



Diversity-Enabled Employee Competitiveness: Creativity, Productivity, and Resilience

Muhammad Mujtaba

Assistant Professor
Shaheed Zulfikar Ali Bhutto Institute of
Science and Technology, Karachi, Pakistan.
Email: smmujtaba14@gmail.com
(Corresponding Author)
ORCID ID: 0000-0002-6692-1254

Ambreen Ahmed

Assistant Professor
Shaheed Zulfikar Ali Bhutto Institute of
Science and Technology, Karachi, Pakistan.
Email: ambreen6@gmail.com
ORCID ID: 0000-0001-9946-8989

Citation: Mujtaba, M., & Ahmed, A. (2026). Diversity-Enabled Employee Competitiveness: Creativity, Productivity, and Resilience. *The Lahore Journal of Business*, 13(2), 57-88. <https://doi.org/10.35536/ljb.2026.v13.i2.a3>

Abstract: This research aims to examine the effect of diverse workplace environment (inclusion and equity) practices on employee competitiveness. It investigates the role of work group inclusion (WGI) and diversity-oriented leadership (DOL) in this relationship. The purposive sampling technique was used to conduct a primary survey of 542 employees of the hospitality industry through a closed-ended questionnaire. The partial least squares structural equation modeling technique was employed to analyze the data. The findings of this research indicate that in a diverse environment, inclusion and equity practices play a constructive role in employee creativity, allowing the development of novel ideas and innovative products. They build employees' resilience skills to deal with unprecedented situations (e.g., COVID-19). The findings also suggest that WGI plays a positive mediating role by enabling the exchange of ideas within teams in diverse workplace environments, which leads to employee competitiveness. Results also suggest that DOL has a significant moderating effect on the relationship between diversity and employee competitiveness, but an insignificant effect on the relationship between diversity and WGI. This research opens new avenues for scholars to conduct separate studies on the three validated competencies (creativity, productivity, and resilience). Finally, it informs practitioners about the development of inclusive and equitable practices to build employee competitiveness.

Keywords: Diversity, inclusion, equity, employee competitiveness, creativity, resilience, diversity-oriented leadership.

JEL Classification: J24, M54, Z32.

Paper type: Research paper

Copyright:

The Lahore Journal of Business is an open-access journal that distributes its articles under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives license (<http://creativecommons.org/licenses/by-nc-nd/4.0>); this license permits non-commercial re-use, dissemination, and reproduction in any medium, provided the original work is appropriately cited, and is not changed, transformed, or built upon in any way. Therefore, with this Creative Commons license in mind, the authors retain the copyright to their work while granting the Lahore Journal of Business the right to publish the article upon successful completion of the submission and approval process.

Conflict of interest:

The authors declare no conflict of interest.

Funding:

There is no funding for this research.

Diversity-Enabled Employee Competitiveness: Creativity, Productivity, and Resilience

1. Introduction

Modern organizations are becoming increasingly conscious of the benefits and challenges of implementing diversity, equity, and inclusion (DEI) in the workforce. DEI practices refer to a set of policies and their implementation aimed at hiring and retaining diverse employees, and subsequently offering them equitable access to resources and opportunities. As a result, those who may have been marginalized feel valued (Shore et al., 2018). Organizations that encourage diversity, practice inclusivity, and promote equitable practices are likely to be perceived as less biased. Consequently, such organizations leverage the benefits of a workforce with diverse ideas and perspectives, and are regarded as supportive of differences in ethnicity, gender, and educational background. The challenge for organizations is not only to accept and practice diversity but also to harness individual differences as a source of competitive advantage (Bradley, 2020). As a result, DEI practices are emerging as strategic imperatives. There is evidence linking them with improved employee engagement, greater innovation, and overall enhancement in organizational performance (Miller et al., 1998; Tavakoli, 2015).

Pakistan's hospitality sector makes a significant contribution of approximately 5.9 percent to the country's gross domestic product and provides around 3.85 million jobs (World Travel and Tourism Council, 2024). Despite this, the hospitality sector is undergoing a "competency crisis" post COVID-19. While urbanization and a 12 percent rise in female labor force participation (Pakistan Bureau of Statistics, 2023) contribute to greater diversity in the workforce, the demographic shift is not automatically improving organizational performance. We believe that this disconnect between increasing diversity and consequent organizational success is due to the "inclusion competency" gap in Pakistan's context. While many local organizations are prone to adopting or promoting diversity as a checkbox exercise or tokenism, they fail to leverage it as a strategic asset.

The hospitality sector provides a unique context for investigating diversity's influence on employee competitiveness as it is a high-pressure, demanding environment where human capital directly influences service quality and destination desirability and competitiveness (Milićević & Petrović, 2018). In the aftermath of COVID-19, the sector faces massive challenges that require adaptive resilience and creative problem-solving (Gip et al., 2024). Diversity management is often informal in Pakistan's rapidly evolving hospitality sector. In this context, it is crucial to understand the influence of inclusive leadership of diverse teams to make employees more competitive in developing economies (Noor et al., 2024). As business organizations and institutions become increasingly aware of the value added by a diverse and inclusive workforce performing in equitable working environments (working conditions and organizational policies), they are also actively seeking ways to enhance employee competitiveness through DEI practices. Employee competitiveness plays a crucial role in organizational success and adaptability (George et al., 2024).

Within the hospitality sector, employee competitiveness is often perceived as a multidimensional concept that goes beyond merely performing some tasks well. Instead, it is viewed as a competency-based advantage in which soft skills, technical skills, and psychological capital combined together enable an employee to deliver superior performance and higher value, especially in high-pressure, demanding workplaces (Ahsan and Tahir, 2025). In line with this perception, the current study defines employee competitiveness as a proactive behavioral state that enables employees to harness diverse viewpoints to foster innovation (creativity) and deliver high levels of output (productivity) in demanding work environments that require psychological resilience. Creativity refers to employees' ability to generate useful and novel ideas and new ways of doing things (Cai et al., 2020). Productivity is the combination of efficiency and effectiveness in achieving goals set by the organization (Robbins & Judge, 2022). Finally, resilience refers to their capacity to endure and thrive in challenging situations and events (Näswall et al., 2019).

Within the body of literature, there is a notable dearth of empirical evidence on how to transform multi-ethnic or gender-diverse workforces into competitive units characterized by creativity, high levels of productivity, and resilience. Moreover, without diversity-oriented

leadership (DOL) for bridging the inclusion-competency gap, diversity may create faultlines (Lau & Murnighan, 1998) or intergroup conflicts that prevent innovation (Qi et al., 2022) and impact service standards adversely in high-pressure service environments (Leicht-Deobald et al., 2021; Zhou et al., 2021). Existing literature (e.g., George et al., 2024; Shore et al., 2018; Tavakoli, 2015) strongly advocates promoting employee diversity along with formulating and encouraging inclusive and equitable work policies and practices. In such work environments, the entire workforce can be fully leveraged for organizational success, irrespective of their demographic characteristics. However, the underlying processes or mechanisms behind the influence of DEI practices on employee competitiveness and its dimensions have yet to be investigated. Clarity about when and how DEI practices affect creativity, resilience, and productivity is imperative for scholars, policymakers, and managers to formulate and implement policies that result in desirable organizational outcomes.

