

**THE IMPACT OF EMPLOYEES' PERCEPTIONS OF DIVERSITY  
MANAGEMENT PRACTICES ON PSYCHOLOGICAL CAPITAL: A  
CASE OF BED AND BREAKFAST ESTABLISHMENTS IN  
MATJHABENG LOCAL MUNICIPALITY IN THE FREE STATE  
PROVINCE**

By

**Litsoanelo Palesa Sealome**

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Supervisor: Professor C Chipunza

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## DECLARATION

I, Litsoanelo Palesa Sealome, student number \_\_\_\_\_, do hereby declare that this dissertation submitted to the Central University of Technology, Free State for the Degree of Master of Management Sciences in Human Resources Management, is my own independent work and has not previously been submitted by me to any other university for obtaining any qualification. I further cede the copyright of the dissertation in favour of the Central University of Technology, Free State.



.....

Signature of Student

31 May 2019

Date

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## DEDICATIONS

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## ABSTRACT

Several studies have been conducted on diversity management practices and psychological capital as separate independent studies in the hospitality sector. These studies, however, have focused more on large establishments and in the developed economies context, thus making the insights from such studies inadequate regarding small establishments, such as B&Bs in developing contexts, such as South Africa. This gap creates an avenue for further research, therefore, this study attempted at closing this gap by focusing, in one single study, how diversity management practices and psychological capital concepts correlate among employees within the B&B establishments in a developing context. The objective of the study was, therefore, to determine how employees' perceived diversity management practices influence their psychological capital.

Drawing on a cross-sectional case study design, data was conveniently collected from 100 employees employed in seventy-seven (77) bed and breakfast establishments within the Matjhabeng Local Municipality in the Free State Province of South Africa, using a structured 6-point Likert scale questionnaire. Data was analysed using descriptive statistics, exploratory factor analysis, Cronbach Alpha Coefficient, Kolmogorov-Smirnov (K-S) test, Shapiro-Wilk test and the Spearman Correlations. The key findings from the empirical study are: employees know and understand diversity; bed and breakfast establishments utilize diversity management practices; employees' perceptions of diversity management practices are all positive and that these perceived diversity management practices have a positive effect on the psychological capital of the bed and breakfast establishment employees. From the study, it is recommended that for bed and breakfast establishments to have a sustainable future, they should learn and understand diversity as this will help them value cultural differences and effectively manage a diverse workforce.

**Keywords:** hospitality; bed and breakfast establishments; employee perceptions; diversity management; psychological capital.

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# CHAPTER 1: INTRODUCTION TO THE STUDY

## Chapter outline

1.1 Introduction and background

1.2 Problem background and statement

1.3 Research Questions

1.4 Research Objectives

1.5 Hypotheses

1.6 Theoretical framework

1.7 Aim of the study

1.8 Delimitation of the study

1.9 Definition of Key concepts

1.10 Limitation of the study

1.11 Outline of the study

1.12 The Chapter Summary

## 1.1 INTRODUCTION AND BACKGROUND

The hospitality industry is one of the fastest growing sectors in the South African economy, offering a wide range of accommodation and attracting a mix of business and holiday travellers (Ntloedibe, 2014). Although dominated by large business establishments, the contribution of small establishments in the sector, such as Bed and Breakfast (B&Bs), cannot be simply ignored (Awang, Aziz & Samdin, 2011). A B&B is a commercial accommodation establishment that is usually, operated from a private house that is managed by a resident owner or resident lessee and provides sleeping facilities and breakfast, primarily to tourists or a business market clientele; the facilities and services are offered, therefore, for the exclusive use and benefit of overnight registered guests (Free State Provincial Gazette No.79, 2011). B&Bs contribute approximately 9% of the Gross Domestic Product (GDP) of the annual Tourism Industry Contributions in a year (SA Tourism Review: Report of the Expert Panel, 2015).

Despite this contribution to economic growth, bed and breakfast establishments across the whole world and South Africa in particular, face numerous challenges that inhibit their growth (Mahembe, 2011). One of the major challenges faced by bed and breakfast establishments, according to Awang, *et al.*, (2011: 80) is their inability to compete on the open markets because of poor practices in areas such as diversity management. According to Tervonen (2012) diversity management is about fundamentally and comprehensively changing the procedures and ways of thinking, by focusing on new abilities, skills, attributes and experiences, without prejudice. Managing diversity is an on-going process that requires various talents and capabilities found in an organization (Deshwal & Choudhary, 2012). Most of the available literature on diversity management within the hospitality sector, focuses more on large establishments (Manoharan, Gross & Sardeshmukh, 2013; Kalargyrou & Costen, 2017; Korjala, 2012).

Hidayat and Mangundjaya (2010) argue that if diversity management is applied correctly in an organization, the employees' psychological capital can be enhanced. Avey, Luthans and Youssef (2009) explain psychological capital as an employee's positive psychological state of development. De Hoe and Janssen (2014) argue for the

enhancement of employees' positive psychological capital as it can play a moderating role in the relationship between the negative results of failure and positive side of learning from these failures of bed and breakfast establishments. While evidence of the relationship between diversity management practices and psychological capital can be traced in some large hospitality establishments (Tervonen, 2012), there is a dearth of empirical evidence showing the same in the context of employees in B&B establishments. The need for research on these constructs, among bed and breakfast establishments can, therefore, not be overemphasized.

## **1.2 PROBLEM BACKGROUND AND THE PROBLEM**

B&B establishments in South Africa continue to face unique barriers and constraints, such as lack of funding and marketing opportunities; most of which are external to the B&B ventures (Nieman, Visser & Van Wyk, 2008). Chipunza (2014) concurs that financing and regulatory issues are at the epicentre of these challenges. To alleviate some of these challenges, the South African government provides support to Small, Micro, Medium Enterprises, with bed and breakfast establishments included as well. This support, however, remains external to the bed and breakfast establishments and does not contribute to internal aspects, such as diversity management practices and the psychological capital of their employees; this is despite research having highlighted them as critical for the survival of small business establishments, in the unpredictable business environment (Oyeniya & Adeniji, 2010; Deshwal & Choudhary, 2012).

Several studies have been conducted on diversity management practices and psychological capital (Wambui, Wangombe, Muthura, Kamau & Jackson, 2013; Onsongo & Maina, 2013; Larson, Norman, Hughes & Avey, 2013; Ugwozor, 2014). These studies, however, have focused more on larger establishments and in the developed-economies context, thus making the insights from such studies inadequate with regard to the South African bed and breakfast context with its unique challenges. This gap has created an avenue for further research, therefore, this study attempts at closing this gap by focusing on how diversity management practices and psychological capital concepts correlate within bed and breakfast establishments, in a developing context.

The significance of this research study lies within its potential to identify diversity management practices that might be needed by small accommodation businesses in South Africa for these businesses' survival and growth. The study will also offer new insights about the validity and reliability of scales developed within bed and breakfast establishments in a developing context. It is also envisaged that the results of the study might assist the South African government to formulate policies that will extend its current support to the development of employees within the B&B establishments.

### **1.3 RESEARCH QUESTION (S)**

#### **1.3.1 Main Research Question**

What is the impact of employees' perceptions of diversity management practices on psychological capital in bed and breakfast establishments within the Matjhabeng Local Municipality?

