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**ISTANBUL AYDIN UNIVERSITY**  
**INSTITUTE OF SOCIAL SCIENCES**



**MODERATING EFFECTS OF WORKFORCE DIVERSITY ON THE  
RELATIONSHIP BETWEEN ENTREPRENEURIAL ORIENTATION AND  
ORGANIZATIONAL PERFORMANCE**

**THESIS**

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I hereby declare that all information in this thesis document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results, which are not original to this thesis. ( / /2017).

**NASIM BAHAR**





*To my Mother*

## **FOREWORD**

Dear Pro.Dr.Akın MARŞAP

I would like to extend to you my warmest appreciation for being a great adviser to me. I will be graduating this academic year thanks in part to your good mentoring and guidance in conducting and finishing my thesis, for the patient guidance, encouragement and advice you provided throughout my time as your student. I have been extremely lucky to have a supervisor who cared so much about my work, and who responded to my questions and queries so promptly. Your input and comments about my thesis were all helpful in making it a significant thesis.

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To all my friends and family

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**November , 2017**

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# ÇALIŞMA ÇEŞİTLİLİĞİNİN GİRİŞİMCİLİK YÖNETİMİ VE ÖRGÜTSEL PERFORMANS ARASINDAKİ İLİŞKİLERE ETKİSİNİN İYİLEŞTİRİLMESİ

## ÖZET

Günümüzün küresel ortamında, sermaye kaynakları dünya çapında birbirine bağlı. Kaynaklar sermaye ya da insan dünyanın herhangi bir yerinden diğerine serbestçe dolaşıyor ve kuruluşlara geniş sermaye kaynakları ve farklı insan sermayesi sunuyor. Sanayi Devrimi ve AB ülkelerinde ticaret ve işçi sendikalarının kurulmasından sonra çeşitlilik ihtiyacı arttı. Çok uluslu bir şirketin finans departmanının başında Amerikalı, işe alım departmanının Asya başkanlığındaki olması ve Hintli çalışanlar tarafından yürütülmesi nadir değildir.

Farklı işgücü ya da işgücü çeşitliliği iki taraflı bir kılıçtır, bazı negatiftir ve bazı olumlu yönler buna bağlıdır. Bu Tezin amacı, çeşitli iş gücünün girişimci oryantasyonu ve bir organizasyonun performansı arasındaki ilişki üzerinde ılımlı etkisini eleştirel bir biçimde gözden geçirmektir. Çeşitliliğin farklı yönlerini tanımlama ve çeşitli işgücünü yönetme konusunda büyük çalışmalar yapıldı, ancak kuruluştaki daha iyi performansa bağlı örgüt içinde girişimci niteliklerin geliştirilmesinde çeşitliliğin etkisini gerçekten ölçen çok az çalışma bulundu. Kağıt, çeşitliliğin Girişimci oryantasyon, yani İnovasyon, Proaktiflik ve Risk alma gibi üç temel direk üzerindeki etkisini hafifletmeyi tartışmaktadır.

**Anahtar Kelimeler:** *Risk alma, yenilikçilik, proaktiflik, çeşitlilik, performans*

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**ABSTRACT**

In today's global environment capital resources are interconnected throughout the world. Resources are moving freely from one part of the world to another, which provide organizations with ample capital resources and diverse human capital. The need of diversity increased after the Industrial Revolution and the formation of trade and employee unions within EU countries. It is not uncommon for a multinational company to have its finance department headed by American, recruitment department headed by Asian and operations run by Indian employees.

The diverse workforce or workforce diversity is a two-sided sword, it has some negative, and some positive aspects attached to it. The aim of this Thesis is to critically review the moderating effect of diverse workforce on the relationship between entrepreneurial orientation and performance of an organization. Great work have been done on the defining different aspects of diversity and managing the diverse workforce but very little work is found that truly gauge the impact of diversity in nurturing entrepreneurial traits in organization that are connect to the better performance of an organization. Paper discusses moderating effect of diversity on all three aspects of Entrepreneurial orientation i.e. Innovation, Proactiveness and Risk-taking.

**Keywords:** *Risk-taking, innovation, proactiveness, diversity, performance*

# 1 INTRODUCTION

## 1.1 Workforce Diversity

Since our world is already globalized, large amount of humans with different cultural and ethnic background, interacts with each other. In today's era workforce do not work in isolated places, instead the workforce work in worldwide economy competing in global market. Literature provides great amount of work on definition and management of diversity. Diversity is described as adjusting , leveraging difference between humans in terms of gender, race, class, ethnicity, age, etc. (Esty, Griffin, & M. Schorr-Hirsh., 1995:33). More precisely, the workforce diversity is referred as the human capital of an organization that is more in relation with all humans from different sex, race, old ,young, education, culture, regions. (Robbins, 2009:29). As stated earlier, the diversity is taken in different context by different authors. Some authors take diversity as a positive aspect while others argue that diversity could be cause of conflict within the organization. According to Jonathan, David, & Aparna, (Jonathan; David, I. L.; Aparna, J., 2004:24) in past, researchers has argued that workforce diversity is beneficial for the process of an organization. Another author has also criticised that workplace diversity can be either beneficial or dangerous for the performance of an organization (Williams & O'Reilly, 1998:45). Recent work on diversity has demonstrated strong correlation between diversity at work and cooperate profits. Diversity as workplace bring together the people from different cultural, education and physical backgrounds (Robbins, 2009:29).The general opinion of authors is that workforce diversity improve the individual and organizational performance (Kelli , Mayra , & Et al., 2002:60).

The possibility of diversity in the working place changed to something necessary for people, asset directors and advertising supervisors in vast organizations, specifically in the USA. An attachment to an enterprise's qualities

program or statement of purpose can be found on practically every organization site.

The essential classifications which are used in this research are race, type, and gender. Different classifications can consist of physical, age capacities, religion, gender. With these methodologies, the humanist can go past simply measuring the number of Lion's share, Lion's share means the largest part, minority representatives in a working environment. The humanist can check upward portability, decency in payment, status like employments, viability of groups, social changes.

## **1.2 Race and Ethnicity**

Race shows cultural background and the roots of individuals by main common qualities. By some standards like: facial components, contrasts shades of skin, and hair color. Race as a classification, does not reflect real talent and ability contrasts (quality contrasts). It should not distract people from the real qualities of work force as in the past we could see this problem much more than now.

## **1.3 Gender**

In the book : Sex/Gender/ Society, (Ann Oakley, 1972) claims the idea of gender with humanism. Ann characterizes gender like the natural contrasts amongst men and women and sexual attraction like the parallel and unequal division between them. Sexism is socialization and one of ways people arrange their life. Analysts have used gender to clarify work isolation, work minimization, and the impact of proportionality and work environment culture. As we have heard so much about this topic and effects of it on our life from the famous scientist, Sigmund Freud.

## **1.4 Class**

Not like race or gender, individuals can change their class types. Type leads to a gathering of individuals which share the same wealth and economic situation. Among the levels it can be extra sub-classes. For instance, in high society it can be well off and the center privileged.

In lower type it can be the regular workers, lowerclass. the thing that we did not talk about is that great many humans are unconscious of their type(class). In spite of what research information lets us know, more than 90% of individuals view themselves as center or regular workers .

### **1.5 Sexual attraction, Physical Ability, Age and Religion**

Sexual attraction can be toward the heterosexuality, homosexuality, both genders. Physical capacity is additionally a class to be realized in differing qualities. It may affect the behavior of the work force and the relationship of them with each other,for example in a working group which consists of men mostly,if one of the workers is homosexual,then that worker always feels isolated and ofcourse it has effects on the productivity and so on.

### **1.6 The Workplace: Corporations, Nonprofits and the Government**

Private companies so far give the lion's offer of employment in the American society. It is a critical problem understanding the different qualities in the working environment.

While realizing differences within the working environment, organizations frequently wind up between these differences and at the same time realizing the differences of a diverse work force altogether.

### **1.7 Further Insights:**

#### **1.7.1 Fairness and diversity**

If every one of the administrators and officials of the organization are white men, then doubtlessly the organization is quite recently exploiting cheap, untalented work packed in a neighborhood group. A healing center may claim to be different in terms of the worldwide foundation of its doctors. In any case, if the cleaning workers is overwhelmingly African American ladies,medical attendants and directors are dominatingly white, then it does not seem to give a different working environment, regardless of the foundations of the inhabitant doctors. A vast law office utilizing more female legal advisors then guys may seem to be various. However, in the event that lady lawyers at the company just

gain 70% of the male partners' salaries, then the reasonableness of the association's way to deal with differences should be given. Work isolation or segregation, wage holes, and occupation underestimation, not simply give us information about assorted qualities for sociologists.

### **1.7.2 Work segregation**

Work isolation or segregation exists when a class of occupations is filled basically by specialists of a specific sort. Furthermore, isolation is there when organizations have the two layered framework which offer unequal pay, obligation, safety, preparing, and versatility (Doeringer and Piore, 1971:52). For example, why PC software engineers, work more inclined to be fulfilled by a male, getting paid substantially more than grade teachers, a job more inclined to be fulfilled by ladies.

### **1.7.3 Wage gaps**

A wage hole is a word that shows contrast in payment for work in terms of race and gender. The National Committee on Pay Equity revealed that in 2012, ladies were acquiring a normal of 76.5% of what men were gaining. African/Americans/Hispanics have lost ground to white women over the previous centuries. The wage hole between Hispanic ladies and white ladies is more visible than the wage hole between white males/white females.

## **1.8 Entrepreneurial Orientation**

The literature suggests that entrepreneurial orientation is a company based process whose basis is innovativeness, risk-taking and proactiveness (Wiklund, 1999:24). Innovative is considered a strong aspect of entrepreneurial orientation process, in fact, innovative nature is considered inseparable and embedded in entrepreneurship (Schumpeter, 1934:40-71). In today's globalized markets, firms that invest in new innovative technologies thrive and perform better than the firms in developed nation because developing market are immature in nature and innovation helps open new areas of investments and provide new opportunities of growth which were not discovered before (Zoltan & Virgill, 2009:09), organizational with diverse workforce tend to be more innovative



than organizational that are not diverse. Risk-taking is second essential characteristic of entrepreneurial orientation process and entrepreneurial behavior. Literature provides evidence that various categories of risk is positively related with performance of firm. Mixed evidence has been found on the subject of risk-taking and diverse workforce. In general diversity is considered as an instrument to minimize risk, however some studies suggest that diverse workforce, if not managed efficiently has become the reason of friction between employees and unproductivity. Lastly, the literature also demonstrates positive relation between, third aspect of entrepreneurial orientation, reactivity and performance of SME. Reactivity is the capability of a company to quickly react to available opportunity and capitalize on it before the competitors.

Firms that are leaders, not followers, tend to performance better than then follower firms. Leader firms or proactive firms have foreseeability and to predict and allocate its resources to the foreseeable opportunity and benefit before the other entrants enter the market (Lumpkin & Dess, 1996:21).

### **1.9 Organizational Performance**

Literature provides vast work on the organizational performance. The products and results of the company is measured according to nature and purpose of company. Performance of some Non-profit firms is measured on the basis of its success in distributing social good while the performance of conventional firms is gauged on the more quantitative measures like revenue, profit, growth, ROI, EPS etc.

### **1.10 Research Aims/Objectives:**

In literature it is simplistically analyzed the entrepreneurial orientation has instant positive relation or effect on the company's capabilities to seek and exploit export opportunities or organizational performance (Lumpkin & Dess, 1996:21)

In context of our research, workforce diversity has mediating or moderating effects on the relations between entrepreneurial orientation and organizational performance (Lumpkin & Dess, 1996:21).

This thesis aims filling the gap between the definition of diversity and its effect on the relationship within entrepreneurial orientation and organizational performance.

The goals of this proposed study are to:

1. Investigate the effects of workforce diversity on one of the features of entrepreneurial orientation i.e. Innovation
2. Investigate the effects of workforce diversity on one of the features of entrepreneurial orientation i.e. Risk taking
3. Investigate the effect of workforce diversity on one of the features of entrepreneurial orientation i.e. reactiveness
4. Investigate the relationship of entrepreneurial orientation and organizational performance.
5. Investigate impacts of workplace diversity on the organizational performance.

### **1.11 Research Questions/Hypothesis**

A complete hypothesis testing will be conducted to not only test the relationship between entrepreneurial orientation and organizational performance but also the moderating effects of workforce diversity over the relationship of entrepreneurial orientation and organizational performance.