The current research seeks to answer the following research questions:

1. What is the underlying process through which diversity enhances employee competitiveness?
2. What is the role of work group inclusion (WGI) in the relationship between diversity and employee competitiveness?
3. What are the effects of DOL on the association between diversity and employee competitiveness and WGI?

To answer these questions, the current study examines the direct influence of a diverse workplace environment on employee competitiveness. Further, we investigate the mediating role of WGI between the diversity environment and employee competitiveness. Finally, the study examines the effect of DOL on the relationship between diversity environment and employee competitiveness, as well as between diversity environment and WGI.

The study makes three important contributions. First, it attempts to theoretically expand the social identity theory (SIT) (Tajfel & Turner, 1979), which explains how employees form their social identities through a sense

of belonging to a group. In the current study, the theoretical logic of SIT provides the underlying framework for linking diversity and inclusion to the three components of employee competitiveness. This offers a more in-depth and nuanced understanding of the psychological outcomes of inclusion as compared to substantive literature, which suggests more general outcomes (Nishii et al., 2018).

Second, the study's contextual contribution is an examination of how DOL performs when hierarchical mindsets are challenged by inclusive interventions in a collectivist, high-power distance cultural context. Finally, the study offers a strategic perspective to the hospitality sector's management teams by highlighting that merely seeking diversity is no longer enough. They should also foster creativity and resilience by nurturing inclusive work groups to ensure productivity during post-pandemic challenges.

The rest of this paper is divided into 5 sections. Section 2 presents relevant literature for the development of hypotheses. Section 3 outlines the research design. Section 4 includes empirical results and their interpretation. Section 5 discusses the findings and implications in comparison to existing literature. Finally, section 6 concludes the research, discusses study limitations, and outlines future research possibilities.

2. Hypotheses Development and Theoretical Underpinning

2.1. Diversity and Employee Competitiveness

Prior research has suggested a strong connection between effective diversity practices and several indicators of organizational performance, such as lower operating costs, attracting and retaining talent, more effective marketing campaigns, creative and innovative problem-solving, and organizational flexibility (Cox & Blake, 1991). Diversity practices in organizations strive to create workforces with a broad range of characteristics, such as ethnicity, gender, age, education, socioeconomic status, and other demographic factors. Prior research indicates that diverse groups and teams bring forward a broad range of perspectives, which can enhance creativity and innovation. Diversity in teams positively influences team and employee creativity when the climate is inclusive (Li et al., 2017). In addition, diverse workplace environments are also necessary to increase

organizational resilience (Duchek et al., 2020). Furthermore, diverse organizations that practice inclusivity have more vibrant boards, connect more deeply with their communities, employ more out-of-the-box marketing strategies, and are more innovative (Fulp, 2018). In such conducive settings, employees adapt faster to cultural differences and learn more from a diverse group of colleagues (Mujtaba et al., 2024).

However, having a diverse workforce is not enough to improve employee engagement and productivity. Functional diversity and the incorporation of diverse ideas and opinions in daily operations are essential for leveraging the full potential of a diverse workforce (Roberson et al., 2017). Diversity in the workplace can also pose challenges. It may put up barriers to communication and increase the potential for conflict. If such challenges are not addressed adequately, they can neutralize the positive influence of diversity on productivity and other desirable work outcomes. To mitigate the negative effects of diversity, management must inculcate inclusive beliefs and implement inclusive and equitable practices to ensure productivity improvements in its diverse workforce. At the individual level, employee DEI must also be present to leverage it. Only in inclusive and equitable work environments can the benefits of a wider range of perspectives be fully utilized. The complementary skills and wealth of experiences that a diverse workforce can offer are leveraged only when inclusivity and equity are practiced. These broad perspectives, complementary skills, and varied experiences can be a competitive advantage that fosters creativity in problem-solving, better decision-making, innovation, and enhanced employee performance (Cox & Blake, 1991; Kumar & Suresh, 2018; Mujtaba et al., 2024). Also, when employees feel valued, accepted, and treated fairly, they are more likely to be engaged in their jobs, motivated to perform better, and committed to the organization's success (Mujtaba & Jamal, 2018). This can result in higher productivity and resilience (Tavakoli, 2015).

Based on empirical evidence and theoretical grounding in SIT, we propose the first hypothesis:

H1: Diversity in the workplace has a positive impact on employee competitiveness.

2.2. Inclusion and Employee Competitiveness

Inclusion involves creating a workplace environment in which all employees believe they are valued by their organization and considered important for its success. In inclusive workplaces, all employees are valued and respected regardless of their cultural viewpoints and backgrounds (Shore et al., 2018). Inclusive practices have been linked with enhanced employee engagement and job satisfaction, consequently leading to higher productivity (Mujtaba et al., 2024; Nishii et al., 2018). Harter et al. (2003) found that friendly environments tend to enhance employee creativity. In such environments, employees feel psychologically safe, which makes them more likely to take calculated risks. This risk-taking behavior may be attributed to their confidence that honest mistakes will not have negative consequences. Furthermore, inclusive leaders tend to engender a stronger sense of belonging in followers. This results in enhanced job performance and creativity and lower employee turnover (Randel et al., 2018). Also, in inclusive environments, employees are likely to undertake collaborative projects and share knowledge more openly, resulting in higher productivity. Inclusive work environments are also more innovative (Topic, 2024). Furthermore, employees are more likely to consider an inclusive work environment their in-group and, consequently, compete more effectively in the safe environment with which they relate, as suggested by SIT (Tajfel & Turner, 1979). Based on the above relationships, we propose the second hypothesis:

H2: An inclusive workplace has a positive impact on employee competitiveness.

2.3. Equity and Employee Competitiveness

The goal of equity practices is to create a work environment in which every employee, according to their unique needs and circumstances, has access to opportunities and resources regardless of their gender, ethnicity, or status. Equity differs from equality in that it provides a level playing field by removing structural obstacles and considering individual differences. In contrast, equality merely refers to equal treatment (Rawls, 1971), later dubbed “Rawlsian equality.” Fair practices give all employees an equal chance to perform and reduce alienation, thereby increasing employee competitiveness. Equity in resource distribution and

development opportunities enhances creativity by providing diverse talents with the tools necessary to succeed (Mor Barak, 2015). Resilience is similarly affected; equitable treatment fosters a growth mindset, making employees more adaptable and persistent in the face of obstacles (Dweck & Yeager, 2019). Moreover, by ensuring that all employees can contribute to their fullest potential, equitable practices enhance overall productivity. Based on this evidence, we suggest the third hypothesis:

H3: An equitable workplace has a positive impact on employee competitiveness.

2.4. Mediating Role of Work Group Inclusion

The positive influence of DEI practices on the three constituents of employee competitiveness, i.e., creativity, resilience, and productivity, has been investigated and documented over time (e.g., Cox & Blake, 1991; George et al., 2024; Miller et al., 1998). However, relatively less attention has been paid to the mechanisms or processes underlying these connections. WGI is proposed in this study as a potential mediating factor in the relationship between DEI practices and employee competitiveness. According to Shore et al. (2011), WGI is the extent to which a worker feels appreciated, respected, and accepted in their work group as a result of how other workers treat them. In organizations that have diversity-supportive climates, WGI has been a precursor to creativity and job performance (Chung et al., 2020). Workers are more comfortable in sharing their unique viewpoints and ideas when they feel included and accepted by their colleagues (Tavakoli, 2015). This may boost employee creativity and productivity. Furthermore, a strong sense of psychological safety may be cultivated if one feels accepted and respected. This psychological safety permits people to take chances and risks, bounce back from setbacks and failures, and ultimately become more resilient (Miller et al., 1998).