#### **1.3.2 Specific Research Questions**

- (a) To what extent do employees have knowledge and understanding of diversity?
- (b) What are the specific human resource management practices where employees perceive diversity to be applied by management within the bed and breakfast establishments in Matjhabeng Local Municipality, Free State?
- (c) What is the status of psychological capital of employees among the bed and breakfast establishments in Matjhabeng Local Municipality, Free State?
- (d) To what extent do employees' perceptions of diversity management practices correlate with their psychological capital?

### **1.4 RESEARCH OBJECTIVES**

#### **1.4.1 Main Research Objective**

To determine the impact of employees' perceptions of diversity management practices on psychological capital within bed and breakfast establishments in Matjhabeng Local Municipality, Free State.

### **1.4.2 Specific Research Objectives**

- (a) To determine employees' knowledge and understanding of diversity
- (b) To identify the specific human resource management practices where employees perceive diversity to be applied by management within bed and breakfast establishments in Matjhabeng Local Municipality, Free State.
- (c) To measure the status of psychological capital of employees among bed and breakfast establishments in Matjhabeng Local Municipality, Free State.
- (d) To measure the extent to which employees' perceptions of diversity management practices correlate with their psychological capital.

### **1.5 HYPOTHESES**

H 1: Employees do have knowledge and understanding of diversity

H2: There are specific human resource management practices where employees perceive diversity has been applied by management.

H3: Employees' psychological capital is positive.

H4: There is a positive correlation/relation between perceived diversity management practices and psychological capital of employees

### **1.6 THEORETICAL FRAMEWORK**

This study is guided by the PERMA Model; this is a positive psychology theory, which was introduced by the positive psychologist, Martin Seligman in 2011 (Burton, 2012). PERMA stands for the five essential elements that should be in place for people to experience lasting well-being, namely, positive emotions, engagement, relationships, meaning and accomplishment (Kern, Waters, Adler & White, 2014). Underlying this theory, is the assumption that an increase in the PERMA elements can lead to improved mental health, creativity, relationships, and work performance (Berridge, 2011). In line with the context of this study, it is expected that if owners or managers of bed and breakfast establishments apply and enhance diversity management in human resource functions, employees' well-being will improve. They will show positive

psychological capital dimensions such as, hope, optimism, self-efficacy and resiliency, in addition to behaviors that are essential to the survival and growth of the bed and breakfast establishments.

## 1.7 AIM OF THE STUDY

This study aims to promote the development and growth of B&Bs through the application of appropriate diversity management practices that will positively influence employees' psychological capital.

## 1.8 DELIMITATION OF THE STUDY

- 1.8.1 The study is limited to owners or managers of bed and breakfast establishments employing limited number of employees, in selected areas.
- 1.8.2 The study is limited to employees within the bed and breakfast establishments employed in selected areas.
- 1.8.3 The study is limited to bed and breakfast establishments in Welkom, Virginia, Odendaalsrus and Hennenman in the Matjhabeng Local Municipality, Free State Province.

## 1.9 DEFINITION OF KEY CONCEPTS

- 1.9.1 **Bed and breakfast establishments** – Bed and breakfast establishments (B&Bs) are defined as a distinctive segment within the hospitality industry, primarily because they are often operated by diverse people who offer personalized services in a homely environment. These are typically private homes with fewer than ten bedrooms available for commercial use that accommodate guests in private bedrooms and bathrooms (Mvana, 2013; Malcom, 2012).
- 1.9.2 **Diversity**- Bovana (2014) classifies diversity as a broad range of human uniqueness - perception and attitudes, work style, lifestyle, personality, values, work ethics, communication style, world view, recreational and personal habits, educational background, work experience, appearance, parental status, marital status and other functional levels of classification.

1.9.3 **Diversity Management-** Olsen and Martins (2012:2) define diversity management as “the utilization of human resource management practices to (a) increase or maintain the variation in human capital on some given dimensions; (b) ensure that variation in human capital on some given dimensions does not hinder the achievement of organizational objectives, and (c) ensure variation in human capital on some given dimensions’ facilities for the achievement of organizational objectives”.

1.9.4 **Psychological Capital-** According to Luthans, Youssef and Avolio (2007) psychological capital (PsyCap) refers to the positive psychological state of individuals. It simply implies how confident, hopeful, optimist and resilient an individual is.

## 1.10 LIMITATION OF THE STUDY

It is important that the readers of the study note that not much conclusive research has been done in the field of both diversity management and the psychological capital issues. The results of this study should not be regarded as generalizable to other settings. The writer, therefore, advises that, apart from the owners or a manager of the B&Bs who contributed to the research findings of this study, others should use the results as just one available option or background for future studies.

In addition, it is to be noted that B&Bs that are operated by owners were not considered to avoid biased responses; some B&Bs meeting the selection criteria blatantly refused to participate. With the remaining and willing B&Bs, there was a challenge with their availability; some indicated they were very busy and promised to participate when and if they can, however, after numerous follow-ups, a few (44) eventually refused to participate.

## **1.11 OUTLINE OF THE STUDY**

The study is presented in five chapters, as follows:

### **Chapter 1: Introduction to the study**

This chapter presents an introduction of the study, the research focus, research problem the research questions and objectives, the theoretical framework, the hypothesis and the limitations of the study.

### **Chapter 2: Literature Review**

This chapter reviews the relevant literature on diversity management practices and psychological capital within the global context, then in the South African hospitality industry, especially, in bed and breakfast establishments. It goes on to review the challenges faced by bed and breakfast establishments, then studies on global and local diversity management in the hospitality industries. The final part of the chapter review focuses on psychological capital considerations in the hospitality industries.

### **Chapter 3: Research Methodology**

This chapter presents how the data required to answer the research questions were collected. Also outlined are the research methodology applied and the data analysis procedures adopted in the study.

### **Chapter 4: Analysis, Results and Discussion**

This chapter presents, interprets and discusses the research findings obtained from the data collected and the results of the hypotheses testing are presented and discussed.

### **Chapter 5: Conclusions and Recommendations**

This chapter provides the conclusions drawn from the literature reviewed and the recommendations for practice and future research based on the findings of the study.

## **1.12 THE CHAPTER SUMMARY**

This introductory chapter presented the problem background and statement to be investigated and addressed. The research questions, objectives, hypotheses, the aim

of the study as well as limitations of the study were detailed. The next chapter presents literature review on diversity management practices and psychological capital of employees within the bed and breakfast establishments.

# CHAPTER 2: DIVERSITY MANAGEMENT PRACTICES AND PSYCHOLOGICAL CAPITAL OF EMPLOYEES IN BED AND BREAKFAST ESTABLISHMENTS

## Chapter outline

2.1 Introduction

2.2 The hospitality industry: An International Overview

2.3 The hospitality industry: A South African Perspective

2.4 Definition of Bed and Breakfast Establishments

2.5 Bed and Breakfast in South Africa

2.6 Challenges of Bed and Breakfast establishments in developing countries

2.7 Diversity and Diversity Management

2.8 Diversity Management Practices: A human Resource perspective

2.9 Challenges of Diversity management

2.10 Psychological Capital

2.11 The relationship between diversity management and Psychological capital

2.12 Theoretical Framework

2.13 Proposed Framework

2.14 The Chapter Summary

## **2.1 INTRODUCTION**

This chapter reviews literature on diversity management practices and psychological capital within the global context and the South African hospitality industry. The review first considers the literature that focuses on a general overview of both the global and local hospitality industries, which in the context of this study refers to bed and breakfast establishments. It goes on to review the challenges faced by bed and breakfast establishments, globally and locally. The final part of the chapter focuses on the psychological capital considerations in the hospitality industries.

