Analyzing The Relationship Between Workplace Diversity and Innovation and Its Influence on Organizational Performance

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Abstract. This study analyzes the relationship between workplace diversity and innovation and its influence on organizational performance. Prior research has not sufficiently examined this mechanism of interaction. A survey of 294 managers in the Kuwaiti banking sector tested the hypotheses using regression analysis. Results indicate a significant positive relationship between workplace diversity and innovation, which in turn improves organizational performance. In particular, diversity factors like socioeconomic status and religion were found to impact innovation and performance. The findings suggest that embracing diverse perspectives enhances innovation, leading to better organizational outcomes. This highlights the importance of managing diversity and inclusion for competitive advantage.

Keywords: Workplace diversity, Age and Gender, Race and Ethnicity, Physical and Mental Ability, Education and work Experience, Socio-economic status, Religion, Problem-Solving, Innovation, Engagement

1. Introduction

Organizations usually try throughout their operating life to improve their performance and achieve their strategic goals. As successful organizations know that improving performance leads to increased profitability, which is a critical factor in order to ensure the continuity of any operating organization (Vairavan and Zhang, 2020). Porcena et al (2020) stated that organizations usually aspire to remain at the forefront of the competitive environment, and accordingly, many organizations adopt ideas, strategies, and cultures that would ensure the organization's primacy.

Improved performance can provide the organization with a competitive advantage by allowing it to differentiate itself from its competitors. This can also lead to increased market share, customer loyalty, and positive reputation. As for Zhang (2020), he indicated that improving performance creates a positive work environment, which leads to an increase in employee satisfaction and retention rates. Finally, improved performance can encourage innovation, which can help an organization stay ahead of the competition and adapt to changing market conditions (Al-Qatan, 2019).

Gomez and Bernet (2019) aimed to find out the relationship between workplace diversity and the performance of healthcare organizations. The method of literary reviews of previous studies between the years 2000-2018 was relied upon, and an indication of the extent to which the performance of health organizations was affected in terms of race, gender, age or language. The study concluded that diversity in the workplace contributed greatly to increasing creativity and innovation in organizations as a result of the mixing of races, genders, experiences and qualifications.

Chen et al (2021) aimed to identify previous studies that dealt with workplace diversity within the organizations of the Asia-Pacific region and the expected plans. Previous literature for studies within the years 2000-2020 was reviewed by focusing on the level of diversity in the workplace and the mechanism for promoting this diversity for the benefit of the organization. The study found that there is an acceptable diversity within the Asia-Pacific region. However, this diversity is associated with the influence of the cultural values and standards of the organization, in addition to the presence of many challenges standing in the face of diversity represented in the subconsciousness of employees and their rejection of much diversity that comes from cultural and ethnic sources.

Ranta and Ylinen (2023) aimed to show the relationship between wage difference in management and workplace diversity and its role in strengthening the foundations of machine learning. The methodology adopted the qualitative method by analyzing and studying previous articles on workplace diversity with regard to gender diversity within a sample of Finnish companies, in addition to examining the factors that contribute to enhancing workplace diversity in these companies. The study concluded that gender diversity had a positive impact on enhancing the foundations of workplace diversity in Finnish organizations, and the factors that would affect workplace diversity were identified, which included the size of the organization, the field of interest and the nature of managerial positions.

Andoh et al (2019) aimed to study the impact of workplace diversity on employee performance at a group of selected universities in Ghana. Primary and quantitative data were collected from (290) employees from four private universities in Ghana through a distributed questionnaire. The study concluded that diversity in the workplace had a positive impact on the performance of employees in private universities, and that employee participation was higher in the presence of diversity in the workplace.

Nyagadza et al (2022) aimed to study the impact of workplace diversity on equality and inclusiveness in the labor market in Zimbabwe. Quantitative data were collected from (150) employees of different private organizations in Zimbabwe. The study concluded that the decline in workplace diversity was relatively low in the studied organizations, in addition to the differences in wages between genders, which led to an impact on performance and the emergence of some traditional cultural practices that conflict with modern workplace standards.

Inegbedion et al (2020) aimed to study the relationship between workplace diversity and organizational competence in a group of Nigerian organizations. Primary data were collected from (400) employees through a questionnaire. The study demonstrated that there is a positive relationship between diversity in the workplace and organizational efficiency. In addition, the researchers linked diversity and efficiency through the idea that diversity in the workplace increases employee engagement, which leads to higher organizational efficiency.

Rodprayoon and Maj (2021) aimed to study the impact of workplace diversity on employee retention during the Covid-19 pandemic. A questionnaire was distributed to (250) employees from different organizations in Thailand. The study concluded that workplace diversity is associated in a positive way with employee retention through that diversity leads to an acceptable and welcomed work environment by employees, which leads to their adherence to a place their work and thus deliver better performance and improve the performance of the organization as a whole.