Furthermore, SIT (Tajfel & Turner, 1979) explains how people are categorized into the in-groups and out-groups. Co-workers similar to oneself may be categorized as the in-group, whereas those perceived as different may be categorized as the out-group. SIT explains categorization, but does not explicitly identify the need for inclusion. This gap is partially addressed by the optimal distinctiveness theory (ODT) (Shore et al., 2011),

with the remainder addressed by the categorization-elaboration model (CEM) (van Knippenberg et al., 2004).

ODT (Shore et al., 2011) provides theoretical grounds for proposing WGI as a mediator between diversity and employee competitiveness. According to Shore et al. (2011), ODT posits that employees have two somewhat contradictory needs: the need for belonging (the desire to be accepted by a group) and the need for uniqueness (the desire to have a separate identity). ODT suggests that employees feel valued and included in their workplace when their needs for belonging and uniqueness are satisfied (Shore et al., 2011). The current study suggests that being different from others (diversity) fulfills the need for uniqueness, but the same differences can make the need for belonging go unmet. However, when the work group is inclusive (the mediator in this study's model), it allows both needs to be met optimally. In other words, when employees feel a sense of belonging to a group while maintaining their unique identity, they feel valued and included (inclusion). Feeling psychologically safe enables an employee to be creative and productive.

The relationship between WGI and the three dimensions of employee competitiveness is further justified by CEM (van Knippenberg et al., 2004). CEM suggests that social categorization (diversity) and intergroup biases may impair the in-depth processing (elaboration) of information and viewpoints related to the task at hand. Our study suggests that the mediation of WGI makes it possible to process information in ways that transform diverse perspectives into creative ideas, higher productivity, and increased resilience.

Based on the above empirical evidence and theoretical logic, we propose the following hypothesis:

H4: WGI mediates the positive relationship between diversity and employee competitiveness.

2.5. Moderating Role of Diversity-Oriented Leadership

An individual's need for belonging in the workplace is met when they form reliable and fruitful relationships with their leader and with other work group members (Shore & Chung, 2022). Leaders at different

organizational levels can influence organizational climate (Ahmed et al., 2020; Arnaud & Schminke, 2011). A leader's behavior is a clear signal to members about the degree of inclusion afforded to them. While the body of research on WGI is growing, relatively less attention has been paid to the importance of DOL in encouraging or discouraging WGI. The current research proposes that a critical factor influencing the relationship between DEI practices and employee competitiveness is the leadership approach within the work group and organization. DOL, which involves actively promoting and supporting diversity, inclusion, and equity, can play a crucial role in shaping the work environment and employee experiences (Cox & Blake, 1991). Diversity-oriented leaders who act as role models, champion inclusive behaviors, and actively create opportunities for employees to contribute their unique perspectives. This may enhance the positive impact of DEI practices on both WGI and overall employee competitiveness. A leader who believes in inclusivity experiences enhanced motivation when they have a positive relationship with followers. Such leaders strive to create an environment in which different employee perspectives are respected. In such workplaces, employees feel psychologically safe and are inspired to pursue creative ideas.

The positive influence of a diversity-oriented leader on the relationship between DEI practices and employee competitiveness can be explained by transformational leadership theory (Bass & Riggio, 2006). The theory posits that transformational leaders inspire their followers to transcend self-interest to achieve extraordinary outcomes and goals. They achieve this feat by serving as trusted and respected role models. They create a safe and supportive environment where followers can challenge the status quo, openly express their ideas, and show their creative side. Lastly, they are empathetic toward followers' needs, extend support in challenging situations, and provide mentorship. These positive characteristics and behaviors translate into employee resilience and productivity. Based on empirical evidence and theoretical support, we propose the last two hypotheses:

- H5:** DOL has a positive moderating effect on the association of diversity and employee competitiveness.
- H6:** DOL has a positive moderating effect on the association of diversity and WGI.

2.6. Theoretical Underpinning

The influence of diversity practices on employee competitiveness can be explained by SIT (Tajfel & Turner, 1979). SIT explains that individuals perceive themselves as belonging to certain groups and derive part of their identity from those groups. When DEI practices within organizations create a sense of acceptance, belonging and promote equity in the workplace, employees can identify positively with the organization. The feeling of being valued and supported builds a positive social identity. This promotes creativity, builds resilience, and bolsters productivity. When employees feel valued and included, they will be more open to sharing unique ideas, thereby enhancing creativity. If employees identify with an inclusive work group that accepts and supports them, they will be more resilient in challenging situations and bounce back from adversarial circumstances. Finally, when employees feel respected and treated equitably, they will be more engaged in their jobs and motivated to improve performance, which, in turn, will increase their productivity.

Furthermore, this research model combines the transformative aspects of leadership theories with the core constructs of DEI practices. The leading theoretical lens is transformational leadership theory, with additional information provided by inclusive leadership theory and psychological safety theory. This combination of views provides a unified framework for explaining the effects of DEI practices on the results of employees, including creativity, resilience, and productivity, which are mediated by the WGI and moderated by DOL. First, the concept of transformational leadership theory, introduced by Burns (1978) and developed by Bass (1985), is a useful tool for examining the complicated relationship between DEI practices and staff competitiveness in the workplace. Transformational leaders inspire and motivate followers to unite their efforts beyond self-interest to serve the common good, creating an environment where exceptional results are achieved. This leadership approach is defined by four critical elements, namely (1) idealized influence, in which leaders play the role of ethical role models and earn the trust and respect of their followers, (2) inspirational motivation, in which leaders espouse a compelling vision that energizes their staff members, (3) intellectual stimulation, in which followers are served to think creatively and thereby challenge current assumptions, and (4) individualized

consideration where leaders serve the unique needs of followers so that they grow and develop (Bass, 1985). When applied to the proposed model, the concept of transformational leadership assists the DEI agenda by integrating inclusiveness and equity into the company culture. Idealized influence leaders also model idealized behaviors and fair treatment, which signals to employees the value and importance of diversity (Bass & Riggio, 2006). Inspirational motivation helps such leaders develop a feeling of connection and purpose as an organization, which, in turn, stimulates their creativity and willingness to take risks in their work (Rojak et al., 2024). The intellectual stimulation aspect is critical, especially in various workplaces. Transformational leaders foster psychologically safe environments in which employees feel free to develop innovative ideas and methods without fear of intimidation or exclusion. This promotes cognitive diversity, leading to creativity and versatility, which are components of employee competitiveness. In addition, transformational leaders' personalized attention to differences in employees' experiences and problems enables individuals to receive personalized support, which, in turn, increases resilience and productivity.

Further, WGI has been identified in the model as a mediator that relates well to transformational leadership principles. Diversity-related leaders emphasize inclusive practices and promote diverse thinking, ensuring that all employees contribute meaningfully (Jha et al., 2024). Transformational leadership theory explains why such leaders drive employee attitudes and behaviors by creating intrinsic motivation and commitment to the organization, thereby mediating the connection between workplace diversity and employee competitiveness (Bass, 1985).