## **2.2 THE HOSPITALITY INDUSTRY: AN INTERNATIONAL OVERVIEW**

The hospitality industry is an important component of the tourism industry, as it is embedded and deeply connected with travel and tourism (Petrovic, 2007). It is a large, complex and significant industry which comprises two distinct sub-sectors, accommodation and restaurants (Abomeh, 2012; Talabi, 2015). The industry has shown steady growth globally over the past few years, accounting for more than one third of the total global services trade (Geneva, 2010). It is considered as one of the key sectors that drive some countries' economies and has reached into a global economic segment with direct and indirect impact on the world's economy. This is through numerous contributions, such as on the gross domestic product (GDP) and an increase in employment opportunities (Sadiqe, 2014; Rao, 2014).

The hospitality industry's contribution to the growth of an economy is noted in its net large percentage on a country's GDP and generally, the hospitality industry supports 9.1 per cent of the global GDP (Sanni, 2009; Rao, 2014). In addition, the industry creates more than 5 per cent of the Europe's GDP and 9.7 million jobs (5.2 per cent) of the total workforce (Geneva, 2010). This serve as evidence that the hospitality industry contributes to the creation of employment and economic growth at national and global level.

The industry is extremely labor-intensive, and as such, it is a significant source of employment among the world's top creators of jobs, requiring varying degrees of skills (Geneva, 2010). It also contributes to the growth of an economy by providing a high scale of employment opportunities (Sanni, 2009). For instance, the international

hospitality industry creates more than 258 million jobs worldwide (Rao, 2014). Thus, building a strong influence on employment opportunities (Geneva, 2010). In addition, the hospitality industry in the United States employs around 12.5 million people, which accounts for 7.61 per cent of the country's total workforce.

The hospitality industry makes other contributions globally. These include adding on to governments' revenues through license fees, customs, exercise duty, value added tax (VAT) on tourism services, and income tax levied on employees in the industries (Shikuri & Chepkwony, 2013). The industry has other country or region-specific contributions, such as in India, where the industry's direct contribution to GDP is expected to grow at 7.8 per cent per annum during the period of 2013-2023 (Rao, 2014). In Saudi Arabia, more than 70 million visitors are expected from religious tourism by 2020, which will impact on the hospitality industry as the visitors will use the facilities such as accommodation bookings (Aldosari, 2013). Finally, the United States Bureau of Labor Statistics expects the industry to account for 7.42 per cent of employment in 2018 and to grow by 7.3 per cent between 2008 and 2018 (Geneva, 2010).

The industry is, however, facing some challenges. Talabi (2015) identifies the increasing level of competition over the years as a threat to both the new entrants and existing players within the sub-sector. In other cases, such as in Kenya, there is heightened competition as globalization has exposed customers to highly differentiated products and services (Chilla, Kibet & Douglas, 2014). Pinilla (2002) also notes that the sub-sector encounters a challenge with managing diversity. Thus, a strong corporate culture and systematic diversity policies and management practices should be established to cater for the needs of the sub-sectors' challenges and facilitate the utilization of diversity management as a competitive advantage (Tervonen, 2012).

### **2.3 THE HOSPITALITY INDUSTRY: A SOUTH AFRICAN PERSPECTIVE**

The hospitality industry has emerged as one of the key economic drivers in South Africa and remains as one of the few growing industries in the world (Sucheran, 2013). The industry has a well-documented and significant socio-economic impact within

nations, as particularly noted in a country like South Africa. In the country, it constitutes up to 67% of all Tourism, and generates about R179 billions of economic activity, more than 40 000 jobs through direct employment and a total of 1 011 000 related jobs, thus representing 7.6% of the country's total employment (Taal, 2012). This sector is structurally dominated by well-established enterprises led by, the Sun International, Protea and Southern Sun enterprises (Rogerson, 2004), with the vast majority being small enterprises such as bed and breakfasts (with fewer than 30 rooms, and not more than R5 100 000 annual turnover (Nelwamondo, 2009).

The accommodation sector market in South Africa enjoyed its third consecutive year of strong growth with a 9.1% advance following two years of double-digit gains (PWC, 2015). Furthermore, statistics released by Statistic South Africa (2018) indicated that the largest share of employment in 2015 was in 'hotels, motels and inns', namely 70%, and this was followed by 'other accommodation' and 'guest-houses and guest-farms', accounting for 22% and 8%, respectively. Concurring, Nkonde (2012) indicated that these establishments absorb labor and generally expand economies in creative and innovative ways, thus showing a significant contribution to the sector. This growth is however, burdened with numerous challenges, such as excessive competition. This is due to the increasing number of contemporary accommodation providers (boutique hotels) and the expansion of existing hotels in South Africa which are putting much pressure on the profit margins of established bed and breakfast service providers (Taal, 2012).

## **2.4 DEFINITION OF BED AND BREAKFAST ESTABLISHMENTS**

The definitions of Small, Micro and Medium Enterprises (SMMEs) vary from country to country owing to the different parameters that exist with the concept (Lekhanya, 2010). These multifaceted enterprises, whose business processes are not as flexible as those of large enterprises, are businesses that have a small number of employees (Nkonde, 2012) and they include bed and breakfast (B&Bs) establishments (Joseph, 2013).

Bed and breakfast establishments are defined as lodging establishments where the keeper typically lives on the premises and breakfast is often served to the overnight guests (Frazier, 2010). These are typically private homes with fewer than ten

bedrooms available for commercial use; they accommodate guests in private bedrooms with bathrooms (Mvana, 2013). Bed and breakfast establishments represent a distinctive segment within the hospitality industry, primarily because they are often operated by diverse people who offer personalized services in a homely environment (Malcolm, 2012), thus indicating the sector's significant contribution to the industry's diversity (Dos Santos, Chaves & Pedron, 2014).

In addition, these establishments are a niche market in the industry and possess a strong history and typically, positive performance in the global economy (Fredette, 2010). From this evidence, one can argue that bed and breakfast establishments are considered essential and contributors extensively, globally. The following section will emphasize more on their significance and contribution towards the South African economy.

## **2.5 BED AND BREAKFAST ESTABLISHMENTS IN SOUTH AFRICA**

For the purpose of this study, bed and breakfast establishments are part of SMMEs. The bed and breakfast establishments in South Africa have come to play an important role in the economy and development, especially, during this current period, which has witnessed large enterprises restructuring and down-sizing (Chimucheka, 2013). Bed and breakfast establishments have increased from approximately 300 in 1993, to 3700 in 2000 and 5000 in 2002, to an estimated 30 000 in 2004, thus, showing a phenomenal growth (Nelwamondo, 2009; Rogerson, 2004).

Bed and Breakfast establishments, as postulated by Nemaenzhe (2010), to make a meaningful contribution to the South African economy. The establishments recorded the highest year-on-year growth rates in income with guest-houses and guest-farms recording 24.9% and bed and breakfasts at 24.3%, thus, showing that these establishments are becoming one of the key drivers of growth in South Africa (Namaenzhe, 2010). Contrary to the statistics indicating the fast pace of growth of the bed and breakfast establishments, Chiliya, Chikandiwa and Afolabi (2011) argue that these establishments in South Africa are moving very slowly as compared to the large establishments. This is in line with the assertion that, although the bed and breakfast establishments contribute to the socio-economic growth of South Africa, they

experience multiple challenges that threaten the sustained growth of the hospitality sector (Chipunza, 2014). Some of the bed and breakfast establishments are failing to address issues concerning changing consumer demand, new marketing procedures and operational challenges posed by the current sophisticated technology (Nelwamondo, 2009).