#### **Hypothesis # 1**

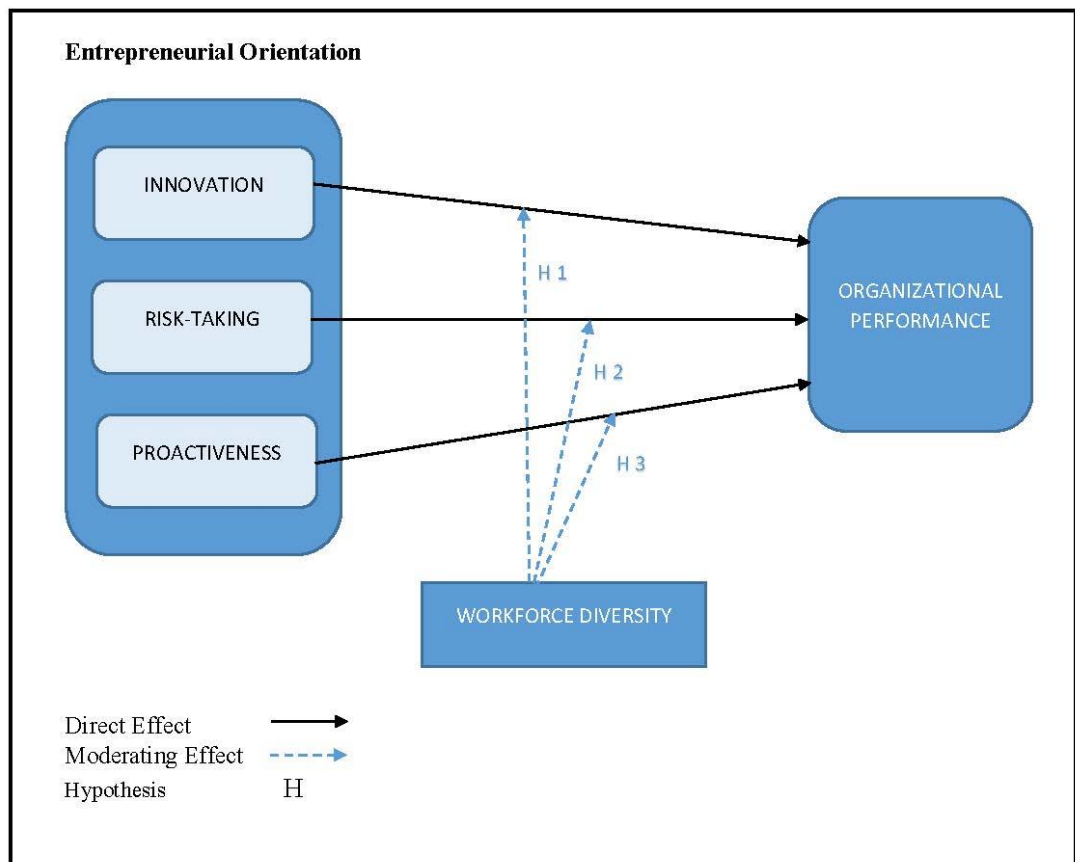
*The impact of workforce diversity on Innovative (feature of Entrepreneurial Orientation) that moderates the relationship between entrepreneurial orientation and organizational performance.*

## Hypothesis # 2

*The impact of workforce diversity on Risk-taking (feature of Entrepreneurial Orientation) that moderates the relationship between entrepreneurial orientation and organizational performance.*

## Hypothesis # 3

*The impact of workforce diversity on Proactiveness (feature of Entrepreneurial Orientation) that moderates the relationship between entrepreneurial orientation and organizational performance.*



**Figure 1.1:** Conceptual Framework

## 1.12 Research Methodology

Due to absence of statistics data related to employees' diverse background on public/governmental portals make it difficult to collect quantitative data.

To test the proposed hypothesis, we will use the online questionnaire as a primary method of our research. We propose to send online questionnaires to the Human resource managers of the multiple firms via email, website, giving the questionnaire to the in person and so on. The questionnaire will be constructed in accordance with the proposed conceptual framework which will examine the moderating effects of workforce diversity on the different aspects of entrepreneur orientation i.e. Innovativeness/risk-taking/pro activeness and also it will test its impact on the organizational performance. The data collected through questionnaires will be tested, both, qualitatively and quantitatively. This method of research, by accessing first-hand organizational data will be significant for future studies on this subject.

### **1.13 Sources Of Data**

The main motive for sampling is to contact executive or managerial-level respondent who are responsible for managing human resources or who are responsible for handling the performance of organization as well as individual employees. It is proposed to collect data from 71 organizations, preferably startups, small-medium enterprises as most of the startups and SMEs has their focus set on managing the organizations based on entrepreneurial aspects and the managers of SMEs and founders of startups spend great time and money on entrepreneurial orientation. Most of the fast growing organizations are SMEs or startups ,according to Editors of Inc.com, (500 fastest-growing private companies in Europe, 2015:18).

The geographic reach of data will cover Turkey, Iran and some organizations in Eurozone but in this research we do not focus on the location we just want to get information from some copmanies about their workforce diversity no matter where do they perform and exist.

### **1.14 Significance Of Research**

Organizations that have realized the importance of diversity gain profit much more than the organizations that view diversity as an additional expense. In fact, organizations with diverse workforce benefit from cost reduction as they will

not need to spend additional expenses when doing business with different geographical or cultural markets, because the diverse workforce will introduce additional opportunities to the organization. From decision-making and problem-solving point of view, diverse workforce will bring better solutions as employees with their diverse background that bring together different alternatives (Williams & O'Reilly, 1998:45).

According to (Choy, 2007:17) the study of diversity and performance is important because diversity is correlated with cooperative performance. Cooperations are formed in diverse workforce when team members accept, appreciate, and utilize one another's knowledge, skills, and experience.

The importance of diversity can also be witnessed in today's practical world where the most successful organizations like Google, Facebook, Boeing, and etc. are more diverse than other less successful organizations.

The optimum result of this research is to benefit the organization by making the head management realize the importance of diverse workforce and diverse management and to identify the positive correlation of diversity with entrepreneurial aspects and features and the moderating effect of diversity on the relationship between entrepreneurial orientation and organizational performance.

### **1.15 Chapters Layout**

The Thesis is constructed in the following layout:

The first chapter presents the introduction to the thesis topic. It explains the context of diversity and the effects of it on relationship between entrepreneurial orientation and performance. This chapter presents what author proposes in context of research method/design, research aims/objectives and the significance of the research.

Chapter 2 provides the information on the subject of workforce diversity and its variations, entrepreneurial orientation and its features, and lastly the definition and measurement of organizational performance. The sources of literature will include Journals, Articles, Thesis etc.

Chapter 3 will represent the theoretical model which will be used in the research. Its focus will be to analyze the models of diversity, entrepreneurial orientation and performance and construct the conceptual framework for current research.

In Chapter 4 we will discuss the research design, research methodology, research material, questionnaire, etc. It will also explain the characteristics of sample size and justify the rationale behind the specific sample size. Chapter 4 will also provide the sources of data and timeline over which the data will be collected, sorted and analyzed. It will provide the result of research after the analysis of data collected and processed. It will present the interpretation of the result found in the empirical study of the data collected and processed for the research. Along with the findings, this chapter will also provide recommendation, limitation, and suggestions.

### **1.16 Conclusion**

This thesis shows the moderating or mediating effect of diversity at workplace on the each of entrepreneurial features in the organization and it will also test the moderating effect of workforce diversity on the relationship between entrepreneurial orientation and organizational performance. This is a detailed proposal for proposed research in field of management. The proposal has stated detailed information regarding research introduction, literature review, theoretical framework, proposed conceptual framework, research question, methods, objectives, and its significance. This research will highlight the correlation of diversity with entrepreneurship and performance that has not been studied in detailed before. Good number of research has been done on the diversity subject individually, but none strike or validate the connection and balance between diversity and performance or diversity and entrepreneurial aspects.

## **2 LITERATURE REVIEW**

### **2.1 Introduction**

The meaning of diversity is to practice acceptance and respect. It clarifies realizing that every individual is exceptional. They can be among the measurements of race, ethnicity, gender, sexual attraction, moneywise status, age, physical capacity, religious conviction, political conviction, or different belief system.

Diversity is made by humans and gatherings from a wide range of statistic and philosophical contrasts. We recognize that classifications of contrast are not generally settled and we perceive that nobody culture is naturally better than another

### **2.2 Review of the Literature (Diversity)**

#### **2.2.1 Defining workforce diversity**

The literature provides great concept and theories related to workplace diversity, it is considered a controversial, and political phenomena (Janssens & Steyaert, 2003:46). Scholars favourably ignored a narrow definition argue that the concept of diversity should be restricted to specific cultural categories such as race and gender (Ehimare, O.A.; Ogaga-Oghene, J.O.,2011:96).

Some authors argue that the diversity is based on nationality, ethnicity and gender and cannot be considered the same way as diversity based on organizational functions, abilities or cognitive orientations. In addition, the main problems of diversity are the discrimination and exclusion of cultural groups from traditional organizations. Therefore, if diversity is a concept that is inclusive to all individuals, it will become very difficult to identify discrimination practices. The main worry of this viewpoint is that a wide definition may infer that all distinctions among individuals are the same. Along these lines, decent variety studies would then be diminished to the conclusion

that 'everybody is extraordinary' and if this conclusion is acknowledged, the idea of assorted variety may turn out to be "simply an amiable, pointless idea."

Aside from bringing their race, age, ethnicity, and gender, people additionally accompany their specific learning, identity, and subjective style to the work put. Consequently, keeping in mind the end goal to comprehend the progression of a diverse workforce.

This frequently referred to classification is as per the following: statistic qualities, for example, age, ethnicity, gender, sexual attraction, physical status, religion and training; assignment related to learning, abilities and limits; qualities, perspectives and mentalities; individual, subjective and attitudinal styles; Status in the association, for example, one's various leveled position, proficient area, departmental connection and rank.

In available literature there are three different theoretical frameworks that examines possible effects of workplace diversity (Williams & O'Reilly 1998:38).

The first is social categorization, which, as indicated by (Turner,Hogg 1987:325-340) portrays the arrangement of individuals in view of striking properties like sexual attraction,ethnicity or age, bringing about stereotyping on the premise of these distinctions.

The second is closeness/fascination hypothesis, which affirms that likeness on remarkable and non-striking qualities like race or qualities creates relational fascination and connection (Berscheid and Walster, 1978:63)

The third is decision and information making hypothesis, which inspects the effect of dissemination of data and ability on work-groups (Wittenbaum and Stasser, 1996:82).

Social order and likeness fascination hypothesis foresee negative impacts, for example, diminishment in inside gathering correspondence, diminished fulfillment and responsibility, and expanded work turnover.

However, from the decision-making perspective, more diverse workforce is expected to take decision differently, as team members may bring together differing viewpoints . This, in turn, is expected to lead to more creativity and



increased performance. The literature findings suggest that various variables could be responsible for the conflicts arising by diversity in work-team composition. Research on self-categorization theory has shown that out-team members evoke more disliking, distrust, and competition than in-team members. The categorizations within a workforce considering the attributes such as gender, race, or age can lead to the inefficient formation of sub-groups. Literature also suggests that as compared to homogeneous groups, members of diverse workforce groups demonstrate lesser dedication to the workplace (Harrison, Price, & Bell, 1998:96-107).

At the point when the individuals from a work group have distinctive statistical foundations, they may have unique conviction structures. These results present the controversy whether or not there is a positive correlation between workplace diversity and organizational performance.

These doubts and risks of whether it is a positive relation or negative within workplace diversity and company performance yet exist. The authors had discussions about that is there an impact of diversity of workforce on business and the profits of it or not. This issue raised number of hypothesis and questions about the relations between diversity and business performance. This issue has been examined since the hypothesis came out and still it is going on. (Mulholland, Ozbilgin, & Worman, 2005:67).

Workplace diversity explains about so many differences among the workforce whether it is about race, gender, age, ethnic group, personality, education, background and more.

Diversity is not about only how people show themselves but also how they get affected by the others differences. Therefore the human resource department must be very careful with issues such as communication, adaptability and change cause as we can see in a diverse workplace we are dealing with so many differentiations. Diversity could be explained as realizing, knowing, accepting, and giving value to differences within humans with having respect to age, race, ethnicity, gender, abilities, etc. (Esty et al. 1995:36). Firms must respect diversity and search for ways to be a special company cause diversity has the energy to gain better work performance and greater advantages.

The number of two-wages families and one working member families has changed the atmosphere of the workplace. Change in the family means that there are less authentic family roles (Zweigenhaft and Domhoff 1998:267-281). Important changes in the workplace have happened because of downgrading and getting outsourced, that has affected human resource management so much. New globalized world and new changes have affected workplace atmosphere, and there is a trend going on about longer working hours (Losyk 1996:64). All in all, organizational resetting mostly ends in less people doing more. The laws show the responsibilities of workforce and managers in the workplace and hold the two categories responsible.

Effects of Diversity in the Workplace Diversity is positive to workforce and managers. Diversity in the workplace can reduce lawsuits and increase marketing opportunities, recruitment, creativity, and business image (Esty et al. 1995:17).