DOL is an essential moderator in the model, revealing the extent to which workers perceive themselves as accepted and appreciated in their work groups. Transformational leaders increase the inclusion of work groups by creating an encouraging, cooperative atmosphere that removes barriers in social groups and fosters trust among team members (Bass & Riggio, 2006). The psychological safety that leaders strive to foster facilitates communication and risk-taking, thereby enhancing the beneficial impact of DEI practices on innovative and resilient employee behaviors (Edmondson, 1999). The all-inclusive leadership theory is a direct complement to transformational leadership as it specifically

addresses the behaviors of leaders that foster a sense of belongingness, fairness, and respect among different teams (Shore et al., 2018). Inclusive leaders also possess the skills to address diversity dynamics, openness, accessibility, and people's availability to establish an inclusive work climate. The theory reinforces the hypothesis that leadership changes employees' perceptions of inclusion, positioning WGI as a process through which DEI practices facilitate employee competitiveness. The concept of inclusive leadership is similar to individual consideration as described in transformational leadership; it differs only in its focus on the system's inclusivity of various identities and viewpoints (Randel et al., 2018).

The third theory, psychological safety theory (Edmondson, 1999), also supports this model. It describes the working conditions in which employees feel sufficiently safe to freely express themselves, take risks in interacting with one another, and participate in learning behaviors. Employee creativity, resilience, and productivity are the model's main results and are based on psychological safety. Transformational and inclusive leadership are both associated with the development of psychological safety through trust and respect, as well as support at the team level (Edmondson, 1999; Shore et al., 2018). Such an environment is critical as it allows diverse employees to share their unique perspectives without fear of retaliation, thereby making the most of demographic and cognitive diversity.

2.7. Synthesis and Implications

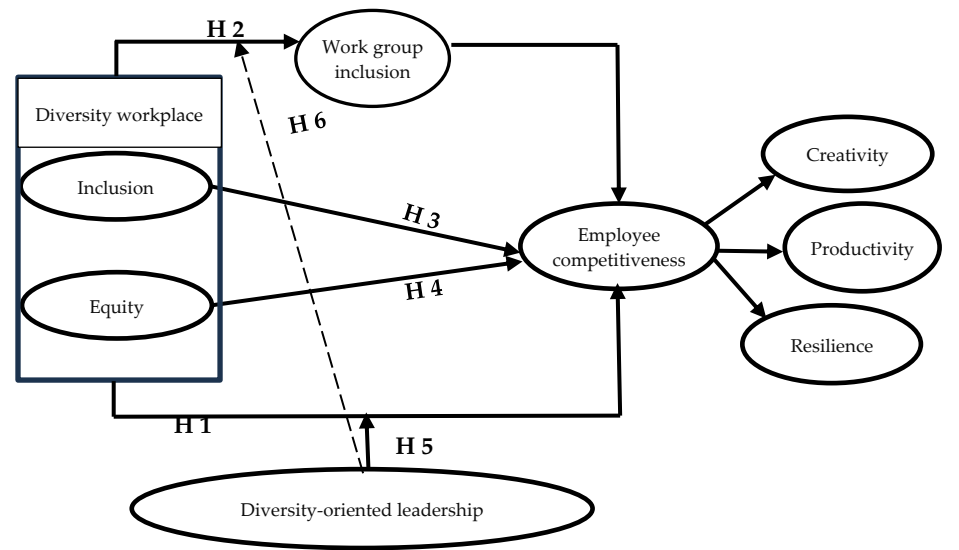
The combination of all three theories aims to provide a subtle insight into how DEI practices can improve employee competitiveness: transformational leadership elucidates the leadership strengths and abilities required to infuse shared commitment into DEI values and encourage creative, tough, and efficient workforce practices. Inclusive leadership emphasizes certain leader behaviors that foster inclusion and fair play in various groups. Psychological safety provides a process through which both leadership and work group processes enable employees to utilize diversity safely and effectively.

3. Research Methodology

3.1. Research Model

A thorough review of the existing literature on diversity practices and the three dimensions of employee competitiveness underscores the positive relationship between employee competitiveness and diversity practices. Organizations that execute comprehensive diversity programs experience heightened creativity, largely attributed to the influx of varied perspectives (Li et al., 2017; Topic, 2024). Moreover, the integration of inclusive practices significantly bolsters employees’ resilience and productivity by fostering supportive and engaging environments (Lindsay-Smith et al., 2018; Nishii et al., 2018). Equity practices further enhance these outcomes by addressing and mitigating organizational biases, ensuring that all employees, regardless of their backgrounds, have the opportunity to excel (Mor Barak, 2015; Rawls, 1971). Collectively, these studies lend credibility to the proposed conceptual framework, positing that diversity practices substantially enhance employee competitiveness through the underlying mechanism of enhancing WGI. In addition, the relationships between DEI practices and WGI, and DEI practices and employee competitiveness, are positively influenced by DOL.

Figure 1: Research model



Source: Developed by Authors

3.2. Population and Sampling

This is a quantitative study grounded in positivist philosophy in which a deductive approach is used to identify empirical facts and move closer to the truth. The population of the study is limited to employees in Pakistan’s hospitality sector. The purposive sampling technique is used to collect data from 542 employees who held positions directly associated with customers in 3 to 5-star hotels and were part of various teams with diverse individuals, thereby providing a competitive edge for their organizations. This sector makes a significant contribution to the country’s economy (Moosvi & Ali, 2022). It influences approximately 5.9 percent of Pakistan’s gross domestic product and provides around 3.85 million jobs (World Travel and Tourism Council, 2024). Despite its significant contribution to Pakistan’s economy, the hospitality sector is experiencing a ‘competency crisis’ post-COVID-19. This sector provides a unique context for investigating the effect of diversity on employee competitiveness as it is a high-pressure, demanding environment where human capital directly influences service quality and destination desirability and competitiveness (Milićević & Petrović, 2018). In the aftermath of COVID-19, the sector faces massive challenges that require adaptive resilience and creative problem-solving (Gip et al., 2024).

3.3. Scale of Measurement

Data was gathered through a closed-ended questionnaire based on a five-point Likert scale, as this scale is the most appropriate for collecting data through a large-scale survey (Stone, 1978). It collects more accurate data (Clark & Watson, 1995). The scale of measurement was adopted from different studies (Table 1).

Table 1: Scale of measurement

Construct	Dimensions	No. of items	References
Diversity (IV)	Inclusion	4	Mor Barak et al. (1998)
	Equity	6	Mor Barak et al. (1998)
Employee competitiveness (DV)	Creativity	9	Tierney et al. (2006)
	Productivity	8	Alam et al. (2020)
	Resilience	9	Näswall et al. (2019)
WGI (Med V)		10	Chung et al. (2020)
DOL (Mod V)		4	Gip et al. (2024)

DOL = diversity-oriented leadership, WGI = work group inclusion.

Table 1 shows that the measurement scale of this research is based on five constructs: diversity workplace (DWP) (inclusion and equity), employee competitiveness (creativity, productivity, and resilience), WGI, and DOL. The validity of the scale was established by a panel of domain experts, whereas reliability (0.76) and convergent validity (above 0.50) were established through a successful pilot test with 60 respondents prior to the primary survey.

