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DIVERSITY ON PRODUCTIVITY: ANYTHING FOR EFFICIENCY & EFFECTIVINESS?

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Agenda

I.
Introduction

details on the literature

II.
Literature Review

III.
**Methodology**

IV.
Findings and Discussion

V.
Conclusions and Recommendations

- Organizational goals are about the level of efficiency and effectiveness.

- The higher levels on efficiency and effectiveness lead to bulkier bottom-line.

- Organizations can have more retained earnings and dividends.

- Higher retained earnings means that future development becomes feasible.

- This pushes up the organizational market values.

- Dividends satisfy shareholders. Employees are loyal.

- Employees loyalty creates productivity

I. Introduction

Indonesia is an archipelago country that consists of people of multiple differences (differences background, ethnicities, languages, cultures, and others), it is to evaluate the impact of diversity of Indonesian expatriates in other countries.
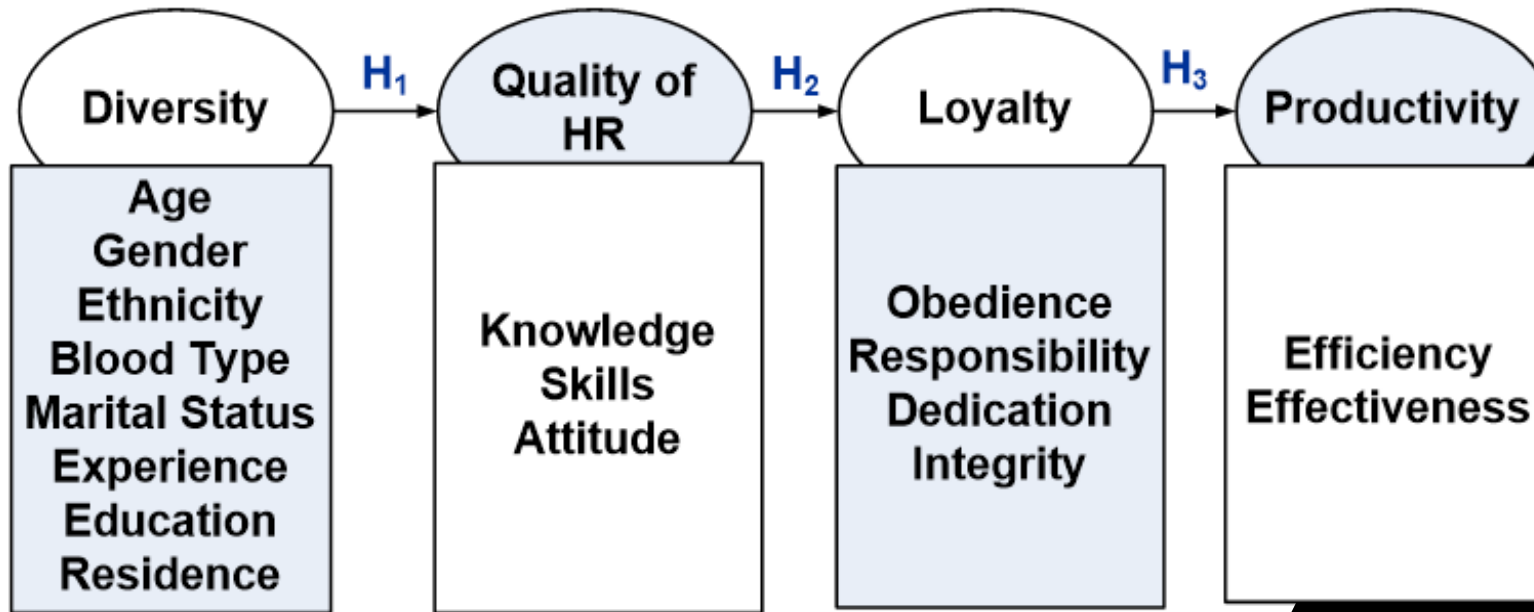
II. Literature Review

