

The Effect of Diversity Management on the Employees' Happiness (the Case of Yaran Paper Company)

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Abstract

The purpose of this study was to examine the effect of diversity management on the employees' happiness. This study is a practical research from goal perspective and is a survey-correlation one from identity view. This statistical population of this study includes all employees of Yaran Paper Company. Because this population consists of 30 members, any sampling has not been done and the authors used census method. In order to collect the research data, two questionnaires were used. These include the questionnaire of employee management and the questionnaire of employees' happiness. The first includes 28 questions and the second includes 29 ones. Cronbachs' Alpha coefficients of these questionnaires were 0.95 and 0.85 respectively. The structural equation modeling has been used in the Smart-PLS. In order to test the research hypotheses, Pearson Correlation Coefficient has been used. The results of this study revealed that there is a significant positive relationship between employee management and employees' happiness. In other words, improvement in the employee management results in much happiness among employees.

Keywords: Diversity, Diversity Management, Happiness, Organizational Happiness

Introduction

One of the main interests of nowadays organization is differences that exist among employees. This results in more diversified manpower. The diversity of manpower refers to this fact that there is much diversity among employees in terms of gender, age, ethnicity, education, ethics, and other characteristics. Such a diversity can includes difference in the life styles, family position, personality, job functions, hierarchical position, and other characteristics. The necessity of diversity management derives from this fact that diversity in work environment is an organizational issue that has many opportunities and treatments and also influences its performance. On the other hand, happiness is a sense and emotion that is

created after needs satisfaction. The common characteristics of happy people include positive action rather than positive thought, satisfying their needs, interest in change, recognizing opportunities, and planning for the future.

On the other hand, happiness is a phenomenon with different levels. Everybody has different levels of happiness that this may be different from anyone to each other. The extent of happiness depends on learning, education, having positive attitude toward job environment, and personal life. This is why the present study was aimed to examine the effect of diversity management on the employees' happiness.

Review of literature

Diversity management

The diversity management does not refer to mere diversity. The concept of these vocabularies not only depends on each other, but also each has its own definition. Diversity refers to the factors creating differences between concepts and individuals. On the other hand, the concept of diversity management refers to management of companies' activities that enable the managers to manage and administrate such differences and similarities (Sepehri, 2011). Also diversity management refers to the organizations' planned and regular commitment for hiring new manpower, maintaining and promoting diversified employees, increasing productivity and competition, and adapting the work environment (Rezaeian and Ghasemi, 2010: 9-22).

More diversity in work environment results in more organizational responsibility. On the other hand, the organizations prevent from different filters that entering diversity to the organization (Adli and Niaz Azari, 2009). Prevention from diversity in the organizations derives from the dominant group that desire to maintain their dominance in the organization. The reason of such prevention is preventing from educational costs, conflict management, and adaptability in creating diversity. Many authors and scientists believe that diversity is manageable and the diversity should be entered to the organizations. The organizations have to manage diversity and use it in increasing diversity, perception of differences, and ability of developing the activities to the new markets. On the other hand, diversity management results in the employees' more participation in achieving organizational goals and accepting the diversity management costs. Some of the negative outcomes of diversity management in organizations are unhealthy stresses between employees with different gender, age, ethnicity, and abilities. Also there are several negative outcomes for diversity management in the organization including more stress among employees, rural activities and complaints, inability in maintaining different manpower, and wasted investments in employment and education (Gibeily and Aoun). There are different employees in job environment that have different perceptions, goals, and expectations. The differences between employees derive from their different characteristics in terms of gender, culture, age, ethnicity, job experiences, life style, nationality, social and political orientations, capability and skills. All in all, the dimensions of diversity can be divided into three sets (Worman, 2005). These include:

- **Social difference:** such as age, ethics, and gender
- **Value diversity:** such as psychological differences in the personality and attitude
- **Informational diversity:** such as education and organizational position.

Generally, diversity management refers to the prevention activities in terms of organizational conditions that are done for minimizing threats and maximizing opportunities of diversity. This implies that although diversity includes differences, but it also includes similarities. If the diversity is regulated inappropriately, it will be a debt for organizations. On the other hand, it

will be a valuable property for organization if it is managed appropriately (Gibeily and Aoun). The purpose of diversity management is enabling the employees for actualizing their potentials in order to achieve organizational mission. On the other hand, diversity management refers to creating the work environment that the employees' differences in terms of cultural heritages, backgrounds, life style, tradition, and valuable approaches are respected by organization and also the managers attempt to use them in increasing organization's capacity.