3.4. Data Analysis Technique

As the research model of this study is grounded in multiple constructs, the partial least squares structural equation modeling (PLS-SEM) technique was used to analyze the primary data collected from employees in the hospitality industry. PLS-SEM effectively supports the analysis of empirical data for complex models with multiple constructs (Hair et al., 2019). Furthermore, the sample size of this study is 542 employees, and PLS-SEM works well with large sample sizes (Rigdon, 2013). While analyzing the data, measurement model tests were employed to assess the reliability and validity of the research model, whereas structural model tests were applied to analyze the direct and indirect impacts of relationships among the variables of the research model.

4. Empirical Results

4.1. Demographic Statistics

The primary survey was conducted among employees in the hospitality industry, limited to 3 to 5-star hotels in Pakistan. Data was gathered from 542 employees who held positions directly connected to customers in their organizations and were part of various teams with diverse members (Table 2).

Table 2: Demographic statistics

Profile	Respondents	Percentage
Gender		
Male	314	57.9%
Female	228	42.1%

Profile	Respondents	Percentage
Age		
20–30	198	36.5%
31–40	245	45.2%
41–50	73	13.5%
50 or above	26	4.8%
Employee category		
Management*	211	38.9%
Officer/supervisory staff**	331	61.1%
Hospitality industry experience		
1–5 years	72	13.3%
6–10 years	297	54.8%
10 or mor	173	31.9%
Hotel category		
3 stars	98	18.1%
4 stars	185	34.1%
5 stars	259	47.8%

Notes: *general manager, manager, or assistant manager; **officer or supervisor (i.e., front desk, customer service, housekeeping).

The demographic statistics in Table 2 show that females account for 42.1 percent, whereas males account for 57.9 percent. It indicates that female induction in the hospitality industry for dealing with customers is better than in other industries, but still, males are on the higher side in this industry. It also shows that most respondents are in the age bracket of 31–40 and have experience of five to ten years. Furthermore, officers and supervisory staff have more direct interaction with customers (61.1 percent) compared to management-level employees (38.9 percent). The table also shows that 5-star hotels (47.8 percent) have a more structured and diverse workplace than 4-star hotels (34.1 percent) and 3-star hotels (18.1 percent).

4.2. Reliability and Validity of the Research Model

4.2.1. Factor Loading Analysis

The examination of factor loadings is the primary, in-depth measure of the internal consistency of the research model, evaluating the results of all items. The accepted value of factor loading is ≥ 0.60 . However, ≥ 0.70 is acceptable (Table 3).

Table 3: Factor loadings

Construct	Dimension	Item	Loading
Diversity	Inclusion	Inc1	0.822
		Inc2	0.861
		Inc3	0.830
		Inc4	0.775
	Equity	Equ1	0.788
		Equ2	0.720
		Equ3	0.822
		Equ4	0.805
		Equ5	0.790
		Equ6	0.774
Employee competitiveness	Employee creativity	EC1	0.782
		EC2	0.767
		EC3	0.764
		EC4	0.733
		EC5	0.829
		EC6	0.788
		EC7	0.786
		EC8	0.716
		EC9	0.785
	Employee productivity	EP1	0.733
		EP2	0.788
		EP3	0.739
		EP4	0.740
		EP5	0.729
		EP6	0.358
		EP7	0.774
		EP8	0.725
	Employee resilience	ER1	0.803
		ER2	0.740
		ER3	0.693
		ER4	0.776
		ER5	0.741
		ER6	0.769
		ER7	0.752
		ER8	0.711
		ER9	0.716

Construct	Dimension	Item	Loading
WGI		WGI1	0.731
		WGI2	0.743
		WGI3	0.703
		WGI4	0.732
		WGI5	0.706
		WGI6	0.752
		WGI7	0.767
		WGI8	0.740
		WGI9	0.776
		WGI10	0.752
DOL		DOL1	0.786
		DOL2	0.776
		DOL3	0.748
		DOL4	0.717

Note: Accepted statistical values: Factor loading: ≥ 0.60 . However, ≥ 0.70 is acceptable.
DOL = diversity-oriented leadership, WGI = work group inclusion.

Table 3 shows that the internal consistency of both dimensions (i.e., inclusion and equity) of the DWP construct is good, with values of both dimensions ranging from 0.720 to 0.861. Inclusion ranges from 0.775 to 0.861, whereas equity ranges from 0.720 to 0.822. The outcomes for 25 of 26 items within creativity, productivity, and resilience are acceptable and good, ranging from 0.693 to 0.829. However, only one item factor loading for productivity (0.358) is below the threshold value, but a single item with less consistent results does not impact overall productivity. The results of WGI range between 0.703 and 0.776, whereas the values of DOL range between 0.717 and 0.786. Overall, the results of the factor loading indicate that items have strong internal consistency within their representative constructs of diversity, employee competitiveness, WGI, and DOL. It indicates that the research model is ready for evaluation in the next stage.

4.2.2. Reliability and Convergent Validity Tests Analysis

The overall reliability and validity of the constructs and the dimensions of the research model were analyzed through an examination of Cronbach's (CB) Alpha, Rho_a, composite reliability (CR), and average variance extracted (AVE) (Table 4).

Table 4: Reliability and validity tests

Construct	CB Alpha	Rho_a	CR	AVE
DWP (combined)	0.920	0.921	0.933	0.582
- Inclusion	0.840	0.842	0.893	0.678
- Equity	0.874	0.876	0.905	0.614
Employee competitiveness (combined)	0.958	0.961	0.962	0.521
- Creativity	0.915	0.916	0.930	0.597
- Productivity	0.853	0.873	0.887	0.505
- Resilience	0.900	0.901	0.918	0.555
WGI	0.840	0.842	0.893	0.677
DOL	0.751	0.753	0.843	0.573

Note: Accepted statistical values = CB Alpha $\geq$ 0.60, CR $\geq$ 0.70, Rho_a: between the values of CB Alpha and CR, or above, and AVE $\geq$ 0.50.

DOL = diversity-oriented leadership, DWP = diversity workplace, WGI = work group inclusion.

Table 4 shows that the CB Alpha values range between 0.751 (DOL) and 0.958 (employee competitiveness), whereas the remaining two constructs are 0.920 (DWP) and 0.840 (WGI). Results from the CB Alpha indicate that all constructs of the research model are reliable. Further, strengthening the results of CB Alpha, the CR test is measured. CR results in Table 4 strongly support CB Alpha results, as DWP has the highest value of 0.933, whereas DOL has the lowest value of 0.843. Within the DWP construct, inclusion has a value of 0.893, whereas equity has a value of 0.905. This indicates that equity plays a more influential role in reliability than inclusivity. However, the CR results of employee competitiveness and WGI are 0.962 and 0.893, respectively. Within employee competitiveness, employee creativity has a value of 0.930, employee productivity has a value of 0.887, and employee resilience has a value of 0.918. This indicates that employee creativity has greater reliability than other dimensions within the construct of DWP, i.e., employee productivity and employee resilience. To examine the accuracy of CB Alpha and CR results, the Rho_a test is analyzed. The results in Table 4 show a perfect match, as all construct results fall between the CB Alpha and CR values. All three measured results show strong reliability among the model's constructs. In addition, the convergent validity of all constructs was assessed using AVE analysis to examine variance among the construct's items.