Diversity

- **Employee diversity** and **demography** are equal to **organizational culture** & **commitment** (Gorton & Zentefis, 2020; Ramakrishnan & Testani, 2011; Alkadash, 2020; Aziz, et al., 2021; Cohen, 2013; Nikpour, 2017; Anantadjaya, Finardi, & Nawangwulan, 2010; Abdurohim, Anantadjaya, Jayanto, Kusdibyo, & Cakranegara, 2022)

- **Demography** and **commitment** are the factors of the primary and secondary characteristics of people (Syed, 2010; Khan, Khan, Khan, Nawaz, & Yar, 2013)

- **Primary** and **secondary characteristics** of people are providing degrees of influence of productivity (Affum-Osei, Acquaah, & Acheampong, 2015; Rabindarang, Khuan, & Khoo, 2014; Tandon, Mishra, & Mehta, 2020).
  - Primary – we are born; **gender, age, race, ethnicity, physical appearance** (Jones & George, 2008; Ferrel, Hirt & Ferrel, 2016)
  - Secondary – we are evolve; **education, experience, religion, ability, socio-economy** (Jones & George, 2008; Ferrel, Hirt & Ferrel, 2016)

- Benefits of diversity include; **multiple perspectives**, **improved engagements**, **attract talents**, **enhance global image**, **higher revenues**, and **easier troubleshooting** (Saikh, 2019; Anantadjaya, Nawangwulan, Kusumah, Setio, & Kartika, 2015; Setio & Anantadjaya, 2014).

Diversity

- An **age-related** relationship had been previously investigated in Ghana, India and Nigeria to have connections to commitment (Affum-Osei, Acquaah, & Acheampong, 2015; Bashir & Abdul, 2020; Amangala, 2013).
  - Individual's **age** drives **personality**, **taste** and **preferences** (Mialki, 2021; Tandon, Mishra, & Mehta, 2020),
  - The characteristics of **generations** of baby boomers, millennials, generation X, generation Z, or others. One's **age**, and therefore, the **generations**, approximates the quality, engagement, and productivity (Sousa, Ramos, & Carvalho, 2019).

- **Gender** & **commitment** relationships had also been previously studied (Rabindarang, Khuan, & Khoo, 2014; Affum-Osei, Acquaah, & Acheampong, 2015)

  - **gender roles** (Elkhdr & Kanbur, 2018), **socio** & **cultural differences** (Rabindarang, Khuan, & Khoo, 2014) are influential for **masculinity** and **femininity** (Khan, Khan, Khan, Nawaz, & Yar, 2013).
  - females tend to be less-committed in a masculine-based organizations, studies shown that female educators have a higher degree of commitment (Bashir & Abdul, 2020).
  - **productivity improvements** due to the mix of female and male workers in organizations (Khan, Khan, Khan, Nawaz, & Yar, 2013).

Diversity

- In an international setting, **ethnicity** push-up the level of satisfaction and motivation toward jobs when there are colleagues from the same ethnicity.
    - Ethnicity may also provide joyful experience in **inter-cultural interactions** (Fujishiro, Heaney, & Hoppe, 2013).
    - **Minorities** tend to have a higher perception on discrimination at work (Jones, Ni &Wilson, 2009).

- **Employee disengagement** and **intention to stay** bring about the results of management fairness regardless of **position**, **ability** and **competence**.
- Individual's **marital status** is a driver toward the level of motivation toward **work and job satisfaction** (Knerr, 2002).

    - **Unmarried individuals** have less work motivation and job satisfaction and have lesser organizational loyalty (UKEssays, 2017). Blood type has also been studied to show influence onto individual's personality (Sakamoto & Yamazaki, 2002; Cattell, Young, & Hundleby, 1964). As the personality contributes to the individual's behaviors, it certainly affects the level of quality of human resources toward loyalty and productivity.

Diversity

- **Blood type** are contributed toward individual's personality (Sakamoto & Yamazaki, 2002; Cattell, Young, & Hundleby, 1964).
  - Personality contributes to the individual's behaviors, it affects the level of **quality of human resources** toward loyalty and productivity.