### **2.3 Challenges of Diversity in the Workplace**

The possibility of assorted qualities within working atmosphere has changed into a must for human resource managers and advertising supervisors in many organizations. White men still command high status employments and generous pay holes hold on amongst male and female, the Americans, and high and low classes. To comprehend better a number of the problems encompassing differences within working environment talk, it's important being comfortable with a portion of essential ideas and polarities. The essential classifications used in the article are class, race, and gender. Different classifications can incorporate age, physical capacities, sexual attraction, religion

Subsequently, differences can be measured independently at many levels in the working environment chain of command including the field, shop floor, extend group, administration group, and board room.

### **2.4 The Workplace: Corporations, Nonprofits and the Government**

This wouldn't be wrong to say that Diversity is an evolving concept. More stated that the concept is both specific, contextual and focused on an individual,

explained through societal constructs. Diversity like any type of fundamental difference that differentiates one from another is an explanation that surrounds a wide range of hidden qualities and that's how diversity is defined by many current writers.

Researchers arrange diversity's characteristics into four parts generally, which are:

Internal for example; race, gender, I.Q. and sexual attraction.

Personality for example; skills, abilities and traits.

External for example; nationality, culture, religion, parental status or marital.

Organizational for example; department, position, union/non-union.

A significant role was played by one of the first researchers, R. Roosevelt Thomas, Jr., in using this inclusive definition and shifting the concept of diversity beyond narrow. He has argued in his work which is beyond Gender and Race that to manage diversity successfully, enterprises must comprehend that gender and race are just two diversity factors. Perspective on diversity to add a variety of other dimensions must be expanded by Leaders and Managers; argued by Thomas.

According to Thomas' model of Workplace diversity management is also inclusive and is described as a process which is comprehensive managerial for growing an atmosphere that suits for all workers. This inclusiveness holds political value as it doesn't threaten existing management structures openly which are still strongly filled by white males.

Due to this description the whole staff feels included instead of being excluded. This also allows them to interact and permits workers to face with more problems that later may arise. Researchers have criticized on the description of Thomas' inclusive diversity that it easily gives a general approach of 'feel good' which substitutes for real change. Moreover, critics also debate that this description of inclusive diversity fails as it doesn't accept the unequal treatment plus limited chances which as faced by those who are not from the same culture.

A clear criticism was expressed by a researcher that its very imperative to consider that there is an elementary contradiction between the features that

make one a special human being and, comprised on group instead of individual characters, provide negative and positive aftermaths.

## **2.5 Putting the light on the factors which should be considered in adopting a diverse workforce**

According to the laws and guidelines that have been demanded for a certain reason, the idea of workplace diversity might be different from one company to another. An association which would employ a diverse workplace focuses to boost its income and productivity. Following are some of the important factors which should be considered before adopting a diverse workplace:

Company Location

Organizational culture

Company type

### **2.5.1 Company type:**

In the making the decision of whether a firm should employ a diverse workforce or this type of company play a huge role. Companies come with its own companies act and rules plus they also differ in size and activities. More workers are employed by majority public companies as compared to private companies due to its size, this act is followed by the other types like Government companies, unlimited companies, liability companies and so on. Company type would be convinced on board with a notion that it will do a lot better, that's what employing diverse employees would mean.

### **2.5.2 Organizational cultures:**

What highlights the company's activities is a collection of values which are shared in an organization and this is how Organizational Culture could be defined. Place, people, value, vision, history and its practices are the five attributes of the organizational culture. The decision taken by the company about the workplace diversity must reflect on the company as it is relied on firms's norms and beliefs because every Organizational culture is different and unique from one another .

### **2.5.3 Company location**

Whether to employ a diverse workforce depends on the location of the company.

Preparing structures of the companies which are situated in the most areas in the whole world doesn't look to have option than hiring employees from diverse cultures, as employees are demanded in every office. In some locations the company has no choice rather than hiring foreigners like for example we can mention companies in Dubai because the native population is not enough.

## **2.6 The concepts in diversity management**

Diversity Management can get explained as: to plan, to direct, to organize and to apply. All the inclusive managerial features for growing an organizational atmosphere, diverse workers regardless of their similarity and difference, can provide the profit of an organization. Diversity stands for the various differences in individuals as well as similarities that exist among them (Kreitner, 2001:37). Kreitner's definition focuses on three critical points about diversity management: Diversity applies to every worker and does not only cover special range of differences but the whole perspective of each difference which makes human special, because of that diversity can't be seen just religious or racial differentiation, but it is the mixed of all differences. The idea of diversity explains differences between humans and also their similarity. The job of managing diversity requests that these two features be handled and organized at the same time. So employers are expected to create a collected combined of similarities and differences among the employees.

## **2.7 Advantages of Diversity management**

### **2.7.1 Innovation**

People from various backgrounds and cultures don't think or work alike, thus it encourages more outside-the-box thinking that leads to new inventions and discoveries.

### **2.7.2 Profitability**

A diverse employee knows how to sell product to a diverse buyer communication; advertising is mostly about understanding the end-buyer and there is not a better way of working on it rather than by hiring the people you're trying to sell to.

### **2.7.3 Talent pools**

The whole universe must be your hiring shopping bag. Why should you surround yourself by the workforces only from that special university, or that specific degree, or job? Be brave and adventurous enough – you will be amazed to catch so many talented and amazing workers that will shock and surprise you if they are given the chance to prove themselves.

### **2.7.4 Multiuniformity**

A various number of workers with multiple talents and experiences are able to give different service/good places in your market ;the winner or company hero is hard to achieve and it's better to hire employee who has multiple talents and skills.

## **2.8 Cons to diversifying**

### **2.8.1 Conflicts:**

Individuals having views and backgrounds varying from their own, make people feel threatened, confused or annoyed as constructive disagreements can create a bad political environment and stops project advancement.

### **2.8.2 Bureaucracy:**

The reason actions and corporate decisions take time is due to the diverging opinions and views of decision making.

### **2.8.3 Unproductivity:**

The team's spirit is very much essential to reach high-levels of productivity which could get negatively affected due to the values and dissimilar cultural identities or when people don't have anything in common.

#### **2.8.4 Disunity:**

The company might let the workers to do their own, as each can hold their own opinion that how a business should be managed or run.

### **2.9 Recommendations for employers to manage a diverse work force**

#### **2.9.1 Recognize & welcome cultural differences**

This is the first thing in the correct way to make an atmosphere of realizing and believing. To be an employer ,push your workforce to deal with it ,challenging their opinion system and being open minded enough to listen to different believes. It will help and create humans realizing that there is not one way to Rome, or the only truth or way of making things done.

#### **2.9.2 Adapt to new hires instead of enforcing the traditional corporate culture on them**

Getting adopted and being able to be flexible with new conditions are natural in humans, the same thing must be done to a firm.Just like the universe is always changing, a firm attitude aims to be flexible with current time. Workers must realize and get adapted to this new generation of thinking and believing for getting more creative and taking the most energy out of it and make them work along together.

#### **2.9.3 Communicate and understand differences**

Like a pioneer, you have to ask individuals about their feelings and, even more crucially act naturally. As nobody loves putting on a show being somebody else. Administrators must acknowledge that they are not able making everybody act and think like they do as usual.

#### **2.9.4 Paying attention to conversational and non conversational issues**

This may change the atmosphere of the work place. Countless examples exist showing how cultures may be different in their position of both conversational and non conversational communications. Employers these days are expected being culturally flexible and be sensitive to these kind of differentiations to not accuse somebody. Here are some examples:

- “Pointing with one finger is considered to be rude in some cultures and Asians typically use their entire hand to point to something.”
- In West, having communication with eyes means you’re not lying and honest, on the other hand for Asians, Middle East, Spanish, or Native American, communication with eyes is considered being not respectful or not polite.
- “In Canada and Japan, people generally do not raise their voices in normal conversation. However, in Latin America, people talk loudly and it is not because they are angry.”

### **2.9.5 Evaluate how diversifying affected the company’s performance in sales, efficiencies, and customers gained or lost.**

This one is the most advised one. We must every time ask and request the aim of every thing and see if we need our diversity program is making the conclusions the way we want. Maybe your diversity eagerness is consisting of your company performance, which doesn’t mean you must scrap diversity altogether but it may show that you should go back and review the past and think again about your way and goals.

### **2.10 Tools for managing a diverse workforce**

Successful employers know that main talents are important for making a effective, positive, diverse workforce. In the beginning, employers should realize favoritism and its results, and then bosses should understand their own cultural believes (Koonce 2001:27). Diversity isn’t about the difference between people, but about differences between each one. Every one is special and doesn’t present or talk for a special group. In the end, employers should want to change the system if it is a must (Koonce 2001:65). Companies should realize how to handle diversity within the atmosphere to be successful in future (Flagg 2002:38).

Unfortunately, there is not a single secret for being successful. It mostly relies on the employer’s skill to realize what is better for the company regarding of group work and the systems of the environment. Managing diversity is inclusive process to create a work atmosphere which takes everybody. A successful



manager should keep in thought that the personal belief is to make a positive diverse workplace. Private ideas must be taken care of by administrations and employers. Affirmative actions and employment opportunity; that's what Managing diversity is all about.

In order to produce dialogues, business meetings and Social gatherings are good options as they are the best opportunity for every member to speak and listen. Constructive, necessary and critical Feedbacks shouldn't be denied in order to learn about mistakes and successes.

It's very important that employees and managers understand the fact that how to operate diversity for their own benefit and to the organizations as it gives several benefits to the organization. Conscious steps and initiatives should be taken by the managers and organization to encourage more tasks that eventually lead to better decision making and market understanding. All this helps managers to comprehend their personal behaviors and backgrounds plus they are also able to comprehend how it affects their decision making and perspectives. A manager who is successful should be in a stage where he can handle diversity by creating a culture within training, studying, and connections and directing strategies. Hiring is one of the tip on how to make your team diverse.

## **2.11 Hiring**

The workforce should be similar to the country or community where it's being operated. It might be a must to direct definite sides of the hiring rules in each work place.

## **2.12 Policies & Practices**

With developing differing qualities, an association needs to make sure that the usual ways and trainings are necessary to everyone and don't back up a special arrangement of representatives. Finally it's additionally basic to take input on strategies and practices from the workers. Nearby looking for criticism, the association will need to test and examine the changes that may be seen as boundaries to various issues.

### **2.13 Differing Qualities Training**

On occasion there might be differing qualities preparing just for particular purposes like giving input to representatives. A director should have the capacity to comprehend the social abilities before giving input to workers from various nations and foundations.

Another imperative approach to guarantee assorted qualities consideration is to make the working environment and arrangements more perfect for cooperating of the differences, for instance: providing flexi-hours to representatives, Giving a work environment that is helpful for the requirements of representatives with physical incapacities is a plus.

### **2.14 Assorted Experience**

To put together different attitudes and social specialists and learners in the pool may bring success to companies with putting together the groups' success and responsibilities to hard situations. Each presenter in an organized work environment has special talents and skills.

### **2.15 Learning and Growth**

The other point of workplace multiple talents is the open and easy entrance for presenter's self-conscious to be shown to creative ideas, and points of view may help humans to get connected mindly and to get a better vision of their atmosphere and workplace on earth.

### **2.16 Correspondence Issues**

Diversity impacts workplace relation in good and bad ways. Within associates, assorted qualities may give obstructions to have powerful relations, that may specially have profits. Differences may give more strength to company's officials with special customer bunches via making connections more powerful.

### **2.17 Combination Issues**

Society combination at workplace should get down to a lower level. The management of inner circles and selective social groups is a character like procedure which may be hard to handle from time to time.

### **2.18 Entrepreneurial Orientation**

- A. Proactiveness
- B. Risk-taking
- C. Innovation

### **2.19 Employee Performance**

- A. Individual performance
- B. Corporate performance
- C. Performance measurement tools

### **3 RESEARCH METHODOLOGY**

Research is an action defined in the terms of collecting and gathering new or extra information or can also be defined as the addition information to the existing work of the specific field (Robson, 2002). The research is the visual representation of the information that could deliver views and perception of others on the same topic. The information is considered to be unique and different from the existing ones because of the testable statements (i.e. hypothesis) that are proven through different tests.

#### **3.1 Qualitative Methods**

As my research is focusing on the impact of diverse work force within the performance of the organization and entrepreneurial orientation, it explains subjects that are involved in both objectivity as well as subjectivity. There are some factors that could be analyzed through numerical data like performance of the organization in terms of profitability. Moving on the other side, some factors are subjective in nature like the components of entrepreneurial orientation that includes risk taking, proactiveness and innovation. So questionnaires with the combination of questions that are open ended and close ended is the best method to adopt in such scenario.

The most important part of the thesis is that there will be difficulty and problems in collecting useful information from organizations regarding their performance and employees' background. Due to absence of statistical data related to employees' diverse background on public/governmental portals so makes it difficult to collect secondary data and most of the time the companies do not want to share their private informations and systems and techniques they use, therefore we can not rely on statistical data and test them.