Table 4 shows that all values exceed the threshold values of 0.50, i.e., DWP = 0.582, inclusion = 0.678, equity = 0.614, employee competitiveness = 0.521, employee creativity = 0.597, employee productivity = 0.505, employee resilience = 0.555, WGI = 0.677, and DOL = 0.573. Overall, all results show excellent reliability and a high proportion of variance among items within their representative constructs.

4.3. Hypotheses Analysis

This research model (Figure 1) is based on six hypotheses (H) to examine the direct and indirect impact of DWP on employee competitiveness (Table 5).

Table 5: Hypothesis testing

Hypothesis	β -value	P-value	Decision
H1 DWP $\rightarrow$ employee competitiveness	0.479	0.000	Accepted
H1a DWP $\rightarrow$ employee creativity	0.880	0.000	Accepted
H1b DWP $\rightarrow$ employee productivity	0.832	0.000	Accepted
H1c DWP $\rightarrow$ employee resilience	0.827	0.000	Accepted
H2 Inclusion $\rightarrow$ employee competitiveness	0.138	0.003	Accepted
H3 Equity $\rightarrow$ employee competitiveness	0.420	0.000	Accepted
H4 DWP $\rightarrow$ WGI $\rightarrow$ employee competitiveness	0.272	0.000	Accepted
H5 DOL $\times$ DWP $\rightarrow$ employee competitiveness	-0.054	0.020	Accepted
H6 DOL $\times$ DWP $\rightarrow$ WGI	-0.027	0.288	Not accepted

Note: Threshold value $P < 0.05$.

DOL = diversity-oriented leadership, DWP = diversity workplace, WGI = work group inclusion.

Table 5 shows that DWP has an instrumental direct effect on employee competitiveness ($\beta = 0.479$, $P = 0.000$), which indicates that H1 is accepted. It also has a significant impact on employees' creativity ($\beta = 0.880$, $P = 0.000$), productivity ($\beta = 0.832$, $P = 0.000$), and resilience ($\beta = 0.827$, $P = 0.000$). Thus, sub-hypotheses H1a, H1b, and H1c are accepted. Overall, the results of H1 indicate that the combined effects of inclusion and equity as a DWP have a moderate impact on improving employee competitiveness in the hospitality sector. However, it has a strong impact on all three types (creativity, productivity, and resilience) of employee competitiveness, where creativity has the highest impact in this relationship, with a value of 0.880.

Further, outcomes indicate that inclusion ($\beta = 0.138$, $P = 0.003$) and equity ($\beta = 0.420$, $P = 0.000$) have positive impacts on employee competitiveness. This indicates that H2 and H3 are accepted; equity has a moderate impact, whereas inclusion has a weak impact on improving employee competitiveness. Thus, organizations in the hospitality sector need to focus more on equity practices while dealing with a diverse workforce to increase employee creativity, productivity, and resilience.

H4 is also supported by the statistical results, which indicate that WGI plays a significant mediating role between DWP and employee competitiveness ($\beta = 0.272$, $P < 0.001$). It has a weak but positive relationship to improve the creativity, productivity, and resilience skills of a diverse workforce in the hospitality sector.

Table 5 also shows that leadership has less of a positive impact than hypothesized. DOL plays a moderating role in the relationship between DWP and employee competitiveness ($\beta = -0.054$, $P = 0.020$), indicating that H5 is acceptable, but with a negative value. Further, DOL has an insignificant moderating role in the relationship between DWP and WGI ($\beta = -0.027$, $P = 0.288$), indicating that H6 is not accepted. This explains that leadership (diversity-oriented) has almost no constructive impact when dealing with a diverse workforce to improve its competitiveness.

5. Discussion of Findings

Today's business dynamics have compelled organizations to change their human resource strategies to acquire and retain individuals from diverse backgrounds to bring innovative products to market, and be ready to face unexpected crises (e.g., the COVID-19 pandemic, the Israel-Iran war). Thus, the study's results show that a diverse workplace has a substantial impact on employee competitiveness (H1) in the hospitality sector. This effect is not limited to employee productivity, but extends to employee creativity and employee resilience as well (H1a, H1b, H1c). These results are aligned with previous studies. For instance, Duchek et al. (2020) argue that diverse workplace environments are necessary to enhance employee competencies for organizational progress through innovation and to build resilience capabilities to survive in competition.

This research also identifies inclusion (H2) and equity (H3) as key dimensions of diversity; both have a significant effect on employee competitiveness in the hospitality sector. This shows that to sustain competitiveness, it is indispensable to involve people from different backgrounds in the decision-making process of hospitality organizations and treat them equally to foster employee productivity, creativity, and resilience. These results are supported by the literature. According to Tavakoli (2015), when employees feel valued, accepted, and fairly treated, they are more likely to be engaged in their jobs, motivated to perform better, and committed to the organization's success. This can result in higher productivity and resilience. Further, inclusive practices are directly associated with enhanced employee engagement and job satisfaction, consequently leading to higher productivity (Nishii et al., 2018). Diversity encourages creativity, innovation, and adaptability. However, it also intensifies interpersonal tensions, identity conflicts, and coordination challenges when not managed effectively (Liu et al., 2023).

The findings also empirically endorse the significant mediating role of WGI in the relationship between diverse workplace practices and employee competitiveness (H4) in the hospitality sector. They explain that diverse backgrounds within teams enable individuals to think bigger, so their company can lead in the market by introducing novel products. The combination of diverse talents enhances their collaborative skills and prepares them for unforeseen catastrophes as a team with one goal. These results are in line with Chung et al. (2020), who claimed that having diversity-supportive climates and WGI lead to creativity and job performance.

However, the results of DOL as a moderator are unanticipated. DOL has a significant (with a negative beta value) moderating effect on the relationship between a diverse workplace and employee competitiveness (H5), but an insignificant moderating role in the relationship between a diverse workplace and WGI (H6) in the hospitality sector. These results are not in line with previous studies, highlighting the nuanced and complicated nature of DOL. Although surprising, these findings are highly informative, both theoretically and practically, as they contribute to our understanding of the complex dynamics involved in diversity leadership. The current literature increasingly recognizes that workforce diversity is a

double-edged sword that can bring both opportunities and challenges for organizations (Turi et al., 2022). In this respect, the observed negative moderation of DOL could be related to situations in which diversity leadership inadvertently increases awareness of differences or emphasizes social identity faultlines to the extent of hindering employee competitiveness. This demands a more sensitive understanding of the unintended impacts of diversity leadership in complex team-based settings. Furthermore, in culturally and organizationally complex settings like Pakistan, it is suggested that the effectiveness of diversity-inclusive leadership depends on wider sociocultural and institutional processes (Hanif et al., 2023). These contextual moderators can moderate the positive effects of DOL and lead to reduced or insignificant effects of DOL on the diversity competitiveness relationship, hence offering additional rationale for the negative or null moderating roles found in our study.

6. Conclusion

This research study examines the impact of diversity on employee competitiveness. It further investigates the roles of WGI and DOL on this association. Its results show that a diverse workplace environment has a constructive impact that can enhance employee competitiveness in three dimensions, namely creativity, productivity, and resilience. Specifically, the creativity competency develops novel ideas to produce innovative products, whereas the productivity competency focuses on performing multiple tasks efficiently within limited resources and given time frames. However, the resilience competency develops employees' skills to effectively deal with unprecedented situations beyond the organization's control, e.g., COVID-19. This research also validates the notion that WGI plays a positive mediating role, where working as a team allows the exchange of new ideas and mutual support for the timely completion of multiple tasks. By exchanging ideas, they develop their capabilities, making them ready to deal effectively and efficiently with a crisis. Moreover, the findings indicate that DOL has a significant moderating role in the relationship between diversity and employee competitiveness. However, the results also indicate that the impact of DOL on the association between diversity and WGI is insignificant. This is a clear indication that DOL has no role when employees work towards their competitiveness in groups.