Selin (2022) aimed to study the impact of workplace diversity and inclusivity practices within Marriott International Inc. and its impact on employee performance and guest satisfaction. The researcher adopted the case study approach on the Marriott Hotel, and data was collected from the hotel staff and its financial and non-financial reports. The study concluded that adopting the foundations of diversity in the workplace by the Marriott group of companies had a significant role in retaining skilled employees and improving their level of performance. Welcome and recognition, which affected Marriott's overall performance.

Vairavan and Zhang (2020) aimed to identify the mediating role of social responsibility in the relationship between the ethnic diversity of the organization and its general performance within a group of organizations in the United States of America. The quantitative method was adopted and a questionnaire was distributed to (437) American companies included in the P500 & S index during the years 2013-2017. The study proved the existence of a relationship between ethnic diversity and social responsibility, that is, the ethnic diversity showed that the organization is socially responsible and respects the ethnic difference between individuals, which made its performance better. That is, ethnic diversity in an organization can enhance its performance by positively affecting corporate social responsibility.

Porcena et al (2020) aimed to shed the light on the mediating role of ethics in the relationship between diversity in the workplace and the overall performance of the organization. The study adopted the quantitative approach by distributing a questionnaire to a sample of (288) American organizations. The study concluded that diversity in the workplace enhances the ethical orientation of the organization, which in turn plays a mediator in developing the overall performance of the organization.

Zhang et al (2020) aimed to examine the relationship between gender diversity among employees in the organization and its general performance. The study adopted the quantitative approach and collected data from (1205) organizations in (29) countries over a period of (5) years from 2010-2014. The study concluded that gender diversity in the workplace has an important and positive impact on the performance of the organization, specifically in the organizations of the first world countries, which are naturally interested in the details of justice and equality between genders.

1.1. Literary Gap

Giving a thorough look at the previous studies and analyzing their aims and results; it can be seen that there was a literary gap resembled in the need for more empirical research that establishes the relationship between diversity in the workplace and innovation, and the impact of this diversity and innovation on organizational performance. While there is a growing literature highlighting the positive impact of diversity in the workplace on both innovation and organizational performance, there is still a need to identify mechanisms that enhance workplace innovation. Carrying out such research would contribute in increasing managerial awareness of the positivity of diversity in workplace in terms of

exploiting different knowledge and experiences. Not to mention the role of innovation in supporting better organizational performance and outcomes.

Launching from that, the current research seeks to answer the following questions:

RQ1: what is the relationship between workplace diversity and innovation?

RQ2: How can the positive relationship between workplace diversity and innovation enhance organizational performance?

Answering these questions can be through attempting the following objectives:

- Identify the meaning, aspects and dimensions of workplace diversity
- Highlight the correlation between diversity and innovation
- Explore diversity and innovation as drivers for better performance in organizations

1.2. Aim, Model and Hypotheses of Study

Due to that gap, this current study aimed at examining the relationship between workplace diversity and innovation, and how can this relationship support organizational performance from the perspective of managers and leaders within Kuwaiti banking sector. From hypotheses development above, researcher was able to highlight the relationship between variables through building the following model – figure 1 – and from which study hypotheses were extracted:
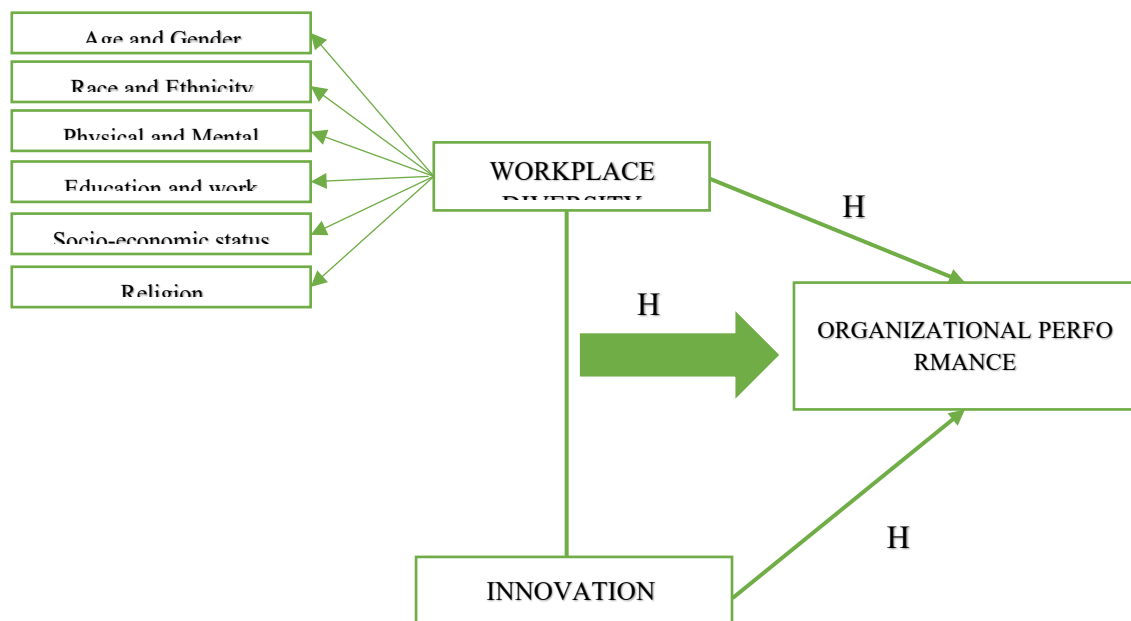