- **Education** shows the approximation of knowledge (Nakosteen, 2021).
  - **Higher education** leads to **employment opportunities**, **compensation**, and **bargaining power**, it is shaping the **quality of human resources**, **employment loyalty**, **employment diversity**, and **productivity** (Organization for Economic Co-operation and Development, 2019).

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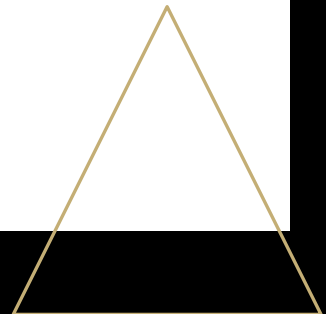
Quality of HR

- **Work experience**, or **work background** (Harvey, 2004), this enable people to rely on multiple perspectives on work around the job descriptions, including other organizational issues, such as; planning, strategies, alternatives and out-of-the-box solutions (Alexandra, 2017; Mohebbifar, Khosravizadeh, Mohseni, Bakhtiari, & Cheginy, 2014).

  - Longer **work experience** meant it is bringing about the higher levels of **work motivation and job satisfaction** (Mohebbifar, Khosravizadeh, Mohseni, Bakhtiari, & Cheginy, 2014).

- **Quality of HR** is approximated by (Baartman & de Bruijin, 2011);
  - Knowledge
  - Skills
  - Attitudes
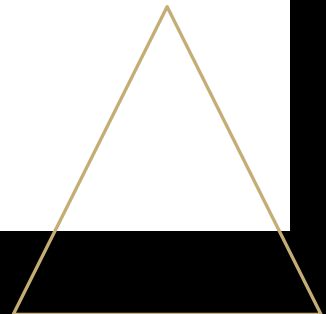
Loyalty

- **Employee loyalty** is about those who are devoted to the organization's success.
  - Remaining for the **long-term**, and do not actively seek other employment opportunities elsewhere (DeFranzo, 2021).

  - **Money** may not be the only reason
    - factors of **non-financial compensation**; **providing safe working environment**, **good place for working facilities**, or **colleagues/friendships**
    - These are enabling **job satisfaction** and **loyalty** (Sutanto & Perdana, 2016).

- There are 4 indicators of **employee loyalty**;
  - **obedience** (Sutanto & Perdana, 2016),
  - **responsibility** (Yazaki, 2010; Maineldi, Hendriani, & Daulay, 2014),
  - **dedication** (Sutanto & Perdana, 2016; Gaither, 2016),
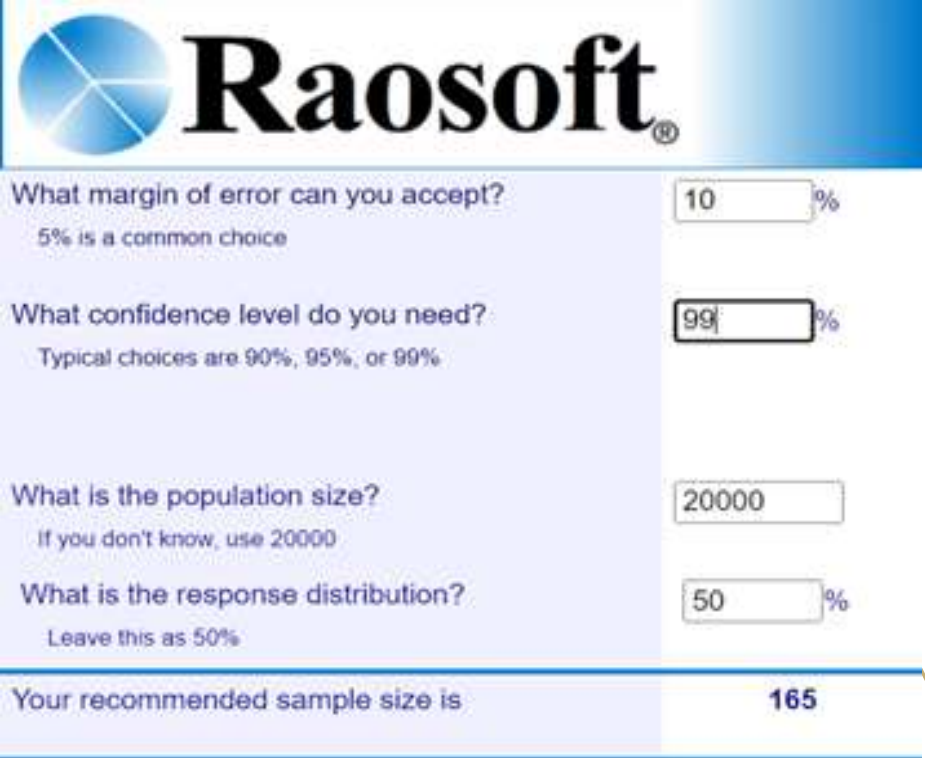 - **integrity** (Gouzali, 2004; Sutanto & Perdana, 2016; Indeed, 2021)