6.1. Practical Implications

This research will strongly support researchers and practitioners in many ways. It opens new avenues for scholars to conduct studies on the three validated competencies (creativity, productivity, and resilience) towards the Sustainable Development Goals (SDGs) in the hospitality sector, as almost every organization in this sector is apprehensive about overcoming the challenges of the three-dimensional goals of sustainability (economic, social, and environmental). Many studies have already identified human resources as the only prominent resource of firms to meet the objectives of sustainable performance (Mujtaba & Mubarik, 2022). There is already intense competition in the hospitality sector. However, this situation is more complicated as the COVID-19 pandemic has already hit this sector harder than other sectors. Thus, this research provides practitioners with an in-depth understanding of the significance of diversity in the hospitality sector for enduring in aggressive competition. It supports the development of inclusive and equitable practices to build indispensable employee competencies in the hospitality sector. These competencies span all three dimensions (employee creativity, productivity, and resilience), enabling employees to generate novel ideas, perform efficiently under constraints, and adapt to challenging circumstances to become a competitive edge for their organizations. Moreover, this research provides practitioners with information on engaging a diverse workforce that works together to develop competencies through the exchange of expertise.

6.2. Limitations and Further Research Directions

This research was limited to examining the impact of diversity on employee competitiveness. However, there is a need to research the effect of diversity on an organization's sustainable performance, as sustainable progress is a core focus for many organizations in Pakistan to remain competitive. Further, there is very limited research on the impact of diversity on employees' sustainable behavior aimed at advancing the SDGs, which is a major concern for many businesses.

Moreover, this research was limited to the service sector (the hospitality industry). There is a need to conduct this type of research in the manufacturing sector, specifically the textile industry, as it is labor-

intensive and diverse. Thus, there is also an acute need to conduct research to examine the impact of employee well-being practices on organizational sustainability.

Besides this, for the effective application of the SDGs, research on academic institutions' practices regarding student diversity, sustainable behavior, and engagement is overlooked by researchers. Therefore, there is an acute need to conduct research in this context, as academic institutions are custodians of natural resources for the next generations. Moreover, this research is time-bound, and it is beyond the authors' ability to go into detail on the rejection of H6 regarding the impact of DOL on the relationship between DWP and WGI and its effect on employee competitiveness. This rejection is not supported by the literature. Thus, there is a need to conduct an in-depth study in the Pakistani context to explore the reasons for the insignificant results of DOL as a moderator on the relationship between diversity and WGI.

References

- Ahmed, A., Shamsi, A. F., & Aziz, M. (2020). A missing link between job autonomy and unethical behavior. *Etikonomi: Jurnal Ekonomi*, 19(1), 95–118.
- Ahsan, M. J., & Tahir, M. Z. (2025). Building resilience at work: the role of employee development practices, employee competence and employee mindfulness. *Measuring Business Excellence*, 29(4), 693–714.
- Alam, M. N., Hassan, M. M., Bowyer, D., & Reaz, M. (2020). The effects of wages and welfare facilities on employee productivity: Mediating role of employee work motivation. *Australasian Accounting, Business and Finance Journal*, 14(4), 38–60.
- Arnaud, A., & Schminke, M. (2011). The ethical climate and context of organizations: A comprehensive model. *Organization Science*, 23(6), 1523–1783.
- Bass, B. M. (1985). Leadership and performance beyond expectations. The Free Press. Catalog/record entry: <https://search.gesis.org/publication/zis-Bass1985Leadership>
- Bass, B. M., & Riggio, R. E. (2006). *Transformational leadership*. Psychology Press.
- Bradley, N. (2020). *Economics of innovation, productivity and growth* [Doctoral dissertation, University of Glasgow]. <https://theses.gla.ac.uk/79042/1/2020BradleyPhD.pdf>
- Burns, J. M. (1978). Leadership. Harper & Row. archive Access (Internet Archive record): <https://archive.org/details/leadership1978burn>
- Cai, W., Khapova, S., Bossink, B., Lysova, E., & Yuan, J. (2020). Optimizing employee creativity in the digital era: Uncovering the interactional effects of abilities, motivations, and opportunities. *International Journal of Environmental Research and Public Health*, 17(3), 1038.

- Chung, B. G., Ehrhart, K. H., Shore, L. M., Randel, A. E., Dean, M. A., & Kedharnath, U. (2020). Work group inclusion: Test of a scale and model. *Group & Organization Management*, 45(1), 75–102.
- Clark, L. A., & Watson, D. (1995). Constructing validity: Basic issues in objective scale development. *Psychological Assessment*, 7(3), 309–319.
- Cox, T. H., & Blake, S. (1991). Managing cultural diversity: Implications for organizational competitiveness. *Academy of Management Executive*, 5(3), 45–56.
- Duchek, S., Raetze, S., & Scheuch, I. (2020). The role of diversity in organizational resilience: A theoretical framework. *Business Research*, 13, 387–423.
- Dweck, C. S., & Yeager, D. S. (2019). Mindsets: A view from two eras. *Perspectives on Psychological Science*, 14(3), 481–496.
- Edmondson, A. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350–383.
- Fulp, C. (2018). *Success through diversity: Why the most inclusive companies will win*. Beacon Press.
- George, B., Thomas, S. A., Sharma, A., Reddy, D. V. L., & Basha, S. H. (2024). The role of strategic HRM in organizational performance: A Comprehensive Review. *Acta Scientiae*, 7(1), 645–658.
- Gip, H., Guchait, P., & Madera, J. M. (2024). Perceived inclusion climate for leader diversity: Conceptualization and scale development. *International Journal of Contemporary Hospitality Management*, 36(13), 77–96.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, 31(1), 2–24.
- Hanif, M., Athar, M. R., ur Rehman, Z., Anwar, A., & Ali, M. Q. (2023). Role of leadership for diversity management and organizational performance: Moderation model of diversity and functional

- leadership dimensions in Pakistan. *Foundation University Journal of Business & Economics*, 8(1), 85–114.
- Harter, J. K., Schmidt, F. L., & Keyes, C. L. M. (2003). Well-being in the workplace and its relationship to business outcomes: A review of the Gallup studies. In C. L. M. Keyes & J. Haidt (Eds.), *Flourishing: Positive psychology and the life well-lived* (pp. 205–224). American Psychological Association.
- Jha, I. N., Pal, D., & Sarkar, S. (2024). Thriving in diversity: the role of inclusive leadership and workplace inclusion in enhancing satisfaction with life among Indian IT employees. *Journal of Management Development*, 43(5), 663–689.
- Kumar, D., & Suresh, B. H. (2018). Workforce diversity and its impact on employee performance. *International Journal of Management Studies*, 5(4-1), 48–53.
- Lau, D. C., & Murnighan, J. K. (1998). Demographic diversity and faultlines: The compositional dynamics of organizational groups. *Academy of Management Review*, 23(2), 325–340.
- Leicht-Deobald, U., Huettermann, H., Bruch, H., & Lawrence, B. S. (2021). Organizational demographic faultlines: Their impact on collective organizational identification, firm performance, and firm innovation. *Journal of Management Studies*, 58(8), 2240–2274.
- Li, C.-R., Lin, C.-J., Tien, Y.-H., & Chen, C.-M. (2017). A multilevel model of team cultural diversity and creativity: The role of climate for inclusion. *Journal of Creative Behavior*, 51, 163–179.
- Lindsay-Smith, G., O’Sullivan, G., Eime, R., Harvey, J., & van Uffelen, J. G. Z. (2018). A mixed methods case study exploring the impact of membership of a multi-activity, multicentre community group on social wellbeing of older adults. *BMC Geriatrics*, 18, 226.
- Liu, J., Zhu, Y., & Wang, H. (2023). Managing the negative impact of workforce diversity: The important roles of inclusive HRM and employee learning-oriented behaviors. *Frontiers in Psychology*, 14, 1117690.