Fig. 1: Study Model (Gomez and Bernet, 2019; Li et al, 2021; Dastmalchian et al, 2020; Inegbedion et al, 2020)

According to figure 1 above, the following set of hypotheses was extracted:

H1: Workplace diversity has a statistically significant influence on organizational performance

H2: Innovation has a statistically significant influence on organizational performance

H3: The relationship between workplace diversity and innovation has a statistically significant influence on organizational performance

1.3. Theoretical Base of Study

It is worth mentioning that the current study launched its aim from the theory of Diversity and Inclusion (D&I). According to this theory, diversity can bring to the organization different prospects of skills, talents, experiences and background which can open the doors to a more varied and cohesive problem-solving skills and solutions. Once this takes place, the organization becomes more able to create a work environment that is approved and accepted by employees which led to a better performance (Frazer et al, 2021; Pathak and Muralidharan, 2022).

2. Literature Review

2.1. Diversity in Organizational Thinking

Diversity in organizational thinking alludes to the concept of grasping distinctive points of view, encounters, and foundations in decision-making and problem-solving forms inside an organization (Chen et al, 2021). This incorporates not as it were statistic differences, such as gender, race, ethnicity, and age, but moreover diversity of thought, counting diverse approaches to problem solving and decision-making (Hossain et al, 2020). According to Nadarajah et al (2021), organizations that embrace diversity in their thinking can advantage from a run of viewpoints and concepts, driving to more inventive and inventive arrangements to complex issues. By grasping differing ways of thinking, organizations can tap into the information and mastery of their representatives, which can contribute to progressed execution and competitive advantage.

One approach is to advance cross-functional collaboration, where employees from distinctive divisions or groups work together on ventures. This may offer assistance to break down silos and advance the trade of thoughts and information over distinctive parts of the organization. Furthermore, preparing programs that advance basic considering and problem-solving can offer assistance to create a diverse range of aptitudes and approaches inside the organization (Hauret and Williams, 2020). Generally, diversity in organizational thinking may be a key calculate in advancing advancement and progressing organizational execution. By grasping different points of view and approaches to problem-solving, organizations can use the complete potential of their representatives and make a culture of openness and collaboration that drives victory (Scarborough et al, 2019).

2.2. Workplace Diversity

Diversity in the workplace is the existence of differences among the employees of the organization stemming from religion, gender, race, origin, age, experience, education, language and culture (Herbert et al, 2023). That is, the workforce in the organization should enjoy diversity in these areas of increasing creativity and innovation and improving the competitive capabilities of the organization based on the intellectual, cultural, ethnic and religious crop of each individual working in it (Fine et al, 2020).

Achieving diversity in the workplace is one of the most challenging goals as there are many barriers present in the subconscious of individuals. Such barriers may lead to reject the idea of diversity and look at it from a specific cultural or religious perspective, such as prejudice to men against women, rejection of other religions, inequality in opportunities available and discrimination in favor of the more numerous groups (Mousa et al, 2020).

Hays-Thomas (2022) and Flory et al (2021) confirm that there are many ways to promote diversity in the workplace, and these methods are represented in adopting comprehensive and supportive policies and strategies for diversity. These policies included building programs to recruit employees from different ethnic backgrounds and origins, as well as employees of different ages and experiences, avoiding sexism and promoting religious and cultural integration. As for Evan et al (2023), it was indicated that spreading a culture of respect and inclusion would support diversity in the workplace and stimulate respect for experiences, skills and teamwork.

2.3. Age and Gender

Diversity in the workplace in terms of gender and age refers to the employment of individuals in the organization of different ages and gender groups as a form of equality and social justice (Gross-Gołacka et al, 2022). The goal of gender and age diversification is for the organization to have diversity and inclusiveness within its workforce in order to benefit from the different perspectives and multiple experiences of individuals, which would lead to a more creative and innovative work environment. In addition, gender and age diversity would create equal opportunities, eliminate discrimination in all its forms, and eliminate stereotypes from the workplace (Clark et al, 2021).