Productivity

- **Employee productivity** is on the measurements performance evaluation of **efficiency** and **effectiveness** (Anantadjaya, 2009)
  - **Efficiency** = *doing things right* (Guy, 2022)
  - **Effectiveness** = *doing right things* (Guy, 2022)

III.
Methodology

- This study relied on the previous network and acquaintances.
- Online questionnaire distribution in social media and direct emails, a total of 200 Indonesian expatriates in countries around the world are included in this study.
- Raosoft Sample Size Calculator
  - 200 total samples
  - 10% error
  - 99% confidence

- The sampling methods were **purposive sampling** was used to start establishing contacts with the Indonesian expatriates.
 - **Snow-balling** sampling

Raosoft®

What margin of error can you accept?	10 %
5% is a common choice	
What confidence level do you need?	99 %
Typical choices are 90%, 95%, or 99%	
What is the population size?	20000
If you don't know, use 20000	
What is the response distribution?	50 %
Leave this as 50%	
Your recommended sample size is	165

	Details	Notes	#s of Respondents
Population	Indonesian expatriates worldwide		
Sampling – Cluster	Continents or Regions All respondents were maintained anonymously throughout this study	North, Central & South America	50
		Eastern & Western Europe, including the Scandinavian countries	50
		Australia	50
		Asia & the Middle East	50
		Total Samples	200