The next section outlines some of the challenges faced by bed and breakfast establishments, globally.

## **2.6 CHALLENGES OF BED AND BREAKFAST ESTABLISHMENTS IN DEVELOPING COUNTRIES**

Different challenges facing the hospitality industry have been reported mainly from the context of the large hotels (Jin-Zhao & Jing, 2009; Shikuri & Chepkwony, 2013; Huda, Haque & Khan, 2014; Kashyap, 2014). Little, however, is currently known about the challenges within the bed and breakfast establishments (Appaw-Agbola & Agbola, 2012). In general, most of the bed and breakfast establishments in developing countries face numerous challenges that threaten their attractiveness to prospective investors or clients (Jaafer, Ing & Surkarno, 2011; Talabi, 2015). Some of these challenges are faced in attempts at accessing financial resources, from competition, lack of skilled human resources and government support, the existence of strict regulations, unstable political systems, poor infrastructure and recruitment practices, high employee turnover, shortage of labor, low remuneration as well as operational problems (Chan & Quah, 2008; Appaw-Agbola & Agbola, 2012; Chimucheka, 2013; Chipunza, 2014). Some of these challenges are addressed in the sections that follow.

### **2.6.1 Access to financial resources**

Access to finance remains a dominant constraint to bed and breakfast establishments in all countries (Chipunza, 2014; Mwobobia, 2012; Sadiqe, 2014). These establishments in Zimbabwe, for example, have been hailed for their critical role in stimulating and promoting sustainable economic growth and development through job creation and propelling innovation, yet, they continue to experience their fair share of limited access to finance and endure the high cost of borrowing. These establishments are also criticized by financial institutions for not having proper accounting records,

which makes it difficult for financial institutions to measure their financial performance and consider them for credit facilities (Chipunza, 2014).

Similarly, bed and breakfast establishments in Ghana and South Africa are affected by various limitations. The challenges faced by Ghanaian establishments stem from the fact that they have limited access to capital markets, locally and internationally, and partly because of the perception of higher risk, information barriers and the higher costs of the intermediation for these smaller firms (Mensah-Ansah, 2014). In the case of South Africa, these establishments find it difficult to access bank finances, mainly because they lack collateral security and the required bank deposit or a credit record, as well as due to their poor presentation of business plans to financial institutions (Chipunza, 2014). In addition, a study by Deen, Harilal and Achu (2016) linked the challenge of limited access to financial resources with lack of affiliation to relevant associations and noted that although bed and breakfast owners and managers are keen to affiliate with associations for funding purposes, the requirements, processes and high costs involved are beyond the reach of many, thus these establishments continue to fail financially.

### **2.6.2 Competition**

The existence of tough competition between enterprises poses another major challenge to the industry. The challenges arising from the impact of competitions are clearly spelt out in Kenya. The country continues to embrace hospitality as an essential tool for socio-economic development, yet, a critical evaluation indicates that women entrepreneurs, in the bed and breakfast establishments, continue to face the challenge of competition stemming from the increasing number of new hotels, which has often resulted in lower prices and decreased profit margins (Chan & Quah, 2008; Mwobobia, 2012; Nkonde, 2012). In contrast, Shikuri and Chepkwony's (2013) study conducted in Nairobi indicates that, although competition was acknowledged as a challenge, only 38 percent of bed and breakfasts ranked it as a major issue. This implies that competition is not the same across the business sectors and that some owners and managers of bed and breakfast establishments may have accepted competition as a way of doing business since the market is liberalized.

### **2.6.3 Government support and regulations**

Government regulations and policy issues, such as lack of government support, and operating within both unfriendly government policies and confusing government guidelines, emerged as another key challenge in managing bed and breakfasts in Sabah, Malaysia (Chan and Quah (2008). This challenge seems to apply in most of the developing countries, thus, although there exist government structures seeking to support hospitality businesses in South Africa, most bed and breakfast owners and managers in the country are of the view that they do not get enough support from the government. This can be attributed to lack of information on the available support programmes, such as the Small Enterprise Finance Agency (SEFA) and the Industrial Development Corporation (IDC), which were established to assist them, thus affecting the hospitality industries' chances of grabbing opportunities for growth (Chimucheka, 2013).

Furthermore, South African bed and breakfast owners and managers argue that regulatory frameworks are designed for large businesses at the expense of smaller firms (Chipunza, 2014). As a result, these owners and managers find it difficult to handle and comply with complicated labor regulations such as retrenchment packages which compels them to hire expensive consultants (Chipunza, 2014).

Similarly, the bed and breakfast owners and managers in Glasgow, United Kingdom, feel neglected and marginalized by their government. The federal government, which runs annual training courses, invites bed and breakfasts and yet the training courses do not assist them much, mainly because the government places little attention to their training as compared to the large hotels, thus showing lack of support for the bed and breakfast establishments (Jaafer, Ing & Sukarno, 2011). In Zimbabwe, the bed and breakfast establishments struggle to meet the bureaucratic requirements given their meagre income, as they suffer from tough laws, regulations and procedures when registering businesses; these experiences eventually derail their establishments (Chipunza, 2014).

### **2.6.4 Human Resource issues**

Bed and breakfast establishments need to access a pool of qualified, skilled and motivated employees in order to perform well and sustain growth (Chimucheka, 2013).

Chan and Quah's (2008) study, however, revealed that human resource issues such as unaffordable skilled-workers' salaries and lack of communication skills appeared to be the main challenges faced by bed and breakfasts in Sabah, Malaysia. The operators of these establishments in Sabah, Malaysia, for example, indicated that it was difficult to employ skilled and trained employees as they could not afford to remunerate them as expected, while others highlight trust and honesty among them and their employees as some of the key issues (Chan and Quah, 2008). Although it seems to be boom time for India's hospitality industry, bed and breakfast establishments are faced with a lack of trained staff as per the requirements of the industry and also suffer from lack of infrastructural facilities that can organize its human resource (Sadiqe, 2014).

It is, therefore, evident from the above literature review that although there has been an increase in the bed and breakfast establishments, they continue to face challenges although, most of these are in the external environment of the ventures (Niemann, Visser & Van Wyk, 2008; Chili & Mabaso, 2016).). These establishments also face difficulties in relation to diversity within their workforce (Pinilla, 2002).

The next section explores the concepts diversity and diversity management.

## **2.7 DIVERSITY AND DIVERSITY MANAGEMENT**

### **2.7.1 Definition of Diversity**

The term 'diversity' has many interpretations (Wamaitha, 2013), but for the purpose of this study, the researcher employs the definition by Bedi, Lakra and Gupta (2014: 102) that views diversity as "policies and practices that seek to include people from within a workforce who are considered to be different from those in the prevailing constituency". In addition, Bovana (2014) classifies diversity as a broad range of human uniqueness, such as, perception and attitudes, work style, lifestyle, personality, values, work ethics, communication style, world view, recreational and personal habits, educational background, work experience, appearance, parental status, marital status as well as functional levels of classification.

It can, thus, be inferred that diversity in the workplace involves tolerance of the different unique aspects of individuals within an organization, the exploitation of target input for

the organization and that of personal benefit in a positive way (Wambui, Wangombe, Muthura, Kamau & Jackson, 2013: 201). The tolerance can best be practiced by adopting correct diversity management practices.

The following section explores the concept of diversity management benefits and practices.