To test the proposed hypothesis, we used the questionnaire as a primary method of our research. We proposed to send online questionnaires to the human resource managers of the multiple firms using their email and their websites or

in person. The data collected through questionnaires tested, both, qualitatively and quantitatively. The questionnaire was built in 5-scale Likert Scale and each point demonstrated different aspects. The questionnaire has 21 questions altogether with 7 questions for each of the three variables. This method of research, by accessing first-hand organizational data will be significant for future studies on this subject. These Surveys or questionnaires are the most helpful and reasonable method for collecting social occasion data from the people of concern and could be used to cover a large geographical zone. They could be utilized to either organize the numerical or the information that is subjective and theoretical. We mixed the questions related to our main three variables because we are not about to find a solution to any problem, we just want to find the relationship between them and find out how much they can effect on each other wether positive or negative.

It is one of the best mode of collecting information of purpose irrespective of any verbal or visual information affecting respondent's reaction either positive or negative. The questionnaires could be delivered in various topography ranges. In some cases, either few people respond to the surveys or while some simply send them back without any reacting remarks. (Walonick, 2010:11)

The mission of the investigation could be accomplished if questionnaires are all around well organized and composed with aim of achieving our goal which the research is being carried out. Subjective tests could be utilized to assemble realities about individuals' convictions, sentiments, encounters in specific employments, a benefit offered, exercises et cetera.

My questionnaire is designed in such a way that members could easily express their viewpoints on various points under the consideration without the intimations from the questions.

The inquiries are open ended that enable the respondents for composing their positive or negative reactions in the form of an inquiry. The information collected on these principle is useful if the specialists look to see how individuals feel about specific issues. This sort of research strategy could be valuable for organizations who try to comprehend the encounters and sentiments

of the people working in the organization with diverse backgrounds and how they are affecting organizational performance and entrepreneurial orientation.

In any case, this sort of research strategy may not be useful if the analysts are keen on evaluating and affirming theories about specific events. The fortunate thing about qualitative surveys is that they are adaptable and could be worded in various approaches to enable members to give reactions in their own words contrasted with a "yes or no." As we need to measure certain elements in look into so quantitative surveys are a most perfect way to deal with gather numerical data that could be used to attest hypotheses about occasions. Close completed request are used as a piece of this kind of methodology and are consigned numerical regards for the responded to investigate, for instance, empowering individuals to pick their age.

The Likert scale is ranging from 5 to 1 (Walonick, 2010:11).The key thing about polls and questionnaires is that they are basic and written in a surely knew dialect; for instance, the language that could be easily understood by every respondent and it is not so complicated and any reader can get the whole idea of the questions and Express his or her feelings within one of the answers.

### **3.2 Research Design**

Whenever you do any sort of work you make a complete design or structure of how you would carry that process or work. Many research strategies writings make mistakes to examine a difference between design and method. In any case, there is nothing restricted about any exploration plan that requires a specific strategy for information gathering. How the information is gathered is immaterial to the rationale of the plan. Neglecting to recognize outlines and strategy prompts poor assessment of plans.

The capacity of an exploration configuration is to make sure that the proof acquired gives power to us to answer the underlying inquiry. Having significant confirmation contains indicating the sort of proof expected to give answer to the examination , to test a hypothesis, to assess a program. In simple words, design help us to know about the underlying theories on the topic and what kind of evidences could be used to prove the theory in a very convincing manner.

Research design handles the problems which are logical not the problems of logistical in nature (Yin, 1989: 29). As in the research, different aspects are addressed in which data collection methods like e.g. questionnaire, observation, document analysis, also come under the point of what evidence is needed to be collected for the purpose. Again researchers outline surveys, start meeting dreadfully early before thoroughly realizing which data they need, to answer their exploration questions. Without taking care of the exploration and research design, the results will normally be frail and unconvincing. So in order to avoid such blunder, we worked on the research designs to be adopted. There are a number of research designs with different advantages and disadvantages used in the research.

On the other hand, exploratory research configuration basically configures the examination questions.

### **3.3 Explorative Design**

As it is clearly mentioned in the objectives of the research, I am investigating the impact of diversity on the entrepreneurial orientation and performance of the organization. In simple words, I just want to observe that whether there is any role of a diverse workforce with an entrepreneurial orientation on the performance of the organization. I'm not in the need of providing any solution to the problems associated with the diverse workforce or entrepreneurial aspect rather I want to get a clear picture of the problem statement by in-depth investigation of the desired topic. So for this purpose Explorative design is the best approach to get more clear knowledge about the diversity impact on organizational performance.

Exploratory research, means simply to configure the issue or problem and does not plan to offer answers to existing problems. Driven with a particular ultimate objective to choose the possibility of the problem, this type of research is not wanting to give persuading affirmation or denial.

When driving exploratory research, the authority must change his/her course in view of realizing the new data and experiences (Saunders, Lewis, & Thornhill, 2012:16). The exploratory research investigation does not expect to give the

main and definitive responses to the examination questions, however, simply configures the examination theme with shifting levels of profundity.

It has been realized that exploratory research is the underlying examination, which shapes the promise of more indisputable research. It can even help in deciding the exploration configuration, examining strategy and information accumulation method. Exploratory research tends to handle new issues on which almost no past research has been done. There are certain advantages of exploratory research design as mentioned below:

Advantages:

- Adaptability to change
- Exploratory research is viable in laying the basis that will make it easy for future investigations.
- These kind of studies can differentiate time and different assets

### **3.4 Questionnaire**

Following is the questionnaire to measure the effect of workforce diversity on the entrepreneurial orientation of and organization and organizational performance. As we mentioned before we are not about to find a solution to a problem we just want to find out the relationship between them. So we can combine three sets of questions related to our variables and examine the relationship between them. You can find the questionnaire on table 3.1 and also at the end of the research.



**Table 3.1: Questionnaire**

	Questionnaire Questions	Sources of questions
Diversity (These questions, measure Diversity Variable	1. Do you agree your employees come from different cultural backgrounds?	(Pitts, 2009)
	2. Do you agree that your organization employ workers from different countries?	
	3. Do you believe that the employees at your organization speak more than one language?	
	4. Does your organization have a formal written policy on equal opportunities?	
	5. Does your organization have a formal written policy on managing diversity?	
	6. Do you agree that your workplace has procedures in place for reporting discrimination?	
	7. Do you agree that managers, supervisors, team leaders work well with employees from different backgrounds?	
Entrepreneurial Orientation Following questions, measure the Entrepreneurial orientation in an organization)	8. Do you believe your organization is innovative/creative?	<i>Rauch, A., Wiklund, J., Lumpkin, G. T., &amp; Frese, M. (2009)</i>
	9. Do you believe your management promotes employees' ideas?	
	10. Do you agree that the management involves its employees in decision making?	
	11. Do you agree that resources (budget, personnel, time, etc.) are generally available for new ventures at your organization?	
	12. Do you agree your organization encourages risk-taking Claire Armstrong et al. (2010)	
	13. Do you agree your organization explore different markets and ideas?	
14. Do you believe your management has tolerance for uncertainty and failure?	(Wikhand, 2009:761-787)	

**Table 3.1:** (continued) Questionnaire

Organizational Performance (Following questions, measure the organizational performance)	<b>15. Do you believe your organization that Return on assets (ROA, %) in your organization is well above the industry average.</b>	<b>(Armstrong, 2010:977-998)</b>
	16. Do you believe your organization has increased its market share over year?	
	17. Do you believe the net fluctuation of employees due to internal reasons are lower within your company?	
	18. Do you agree that productivity of employees is much higher than industry average	
	19. Do you agree that learning ability and adaptability of employees is high (in comparison to the competition).	
	20. Do you believe your organization has ability to expand its business and market?	
	21. Do you agree that Absenteeism is in your company (relative to the competition) very low?	

### Questionnaire design

The questionnaire is the tool used for the data collection in the research. It is very simple and easy way of collecting the data. It is well organized and well structured tool for gaining the information from the people who are the part of research on different aspects regarding the topic. It shows the present and past scenarios, behavior, beliefs and actions highlighting the topic which is under the investigation of the research. It is popular for acquiring the knowledge and knowing the perspectives of people.

The main objective and the primary reason behind the use of the questionnaire is to get at the data in a unique format and organized way, showing that all the participants are asked in the same precise and concise way .

Polls are a useful contrasting option to consider while coordinating a postal survey. They can be more affordable than singular meeting and faster if the example is gigantic and large scattered. For any postal investigation paying little regard to the case will take a month or a month and half at least for the questionnaire samples to be returned, and an extra a month for every dynamic mailing. Likewise, as with telephone meeting it is not convincable to put pressure on the person behind the line also it takes too much time to read it and wait for the person to think and respond to each question. In some cases, because of the nonappearance of individual contact between the respondent and the expert, the diagram and plan of the survey is the best logical idea. As another alternative to mailing the review, it is possible to hand them out particularly to the potential respondents. It is reasonably easy to approach respondents in these conditions and you are presumably going to fulfill a considerably higher response rate than would be possible with a postal outline. The essential inconvenience of this approach is that your prisoner gathering of spectators may by one means or another be uneven. There are so many various past surveys covering a broad assortment of conditions and treatments. Some of these are planned for self-complete, others are proposed to be controlled by an examiner.

There are many obvious important reasons to use such overviews, including the way that an extensive number of these have recently been very much endorsed, and there may be regularized data as a remark for you to differentiate your results. Countless surveys are copyright guaranteed and you may require the maker's approval to use them. So also, using a couple of surveys, achieves a charge for each part. You will in this way need to pay a little to the survey to use because of copyright laws. There is no convincing motivation to reconsider the terms, so before arranging your own specific survey, you should contribute vitality examining what material exists starting at now. (Robson, 2002)The questionnaire I designed for my research is highlighting the effect of diversity on organizational performance. It comprises of 21 questions in total that is dissecting the different dimensions of the topic.

It is designed on three basic constructs. One is entrepreneurial orientation that includes innovation, proactiveness and risk taking as its main components. Then

second aspect is organizational performance and the third one is workforce diversity.

### **3.5 Diversity**

The first seven questions are focused on the diversity of the workforce at the workplace. These questions are mostly highlighting the importance of diversity at the workplace. By asking the whether the respective organizations have policies, procedures and equal opportunities for the workforce belonging to different cultural backgrounds. The questions are build to know about the existence of management regarding the diversity. These questions are based and derived from the (David Pitts ,2009) study on the diversity management whose purpose is to determine that how diversity increase the performance of the work group as well as job satisfaction.

It shows a positive relation with the job satisfaction and Workgroup performance. In essence, that if an organization is composed of a diverse workforce, there are many challenges the management has to face and prove themselves competent enough to handle them.

Because if the organization management has definite and predefined policies and procedures for treating with the diverse workforce, the workforce would feel contented and is satisfied with the job that will enhance their loyalty towards the organization causing a boost in their overall performance. (Pitts, 2009)

### **3.6 Entrepreneurial Orientation**

The next 7 questions starting from 8 to 14 are measuring the entrepreneurial aspect of the respective organization. This aspect further contains 3 more factors that collectively define this aspect. These factors include innovation, risk taking and proactiveness. The questionnaire is prepared in a way that it could easily determine that how the organization management gives importance to entrepreneurship. They are mostly highlighting that whether the organization encourage the employees to bring innovative ideas and whether the management provides resources and support for promoting new ideas so that employees

could be risk takers and proactive for enhancing the performance of the organization in total.

These questions are extracted from the study of Andreas Rauch Johan Wiklund G.T. Lumpkin Michael Frese on entrepreneurship mentioning relationship between entrepreneurship and business performance. In order to run a business, one needs to be a risk taker while decision making should be proactive regarding the threats to business.

Moreover to compete against the competitors new and innovative ideas should be provoked. These all three features are the main components of entrepreneurship and hence needed in running a successful business as well. So this research shows there is positive relation between both of them and these factors clearly have shown in the questions. (Wikhand, 2009:761-787)

### **3.7 Organization Performance**

The last seven questions relate to the measurement of performance of the organization. The questions, mostly feature certain parameters used in measuring the performance of any organizations. The indicators like market share, return on assets (ROA), absenteeism, employee productivity, market expansion and employee adaptability or learning are used to get a bigger picture about the organization that whether performance is boosting in real meaning or not.

These questions are drawn from the study of Claire Armstrong, Patrick c. Flood, James p. Guthrie, Wenchuan liu, Sarah Maccurtain, and Thadeus Kamwa on the effect of diversity and company's performance. The study has demonstrated that the companies which efficiently handle the diversity of the workforce at their workplace, they succeed in increasing the level of business performance. Moreover, if the management handles the issue using authentic management system, they even more succeed in boosting the performance of their organization (Armstrong, 2010:977-998).

As you can see at the end of the research in the questionnaire we asked about company's market share and the numbers but 99% we didn't receive any answer and we could not force them actually and this is exactly the reason that we used

Likert scale cause at least we can get the idea about their economic situation and their inventories and ROA and so on. We didn't focus on paramtric and numeric data as our resaerch is qualitative cause this way the informations are more reliable.