- The questionnaire consists of **employee diversity** (age, gender, ethnicity, blood type, marital status, experience, education, residence), **quality of human resources** (knowledge, skills, attitude), **employee loyalty** (obedience, responsibility, dedication, integrity) and **productivity** (efficiency, effectiveness).
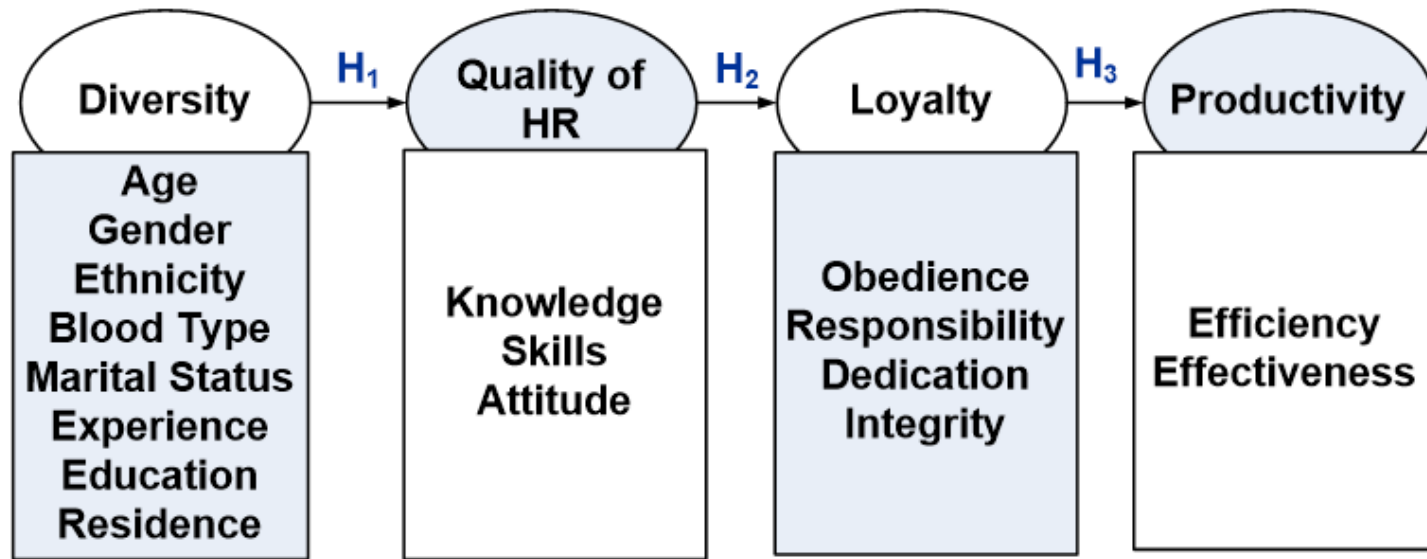
|		
H_1	:	There is a positive & significant relationship between Diversity and Quality of HR
H_2	:	There is a positive & significant relationship between Quality of HR and Employee Loyalty
H_3	:	There is a positive & significant relationship between Employee Loyalty and Employee Productivity

- Run into SPSS.
  - Validity = 0.77
  - Reliability = 0.80

- Presence of quality of HR positively influences the presence of employee loyalty, which brings about the positive relationship unto the employee productivity.

IV. Findings & Discussion

Measurement Criteria	Schumacker & Lomax (2010); Wijaya (2009)	Ghozali (2004); Santoso (2009)	Cucos (2022)	Result	Fit
CMIN/df (Normed Chi-Square)	CMIN/df ≤ 2 = better	CMIN/df ≤ 5 = better	≤ 3 = acceptable fit ≤ 5 = reasonable fit	1.473	Good
RMSEA (Root Mean Square Error of Approximation)	RMSEA ≤ 0.08 = better	RMSEA ≤ 5 = better	≤ 0.05 = reasonable fit	0.115	Good
GFI (Goodness of Fit Index)	GFI value closer to 1 = better	GFI value closer to 1 = better	1 = perfect fit ≥ 0.95 = excellent fit ≥ 0.9 = acceptable fit	0.817	Good
AGFI (Adjusted Goodness of Fit Index)	AGFI value closer to 1 = better	AGFI ≥ 0.09 = better	≥ 0.90 = acceptable fit	0.772	Good
TLI (Tucker-Lewis's Index)	TLI value closer to 1 = better	TLI ≥ 0.09 is better	TLI value closer to 1 = perfect fit TLI value closer to 1 = very good fit	0.726	Good
NFI (Normed Fit Index)	-	NFI ≥ 0.09 is better	1 = perfect fit	0.701	Good
CFI (Comparative Fit Index)	CFI closer to 1 = better	CFI closer to 1 = better	1 = perfect fit ≥ 0.95 = excellent fit ≥ 0.90 = acceptable fit	0.726	Good

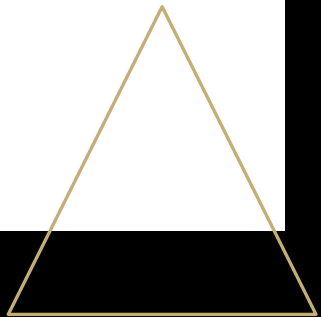| Measurement Criteria	Schumacker & Lomax (2010); Wijaya (2009)	Ghozali (2004); Santoso (2009)	Cucos (2022)	Result	Fit
PNFI (Parsimonious Goodness of Fit Index)	-	Higher PNFI value = better	-	0.546	Good
PGFI (Parsimonious Goodness of Fit Index)	-	-	-	0.60	Good
RMR (Root Mean Residual)	RMR ≤ 0.05 = better	RMR ≤ 0.05 = better	≤ 0.05 = acceptable fit ≤ 0.07 = acceptable fit	0.055	Good