2.3.1. Race and Ethnicity

Racial and ethnic diversity in the workplace refers to the organization's contribution to employing individuals of different races and origins within the workforce in order to build a cultural background that promotes diversity in customs and traditions (Barak, 2022). From them, the organization benefits from different opinions, viewpoints, experiences and different skills, which leads to a diverse work environment, open, accepting and respecting the other, which means better performance for the working individuals and thus the organization (Roberson, 2019).

2.3.2. Physical and Mental Abilities

The diversity in employing individuals with different mental and physical abilities is an indication that the organization respects its social responsibility with regard to individuals with special abilities or needs, which is positive for it (Creary et al, 2021). In addition, diversity in physical and mental capabilities contributes to diversification of inclusiveness and diversity in the workplace, and it promotes social justice and equal opportunities among individuals regardless of their physical or mental capabilities. This contributes to the elimination of discrimination and stereotypes and increases the acceptance of the organization in society as a result of its respect for its social responsibility (Trenerry et al, 2023).

2.3.3. Education and Work Experience

Integration of individuals with different educational backgrounds and practical experiences is very important in creating diversity within the organization, and its impact on the performance of the organization is to intensify the differences in scientific and practical levels, encourage the exchange of knowledge and promote diversity and inclusiveness (Khan et al, 2019). Diversity in this aspect helps the organization to benefit from different experiences and knowledge and to reach a high creative state in the organization, in addition to employing different skills and knowledge in matters that serve the organization and improve its performance (Emerson et al, 2020).

2.3.4. Socio-economic Status

Diversifying individuals within the organization in terms of their social and economic conditions is very important as one of the characteristics of the workforce (Fry et al, 2021). Diversity and inclusiveness are enhanced by including individuals from different social and economic classes in the organization, which helps in improving knowledge within the organization, enhances the experiences and competencies of individuals in it, and helps eliminate discrimination and stereotypes in the workplace (Byrne et al, 2020).

2.3.5. Religion

Religious diversity in the workplace is vital and very important for organizations to distance themselves from racism and discrimination, which are considered among the worst things if the organization proves that they exist. Religious diversity refers to employing individuals from different religions, religious beliefs and practices in order to create a work environment that is more harmonious and accepting of others, in addition to respecting the dignity, beliefs and religious tendencies of others (Barak, 2022).

2.4. Drivers of Diversity in Workplace

Rao et al (2023) indicated that workplace diversity is not something found by default in the organization, it is something that is driven by many factors including:
- Benefit and feasibility

There is a lot of evidence that work environments that enjoy diversity are more productive and have higher performance, and the ability of the organization to manage services and customers is more effective, which can be seen as a competitive advantage.
- Community integration

Organizations aspire to be socially accepted, so organizations increase diversity in order to reach a state of integration among members of society.
- Globalization

Companies that aspire to be global must employ individuals of different nationalities, races, origins, and origins, and this guarantees them intellectual and linguistic diversity and different experiences to achieve global competitiveness.
- Attracting and retaining talent

Individuals usually tend to stick to organizations with diversity on the grounds that they respect the other and value difference. Therefore, organizations that aspire to retain various skills, abilities, and talents usually tend to be diverse within their work environment.
- Social responsibility and ethics

Organizations that are committed to ethics and social responsibility are more acceptable compared to other organizations. Hence, organizations seek to create a diverse work environment in order to prove that they are socially responsible and increase their acceptance rate as an ethical organization.
- Innovation

The organization that aspires to have an innovative and creative work environment knows that it must have a diverse work environment.

2.5. Benefits of Diversity in Workplace

According to Campbell (2023), academic and practical evidences proved that the benefits from workplace diversity are undeniable and can be sensed and seen within a work place. Ruiz et al (2021) argued that a diverse workplace means a work environment that is more innovative and creative due to the diversity of perspectives, experiences and different business of individuals. Celikdemir and Katrinli (2020) stated that diversity can lead to creating foundations for more efficient problem solving, in addition to diversifying viewpoints and ideas to solve problems. On the other hand, Orsini and Magnier-Watanabe (2023) saw that diverse workplace means increasing the level of productivity due to the increased feeling of appreciation and respect for the working individuals despite the differences, so they are more motivated to work and more productive and performant. In addition to that, the level of customer service is affected by the work environment in which the employees work. When the work environment is positive and comfortable for employees due to respect, appreciation and equal opportunities, employees are more able to serve customers well and at a higher level.