### **3.8 Likert Scale (Non parametric data)**

As the questionnaire is focusing on the qualitative aspect of the topic. So the Likert scale with 5 points will be used in order to quantify the results easily.

The trouble of measuring states of mind, character, and identity attributes lies within strategy for moving these qualities into a quantitative measure for information research purposes. numerous social researchers still depend on quantitative measures of states of mind, character and identity attributes. (Norman, 2010:167).In our case we do not rely on numeric data,

Because of the trouble of measuring character and identity, qualities, Likert (1932:201) built up a technique for measuring attitudinal scales. The first Likert scale utilized a progression of inquiries with five reaction options: firmly favor (1), support (2), undecided (3), oppose (4), and unequivocally object (5).A Likert scale is a psychometric scale that has different classifications from which respondents demonstrate their sentiments, mentalities, or emotions about a specific issue.Likert-scale polls have most much of the time been utilized as a part of examinations of individual distinction factors, for example, inspiration, tension, and fearlessness (Norman, 2010:167).

A few advantages of Likert-scale polls are that

(A) Information can be accumulated generally rapidly from vast quantities of respondents.

(B) They can give profoundly solid and enough individual qualitative information

(C) The information they give can be productively thought about, differentiated, and consolidated with subjective information gathering systems, for example, open-finished inquiries, member perception, and so on.

As research is to investigate the effects of diversity on the performance of the organization. This requires perception of people working in the organization that how they perceive the diversity in the organization and how the management take into account. What are their ways to handle the diversity? As there is no use of numerical data so the data is an ordinal scale or in ranks and order which means that we are dealing with the preference of the employees ranging from strongly disagree to strongly agree.

Information will be subjective in nature and doesn't require to fit in a normal distribution.

### **3.9 Sampling**

The collection of the data is not possible for the whole population. So for this a number of individuals are selected who clearly and dominantly represents the whole population. This is known as sampling. In simple words, it is the representative of the population (Field, 2005:78). The main purpose behind sampling is to summarize the data from population into smaller parts so that results could be derived which can be generalized over the population.

The research is related to the organizations, but there a number aid organization operating in the world. Due to the constraints in time and resources, it is not possible to collect data from all the organizations so it is best to focus on some of the organizations that fully represents the study.

As my research is focusing on the entrepreneurial orientation so it is best to select and collect data from 71 organizations, which I know for sure that they have diverse workforce therefor I can trust their informations and answers, they are mostly startups, small-medium enterprises as most of the startups and SMEs has their focus set on managing the organizations based on entrepreneurial traits and the managers of SMEs and founders of startups spend great time and money on entrepreneurial orientation.

These are the companies in which management encourages the employees to bring new innovative ideas. Secondly the management is prone towards risk in decision making. They are more aggressive because they have the urge to grow. This makes them proactive. They keep a close eye on the external factors in the

environment that could affect the organization either positive or negative. They are more risk takers as compared to the large organizations because they are already well established and earning quite a handsome figure of profit. So they are stringent to their existing policies and don't strive for the expansion as much as SME's are.

And according to Editors of Inc.com, (500 fastest-growing private companies in Europe, 2015:18) most of the fast growing organizations are SMEs or startups. The features of innovation, proactiveness and risk taking are the important reasons for taking a sample of small and medium enterprises because this shows the entrepreneurial orientation of the organization that is my main concern and construct of the study.

There are number of sampling techniques or methods used in collecting the data. But according to the requirement and need of my research, it is best to use stratified sampling technique.

As I want to focus on the diversity impact over organization performance which is not possible without knowing the respective views of employees as well as managers so it is best to make strata's that represents the stratified sampling.

The main motive for sampling is to contact executive or managerial-level respondent who are responsible for managing human resources or who are responsible for measuring performance of organization as well as individual employees. And for all this, stratified sampling is most appropriate and suitable approach. Using this approach, the population is divided into strata's so by bifurcating the population into employees and managerial staff, I could get a diverse and rich view on the topic that could be very beneficial for analyzing and deriving the results.

Moreover, The geographic reach of data will cover Turkey, Iran and some organizations in Eurozone. Although the geographical part of the samples are not important for us because it is not a main factor of our research and the locations are picked just based on my resources in these countries and therefor we can see most of the results and responds from Iran, The country I was born in



and Turkey, the country that I live in. It took me 15 to 20 days to collect the data, I sent the questionnaire in September 2017.

### **3.10 Stratified Sampling Technique**

It must be noted that the strata must be non-covering. Having covering subgroups will concede a few people higher odds of being chosen as subject. This totally nullifies the idea of stratified inspecting as a kind of likelihood examining. (Stratified Sampling Method, n.d.)

#### **3.10.1 When to use stratified sampling method**

Stratified subjective testing is used when the scientist wants to include a specific subgroup inside the people. The strategy is useful because it requests in the way that it ensures the closeness of the key subgroup inside the example.

Researcher moreover use stratified self-assertive investigating when they have to watch existing associations between no less than two subgroups.

Furthermore, this could be found in my theoretical structure that I'm measuring the relationship of two factors fundamentally that incorporates entrepreneurial introduction and authoritative execution. With a fundamental unpredictable testing framework, the investigator doesn't know whether the subgroups that he needs to watch are addressed comparably or proportionately inside illustration.

With stratified assessing, expert can test even tiniest and most hard to achieve subgroups in the people. This empowers expert to test exceptional extremes of given masses. With this procedure, you have a higher quantifiable exactness appeared differently in relation to essential subjective testing. Since this strategy has high quantifiable precision, it suggests that it needs a little example appraise which can save time, money and impacts of the experts.

### **3.11 Data Analysis**

Since the data collected through a Likert Scale. the data is on ordinal Scale which means the data is distributed in ranks or order, which makes the data non-parametric. The literature suggests to use a non-parametric test to investigate

the relationship between variables. The proposed method of analysis is Spearman correlation to examine the relationship within the variables.

A statistical significant test will be carried out to test the significance or viability of relationship results. As the data of my research is ordinal in nature or in other words the data is in ranks and secondly the purpose is to determine the association between the two variables, entrepreneurial orientation and organization performance.

So for this the analysis of the data could be done through the Spearman's coefficient correlation. It is the most appropriate method for doing analysis of ordinal data. There is another method in contrast to it that is Pearson's correlation coefficient which is more prone towards the interval or ratio data.

There is another most important reason for using this method for the analysis of my research data. Spearman's correlation is used on the data which is assumed that it is "monotonic" in nature. Now what is "monotonic relationship" means? It's a relationship between the two variables that fulfills one of the following two conditions. The first one is, if one variable increases, the other also increases and second one is, if one variable increases the other variable decreases.

Now if we analyze the hypothesis of my research, I could easily assume that there is a direct link between both the variables mentioned. If entrepreneurial orientation increases in the organization in other words if the employees bring more innovative ideas and management takes riskier decisions for expansion of the business then the performance of the organization will also increase and this is the hypothesis I'm testing in my research.

### **3.12 Spearman Correlation (non parametric test)**

The coefficient calculated by Spearman's rank correlation is a nonparametric (non-distributive). Rank estimation considered as a measure of the nature of the connection among two components. This is a measure of a monotone

association which is used when the dissemination of data makes Pearson's relationship coefficient undesirable or misleading. Spearman's coefficient is not a measure of the immediate association among two variables, as a couple of "examiners" assert. It assesses how well a subjective monotonic limit can portray the association between two variables, without making any doubts about the repeat appointment of the components.

Spearman's measurable achievements of 1904 were not increased in value by his University College partner Karl Pearson, and there was a long-standing contradiction between them. The history and resulting demonstrated that it was Spearman who was correct, and these days coefficient is generally utilized as a part of factual examinations.

The analysis of the data is not only the main part of doing any research work. Rather you have to interpret the results or findings also so that a definite solution or research objective could be achieved. Either you use Pearson or spearman method, interpretation is very important otherwise the efforts you put in your research and data collection would be of no use. All relationship investigations express the quality of linkage or co-event between to factors in a solitary incentive between - 1 and +1.

This esteem is known as the relationship coefficient. A positive connection coefficient shows a positive connection between the two factors (the bigger A, the bigger B) while a negative relationship coefficients communicates a negative relationship (the bigger A, the littler B). A connection coefficient of 0 shows that no connection between the factors exists by any stretch of the imagination. However connections are constrained to straight connections between factors.

Regardless of the possibility that the connection coefficient is zero a non-direct relationship may exist and if the results come with the coefficient of 1 or close to 1, this means both the variables are positively linked and related. Same is the case with negative sign. The sign shows the relationship either positive or negative while the number shows the strength of relationship or in other words how much the variables are linked.



#### **4 CONCLUSION**

As there are numerous types of data accumulation or collection strategies, for example, individual meetings, personal interviews, phone interviews, e-mail surveys, personal surveys, online surveys, and also different mixes of the above, we chose to collect data with electronic questionnaires sent to sample organizations by email.

While every data gathering strategy has diverse shortcomings and qualities, the quality of electronic questionnaire is that it is convenient and convincing form data collection. In addition, it gives the respondent the freedom to fill out the questionnaire according to their convenience and as per their protocols as we believe the organizations these days are extremely busy and their time is immensely valuable.

According to the paper published by Kevin, the most reliable and diverse option of collection data for a qualitative survey or research in the field of social sciences (HRM, Management) is questionnaire and personal interviews (Wright, 2005). Personal interviews are only plausible if the sample size is considerable small for instance 5 to 20 respondents, however if the sample size exceeds 30 number of respondents, the most reliable strategy of data collection is questionnaire (electronic or online).

Personal interviews require higher cost and longer duration for data collection. A larger number of organizations have moved on the web. These organizations provide researchers an access to a variety of information. The benefits of collecting data through questionnaire, as compared to personal interviews, is that it uses the ability of the Internet to reach the organizations, groups and individuals who would be difficult to reach through other methods of data collections. Another advantage of collection data through electronic questionnaires is that it may save time for researchers.

A person who is interested in research , in surveying hard-to-reach populations can access to big numbers of respondents/participants located in different parts of the world, which is otherwise time consuming if the data is collected in person. Last but not the least advantage of electronic questionnaire is its cost.

It is comparatively cheaper, and in many cases, free to formulate an electronic questionnaire and build the database of respondents. For the research or thesis based on our level, where there is no funding or financial support provided, the most feasible way of collecting data is electronic questionnaire. Therefore, my choice of method for data collection is electronic questionnaires. This form of data of the research is normally known as primary data.

#### **4.1 Data Collection:**

The data is collected from number of organizations headquartered in different geographical locations. The respondents of questionnaire or the participant organizations are diverse in form of industry and sector, in terms of size and in terms of location. Also the respondents or the key persons responsible for filling the questionnaire belongs to diverse ranks. This assumptions is inline with the main idea of the research that focuses on workforce diversity in the organizations.

We purposely intended to contact persons from different ranks in organization to obtain diverse data, as we assume the views or opinions about the organization of an employee will be different from the point of view of manager, which is why we have obtained some questionnaires or data from the higher rank personnels like senior manager, departmental heads, owners and some from the lower ranks like junior managers and officers because the company was in large size and we couldn't Access the top rank managers of the company.

Majority of the questionnaires were sent to the organizations belonging to the educational sectors based in Turkey and Iran. The reason for the large number of educational organizations in the sample in Turkey is that it is easy for these organizations to understand the questionnaire as the questionnaire was designed in English language.

Another reason is that these organizations are considered most diverse as they employ teachers from different countries, hence nourishing workforce diversity. Also, these organizations are fairly profitable in almost every phase of economic cycle as the educational institutes are unaffected in the recession or economic downturn. Due to my past experiences in the Tourism, IT, and Oil & Gas sector of Iran, a large number of questionnaires were also sent to the organizations belonging to these sectors.

I have sent a total number of 71 questionnaires but only 50 questionnaires were filled completely and correctly, therefore only 70% or 50 questionnaires are used to analyze data and test. Although, it is comparatively quick method of collecting data, but it took approximately 15 to 20 days to collect data, as that time of year (summer season, September 2017) is the busiest time of the year for organizations belonging to tourism, hospitality and education sectors.

Large to Mid size organizations were slower to respond, whereas, Small size private organizations were quicker to respond the questionnaire. Majority of respondents, did not reveal their sensitive data related to Return on Assets, Profits, Revenues, Growth and Market share, which is considerable as private organizations are not required by companies laws and regulators to publish their data and information publically. More precise information regarding statistics of data is discussed under next heading.

## **4.2 Data Description**

As it has been mentioned earlier, my focus was to include data from respondents from diverse sectors and geographical backgrounds. Before analyzing data for the testing of hypothesis, which is the main purpose of this study, a descriptive analysis, more formally known as data statistics in researches community, was carried out to identify the properties of the data. Descriptive analysis are carried out to identify properties of the data and control for the variables if there are patterns or routes.