Happiness

When human satisfy his/her needs and achieve his/her goals, they will have a happiness sense and emotion. It is should be remembered that happiness is not possible absolutely. In other words, everyone has his/her own epistemology and thoughts and so happiness had different meaning for everyone. Happiness is a concept that is considered as human reactions and capabilities and derives from desirable and valuable phenomenon. Many authors believe that positivism psychology is a new approach in the psychology area that is emerged during later years. This approach concentrates on the positive dimensions of human such as capabilities, abilities, and skills rather than his/her mental disorders. Happiness and how to live happily is one of the main concerns in positivism psychology (Sheldon, 2004). There are several definitions for happiness emotion. All of these definitions have agreement about this fact that happiness is a combination of high and low positive affect that derives from needs satisfaction and achievement. Planning for being happy and living happily is a hard and time-spending process. On the other hand, attempt for achieving happiness is a difficult activity. If an individual wants to be successful in his/her life, he/she has to attempt to achieve happiness in the life. Being happy in the personal life helps individuals to create friendly and beneficial relations with others.

Positive thinking is a source of happiness. The positivism people achieve positive results in their life and create positive emotions. Such positive emotions create positive thoughts and senses. Therefore, optimism toward present and future and having positive interpretation from happiness events in the life. On the other hand, pessimism toward others is difficult and painful. Remembering desirable events and memories can be effective in creating happiness. Benevolence can be effective in creating happiness. Human being has a natural tendency toward helping others and then experiences a satisfaction and internal relaxation. There are several benefits and outcomes of happiness in the work environment that some of them have been presented in the following section.

1. **Improving management efficiency:** happiness as a managerial instrument is an important factor in improving managerial effectiveness (Mazidi, 2006: 305).
2. **Eliminating obstacles of the relationship between management and employees:** when the managers can promote happiness among employees, they will have more motivation for creating relationship with manager. This not only results in more organizational performance, but also leads to more participation among employees (Mazidi, 2006: 305).
3. **Increasing optimism toward future:** happy employees have more positive attitude toward future (McMahon, 2006).
4. **Decreasing stress:** every work and function has its own stresses. Stress is one of the main factors in creating illness, work absence, and job exhaustion. This is why that it can be said that happiness is one of the main effective factors in decreasing stress (Ayzang, 2004: 52).

5. **Improving teamwork:** happiness leads to more teamwork in the organizations (Ayzang, 2004: 52).

Research methodology

The present study is a practical research from purpose perspective and is a survey-correlation one from methodological view. The statistical population of this study includes 30 employees of Yaran Paper Company. In order to collect the research data, two questionnaires were used. The first is employee management and the second is employees’ happiness. The first consists of 28 questions and the second consists of 29 questions. In order to examine and confirm validity of the questionnaire, its face validity has been examined and then diagnostic validity has been examined through AVE index. For this purpose, the questions that their factor loading is less than 0.5 are eliminated from final analysis. Also Cronbachs’ Alpha Coefficient and Combinative Reliability (CR) measure have been used for examining reliability of the questionnaire. The results of Cronbachs’ Alpha Coefficient have been indicated in table 1. The minimum level of Cronbachs’ Alpha Coefficient is 0.6. The results of our study revealed that Cronbachs’ Alpha Coefficient of these questionnaires is 0.95 and 0.85.

Table 1: the results of reliability and validity of the questionnaires

Variables	AVE	Coefficient of combinative reliability	Cronbachs’ Alpha Coefficient
Employee management	0.85	0.89	0.95
Employees’ happiness	0.79	0.88	0.85

Data analysis

The demographic characteristics of the respondents were indicated in table 2.

Table 2: the demographic characteristics of the respondents

Variabl es	Distribu tion	%	Varia bles	Distribu tion	%
Educati onal level	Less than diploma	7.1	Gender	Male	14.3
	Diplom a	14.3		Female	85.7
	Associat ive degree	79.6	Age	20-30	78.6
	M.Sc.	46.4		31-40	14.3
	M.A.	10		41-50	7.1

As the results of table 2 showed, 14.3% of the respondents were female and 85.7% of them were male. From educational levels perspective, 46.4% of the respondents had M.Sc., 14.3

had associative degree, and 10% of them had M.A. From age perspective, 78.6% of the respondents had 20-30 years old.

The results of Pearson correlation coefficient

In order to examine the relationship between employee management and employees' happiness, Pearson Correlation Coefficient has been used. The results of this test revealed that there is a significant positive relationship between employee management and employees' happiness. In other words, improvement in the employee management activities results in more happiness among employees.