Source: (Budiman, Anantadjaya, & Prasetyawati, 2014)
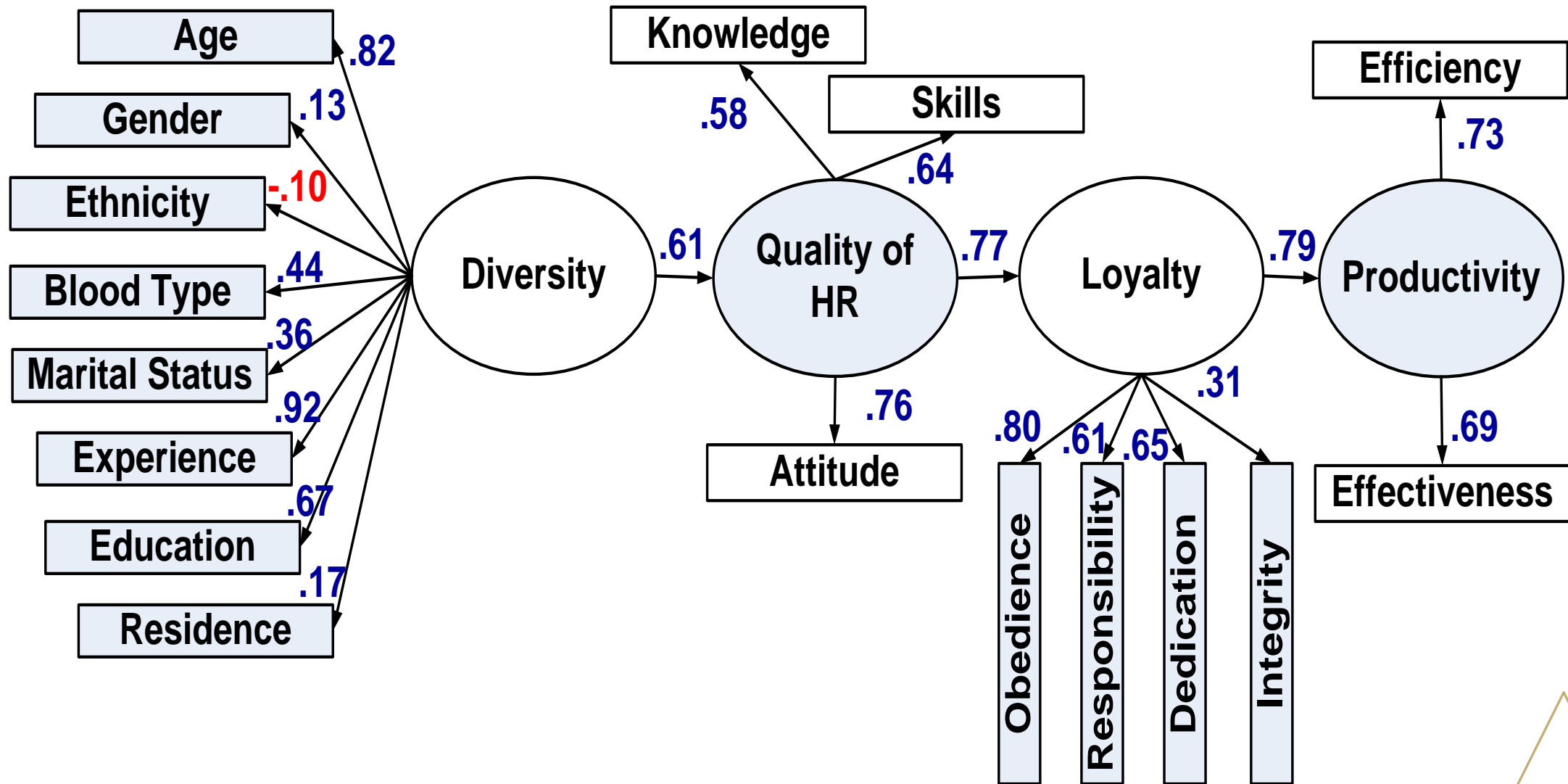
- **Diversity**
  - age = 0.82
  - gender = 0.13
  - ethnicity = -0.10
  - blood type = 0.44
  - marital status = 0.36
  - experience = 0.92
  - education = 0.67
  - residence 0.17