While carrying out this research, total of 71 sets of questionnaire were conveyed to the targeted sample or respondents and total of 50 sets of completed questionnaires were collected that could be used for data processing and data analysis.

The participation of respondents or employees from these organization, who were sent the questionnaires, was based on voluntarily basis as we assumed if had given reward or sanctioned, the data could have been affected by biases.

Table 4.1 shows us the distribution of the respondents or the firms by the location. As we have mentioned the assumptions that we attempted to employ diverse data in our analysis so we have focused to get responses from as many countries as possible, however, the majority of the data has come from Turkey and Iran.

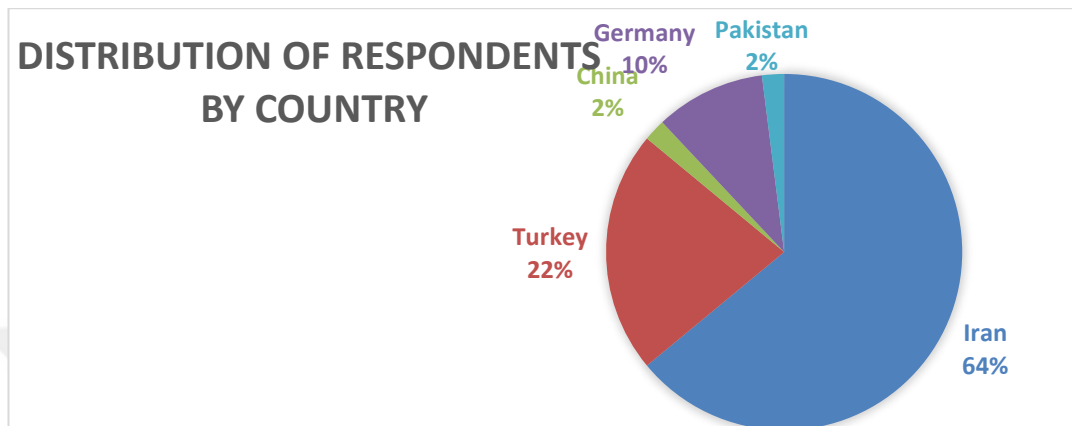
**Table 4.1:** Distribution of Respondents by Country

Location	No. of Respondents	Percentage
Iran	32	64%
Turkey	11	22%
Germany	5	10%
China	1	2%
Pakistan	1	2%
Total	50	100%

The largest share of respondents comes from Iran, that is 64%, followed by Turkey 22%. The firms in Iran has largest share, as I, the author of the research come from Iran, and it is my future plan to continue my Ph.D. research with the similar sample from either Iran or Turkey. One more reason of such higher number respondents from Iran is that, the English language is widely used in organizations in Iran, which is why the respondents were more equipped with understanding the questionnaires.



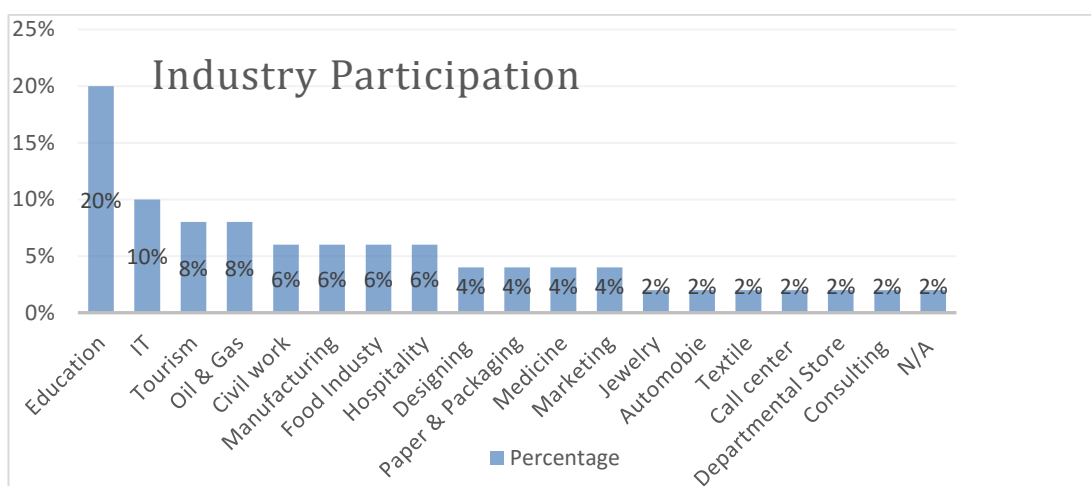
The second larger share of respondents comes from Turkey, technically the number of questionnaires distributed and collected from Turkey was higher, but due to lack of use of English language, many of the questionnaires were incorrectly filled and it could not be included in sample data for analyses, hence the share of respondents is lesser than Iran.



**Figure 4.1:** Distribution of Respondent/Organizations by Country

The Figure 4.1 provides better understanding of the share of respondents by country wise.

I have also classified and distributed the data on the basis of different sectors. I have collected data from as many as 18 different industries, which is inline with the assumption of employing diversity in the data. Figure 4.2 shows the distribution of respondents/organizations by their industry.



**Figure 4.2:** Distribution of Respondents by Industry

As it could be seen in the Figure 4.2 that the largest share of respondents comes from the education industry, followed by IT. The share of respondents working for educational industry is 20% (10 respondents), Information Technology 10% (5 respondents), Tourism and Oil & Gas 8% each and so on. This property of sample data is also consistent with the assumption that the most diverse workforce is found in education sector, as the teachers and lectures are employed based on their skills and education, and not on the basis of ethnic and cultural background.

According to Forbes report on Global Diversity Rankings by Country, Sector and Jobs of 2012, the most diverse sectors are Health, Education, IT, Hotels & Tourism (Forbes, 2012:05). In Turkey post of the respondents are the organizations and institutes engaged in language coaching and other tutoring services, where they employed international students and scholars. It was also discovered that number of employees working for an organization in education and IT industry is smaller than compared to the number of employees working in organizations in Oil & Gas and Tourism industry.

We couldn't reach any manager in health sector because first of all specially in Turkey and Iran it is not routine and normal for them to hire diverse workforce as the local workforce is high qualified and second , it was even harder to reach them because the top managers in health sector, they do not spend time on questionnaires not related to the health industry as we experienced this matter in our reseach and our unfilled samples.

**Table 4.2:** Distribution of respondent organizations by firm-size.

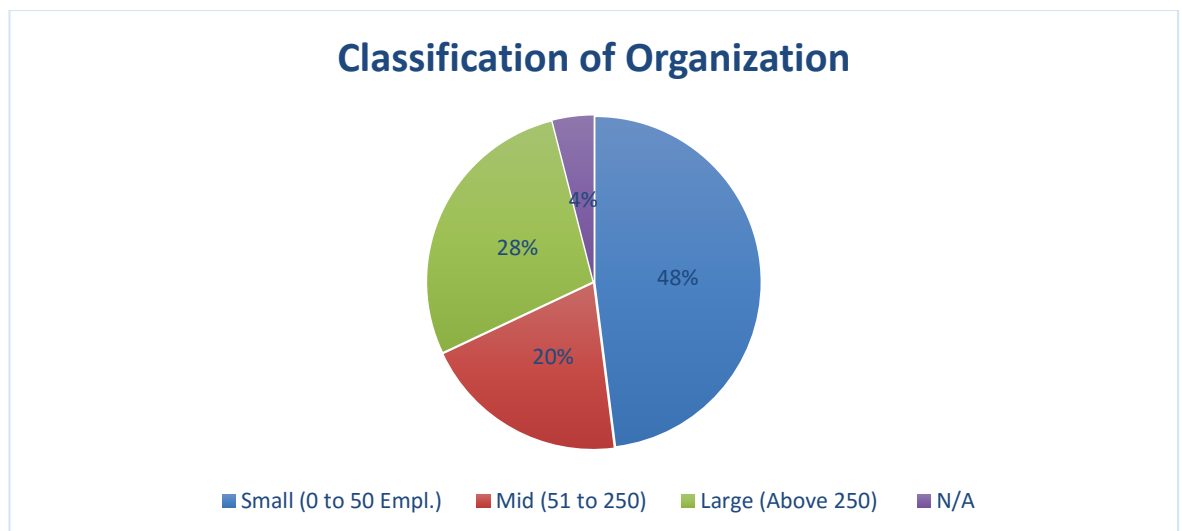
<b>Firm Size</b>	<b>No. of Organizations</b>	<b>Percentage</b>
Small (0 to 50 Employees)	24	48%
Mid (51 to 250 Employees)	10	20%
Large (Above 250 Employees)	14	28%
Not Answered	2	4%
<b>Total</b>	<b>50</b>	<b>100%</b>

The analysis regarding the size of organization is discussed in Table 4.2

As we could only get the data regarding the number of employees working in an organization, the respondent organizations under our sample were not forced to share data regarding the Return on Assets (RoA), Revenue, Sales, Market share and Profit margin, we decided to classify the organizations on the basis of number of employees. An organization that employs less than 50 employees is regarded as Small-size organization, an organization that employs between 50 to 250 employees is classified as Mid-sized organization, where as the Large-size organizations employs more than 250 employees.

Our sample was consist largely by small-size organization, as much as 48% of the share or 24 respondents belong to small-sized organizations, these organizations mostly worked in education, manufacturing and IT industries The share of large-size organization in sample of respondent is 28% or 14 respondents, these were mostly from Oil & Gas and tourism industry.

Share of mid-size organizations in sample data is 20% or 10 respondents, these respondents belong to food industry, civil works . 4% of the respondents did not mention the industry they work under. The classification of respondent organizations based on their organization size can be seen in the figure 4.3 below



**Figure 4.3:** Share of respondent organizations by firm-size.

Due to privacy of respondents to share the exact data regarding the number of foreign employees or the number of female workers in an organization, we

could not establish the exact percentage of foreign workers and female workers in organizations, however the small number of respondents who provided this information, mentioned that on average 15-30% of the total employees under workforce are foreign employees that belong to different culture and country than the home country of the organization where the organization is established and operates.

It was also discovered that the ratio of female workers was between 30% to 48%, which is higher in Turkey as compared to Iran. It also came in our attention that the ratio of foreign workers to local employees was higher in Education, Tourism and IT industry as compared to other industries and the ratio of female workers to male workers was higher in mid-size to large-size organizations as compared to small-size organizations.

### **4.3 Correlation Analysis**

Since my thesis is focused on testing the relationship or influence of workforce diversity on the entrepreneurial traits/orientation of the organization and the performance of the organization in terms of monetary and efficiency, the most appropriate method for this kind of test is correlation analysis.

Use of correlation analysis is widespread in daily life as well as scientific research. Researchers use correlation to investigate relationship among different variables, use of correlation is most common in investment and finance sector, where analysts test the correlation between prices of different assets as well the as relationship of assets with economic variables like discount rates, inflation, growth rate etc.

The correlation shows relationships between variables of the study, which in our case is diversity, entrepreneurial orientation and organization performance.

In order to understand the correlation coefficient, it's necessary to demonstrate and understand the numbers and signs of correlation coefficient. Since, the

coefficient value ranges from +1 to -1, positive/negative sign show the direction for the relationship among the variables.

The coefficient value of -1 means demonstrates that there is strong negative relationship among independent variables, in other words it illustrates that the variables have opposite relationship among each other i.e. if the value of one variable increases the value of other variables decreases. If the coefficient value is +1 it means that there is strong positive relationships between variable of a study, which values of both the variables move in same direction.

However, in some cases correlation coefficient value can take 0 or zero, which means there is no relationship between the variables.

#### **4.4 Spearman Correlation**

Correlations between variables can be measured with the use of different coefficients, namely Pearson's coefficient, Spearman's coefficient, and Kendall's coefficient. Our method of choice is Spearman correlation, however, it is in our interest to define what is Pearson and Kendall correlations are and why are we not using it, before defining Spearman correlation.

Pearson's coefficient of correlation was introduced in 1846 by Bravais, however the standard method of its calculation and assumptions were described by Karl Pearson in 1896 (Jan & Kossowski, 2011).

One of the main assumption behind Pearson's correlation is the normality of the variables tested that can only be valid in the case of quantitative variables. Therefore, the Pearson's correlation coefficient is used to measure the strength of the linear relationship between two statistical variables, which is not the case in our research.

On the other hand, in fact Spearman correlation is utilized for factors or variables measured at the ordinal scale, such as Likert Scale. As the data of our variables i.e diversity, entrepreneurial orientation/traits and organizational performance are measured on Likert Scale which is measured on ordinal scale or which is also called nonparametric data, the most appropriate nonparametric test for our study can be done using Spearman Correlation.