2.6. International Examples of Diverse workplaces

Global organizations with a strong reputation praise workplace diversity as one of the types of democratic work, urbanization and civility in dealing and work, among the most famous of these organizations Wang and Fang (2020); Ledesma and Martinez-Hague (2021); Goldberg et al (2019) and Selin (2022):

- **Google**: The tech giant is known for diversity and inclusion in the workplace, holding many beliefs around non-discrimination and bias, and collaborating with organizations that support underrepresented groups.
- **Deloitte**: These organizations are among the organizations recognized for their commitment to diversity and inclusion, and they are originally multinational organizations that build and build on many programs that aim to promote a diverse work environment in them, such as women's initiative, employment of ethnic minorities, and non-discrimination among employees.
- **Marriott**: Among the hotel and hospitality organizations that adopt a diverse and non-biased idea of religion, race, color or gender, and it has many initiatives that support women leaders
- **IBM**: As a technology and technology organization, it is known for its concern for diversity in the workplace in order to preserve the skills, talents and expertise that it has.

2.7. Innovation in Organizational Thinking

According to Rasool et al (2019) innovation in the workplace is the process of presenting new ideas, ways, and methods of work, productivity, and improving overall performance. YuSheng and Ibrahim (2020) stressed that innovation in the workplace is one of the most essential elements to ensure the success of organizations and increase their competitiveness, while Lee et al (2019) found that innovation would help the organization to adapt to the volatile conditions of markets and work environments by creating new ideas to meet the needs of customers.

Haefner et al (2021) points out that it is possible to contribute to enhancing creativity in the organization by creating a culture of creativity, innovation and knowledge exchange, which is by giving employees the opportunity to express their opinions by referring to a diverse working environment, receptive to others, based on respect for difference and others (Hashem, 2016). On the other hand, Clohessy and Acton (2019) indicated that one of the most important methods of encouraging innovation is to enhance research and development opportunities and provide employees with the necessary tools and resources to achieve these opportunities. This includes financing research projects, diversifying the work environment, attracting different experiences and skills, and accepting differences and accept cultural and ethnic differences between individuals.

As for the drivers of innovation in an organization, Saunila (2020) noted that when an organization enjoys a culture that encourages learning and knowledge sharing, then it is for sure that it will enjoy a good level of innovation. Lu et al (2020) confirmed the same idea arguing that with a culture that is based on learning and gaining more experience from different sources; employees might be more open to innovative ideas and creative thoughts due to the healthy environment that they work in.

Zhang et al (2019) agreed on the same idea arguing that among the drivers of innovation is diversity, diversity in workplace play a significant role in increasing innovation due to the ability of benefiting from the pool of talents, experiences, education and backgrounds. This helps the organization be more open, appreciative and supportive for all thoughts and ideas that might increase the level of performance of individuals and organization as a whole.

2.8. Organizational Performance

Alrowwad et al (2020) stated that organizational performance is the extent to which the organization is able to achieve the goals and objectives set in its strategy. As for Le and Lei (2019), it was found that the organizational performance refers to the organization's administrative and practical effectiveness of the mechanism of using its resources in the interest of the organization (employees and stakeholders).

Organizational performance consists of several main dimensions, including performance axes of financial performance, operational efficiency, customer satisfaction, employee satisfaction, and awareness of social responsibility (Arundel et al, 2019; Hawi et al.,2015).

Singh et al (2021) argued that organizational performance is influenced by many organizational

factors, including the organization's strategy, culture, organizational structure, internal systems, leadership and management. Wang (2019) in turn stressed that measuring organizational performance is necessary in order to know the level of progress or regression of the organization, and the measurement of the organization's performance includes both sides, financial performance and non-financial performance.

3. Methods and Materials

3.1. Methodological Approach

Reaching the main aim of current study was done through adopting the quantitative approach as the basic methodology for collecting primary data. The reason for choosing quantitative approach is attributed to the fact that it is more helpful in applying the tool on a larger sample size which gives the ability to generalize results on a wider population.

3.2. Tool of Study

A questionnaire was built through the aid of previous studies. The questionnaire consisted of two main sections. The first took into perspective demographics of study sample, while the other section presented statements related to study variables as in table 1 below. The questionnaire was built on liker five point scale (1) Strongly Disagree; (2) Disagree; (3) Neither Agree nor Disagree; (4) Agree; (5) Strongly Agree. The questionnaire was uploaded online and distributed on sample members through a link that was sent to them through their HR department. It worth mentioning that the questionnaire was presented before a group of specialized academics in the field for the sake of arbitration, and specialists agreed, modified and deleted some of the statements reaching to a final number of (38) statement. The questionnaire was uploaded online for the sake of gathering primary data (responses). The primary data appeared as on likert 5point scale that was numerical ranging from 1 strongly disagree to 5 strongly agree.

Table 1. Statements Distribution on Variables

Variable	# of Statements
WORKPLACE DIVERSITY	
Age and Gender	4
Race and Ethnicity	4
Physical and Mental Ability	4
Education and Work Experience	4
Socio-economic Status	4
Religion	4
ORGANIZATIONAL PERFORMANCE	8
INNOVATION	6

3.3. Population and Sampling

Population of study consisted of all managers within the Kuwaiti banking sector. A convenient sample of (400) individuals was chosen to represent the study population. After application process, researcher was able to retrieve (294) properly filled questionnaires which indicated a statistical response rate of (73.5%) as statistically accepted.