- Milićević, S., & Petrović, J. (2018). Human resources in the function of European Union competitiveness as tourism destination. *Journal of Economics, Management and Informatics*, 9(2), 53–63.
- Miller, C. C., Burke, L. M., & Glick, W. H. (1998). Cognitive diversity among upper-echelon executives: Implications for strategic decision processes. *Strategic Management Journal*, 19(1), 39–58.
- Moosvi, A., & Ali, S. T. (2022). *Hotel and restaurant industries of Pakistan: Opportunities and market dynamics* (PIDE Knowledge Brief No. 76:2022). Pakistan Institute of Development Economics.
- Mor Barak, M. E. (2015). Inclusion is the key to diversity management, but what is inclusion? *Human Service Organizations: Management, Leadership & Governance*, 39(2), 83–88.
- Mor Barak, M. E., Cherin, D. A., & Berkman, S. (1998). Organizational and personal dimensions in diversity climate: Ethnic and gender differences in employee perceptions. *The Journal of Applied Behavioral Science*, 34(1), 82–104.
- Mujtaba, M., & Jamal, S. (2018). Enhancing work climate to improve the perceived performance leading to talent retention: A study of Pakistani service sector. *International Journal of Social Sciences Perspectives*, 3(1), 21–33.
- Mujtaba, M., & Mubarik, M. S. (2022). Talent management and organizational sustainability: Role of sustainable behaviour. *International Journal of Organizational Analysis*, 30(2), 389–407.
- Mujtaba, M., Khan, S., Qureshi, J. A., & Mughal, S. (2024). Conversations to solutions: Exploring the role of social interaction in the workplace. *NICE Research Journal*, 17(3), 19–33.
- Näswall, K., Malinen, S., Kuntz, J., & Hodliffe, M. (2019). Employee resilience: Development and validation of a measure. *Journal of Managerial Psychology*, 34(5), 353–367.

- Nishii, L. H., Khattab, J., Shemla, M., & Paluch, R. M. (2018). A multi-level process model for understanding diversity practice effectiveness. *Academy of Management Annals*, 12(1), 37–82.
- Noor, N., Khan, M. M., Irfan, M., & Shah, S. M. A. (2024). Diversity Management Practices and Inclusive Work Environment: A Study of Employees Working in Banking and IT Sectors. *International Journal of Social Science & Entrepreneurship*, 4(2), 298-316.
- Pakistan Bureau of Statistics. (2023). *Labour force survey*. <https://www.pbs.gov.pk/labour-force-statistics/>
- Qi, M., Armstrong, S. J., Yang, Z., & Li, X. (2022). Cognitive diversity and team creativity: Effects of demographic faultlines, subgroup imbalance and information elaboration. *Journal of Business Research*, 139, 819–830. <https://doi.org/10.1016/j.jbusres.2021.10.027>
- Randel, A. E., Galvin, B. M., Shore, L. M., Ehrhart, K. H., Chung, B. G., Dean, M. A., & Kedharnath, U. (2018). Inclusive leadership: Realizing positive outcomes through belongingness and being valued for uniqueness. *Human Resource Management Review*, 28(2), 190–203.
- Rawls, J. (1971). *A Theory of Justice*. Harvard University Press.
- Rigdon, E. E. (2013). Partial least squares path modeling. In G. R. Hancock & R. O. Mueller (Eds.), *Structural equation modeling. A second course* (pp. 81–116). Emerald Publishing Limited.
- Robbins, S. P., & Judge, T. A. (2022). *Organizational behaviour*. Pearson Education Limited.
- Roberson, Q., Ryan, A. M., & Ragins, B. R. (2017). The evolution and future of diversity at work. *Journal of Applied Psychology*, 102(3), 483–499.
- Rojak, J. A., Sanaji, S., Witjaksono, A. D., & Kistyanto, A. (2024). The influence of transformational leadership and organizational culture on employee performance. *EDUKASIA Jurnal Pendidikan dan Pembelajaran*, 5(1), 977-990.

- Shore, L. M., & Chung, B. G. (2022). Inclusive leadership: How leaders sustain or discourage work group inclusion. *Group and Organization Management*, 47(4), 723–754.
- Shore, L. M., Cleveland, J. N., & Sanchez, D. (2018). Inclusive workplaces: A review and model. *Human Resource Management Review*, 28(2), 176–189.
- Shore, L. M., Randel, A. E., Chung, B. G., Dean, M. A., Ehrhart, K. H., & Singh, G. (2011). Inclusion and diversity in work groups: A review and model for future research. *Journal of Management*, 37(4), 1262–1289.
- Stone, E. F. (1978). *Research methods in organizational behavior*. Goodyear Publishing Company.
- Tajfel, H., & Turner, J. (1979). An integrative theory of intergroup conflict. In W. G. Austin & S. Worchel (Eds.), *The social psychology of intergroup relations* (pp. 33–47). Wadsworth.
- Tavakoli, M. (2015, May 8). *Diversity and inclusion drive success for today's leaders*. Association for Talent Development. <https://www.td.org/content/td-magazine/diversity-and-inclusion-drive-success-for-todays-leaders>
- Tierney, P., Farmer, S. M., & Graen, G. B. (2006). An examination of leadership and employee creativity: The relevance of traits and relationships. *Personnel Psychology*, 52(3), 591–620.
- Topic, M. (2024). Editorial 29.2: Inclusivity and innovation. *Corporate Communications: An International Journal*, 29(2), 117–122.
- Van Knippenberg, D., De Dreu, C. K. W., & Homan, A. C. (2004). Work group diversity and group performance: An integrative model and research agenda. *Journal of Applied Psychology*, 89(6), 1008–1022.
- Turi, J. A., Khastoori, S., Sorooshian, S., & Campbell, N. (2022). Diversity impact on organizational performance: Moderating and mediating role of diversity beliefs and leadership expertise. *PLoS One*, 17(7), e0270813.

- World Travel and Tourism Council. (2024). Economic impact research: Pakistan 2024 annual report. <https://wttc.org/research/economic-impact>. <https://researchhub.wttc.org/factsheets/pakistan>.
- Zhou, Y., Mistry, T. G., Kim, W. G., & Cobanoglu, C. (2021). Workplace mistreatment in the hospitality and tourism industry: A systematic literature review and future research suggestions. *Journal of Hospitality and Tourism Management*, 49, 309–320.