### **2.7.2 Concepts of diversity management**

Diversity management is defined as “the process of planning, directing, organizing and applying all the comprehensive managerial attributes for developing an organizational environment, in which all diverse employees irrespective of their similarities and differences, can interact with each other and actively and effectively contribute to the competitive advantage of an organization” (Dike, 2013; Bovana, 2014). Olsen and Martins (2012) add that diversity management is “the utilization of human resource management practices to (a) increase or maintain the variation in human capital on some given dimensions, (b) to ensure that variation in human capital on some given dimensions does not hinder the achievement of organizational objectives, and (c) to ensure variation in human capital on some given dimensions’ facilitates the achievement of organizational objectives”. These definitions show that diversity management is a strategy that seeks to promote the perception, acknowledgement and implementation of diversity in organizations (Bedi, *et al.*, 2014). Diversity management, hence, is the key to growth in today’s fiercely competitive global marketplace and highly beneficial to both employees and organizations (Shume, 2013).

The following section explores the different benefits of diversity management.

### **2.7.3 Benefits of diversity management**

An organization’s success depends upon factors such as its ability to manage diversity and realize its multiple benefits (Korjala, 2012). Organizations that put more effort into diversity management can attract and keep employees from different backgrounds (Tervonen, 2012). Munjuri (2012) notes that proper diversity management increases both the self-esteem of individuals from the minority groups in the organization and their feeling of belonging to the same organization. As a result, there is a greater team

work that fosters an inclusive culture, which values the differences and contributions made by diverse individuals within organizations (Korjala, 2012).

A proper management of diversity also results in an increase in productivity and performance (Tervonen, 2012). Organizations that provide for employees, irrespective of their differences, enable employees to feel that they are valued and belong to the organization (Bedi, *et al.*, 2014). This practice also ensures that employees remain loyal, perform better and contribute to giving the organization a competitive advantage (Ongori & Agolla, 2007). The continued valuing of diversity by organizations located in the marketing business may also have a positive impact on sales, market shares and corporate profits, and thus improve organizational competitiveness (Ogbo, Anthony & Ukpere, 2014). The hospitality industry, which is an extremely competitive industry, should effectively manage diversity in order to motivate employees, decrease turnover and attract customers (Gong, 2008).

It has also been observed that a good management of diversity can increase innovation and creativity among employees (Wambui, *et al.*, 2013). A study by Gong (2008) revealed that employees with multicultural backgrounds and experiences can provide improved innovations in the industry by introducing new ideas from different viewpoints. In addition, Bedi, *et al.*, (2014) indicate that the presence of a diverse team means that each employee can bring different ideas to the table and offer unique perspectives during problem-solving leading to the best solution at the shortest possible time.

Managing diversity, hence, also creates an opportunity for exploitation of diverse experience (Bedi, *et al.*, 2014). Organizations that employ diverse individuals open a platform for employees to be exposed to new cultures, ideas and perspectives. Such experiences can slowly break down the barriers of xenophobia and ethnocentrism, thereby encouraging employees to be more tolerant (Ingram, 2013). Petrov (2006) also notes that managing diversity enhances corporate image and reputation. This is established through a positive image acquired by an organization which avoids divisive practices, such as discrimination at the workplaces. This will serve as a supporting factor to diversity (Gong, 2008), therefore, as noted by Petrov (2006), organizations that understand and value individual differences, and learn how to effectively manage a diverse workforce reap all possible benefits as indicated above.

The following section analyses diversity management practices that can be used to effectively manage diversity at the workplaces.

#### **2.7.4 Diversity management practices in Bed and Breakfast establishments**

For the purpose of this study, bed and breakfast establishments are conceptualized as SMMEs. Large enterprises are, usually, passionate about diversifying their workforce, view its implementation as a norm and continuously strive to improve diversity management; bed and breakfast establishments, on the other hand, have a unique perspective about the role of diversity and the features of diversity practices that respond to their needs (Fisher, 2012). These establishments perceive diversity management as a choice and only inevitable when they feel it is a burden or they cannot effectively manage it (Dike, 2013).

Hajjar & Hugonet (2015) notes that bed and breakfast establishments often lack time, means and expertise to implement efficient and integrated diversity practices, and usually fear to commit because they deem diversity management practices as too onerous as they are logistically and strategically demanding. However, Manjit (2008) indicate that bed and breakfast establishments could develop diversity management practices that are suitable for their own requirements.

A number of studies are significant here. Manjit's (2008) study identified a small business in South Australia that took a relatively informal diversity management practice by using community networks and word of mouth to attract and recruit multicultural employees who appreciated the opportunity; this strategy indicated the value of application of diversity which was reinforced by the Chief Executive Officer of this business entity. In addition, Hajjar & Hugonet (2015) identified small business in Spain which designed and set up a profile aimed at attracting and retaining talent regardless of individual differences and based on a work-related criteria grounded on merit and not discrimination. Bed and breakfast establishments, therefore, can take a more individualized approach on diversity by recruiting and retaining employees who have been exposed to a variety of people, ideas, perspectives, and cultures through their educational, prior business experiences and personal networks (Fisher, 2012).

Although, diversity management seems crucial during the recruitment process, it does not end there. One thing that is important and can be done differently by bed and

breakfast establishments is embedding diversity performance in the performance appraisal of all employees (Manjit, 2008). Employees in a small Spanish business called *People Matters*, for example, are evaluated by their managers and their tutor compiles all the information and completes annual evaluations that are reviewed at a meeting; during this the managers, directors and partners share performance information and agree on the final performance results with the aim of reducing the risk of discrimination (Hajjar & Hugonet, 2015). In addition, multi-cultural employees in South Australia are not expected to perform at a higher level than the Australian employees in order to secure their jobs (Manjit, 2008).

There also appears, with respect to training and development that there are mixed opinions towards the importance of diversity training perceptions by small businesses (Aziz, Abdul, Awang & Zaiton, 2012). Diversity training is essential, although, some of these businesses do not conduct it. For example, even though there is a strong contingent of culturally diverse employees, a small business in South Australia does not provide any diversity training for employees from dominant cultures and from multicultural backgrounds (Manjit, 2008). Nonetheless, the presence of a diverse workforce in Kelantan has witnessed employees being sent for diversity and language training in order to build a strong bond between employees (Aziz, Abdul, Awang & Zaiton, 2012).

It is clear from the above studies that the diversity management practices implemented within the small businesses, bed and breakfast establishments, are driven mainly by three factors - the nature of their business, the beliefs and values of the CEO and owner of the business as well as the size of the businesses. Their diversity management practices, therefore, may not need to be as costly and formalized as of large enterprises.

## **2.8 DIVERSITY MANAGEMENT PRACTICES – A HUMAN RESOURCE PERSPECTIVE**

The reality that workforce diversity arises from the existence of different employees within the organization, suggests the likelihood of any organization's human resource functions introducing diversity management practices (De Beer, 2011). Diversity

management practices involve activities that encourage employees to value diversity in an organization (Shume, 2013). The application of diversity management is likely to involve decisions made with regards to an organization's approach in the following areas:

### **2.8.1 Recruitment and Selection**

According to Noor, Khalid and Rashid (2013), recruitment and selection are two vital human resource management activities that can be considered and included in the organization's human resource plan. These activities involve the process of attracting a supply of qualified and diverse applicants for employment (Shume, 2013). To capitalize on diversity, organizations must ensure that recruitment and selection processes are not tainted by stereotyping and discrimination, thus, a positive approach to diversity might enable organizations to choose the best talented employee for the job (Noor, *et al.*, 2013), regardless of their origin (Petrov, 2006).

