversity, providing a nuanced understanding of how different diversity dimensions affect employee performance. Indirectly, the study is expected to offer actionable strategies for university administrators to manage diversity effectively, fostering an inclusive environment that enhances employee performance. The research will fill a significant gap in the existing literature on diversity management in higher education, particularly in the Malaysian context, contributing to broader discussions on diversity and inclusion. The findings may lay the groundwork for future studies on workforce diversity in educational settings, suggesting areas for further exploration and methodological approaches. The outputs could inform policy recommendations for Malaysian private universities regarding diversity management practices, ultimately aiming to enhance institutional effectiveness and achieve educational excellence.

Conclusion

Two The key influence of diverse workforce relating to age, gender, ethnic background, and educational background is the focus in enhancing employee performance in Malaysian private universities; thus, this study is theoretically anchored on the Social Identity Theory. The study examines the role of organizational culture as a moderating variable to fine-tune understanding of how an enabling environment can be leveraged to enhance the positive effects of diversity on performance.

The expected outcome from this will provide lessons for university administrators and policymakers on how diversity could best be managed to realize an inclusive high-performing academic environment. This not only helps to fill the significant literature gap that exists in managing diversity within higher education institutions, but it also enriches broader discussions about leveraging diversity as a strategic asset. Finally, this research tries to point out how organizational culture will decisively shape diversity outcomes with a view to inform policy and practice development that would foster diversity, inclusiveness, and better performance from its employees in education.

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