3.4. Statistical Processing

Statistical Package for Social Sciences SPSS was used in order to deal with the primary collected data. Cronbach's Alpha was used as a test to highlight the degree of reliability and consistency of study tool. Results indicated that Alpha value for all variables = 0.923 which was higher than 0.70, which meant that the tool was reliable, and consistence. Other statistical techniques that were used to mitigate primary

data included frequency and percentage, mean and standard deviation, multicollinearity test in addition to multiple regression.

4. Analysis and Discussion

4.1. Demographics

Frequency and percentage were calculated for study sample. It was seen that majority of respondents were males forming 75.2% of total sample who were within age range of 40-45 years old forming 50%. In addition to that, table below indicated that majority of respondents held BA degree forming 63.6% with an experience of 13-16 years forming 78.2% of total sample.

Table 2.Demographics of Study

	f	%
Gender		
Female	73	24.8
Male	221	75.2
Age		
22-27	12	4.1
33 - 28	8	2.7
39 - 34	18	6.1
45 - 40	147	50.0
46 +	109	37.1
Qualification		
BA	187	63.6
MA	107	36.4
Experience		
Less than 12	54	18.4
13 - 16	230	78.2
More than 17	10	3.4
Total	294	100.0

4.2. Questionnaire Analysis

Mean and standard deviation were used to analyze statements of questionnaire. As it was seen from the table below, all statements were positively received by sample individuals as their means scored higher than mean of scale 3.00 which was statistically accepted. The highest variable scored a mean of 4.28/5.00 (**Innovation**) compared to the least variable – still positive – with a mean of 3.83/5.00 (**Education and work Experience**).

Table 3. Questionnaire Analysis

	Mean	Std. Deviation
Age and gender diversity create a more balanced workplace that values the uniqueness	4.34	.47
Age and gender diversity supports different caregiving responsibilities and balance work/life needs	4.32	.47
Age and gender diversity deletes gender stereotypes and manifest role models for younger employees.	4.22	.71
Age and gender diversity supports career development of different ages and genders	4.14	.70
Age and Gender	**4.25**	**.34**

Respecting different races help better understand and serve the needs of employees	4.71	.46
Embracing different cultural symbols help supporting employees from different racial and ethnic backgrounds	4.17	.60
Embracing diverse hiring practices help attract and retain a wider range of talents	3.95	.73
Dealing with diverse suppliers and vendors means that the organizations respects diversity	4.12	.63
Race and Ethnicity	**4.24**	**.42**
Supporting diversity means creating an accessible and accommodating workplace	4.27	.45
Assistive technology and tools are a type of supporting diversity	4.15	.59
Open communications makes physical and mental disabilities feel values and appreciated	3.49	1.02
Spreading the awareness regarding disabilities means an inclusive workplace culture.	3.59	.89
Physical and Mental Ability	**3.87**	**.55**
Embracing values and unique skills and experiences create a more diverse workforce.	3.84	.68
Appreciating different skills and experiences means a workplace that supports advancement in careers	3.63	.74
Being open to different experiences and skills means helping employees learn from each other	3.55	.82
Embracing multiple skills and experiences help the organization gain new knowledge and skills.	4.28	.68
Education an work Experience	**3.82**	**.52**
Embracing differences in socio-economic status help create an inclusive workplace.	4.07	.71
Supporting employees with different socio-economic means offering financial wellness programs	4.11	.62
Awareness in different socio-economic backgrounds means more opportunities for career advancement	4.50	.60
Awareness in different socio-economic backgrounds means pay equity analyses	4.20	.50
Socio-economic status	**4.22**	**.53**
Respecting differences in religion help creating a welcoming and inclusive workplace	3.99	.52
Flexible scheduling options during religious events support employees who observe different religious practices.	4.02	.33
The organization provide prayer or meditation spaces in the workplace	3.96	.64
There a cultural awareness training in embracing different religions	3.88	.91
Religion	**3.96**	**.42**
Work diversity guarantee many forms of perspectives and experiences which ignites innovation	4.54	.50
Diversity in workplace makes understanding better for customers and management	4.34	.47
Diversity supports the culture of learning and improvement which leads to more innovation	4.24	.76
Through diversity, blind spots can be addressed in the organization and opportunity seizing is more reachable	4.03	.77
Diversity has the ability to market the culture of ongoing learning and improvement	4.09	.64