On the contrary, Matemera (2008) highlighted that SMEs' owners and managers consider formal recruitment processes as a waste of time and that their priority is to make high production and profit, thus creating the potential for discrimination to arise. Petrov (2006) identifies several recommendations that can be used to improve the management of workforce diversity in the area of recruitment. These include (i) development of a job description and selection process that covers job-relevant duties, qualifications, and experiences and comply with antidiscrimination legislation; (ii) include advertisements in ethnic language press in addition to daily newspapers, and use a broad scope of recruiters, including international ones; (iii) include diverse multinationals in the human resource departments and make them participate in the selection and hiring processes; and (iv) apply specific interviewing techniques when dealing with culturally-diverse applicants.

### **2.8.2 Training and Development**

Diversity training refers to organizational effort that seeks to inform and educate management and employees about the promotion of favorable attitudes and adoption of skills and behavior that promote diversity (Shume, 2013). In order to retain the already-hired diverse employees, management could provide adequate training and development opportunities that can help to eliminate group differences in career outcomes and generate respect for individual differences, attitudes, values and

behavior (Petrov, 2006). Furthermore, these training and development opportunities can create awareness among employees and develop a greater sensitivity to the challenges and presented diversity opportunities (Shume, 2013).

Petrov (2006) provides several recommendations that can be used to improve training and development in organizations, which include - (i) identifying specific training needs that are linked to the organization's goals and objectives (ii) assessing individual worker training needs to enable participation within a training program (iii) evaluating literacy, language, numeracy and skill competency levels; (iv) developing individual annual training plans which cover knowledge, operational and interpersonal skill, and (v) implement training programs that deal with cultural sensitivity, stereotyping and other inaccurate perceptions on diversity when working in a multicultural environment.

Research shows that managers and owners of bed and breakfast establishments ignore the training and development of employees as they consider it a costly exercise (Das, Narendra & Mishra, 2014). It can, however, still be argued that adopting diversity training and development is crucial for these establishments because developing employees from diverse social groups has the potential of creating a sense of awareness and tolerance of individual differences which can result in the improvement of both individual and organizational performance.

### **2.8.3 Performance Appraisal**

Performance appraisal involves the understanding that a more diverse and inclusive work environment can yield greater productivity and help improve individual as well as organizational performance (Petrov, 2006). Organizations can take several steps, such as involving minorities in panels during the evaluation process and making sure that the appraisal process focus on evaluating the individual's performance and not personality, in order to improve the effectiveness of performance appraisal practices in the area of diversity (Shume, 2013). Petrov (2006) also outlines several steps that can be taken in order to improve the effectiveness of performance appraisal practices in the area of diversity that include - (i) ensuring that it is objective, relevant to the job and the organization, and fair to all employees; (ii) the inclusion of multicultural employees on panels that evaluate, select and promote managers; (iii) use of performance appraisal techniques that focus on appraising the individual's

performance and not personality; and (iv) emphasizing the cultural neutrality of the appraisal process.

Wamaitha's (2013) study carried out in Kenya noted that there were managerial and organizational difficulties regarding the implemented systems, with some managers preferring to work with or promote employees from their ethnic groups. The study provided clues to managers and owners of bed and breakfast establishments on how they should manage performance appraisals in their work environments which have diversity. The clues showed that care should be taken to differentiate employees' performance from ethnicity and other non-performance related attributes.

#### **2.8.4 Reward and Compensation**

Noor, *et al.*, (2013) identified compensation as a crucial segment of human resource management that required planning, organizing and controlling a variety of payment systems used to reward employees who perform jobs or services. Compensation ensures that there is a direct relationship between employee efforts and reward. Managers, thus, have to implement a performance-based pay system to ensure that there is equal pay for equal jobs within their workplaces and avoid unexplained differences among employees. Any unexplained differences might result in loss of motivation and lower job satisfaction (Petrov, 2006). A consistent approach to the provision of rewards means that decisions on pay should not vary arbitrarily and without due cause between different people. Employees should be given a voice in the development of reward policies and practices, as well as the right to explanations on decisions and how they would have been arrived at (Shume, 2013).

Petrov (2006) outlines approaches that can be taken to improve this area and these include - (i) reducing wage disparities by using an equal and fair distribution of rewards between employees regardless of origin; (ii) giving multicultural employees challenging assignments and mentoring these employees for promotions into senior positions; (iii) making the different nationalities feel recognized and appreciated; and (iv) giving them freedom to do their jobs without constant monitoring. The implementation of these diversity management practices, from a human resource perspective, allows integration and eradicates negative elements that affect diversity and productivity and rather work towards increased productivity. Furthermore, managing diversity allows the tapping into underutilized skills within an organization

through the removal of existing diversity stereotyping that would have overlooked such skills (Veldsman, 2013). It is crucial, therefore, for organizations to learn how to value and manage diversity in the workplace, in order for their future success and attainment of operational efficiency as all workers would feel united and recognized, equally.

Mabaso, in a 2017 study, argues that rewards should motivate employees and be applied fairly among them. This is supported in the case of a small business in South Australia that has a policy of equal pay for equal work and that is supported by the employees who all hold the view that remuneration is equitable, based on performance and not influenced by any other factors (Manjit, 2008). It is critical for bed and breakfast establishments to adopt reward systems that consider diversity management when recognizing employees' performance and contribution individually, regardless of their origin. In this way, employees might feel appreciated for their individuality and motivated, and ultimately improve their performance.

## **2.9 CHALLENGES OF DIVERSITY MANAGEMENT**

Employee diversity offers opportunities that can enhance organizational performance, however, it also presents managers with a set of challenges. Managing diversity means that managers are tasked with finding ways to value employee diversity appropriately; balance individual needs with group fairness; deal with resistance to change; ensure group cohesiveness and open communication; avoid employee resentment and backlash; retain valued performers; and maximize opportunities for all (Korjala, 2012; Greenberg, 2012; Wamaitha, 2013; Bovana, 2014; Ogbo, Anthony & Ukpere, 2014). Some of these outlined challenges that managers face when managing diversity management are discussed below. The ones discussed below are the most common and major hindrances that bed and breakfast establishments encounter in their quest for success.

### **2.9.1 Communication**

Communication is one of the greatest challenges of diversity management due to the associated perceptual, cultural and language barriers (Wambui, *et al.*, 2012). The reality is that employees would be from different racial and cultural backgrounds, and speak different languages which increases the difficulty of communication between

employees in the workplaces (Korjala, 2012). The observation is confirmed by Manoharan, Gross and Sardeshmukh (2013) in their study which noted that ethnically diverse employees lack English language skills, a condition which has an impact on their different stages of communication processes. Foma's (2014) study, nevertheless, encouraged owners and managers to ensure that communication barriers are fixed at once as these can have a huge effect should the employees fail to communicate with each other due to differences in languages.

Bed and breakfast establishments, especially in the South African context, also employ diverse people with different languages and different competencies in the English language. It is possible therefore to argue that, communication might remain a barrier in these establishments. The situation might get exacerbated if not attended to as diverse clients patronize bed and breakfast establishments (Manoharan, *et.al.*, 2013). This situation creates chances of communication failure between employees, employees and employers, and the establishment and clients; this will undermine the enterprises' daily operations.