- Indonesian expatriates around the world, the differences within Indonesian ethnic groups, of more than 1,300 ethnic groups (Rahmat, 2021; Badan Pusat Statistik, 2021) become inapparent for the world to notice.
  - Also, the chances of meeting people from the same ethnic group are relatively slim worldwide.
  - Inside firms, management shall pay a closer attention into these elements as way to properly gauge the presence of organizational diversity.
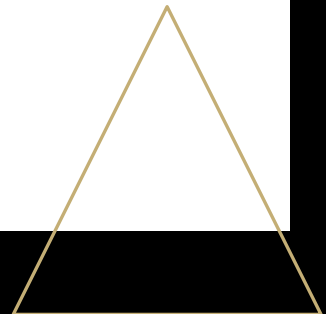
- **Quality of HR**
  - knowledge = 0.58
  - skills = 0.64
  - attitude = 0.76

  - The vital role of attitude in employees' mindset, not only better than knowledge and skills, but also better than IQ, aptitude, talent, intelligence, education, money, wealth, past history, connections, and networking (Vaughn-Furlow, 2017).

- **Employee Loyalty**
  - obedience = 0.80
  - dedication = 0.65
  - responsibility = 0.61
  - integrity = 0.31

  - Employees' loyalty leads the level of employees' obedience
  - Trapped into the blind obedience to show basic conformity only (Pejvack, 2020; Hess, 2013)
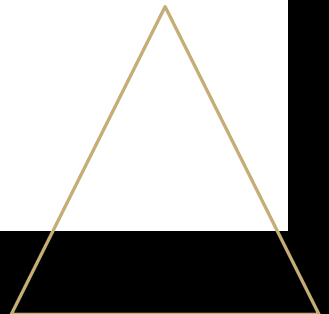
- **Productivity**
  - efficiency = 73%
  - effectiveness = 69%

- With the fact that the impact to employee productivity is 79%, these outcomes appear to support this research model that there are relationships between employee diversity, quality of HR, loyalty and employee productivity

- Qualitative confirmations follows the systematical literature reviews
  - Keywords; **employee diversity**, **quality of HR**, **employee loyalty** & **employee productivity**.
  - The CrossRef database was incorporated to reach 1,000 literatures and more.
 - The filtering steps: journal articles & the number of cites of a minimum of 50.
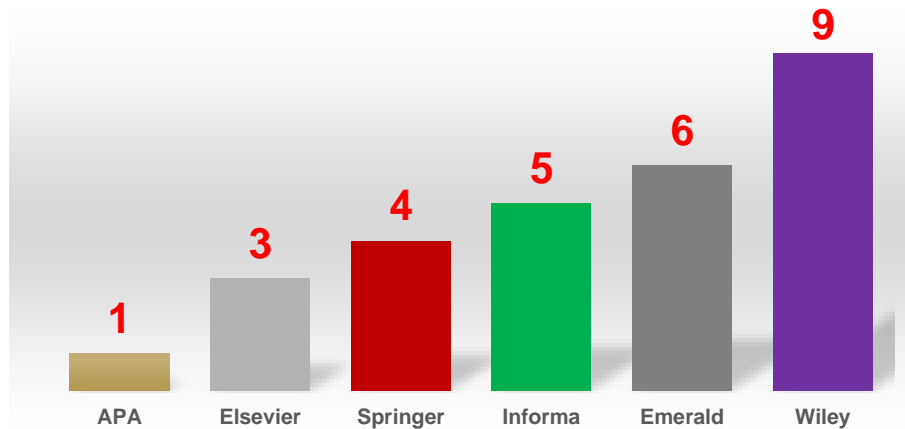
There are only 28 articles;
- Wiley (9),
- Emerald (6),
- Informa UK Limited (5),
- Springer (4),
- Elsevier (3) &
- the American Psychological Association (1).