Table 3: the results of Pearson correlation coefficient

Variables	Employee management
Employee management	1
Employees happiness	0.60
Sig	0.000
Frequency	30

In order to test the research hypotheses, structural equation modeling method has been used in the Smart-PLS. The GOF is the main index that is used in the PLS for examining quality of structural model. This index is between 0 and 1 and its higher levels refer to better quality of structural model (Manuel et al., 2009: 590). The relative index of model is 0.872. This means that the model has good and desirable quality. Also internal index of the model is 0.798. This means that the model has good and desirable quality. There are two models that are measured in the PLS. These include internal and external models. The external model is measurement model and internal one is structural model in the structural equation modeling. Internal model refers to factor loading of variables. This value should be more than 0.5. The results of structural equation modeling have been presented in table 4.

Table 4: the results of factor loading of research variables

Variab les	Ques tions	Fac tor loa din g	Variab les	Ques tions	Fac tor loa din g
Emplo ees man age ment	Q1	0.65	Emplo ees' happi ness	Q5	0.697
	Q2	0.564		Q6	0.723
	Q3	0.458		Q7	0.841
	Q4	0.731		Q8	0.634

	Q9	0.7 56		Q13	0.8 05
	Q10	0.7 63		Q14	0.8 61
	Q11	0.7 94		Q15	0.8 21
	Q17	0.7 96		Q16	0.7 42
	Q18	0.7 65		Q20	0.7 20
	Q19	0.7 90		Q21	0.8 97
	Q24	0.7 83		Q22	0.7 56
	Q25	0.6 42		Q23	0.5 37
	Q26	0.5 49		Q28	0.7 24
	Q27	0.6 68		Q29	0.6 35
	S1	0.6 58		S16	0.8 82
	S2	0.5 31		S47	0.7 85
	S3	0.7 43		S18	0.7 82
	S4	0.5 63		S19	0.5 65
	S5	0.6 49		S20	0.5 48
	S6	0.7 92		S21	0.5 68
	S7	0.6 58		S22	0.6 54
	S8	0.5 47		S23	0.7 51
	S9	0.7 82		S24	0.6 05
	S10	0.5 72		S25	0.6 32
	S11	0.6 32		S26	0.5 12
	S12	0.7 15		S27	0.7 12
	S13	0.6 43		S28	0.7 59

	S14	0.6 25		S29	0.8 14
	S15	0.7 60		S30	0.8 12

It is necessary to measure internal model (the model that represents latent variables) after examining external one. It is possible to test the research hypotheses through internal model. The tested model of this study has been presented in figure 1. Also Beta coefficients have been presented in the figure. In other words, beta refers to path coefficient. Also R² of this model has been indicated in figure 1.