### **2.9.2 Discrimination**

Negative attitudes and behaviors, such as discrimination, can be barriers to organizational diversity (Nayak & Joshi, 2012). A study by Onsongo and Maina (2013), which evaluated the prevalence of discrimination in organizations, reported that 88.5% of employees working at bed and breakfast establishments operating in Kenya – KisiiTown - were discriminated against on the grounds of religion, marital status, culture and gender. Discrimination is unhealthy for any organization as it might result in an increase in lawsuits and claims that directly increase the organization's costs and lower the retention rate of employees (Gong, 2008). In addition, an employee encountering discrimination usually fails to perform well, develops a poor perception of equity and raises issues of litigation (Dike, 2013).

### **2.9.3 Mismanagement of diversity**

The mismanagement of diversity in the form of denied access or unfavorable treatment can have negative consequences. The negative impact includes the constraining of workers' abilities and motivation which might further affect productivity and lead to lower job performance (Hang Vo, 2014; Ongori & Agolla, 2007). The challenge of a

mismanaged diversity, thus, can cause disadvantages for any organization (Tervonen, 2012).

A study by Mollel, Mulongo and Maket (2015) demonstrates that the mismanagement of diversity also affects the implementation of diversity practices at both top management and line manager levels in organizations. In line with the context of this study, it can be argued that lack of diversity management practices within bed and breakfast establishments continues to hinder the enterprises' growth. This is because if owners and managers lead diverse groups in a biased way because they lack knowledge of diversity management, it will have dire consequences. The implications include lack of collegiality among employees themselves, which might affect their performance and that of the organization.

#### **2.9.4 Diversity Training**

Although diversity training aims at building respect and increasing sensitivity to the differences among employees, expensive diversity training costs is a challenge (Hang Vo, 2014). The challenge comes in the costs associated with seminars, programs and lectures given to promote diversity in an organization (Ongori & Agolla, 2007). Gong's (2008) study, conducted in the United States of America, observed that high training costs are a major challenge to the hospitality organizations that are devoted to develop diversity. A multinational workforce, for example, may require language and cultural awareness training to facilitate integration into the workplace and local society (Hang Vo, 2014). For this to take place Korjala (2012) indicates that there has to be a strategy and implementation proposal for every department and function of the organization. Studies, such as those undertaken by Das, Narendra and Mishra (2014) confirm that owners and managers of bed and breakfast establishments also consider diversity training as a costly exercise, hence, often ignore it. In this context, employees might feel neglected and therefore fail to develop positive attitudes towards those who are different from them, which might lead to less valuing of diversity in the workplace.

#### **2.9.5 Conflict**

Another challenge to no diversity management is an increase in conflicts, which arise when two or more employees differ or disagree on a particular situation (Hang Vo, 2014). With regards to diversity, conflicts arise largely due to ignorance, however, these situations, if managed and controlled, creativity and performance can be

increased (Ongori & Agolla, 2007). Within the bed and breakfasts establishments, conflict remains a challenge because employees do not have the opportunity to learn about their individual differences, making them ignorant towards those who are different (Manoharan, *et.al.*, 2013). Very often, employees have disagreements because they do not understand each other's views or beliefs and do not respect each other.

## **2.10 PSYCHOLOGICAL CAPITAL**

### **2.10.1 Origin**

The field of positive psychology, publicly launched by Martin Seligman in 1998, in his presidential address to the American Psychological Association (APA), has received significant attention since then (Seligman & Csikszentmihalyi, 2000). Positive psychology places greater emphasis on building strengths and competencies rather than merely treating deficits, disorders and pathologies, and it seeks to catalyze a change in psychology, from preoccupation with repairing the worst things in life to building the best qualities in life (Herbert, 2011). Drawing on the positive psychology, Luthans (2002) identifies positive psychological construct aspects that include self-efficacy, hope, optimism, happiness and resilience, which meet the criteria of being positive, on the basis of theory and research. It is open to development, change and management for performance improvements. These constructs are considered as positive organizational behavior (POB) (Lorenz, Beer, Putz & Heinitz, 2016).

POB is concerned with the study of positive human resource strengths which can be measured, developed and managed effectively, and result in performance improvements within the workplace (Ferreira, 2015). Luthans and Youssef (2007) bundled four of the states (hope, optimism, resilience and self-efficacy) into the higher order construct "positive psychological capital". This construct provides practitioners with a new framework to ensure a sustainable competitive advantage through human resources (Lorenz, *et al.*, 2016). Psychological capital, thus, is viewed as a core concept in positive organizational behavior literature (Simons & Buitendach, 2013).

### **2.10.2 Definition of Psychological Capital**

Luthans, Youssef and Avolio (2007) elucidate psychological capital (PsyCap) as the positive psychological states of individuals, which simply implies how confident, hopeful, optimist and resilient an individual is. In this definition, PsyCap has the integrative common thread running through the four dimensions (self-efficacy, optimism, hope and resilience) of a motivational propensity to accomplish goals and succeed (Avey, Luthans, Smith & Palmer, 2010). PsyCap is not positioned as simply a summation of its individual components, but rather as a higher-order core construct that integrates the four psychological resources. As a result, PsyCap is theorized as having more impact on performance and other desirable outcomes than the individual psychological resources that comprise it (Dawkins, 2014).

PsyCap is a positive state-like capacity that has been empirically developed through theory-building and research (Du Plessis & Barkhuizen, 2012). It is a resource that goes beyond human capital (experience, knowledge, skills and abilities) and social capital (relationships, networks) (Diržytė, 2013). The concept of PsyCap, and each of the construct included in it may have stability over time, but they are expected not to be as stable as personality traits and other evaluations; they are therefore state-like and open to change and development (Herbert, 2011). In line with the context of the study, psychological capital is defined as an employee's positive psychological state of development (Luthans & Youssef, 2007).

### **2.10.3 The influence of Psychological Capital in organizations**

Current organizations encounter challenges from heavy competition, uncertainty and diversity that employees have to face with a positive mindset and grit (Anjum & Ahmed, 2014). PsyCap comprises of all those psychological capabilities that are relevant in dealing with these challenges and have many positive outcomes for both employees and organizations (Harris, 2013).

At a broader level, research has investigated several aspects within organizations that are positively influenced by the PsyCap. Amin and Akbar (2013), for instance, analyzed the effect of PsyCap on employee turnover and established that, although problems such as salary scales, low promotion rate, working days and service experience have caused high employee turnover, employee turnover can be reduced if employees feel that the organization meets their needs by improving their

psychological well-being. Chen, Wu and Wang (2015) argue that PsyCap leads to beneficial attitudinal and behavioral outcomes. A study by Choi (2014), which analyzed PsyCap in the relationship with the independent work environment and self-directed behaviors, indicates that employees who perceive the work environment in their organizations as independent are likely to experience higher levels of PsyCap which in turn impact positively on their self-directed behavior.

Research has also shown a link between employees' psychological capital and their level of work engagement (Solomon, 2014; Ferreira, 2015; Tabaziba, 2015; Na Ayutthaya, Tuntivivat & Prasertsin, 2016). A study by Na Ayutthaya, *et.al.*, (2016) revealed that employees with high PsyCap engage in their work at elevated levels resulting in increased employee job satisfaction, employee well-being and feelings of gainful employment (Solomon, 2014; George, 2015; Tabaziba, 2015). Ferreira (2015) attests that having correctional officers who positively engage with their workplace, resulted in a successful operation of correctional facilities. This allowed the Department of Correctional Services to achieve its vision and mission in protecting society from harmful individuals, and enabled the rehabilitation of the inmates so they can integrate successfully into society again. The development of PsyCap, thus, in correctional officers enabled them to take up challenges of globalization and enhance their organizational citizenship behavior, resulting in increased human resource development for the Department (Murthy, 2014).