- Numbers of citations;
  - 8 articles with the citations between 50-74 times,
  - 4 articles with the citations between 75-99 times,
  - 5 articles with the citations between 100-124 times,
  - 2 articles with the citations between 125-149 times,
  - 3 articles with the citations between 150-174 times,
  - 2 articles with the citations between 175-199 times,
  - 4 articles with the citations of more than 200 derivative publications.
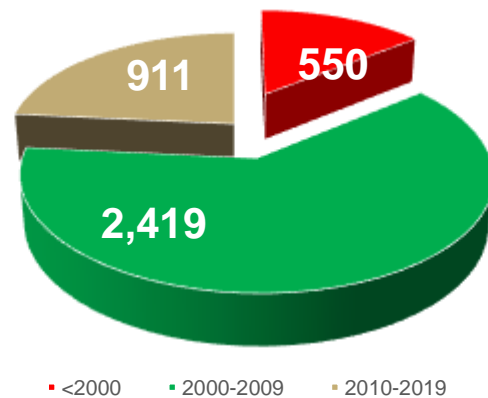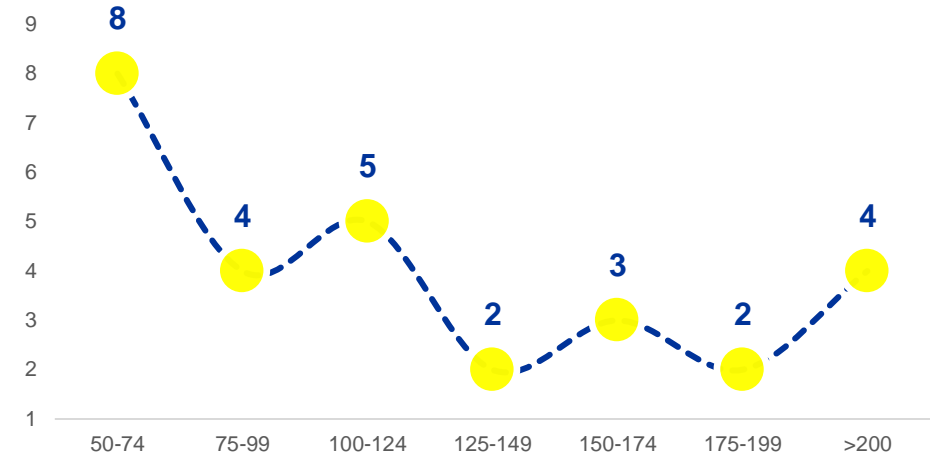
The total accumulated citations over the years;
- before 2000: 550 citations,
- 2000-2009; 911 citations, and
- 2010-2019: 2,419 citations.

- **Keywords** were popular
  - Organizations are experiencing complexities around employee diversity, quality of HR, employee loyalty and employee productivity.

V. Conclusion and Recommendations

- The role of employee diversity holds a vital role in pushing-forward the quality of HR, employee loyalty and productivity.

- The sets of literature are providing support toward the relationships among the variables and sub-variables

- The positive relationships and impact are confirmed.
- The additional mini analysis on the systematic literature review seems to suggest the rising interest in these subjects.

- Future studies
  - more potential respondents to even enrich the dynamics,
  - more focus into particular variables
    - the negative explanatory power of ethnicity,
    - the minimal power of gender
    - the gender issues encircling the topic on diversity

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