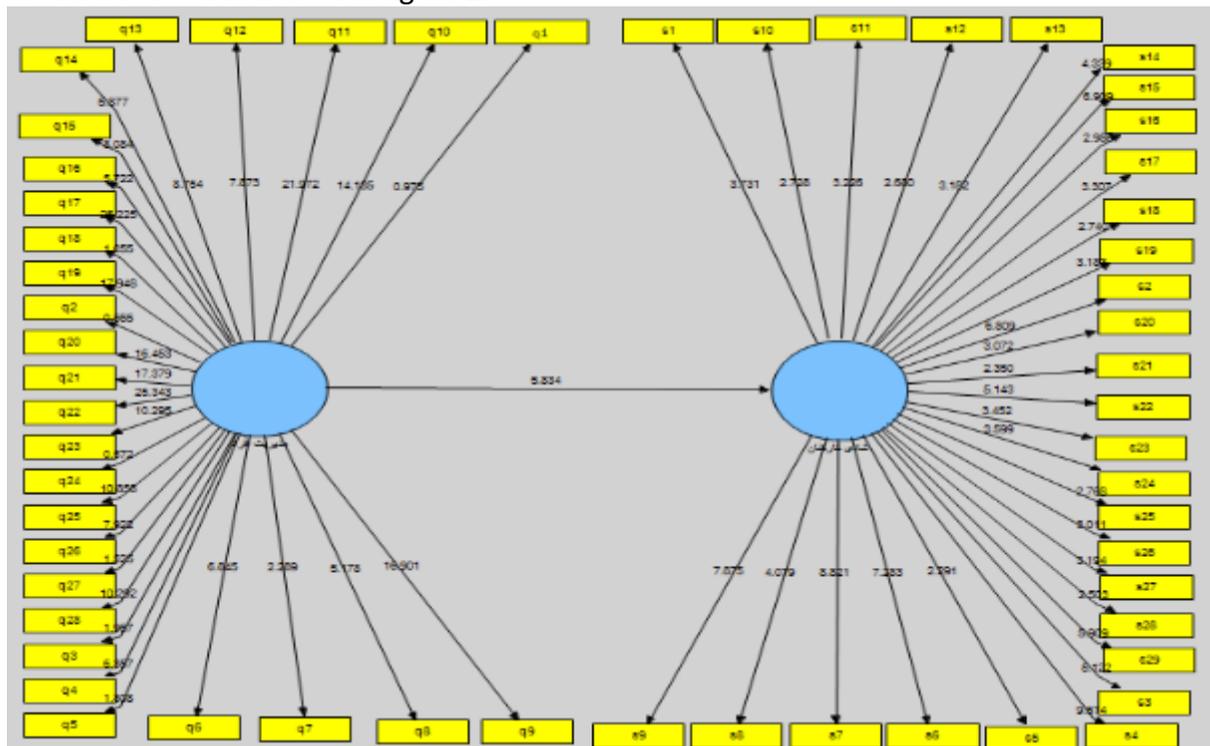


Fig 1: path coefficients of research model

In order to examine significance of hypotheses, t-value of every hypothesis should be calculated. This has been presented in figure 2. This value revealed that the path coefficient of the main hypothesis of this study is significant.

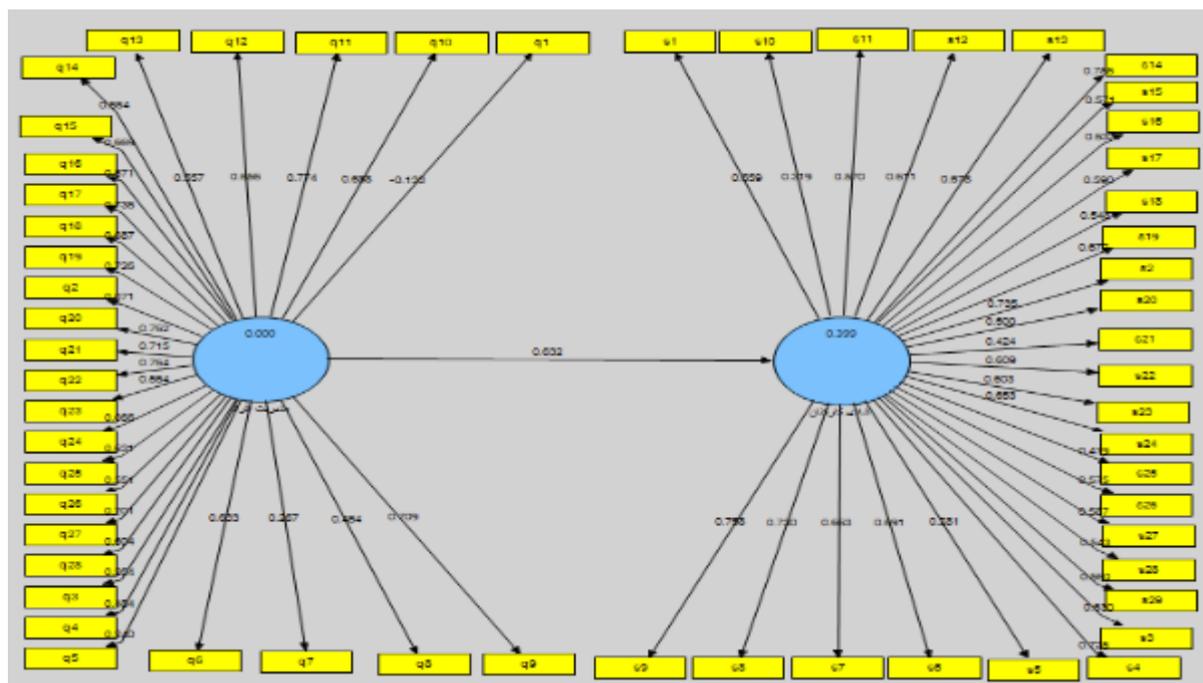


Fig 2: the results of t-value of research model

Also path coefficients and t-value of every hypothesis have been presented in table 4.

Table 4: the results of research hypotheses

Path	Path coefficient	t	Result
Employees management-employees happiness	0.932	8.834	Supported

As the results of table 4 revealed, there is a significant positive relationship between employee management and employees’ happiness. Also the results showed that the effect of employee management on the employees’ happiness is 0.632.

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