With diversity, there is no bias, which means that innovation isn't exclusive to certain group or individuals	4.45	.72
Innovation	**4.28**	**.46**
Positive relationship between diversity and innovation means more competiveness due to better performance	4.17	.62
Through diversity and innovation, there is a better operational efficiency and reduced costs	3.95	.62
Diverse workplace and innovation leads to retaining top talents and skills which means better performance	3.98	.48
With diversity and innovation, better ethics and morale are available among employees	3.93	.70
Well-reputed organizations are known to support diverse workplace to achieve innovation	3.86	.95
With innovation and better performance, risks and threats are better managed	4.52	.58
Achieving innovation through diversity in work place help the organization adapt to sudden changes	4.18	.90
With diversity and innovation, there is a better financial performance which means a better overall performance for the organization	3.91	.98
Organizational Performance	**4.06**	**.44**

4.3. Multicollinearity Test

VIF and Tolerance calculations were performed on the independent variables to test for multicollinearity. The following results were found after doing the math. Data lacks multicollinearity since every VIF value in the above table is less than 10, and every Tolerance value was more than 0.10 (Gujarati & Porter, 2009).

Table 4. Multicollinearity Test

variable	Tolerance	VIF
Age and Gender	.235	4.259
Race and Ethnicity	.676	1.479
Physical and Mental Ability	.160	6.260
Education an work Experience	.216	4.627
Socio-economic status	.145	6.917
Religion	.443	2.259
Innovation	.166	6.039

4.4. Hypotheses Testing

Multiple regression was used to test the H1 as in table 5 below, the resulting F value = 113.736 was statistically significant at the 0.05 level. This suggested that "Workplace diversity has a statistically significant influence on organizational performance". Furthermore, it was shown that there was a significant correlation (r=0.839) between the two variables, and that the independent factors accounted for **70.4%** of the variance in the dependent variable.

Table 5. H1 Testing

	Coefficients						
	Unstandardized Coefficients		Standardized Coefficients			R	R Square
Model	B	Std. Error	Beta	t	Sig.		
1 (Constant)	.064	.216		.295	.768	.839	.704

Age and Gender	.009	.087	.007	.108	.914		
Race and Ethnicity	.000	.042	.000	.004	.996		
Physical and Mental Ability	.213	.062	.265	3.449	.001		
Education an work Experience	-.074	.058	-.087	-1.277	.203		
Socio-economic status	.422	.038	.504	11.060	.000		
Religion	.412	.051	.387	8.054	.000		
H1: Workplace diversity has a statistically significant influence on organizational performance							

Linear regression was used to test H2 as in table 6 below, the resulting F value = 401.089 was statistically significant at the 0.05 level. This suggested that "Innovation has a statistically significant influence on organizational performance". Furthermore, it was shown that there was a significant correlation (r=0.761) between the two variables, and that the independent factors accounted for **57.9%** of the variance in the dependent variable.

Table 6. H2 Testing

	Coefficients						
	Unstandardized Coefficients		Standardized Coefficients				
Model	B	Std. Error	Beta	t	Sig.	R	R Square
1 (Constant)	.912	.158		5.765	.000	.761	.579
Innovation	.735	.037	.761	20.027	.000		
H2: Innovation has a statistically significant influence on organizational performance							

Table 7.H3 Testing

	Coefficients						
	Unstandardized Coefficients		Standardized Coefficients			R	R Square
Model	B	Std. Error	Beta	t	Sig.		
1 (Constant)	-.143	.204		-.700	.484	.861	.742
Age and Gender	-.030	.082	-.023	-.365	.715		
Race and Ethnicity	-.002	.039	-.002	-.059	.953		
Physical and Mental Ability	.098	.060	.122	1.617	.107		
Education an work Experience	-.009	.055	-.010	-.160	.873		
Socio-economic status	.062	.066	.073	.929	.354		
Religion	.444	.048	.417	9.224	.000		
Innovation	.462	.071	.478	6.473	.000		
H3: The relationship between workplace diversity and innovation has a statistically significant influence on organizational performance							

Multiple regression was used to test H3 as in table 7 above, the resulting F value = 117.365 was statistically significant at the 0.05 level. This suggested that "The relationship between workplace

diversity and innovation has a statistically significant influence on organizational performance". Furthermore, it was shown that there was a significant correlation (r=0.861) between the two variables, and that the independent factors accounted for **74.2%** of the variance in the dependent variable.

4.5. Discussion

The purpose of current study was to examine the relationship between workplace diversity and innovation; and how this relationship might be of influence on organizational performance. For that sake, the quantitative approach was employed, and a questionnaire was distributed on a sample of (294) managers from the Kuwaiti banking sector. Results of study indicated the following:

- Respondents were totally aware of the concept of workplace diversity and how it might influence both organizational and individual's performance
- Respondents were able to respond to the questionnaire without any needed help which indicate their knowledge of terms used in the questionnaire.