According to Hair et al. (Hair, Money ., Samouel, & Page, 2007:88-96), the value of correlation coefficient can be analysed as per ranges and strength of relationship explanations provided in Table 4.3

**Table 4.3:** Rule of Thumb about analyzing Correlation Coefficient

<b>Coefficient Range</b>	<b>Strength of Relationship</b>
+/-0.81 to +/-1.00	Perfectly Correlated
+/-0.51 to +/-0.80	Strong Correlation
+/-0.31 to +/-0.50	High Correlation
+/-0.21 to +/-0.30	Moderate Correlation
+/-0 to +/-0.20	Slight, almost negligible

We will base our analysis on the table provided by Hair et. al.

#### **4.5 Data Analysis & Results**

As we mentioned before we have used correlation coefficient to measure the relationship between study variables namely workforce diversity, entrepreneurial orientation and organizational performance. We have used IBM SPSS to do our analysis as there are less chances of error in SPSS as compared to manually calculating the correlations in Microsoft Excel.

Results of Spearman correlation suggests that the relationship among diversity and workplace, entrepreneurial orientation/traits of employees and organization's performance exist.

**Table 4.4:** Correlation

		Diversity	Entrepreneurial Orientation	Performance	
Spearman's Rho	Diversity	Correlation	1.000		
		Coefficient	.416	.359	
		Sig.(2 tailed)	.003	.011	
		N	50	50	
	Entrepreneurial Orientation	Correlation	.416	1.000	.366
		Coefficient	.003	.	.009
		Sig.(2 tailed)	50	50	50
		N			
	Performance	Correlation	.359	.366	1.000
		Coefficient	.011	.009	.
		Sig.(2tailed)	50	50	50
		N			

Results of the correlation analysis shown in correlation matrix above suggests that there is positive correlation or positive relationship among diversity variable and entrepreneurial orientation variables.

Results shows the Spearman correlation coefficient of 0.416 which if analyzed as per (Hair, Money ., Samouel, & Page, 2007:88-96) rules of correlation analysis provided in Table 4.4 means that the strength of the relationship is Highly correlated or high association.

This is consistent with the study proposed by David Pitts, which suggests that the diversity at workplace in terms of culture, nationality, skills, value and background positively influence the entrepreneurial traits within the organization and it also nourishes and promotes entrepreneurial skills like innovativeness, risk taking and pro-activeness.

The result of correlation coefficients also suggest that there is a positive influence of diversity at workplace on the performance of organization. Since we included questions related to operational and financial performance in our questionnaire, the result suggest that the diverse workforce influence both, the operational and financial performance of an organization.

The Spearman correlation coefficient between diversity and organizational performance is 0.359, which if analyzed as per (Hair, Money ., Samouel, & Page, 2007:88-96) rules of correlation analysis provided in Table 4.4 means that the strength of the relationship is Highly correlated or high association. Our results indicate that organizations that use higher diversity demonstrates higher levels of operational efficiency, labor productivity, and increased innovation. As per conclusion drawn by ARMSTRONG, et al. (2010:133-210), "Organizations that manage diversity actively in a fair and effective way (e.g., have a diversity champion within the organization) and incorporate diversity management in the firm's overall strategy, are more likely to achieve positive outcomes." This is also consistent with the study proposed by David Pitts, which suggests that the diversity at workplace in terms of culture and skills brings operational efficiency at an organizations, in his study he had provided an example of diverse workforce at the federal agency for migration in the United States which due to their multicultural workforce is operational efficient at solving migrants and immigration issues of people from different culture, language and religion. According to David Pitts "The organizations that are employ diverse workforce that includes women, people of different race, and immigrants, will have better opportunity due to the full pool of potential employees. These organizations wont only have stronger base of labor, but also these organizations will be able to respond more effectively to changing target population needs." (David Pitts, 2009:328-338)



The correlation matrix shows that there is Spearman correlation coefficient of 0.366 between the said variables.

The coefficient value of 0.366 suggests that there is high association or strong correlation between the entrepreneurial traits of the organizations and its ability to performance better in terms of operational efficiency and financial results. This result indicates that entrepreneurial traits has similar relationships with perceived financial performance, nonfinancial performance, and operational performance.

It also propose that the strategic activities implied by an entrepreneurial orientation, like creating newproducts and catering changing customer needs, have positive financial consequences ,entrepreneurial orientation and traits represents the policies and practices that gives a basis for entrepreneurial decisions making and actions so entrepreneurship is viewed as the entrepreneurial strategy-making processes that key decision makers use to enteract their company's organizational purpose.

#### **4.5.1 Analysis on Iran**

Since the demographics and cultural dynamics are different in Iran and Turkey, two countries with the largest share of questionnaire respondents, we tested the hypothesis of our study on both the countries separately.

Table 4.5 and Table 4.6 , shows us the results of Spearman correlation analysis among variables of diversity, entrepreneurial orientation and organizational performance.

**Table 4.5:** Spearman correlation analysis in context of Iran

		Diversity	Entrepreneurial Orientation	Performance	
Spearman's Rho	Diversity	Correlation	1.000	.264	.477
		Coefficient	.	.144	.006
		Sig.(2 tailed)	32	32	32
		N			
	Entrepreneurial Orientation	Correlation	.264	1.000	.425
		Coefficient	.144	.	.015
		Sig.(2 tailed)	32	32	32
		N			
	Performance	Correlation	.477	.425	1.000
Coefficient		.006	.015	.	
Sig.(2tailed)		32	32	32	
N					

Since the number of respondents from Iran is 32, the Spearman correlation analysis is done only on 32 respondents from Iran. The results of correlation are consistent with the overall results of the study.

The spearman correlation between diversity variable and entrepreneurial orientation variable is 0.264, which means the diversity in the workforce or labor force positively influence the entrepreneurship at an organization, however, the value of coefficient of 0.264 indicates weaker correlation which is why the test suggests that the relationship is not significant. We suppose this is due to strict regulatory policies and closed economy principles prevailing in Iran that presents the entrepreneurial culture in the economy

On the other hand, the correlation between diversity variable and performance variable has the value of 0.477, which suggests the strong association and influence of labor diversity on the organizational performance in terms of financial and non financial means.

The correlation between entrepreneurial orientation and organizational performance is also high, as much as 0.425. This result indicates that the fact the respondents (employees and managers) believe that the entrepreneurial culture at an organization can lead to higher organizational performance.

#### 4.5.2 Analysis on Turkey

Whereas, as the results are different in context of Turkey as presented in a table below.

**Table 4.6:** Spearman correlation analysis in context of Turkey

		Diversity	Entrepreneurial Orientation	Performance
Spearman's Rho	Diversity	1.000		
	Correlation	.833	.821	
	Coefficient	.11	.001	.002
	Sig.(2 tailed)	.11	.11	.11
	N			
	Entrepreneurial Orientation		1.000	
	Correlation	.833	.759	.759
	Coefficient	.001	.11	.007
	Sig.(2 tailed)	.11	.11	.11
N				
Performance			1.000	
Correlation	.821	.759	.000	
Coefficient	.002	.007	.000	
Sig.(2tailed)	.11	.11	.11	
N				

In contrast of Iran, in Turkey the spearman correlation between diversity variable and entrepreneurial orientation variable is higher i.e. 0.833, which means the diversity in the workforce or labor force positively influence the entrepreneurship at an organization.

The entrepreneurial orientation variable and organizational performance variable has higher coefficient value of 0.759, which also suggests highly strong correlation between two variables. The higher correlation coefficient value in Turkey, in contrast of Iran, suggests that Turkey has higher diversification in terms of culture, nationality and skills as compared to Iran.

This Result is also backed up by this note, that Turkey is among the countries with highest number of immigrants in the world and the regulatory framework in Turkey promotes the diversity and entrepreneurial orientation.

**Table 4.7:** Results of Hypothesis

<b>Hypothesis</b>	<b>Spearman Correlation</b>	<b>Significance</b>	<b>Accepted/Rejected</b>
<i>H1: The workforce diversity in an organization positively impact or is positively related to the entrepreneurial orientation or traits, such as Innovation, Risk taking and Proactiveness, of an organization</i>	0.416**	0.003	Accepted
<i>H2: The workforce diversity in an organization positively impact or is positively related to the performance an organization</i>	0.359*	0.011	Accepted
<i>H3: The entrepreneurial orientation or traits, such as Innovation, Risk taking and Proactiveness, positively impact or positively influence the performance an organization</i>	0.366**	0.009	Accepted

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

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

As it is shown above in the Table all three hypothesis are accepted or significant through the Spearman Correlation analysis.

Correlation coefficient of 0.416 between workforce diversity and entrepreneurial orientation is significant at the 0.01 level, which means the hypothesis 1 is supported that the workforce diversity in an organization positively impact or is positively related to the entrepreneurial orientation or traits, such as the others Innovation, Proactiveness, risk taking of an organization.

Correlation coefficient of 0.3598 between workforce diversity and organizational performance is significant at the 0.05 level, which means the hypothesis 2 is supported that the workforce diversity in an organization positively impact or is positively related to the performance an organization.

Correlation coefficient of 0.366 between workforce diversity and entrepreneurial orientation is significant at the 0.01 level, which means the hypothesis 3 is supported that he entrepreneurial orientation or traits, such as Innovation, Risk taking and Proactiveness, positively impact or positively influence the performance an organization

### 4.5.3 Question-wise analysis

Questions 1 to 7 Related to Workforce Diversity at an Organization

**Table 4.8:** Frequency of Question 1.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	4.0	4.0	4.0
Disagree	1	2.0	2.0	6.0
Neutral	7	14.0	14.0	20.0
Agree	29	58.0	58.0	78.0
Strongly Agree	11	22.0	22.0	100.0
Total	50	100	100	

.In the above mentioned question, it can be seen that the more than 50% of respondent agree that their workforce is diverse.

**Table 4.9:** Frequency of Question 2.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	9	18.0	18.0	18.0
Disagree	4	8.0	8.0	26.0
Neutral	10	20.0	20.0	46.0
Agree	19	38.0	38.0	84.0
Strongly Agree	8	16.0	16.0	100.0
Total	50	100	100	

In the aforementioned table it is clear that majority of people either agree to stays neutral that their employees comes from different countries. This is specially true for Iran where the rate of migration of foreign workers is close to zero.

**Table 4.10:** Frequency of Question 3.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	9	18.0	18.0	18.0
Neutral	3	06.0	06.0	24.0
Agree	16	32.0	32.0	56.0
Strongly Agree	22	44.0	44.0	100.0
Total	50	100	100	

More than 75% respondents agree that their various languages are spoken at their organization, which is true as there are more than one regional languages in Iran as well as Turkey, the countries with most of the questionnaire respondents.

**Table 4.11:** Frequency of Question 4.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	2.0	2.0	2.0
Disagree	4	8.0	8.0	10.0
Neutral	17	34.0	34.0	44.0
Agree	19	38.0	38.0	82.0
Strongly Agree	9	18.0	18.0	100.0
Total	50	100	100	

In the aforementioned table it is clear that majority of people either agree to hold neutral opinion that they have formal equal opportunity policy that helps enhancing diversity.

**Table 4.12:** Frequency of Question 5.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	8	16.0	16.0	16.0
Neutral	16	32.0	32.0	48.0
Agree	18	36.0	36.0	84.0
Strongly Agree	8	16.0	16.0	100.0
Total	50	100	100	

In the aforementioned table it is clear that majority of people either agree to stays neutral that they have written policy on managing diversity.

**Table 4.13:** Frequency of Question 6.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	2.0	2.0	2.0
Disagree	1	2.0	2.0	4.0
Neutral	17	34.0	34.0	38.0
Agree	19	38.0	38.0	76.0
Strongly Agree	12	24.0	24.0	100.0
Total	50	100	100	

Majority of respondent agreed that they have policies and procedures to report any discrimination incident, which is also inline with the regulatory requirements.

**Table 4.14:** Frequency of Question 7.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	4.0	4.0	4.0
Disagree	3	6.0	6.0	10.0
Neutral	12	24.0	24.0	34.0
Agree	22	44.0	44.0	78.0
Strongly Agree	11	22.0	22.0	100.0
Total	50	100	100	



To question number 7, more than 40% of the respondents to the questionnaire agreed that the team leader has advantage while managing the diverse team or employees belonging from different cultural and ethical background.

#### 4.5.4 Question 8 to 14 related to entrepreneurial orientation

**Table 4.15:** Frequency of Question 8.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	3	6.0	6.0	6.0
Disagree	2	4.0	4.0	10.0
Neutral	8	16.0	16.0	26.0
Agree	24	48.0	48.0	74.0
Strongly Agree	13	26.0	26.0	100.0
Total	50	100	100	

**Table 4.16:** Frequency of Question 9.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	2.0	2.0	2.0
Disagree	4	8.0	8.0	10.0
Neutral	11	22.0	22.0	32.0
Agree	21	42.0	42.0	74.0
Strongly Agree	13	26.0	26.0	100.0
Total	50	100	100	

Majority of respondent agreed that their organizations do effort to promote entrepreneurship at the organization through promoting employees' ideas.

**Table 4.17** Frequency of Question 10.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	2.0	2.0	2.0
Disagree	3	6.0	6.0	8.0
Neutral	18	36.0	36.0	44.0
Agree	20	40.0	40.0	84.0
Strongly Agree	8	16.0	16.0	100.0
Total	50	100	100	

Majority of respondent agreed that their organizations do effort to promote entrepreneurship at the organization through involving the employees in decision making process.

**Table 4.18:** Frequency of Question 11.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	7	14.0	14.0	14.0
Neutral	14	28.0	28.0	42.0
Agree	24	48.0	48.0	90.0
Strongly Agree	5	10.0	10.0	100.0
Total	50	100	100	

More than 45% of respondents agreed that their organization provides resources for supporting new business ventures at their organization which helps nourish entrepreneurial orientation at organization

**Table 4.19:** Frequency of Question 12.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	3	6.0	6.0	6.0
Disagree	12	24.0	24.0	30.0
Neutral	15	30.0	30.0	60.0
Agree	19	38.0	38.0	98.0
Strongly Agree	1	2.0	2.0	100.0
Total	50	100	100	

The opinion of respondents stayed neutral to the question if their organization promotes risk-taking behavior.

**Table 4.20** Frequency of Question 13.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	1	2.0	2.0	2.0
Disagree	2	4.0	4.0	6.0
Neutral	6	12.0	12.0	18.0
Agree	25	50.0	50.0	68.0
Strongly Agree	16	32.0	32.0	100.0
Total	50	100	100	

To the question related to the effort taken by organization for exploration of new markets and product ideas, 50% of the respondent agreed that their organization do take such measures.

**Table 4.21:** Frequency of Question 14.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	4.0	4.0	4.0
Disagree	9	18.0	18.0	22.0
Neutral	10	20.0	20.0	42.0
Agree	26	52.0	52.0	94.0
Strongly Agree	3	6.0	6.0	100.0
Total	50	100	100	

More than 50% of respondent agreed that their organizations are tolerant towards the risk or failure and uncertainty, such risk-taking behavior nourishes entrepreneurial traits.

#### 4.5.5 Question 15 to 21 related to organizational performance

**Table 4.22:** Frequency of Question 15.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	7	14.0	14.0	14.0
Neutral	25	50.0	50.0	64.0
Agree	14	28.0	28.0	92.0
Strongly Agree	4	8.0	8.0	100.0
Total	50	100	100	

More than 50% of respondents hold neutral opinion to the question if their organization's Return on Asset is higher than the peers in their industry. This is due to the fact organizations are reluctant to share such information.

**Table 4.23:** Frequency of Question 16.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	4.0	4.0	4.0
Disagree	4	8.0	8.0	12.0
Neutral	21	42.0	42.0	54.0
Agree	15	30.0	30.0	84.0
Strongly Agree	8	16.0	16.0	100.0
Total	50	100	100	

More than 40% of respondents hold neutral opinion to the question related to the increase in market share of the respondent's organization. This is due to the fact organizations are reluctant to share such information.

**Table 4.24:** Frequency of Question 17.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	2	4.0	4.0	4.0
Neutral	24	48.0	48.0	52.0
Agree	22	44.0	44.0	96.0
Strongly Agree	2	4.0	4.0	100.0
Total	50	100	100	

Majority of respondent answered neutrally to the question related to the turnover rate of employees or the fluctuation of employees due to internal reasons.

**Table 4.25** Frequency of Question 18.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	6	12.0	12.0	12.0
Neutral	7	14.0	14.0	26.0
Agree	28	56.0	56.0	82.0
Strongly Agree	9	18.0	18.0	100.0
Total	50	100	100	

More than 50% of the respondent to the questionnaire agreed that the employees' productivity is much higher than its peers in the organization who do not have higher levels of workplace diversity.

**Table 4.26:** Frequency of Question 19.

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	1	2.0	2.0	2.0
Neutral	6	12.0	12.0	14.0
Agree	31	62.0	62.0	76.0
Strongly Agree	12	24.0	24.0	100.0
Total	50	100	100	

As much as 60% of the respondents to the questionnaire agreed that diverse workforce with higher entrepreneurial skills have higher learning ability, as compared to organizations that lack diversity.

**Table 4.27:** Frequency of Question 20.

Valid	Frequency	Percent	Valid Percent	CumulativePercent
Strongly Disagree	0	0.0	0.0	0.0
Disagree	0	0.0	0.0	0.0
Neutral	7	14.0	14.0	14.0
Agree	24	48.0	48.0	62.0
Strongly Agree	19	38.0	38.0	100.0
Total	50	100	100	

More than 80% of the participants of the study agreed that due to diversity and entrepreneurial orientation their organization has the ability to expand its business operations in new markets.

**Table 4.28:** Frequency of Question 21.

Valid	Frequency	Percent	Valid Percent	Cumulativ Percent
Strongly Disagree	2	4.0	4.0	4.0
Disagree	2	4.0	4.0	8.0
Neutral	28	56.0	56.0	64.0
Agree	16	32.0	32.0	96.0
Strongly Agree	2	4.0	4.0	100.0
Total	50	100	100	

Majority of the participating organizations gave neutral answer to the question asking if the absenteeism in their organization is lower as compared to their competition. We designed this neutral question in the questionnaire in order to check if the participants are reading the questionnaire carefully and not just randomly answering the questionnaire.

#### **4.6 Conclusion:**

To sum up the research shows us that there is a positive relationship among diversity variable and entrepreneurial orientation variables.

-hypothesis 1 is supported that the workforce diversity in an organization positively impact or is positively related to the entrepreneurial orientation or traits, such as the others Innovation, Pro activeness ,risk taking of an organization.

-hypothesis 2 is supported that the workforce diversity in an organization positively impact or is positively related to the performance an organization.

-hypothesis 3 is supported that the entrepreneurial orientation or traits, such as Innovation, Risk taking and Pro activeness, positively impact or positively influence the performance an organization

We have contacted so many companies which were working on different sections of industries like IT,Tourism,education and so on,They were also located in different parts of the World,based on the results as we explained before with statistical results and numerical data,the relationship between our variables were positive which shows diversity helps and improves a company in every aspect.

As our World is getting more crowded and people have more freedom to choose where to live and immigrate,it is not like in the past that people had to stay where they were born.

Regarding this matter,we can see through the three successful and powerful countries of the World:USA,Canada and Australia that they put so much effort on collecting diverse workforce and they give free Resident visa or work visa to diverse work force nomatter from which country they are from,just to gather these forces together and create a more productive atmosphere and ofcourse to improve the economic and financial issues of the country.

As we can see United States of America,each year based on a program called “Diversity visa”collects 55.000 workforce from different parts of the World.



As much as we study and read and research about this topic we realize more and more about the positive effects of it, of course like anything else in this World it has negative sides too but they are not as strong as positive effects.

Till present, most of the studies were showing these positive sides and how effective is Diversity but who knows maybe in future this issue will change in a different way.

In this research we showed and we proved this matter and subject and its positive relations but we can not close this topic here, as like everything else in this World, there is a possibility of change in everything.





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## APPENDICES

### QUESTIONNAIRE TO MEASURE THE EFFECT OF WORKFORCE DIVERSITY ON THE ENTREPRENEURIAL ORIENTATION OF AND ORGANIZATION AND ORGANIZATIONAL PERFORMANCE.

Following questionnaire is the part of master thesis/research study conducted by Nasim Bahar, a student of Masters in Business Management program at Istanbul Aydin University. The survey aims to measure the effect of having diverse workforce (workers from different ethnical, cultural and racial backgrounds) on the entrepreneurial orientation of the organization (which measure how innovatively and creatively the organization operates) and the organizational performance i.e. measured in terms of revenue, profits, market share and growth. Therefore, I have selected your organization, company, or startup as one of the participant in our sample. Your contribution through filling this survey will allow us to contribute meaningful and useful study to the literature related to human resource management and organizational management.

The survey is designed under the supervision of Dr. Akin Marshap, an esteemed scholar at Istanbul Aydin University.

***Confidentiality:** Maintaining the confidentiality of your personal information is of utmost concern to us. This information will not be shared and will only be used for the purpose of this study only.*

I will be highly grateful for your input and contribution in our survey.

<b>Name of Organization</b>	
<b>Location</b>	
<b>No. of Years in Business</b>	
<b>Nature of Business/Industry</b>	
<b>No. of Employees</b>	
<b>No. or Percentage of Foreign Employees (Optional)</b>	
<b>No. or Percentage of Female Employees (Optional)</b>	
<b>Market Share (Optional)</b>	
<b>Annual Growth Rate (Optional)</b>	
<b>Name of the Person (person filling this survey)</b>	
<b>Designation of the Person (person filling this survey)</b>	
<b>Contact Details (Cell#, Landline, Email etc.)</b>	

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1. Do you agree your employees come from different cultural backgrounds?					
2. Do you agree that your organization employ workers from different countries?					
3. Do you believe that the employees at your organization speak more than one language?					
4. Does your organization have a formal written policy on equal opportunities?					
5. Does your organization have a formal written policy on managing diversity?					
6. Do you agree that your workplace have procedures in place for reporting discrimination?					
7. Do you agree that managers, supervisors, team leaders work well with employees from different backgrounds?					
8. Do you believe your organization is innovative/ creative?					
9. Do you believe your management promote employees ideas					
10. Do you agree that the management involve its employees in decision making					
11. Do you agree that resources (budget, personnel, time, etc.) are generally available for new ventures at your organization					
12. Do you agree your organization encourages risk-taking					



13. Do you agree your organization explore different markets and ideas					
14. Do you believe your management has tolerance for uncertainty and failure					
15. Do you believe your organization that Return on assets (ROA, %) in your organization is well above the industry average.					
16. Do you believe your organization has increased its market share over year					
17. Do you believe the net fluctuation of employees due to internal reasons is lower within your company					
18. Do you agree that productivity of employees is much higher than industry average					
19. Do you agree that learning ability and adaptability of employees is high (in comparison to competition).					
20. Do you believe your organization has ability to expand its business and market					
21. Do you agree that Absenteeism is in your company (relative to competition) very low					

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12/01/2018

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Bilgilerinize rica ederim.

Prof. Dr. Çiğdem KANBUDUĞLU



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## **RESUME**

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#### Curriculum vitae Nasim Bahar

01/01/2008–01/07/2012 Bachelor of International Management(Major in Marketing and Tourism ) Allame Tabatabai University, Tehran (Iran) GPA : 3.1

07/08/2010–09/08/2010 Amadeus-Fare Amadeus-IT, Tehran (Iran)

13/03/2010–17/03/2010 Amadeus-Reservation Amadeus-IT, Tehran (Iran)

03/10/2009–22/10/2009 Advanced Passenger Fares Iran Air Training Center, Tehran (Iran)

05/09/2009–17/09/2009 Intermediate Passenger fares Iran Air Training Center, Tehran (Iran)

01/08/2009–13/08/2009 Gabriel Platform Iran Air Training Center, Tehran (Iran)

04/07/2009–16/07/2009 Basic Passenger Fares Iran Air Training Center, Tehran (Iran)

01/10/2005–30/07/2006 Mondialogo UNESCO, Tehran (Iran) In 2005 I attended to Mondialogo contest which is a contest launched by Daimler AG and UNESCO that seeks to promote intercultural dialogue and exchange among young people. The global initiative is based on three pillars: the Mondialogo School Contest, the Mondialogo Engineering Award and the Mondialogo Internet Portal, which serves as a platform for dialogue and communication. I am so proud of my self about this part of my life because at that time when I was around 16,there were no Facebook or Instagram or even cellphones for teenagers in my country but this contest showed me so many students all around the world just like me, curious about everything and all of the hard work I've done was worth it.

## **PERSONAL SKILLS**

### Communication skills

Being on some student communities has taught me a lot about responsibility and team working. I have chaired some meetings, which taught me how to work well in teams and with individuals. I have passed some extra courses to have better communication with others which have taught me how to communicate properly and effectively to audience. I regularly engage in all classes' discussions, and try to doing class projects on time and I am so proud of that,also dealing with so many customers everyday made me so flexible and strong in communication.

### Organisational / managerial skills

I am raised with high self-confidence and encourage of everyone around me...without any exaggeration I was the representative of my classes from Kindergarten to high school...I also was a lecturer for freshman students. If one were to ask my friends to describe me they would describe me as a very pleasant, diverse, active and intelligent girl with lots of energy.as a young girl I was qualified enough to achieve the Managing position at my work place and I had too much progress in my work which led me to open my own private store beside my regular job and I am so proud of these achievements and hope to make it more in future.

### Job-related skills

Control Management

Time Management

Differentiation

Branding

Customer Service

Creative

Digital competence

## **SELF-ASSESSMENT**

Information processing

Communication

Content creation

Safety Problem solving