Results of study accepted the hypothesis arguing that there is a positive relationship between workplace diversity and innovation. Considering that diversity in the workplace would give the organization a diverse force by bringing together individuals from different backgrounds, races and cultures that unite together for one goal and the achievement of organizational goals. The study also proved that diversity in the workplace increases innovation by promoting methods of solving problems according to the way of thinking about them, meaning that the difference in educational level, intellectual level, and cultural background would provide more than one solution to one problem. Therefore, several solutions come together for one problem, and these solutions differ according to the different points of view that deal with them. This is what agreed with both Andoh et al (2019) and Chen et al (2021) when they indicated that the diversity of the workplace leads to a multiplicity of ideas and points of view, and thus access to a more comprehensive work mechanism.

Results also indicated that workplace diversity is seen to be a source for a better decision-making process which is sourced from the different talents, experiences and abilities that the organization has. This diversity gives the responsible body of the organization the ability to look as the decision from a bigger perspective which leads to a better and more convenient decision making process which agreed by Gomez and Bernet (2019) and Inegbedion et al (2020).

Results of study also indicated that the positive relationship between innovation and workplace diversity has a positive influence on organizational performance. Whereas, innovation and diversity of the workplace stem from the holistic view adopted by the organization so that its constant pursuit is towards achieving organizational goals without highlighting negative matters such as racism, bias, generalization and stereotypes. Here, the organization is able to form a workforce that is engaged in its work, motivated and able to give more, which leads to higher levels of performance at the individual level and at the organizational level.

The results of the study were also able to indicate that the positive relationship between innovation and workplace diversity lead to higher performance thanks to their positive impact on the organization in terms of opening horizons for more appropriate and streamlined decisions, in addition to reaching more creative solutions to problems. The study also proved that the innovation that results from the diversity of the workplace contributes to increasing employee engagement and participation through the exchange of knowledge and employing their knowledge and skills in the interest of their organization, which leads to enhancing their performance in a way that serves customer satisfaction and leads to better organizational performance. This is what agrees with Nyagadza et al (2022), Ranta and Ylinen (2023) and Rodprayoon and Maj (2021).

Results in study indicated that the Kuwaiti banking sector is aware of the importance of diversity in workplace. That was attributed to the nature of the Kuwaiti society now as is it seen – from a global perspective that the State of Kuwait is a multicultural country, and it is based on a diverse workforce

even within the Kuwaiti banking sector. In addition, the State of Kuwait, according to the above analysis, has proven its interest in diversity in the workplace, especially between the two sexes, as the Kuwaiti labor market welcomes women, and they do not face major cultural or social challenges as a result of the multiplicity of training and development opportunities and limited representation in leadership positions.

5. Conclusion and Recommendations

5.1. Summary of Results

Presenting related studies and literature earlier highlighted that there was a literary gap resembled in the need for more empirical research that establishes the relationship between diversity in the workplace and innovation, and the impact of this diversity and innovation on organizational performance. From that, this current study aimed at examining the relationship between workplace diversity and innovation, and how can this relationship support organizational performance from the perspective of managers and leaders within Kuwaiti banking sector

Organizations that embrace innovation and diversity are more likely to stay ahead of the curve and remain competitive in the marketplace. The organization often ensures that it is an adaptable development to changing market conditions and customer needs. In general, D&I in the workplace leads to better organizational performance, given that diversity in the workforce would offer different perspectives, experiences, and more innovative solutions. In addition, a work environment based on diversity is characterized by respecting difference and valuing employee participation, which results in higher productivity and better performance, as well as higher retention rates .A diverse work environment is an attractive environment, and it is an environment desired by many talents and experiences, being far from prejudices and discrimination, and able to recognize the importance of team dynamics and cooperation.

5.2. Recommendations

Launching from study's results and conclusion, researcher recommended:
1. Employing a diverse workforce in order to create a work environment capable of dealing with and respecting differences
2. Encouraging and rewarding innovation in organizations and supplying the necessary resources for innovation
3. Encourage the concept of cross-functional cooperation in organizations and work to promote the exchange of ideas and information between the various working individuals

5.3. Theoretical and Practical Implications

The current study was able to have practical and theoretical implications. As for the practical implications, the study found that organizations are able to improve their overall performance by relying on abstract foundations such as diversity and casting their effects on different aspects of the organization, which would - if improved - affect the overall performance. As for the theoretical implication, the current study sheds light on the role and importance of diversity as one of the factors that would challenge traditional assumptions and reach a state of innovation that enriches organizational performance.

5.4. Limitations of Study

Current study was limited to leaders, managers who are working within the Kuwaiti banking sector. The study was also limited to the statements and variables presented on the study problem without ramifications that are related to the conditions of acceptance.

5.5. Future Studies

Based on previously presented conclusion, researchers recommended the following future research:
- Most of the studies dealt with demographic diversity (gender, race, and culture) as main variables. The researcher advised to study the effect of "cognitive diversity" or "functional diversity" and its impact on organizational performance.
- Study of the impact of wise leadership on enhancing the foundations of the diversity of the workplace within private organizations.

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