In the case of bed and breakfast establishments, PsyCap plays a critical role for both the establishments and the development of employees, especially, in situations where they are faced with challenges and heading for failure (De Hoe & Janssen, 2014). It is a powerful positive resource with an ability to enhance bed and breakfast establishments' employees' productivity, for them to overcome challenges and achieve growth (Yardley, 2012). As indicated by various research studies (Anjum & Ahmed, 2014), if employees are more confident, hopeful, optimist and resilient, they can cope better with challenges faced by these establishments, hence, PsyCap might contribute to a self-sustained growth of employees and development of the bed and breakfast establishments.

## **2.10.4 Psychological Capital Dimensions**

Levene (2015), believes that one must first understand how PsyCap is constructed, how each single dimension works in order to understand the common thread that leads to the higher construct. Four specific positive psychological dimensions were found to be measurable, open to developing and related to work performance and desirable outcomes (Bayramoglu & Sahin, 2015). These are:

### **2.10.4.1 Self-efficacy**

Self-efficacy is a human resource strength which has the psychological capacity for development and effective performance management (Ferreira, 2015). It is linked with individuals' convictions about their own capacity in carrying out a set of actions that successfully lead to a desired outcome (Bayramoglu & Sahin, 2015). This implies that, when individuals have a high self-efficacy, they are willing to take on challenging tasks, extend their motivation and effort in order to achieve goals successfully and to persist in the face of adversity (Dawkins, 2014). In addition, individuals with high self-efficacy do not wait for goals to be set for them; on the contrary, they create their own discrepancies by continuously challenging themselves and setting higher goals (Ferreira, 2015).

### **2.10.4.2 Hope**

Hope is the process of thinking about one's goals along with the motivation to move toward those goals (agency) and the ways to achieve those (pathways) (Bayramoglu & Sahin, 2015). Individuals are motivated to achieve goals through their sense of agency, which fosters internal determination and will power to invest the necessary energy to achieve the desired goals, with hopeful individuals being more motivated by the desire to develop ways to get things that they want (Dawkins, 2014). This in turn allows them to generate multiple pathways to continuously envision goal attainment and success as they prepared to create alternative routes in the case of an obstacle blocking the current path (Avey, Patera, & West, 2006).

### **2.10.4.3 Optimism**

Optimism is a general expectation for future good outcomes and optimistic individuals expect to experience good things while pessimistic individuals expect bad things in life (Bayramoglu & Sahin, 2015). Optimists expect positive and desirable events in the

future and tend to attribute their success to themselves and global attributes, while failures are attributed to external attributes specific to the situation (Ferreira, 2015). Nonetheless, optimism may also have dysfunctions in the workplace; for example, employees who are physically healthy may be optimistic about their health in the future and neglect their physical and nutritional maintenance at the present time (Tabaziba, 2015). In order to address these dysfunctions, which could ordinarily result in a cost for the organization, one needs to construct a realistic optimism, which involves an objective assessment of what an individual can accomplish within a specific context and he/she takes the available time and resources into consideration (Ferreira, 2015).

#### **2.10.4.4 Resilience**

Resilience refers to having the capacity to bounce back from adversity, failure or even seeming overwhelming positives (Luthans, 2002; Shahnawaz & Jafri, 2009). It is a process of good adaption under extenuating circumstances that enables individuals to rapidly overcome or rejuvenate after a setback or failure (Bayramoglu & Sahin, 2015). Resilience allows for both reactive recovery and proactive learning as well as growth through conquering challenges (Appollis, 2010). In addition, resilient people move on in life after a stressful experience or event such as personal adversity, conflict and/or failure (Solomon, 2014).

It should be borne in mind that the above psychological capital dimensions interact. A person who is trustful is able to use hope, optimism and resilience for specific tasks in different areas of his/her life. A resilient person uses coping mechanisms to develop a realistic and flexible optimism. In turn, self-efficacy, hope and resilience can also help in the development of a positive attribution style to actions under one's control (De Hoe & Janssen, 2014). In this context, bed and breakfast establishments might have to invest in training programs that are designed at developing and building these psychological dimensions. In that way, these dimensions can assist the businesses to understand the psychological strengths within each employee and allow the employees to be more engaged in their workplace; this, in turn, will result in great productivity and successful management of the bed and breakfast establishments.

#### **2.10.5 Psychological Capital in the Hospitality Industry**

Mathe (2011) claims that PsyCap has the potential to impact the hospitality industry in a positive way and may be a critical factor in the success of hospitality employees.

Managers from the hospitality industry need to recognize the significance of PsyCap and develop training programs that help employees to cultivate and maintain PsyCap at high levels in order to improve their job satisfaction and organizational commitment (Paek, Schuckert, Kim & Lee, 2015). Employees high in psychological capital, are more satisfied with their job, career and life (Karatepe & Karadas, 2015). Na Ayutthaya, *et.al.*, (2016) reiterates that employees' hope and optimism in psychological capital have a significant effect on their job satisfaction, while, their hope and resilience affect organizational citizenship behaviors, thus showing that these can improve the hospitality employees' attitudes and organizations' effectiveness.

Developing PsyCap in employees may serve as an important catalyst to improving performance within the hospitality industry (Mathe, 2011). The results from a study by Lee and Chu (2016) suggest that hospitality interns' positive psychological capital was significantly associated with their performance, thus indicating a great connection between the two variables within the industry. Similarly, Na Ayutthaya, *et.al.*, (2016) indicate that hospitality industry employees who have a high positive psychological capital can have the "self-efficacy" to overcome problems because they have confidence to fix the problem by themselves or the "hope" that they would get better in the future; this however, can only come about after they face the problems. In addition, optimism enables these employees to look at only the positive side and only do the 'good' thing.

#### **2.10.6 Measurement of Psychological Capital**

The Psychological Capital Questionnaire is widely recognized as the standard scale measuring PsyCap. It was developed as a compound measure consisting of (modified) items from published scales for hope, optimism, resilience and self-efficacy (Lorenz, *et al.*, 2016). This scale was developed by Luthans, *et al.*, (2007) and contains the sub dimension of 'optimism', 'resilience', 'hope', and 'self-efficacy'. The scale consists of 24 items, and the 'optimism' dimension is measured by items 1\*, 9, 11\*,14, 18, 19; the 'resilience' dimension by items 5, 7, 8\*, 10, 13,22; the 'hope' dimension by items 2, 6, 12, 17, 20, 24; and the 'self-efficacy' dimension by items 3, 4, 15, 16, 21, 23 (\*reverse scored items). High scores indicate high levels of optimism, resilience, hope and self-efficacy for each dimension (Cetin & Basim, 2012).

On the scale, where a 6-point Likert-type scale is used, contains statements such as: an item reflecting the self-efficacy subscale is: *'I feel confident helping to set targets or goals in my work area'*; an item reflecting the hope subscale is: *'If I should find myself in a jam at work, I could think of many ways to get out of it'*; an item reflecting the optimism subscale is: *'I always look on the bright side of things regarding my job'*; and an item reflecting the resilience subscale is: *'I usually take stressful things at work in my stride'* (Hansen, Buitendach & Kanengoni, 2015).

For the purpose of this study, the researcher will use the Psychological Capital Questionnaire consisting of four subscales for the four PsyCap components of hope, self-efficacy, resilience and optimism as developed and validated by Luthans, *et al.*, (2007). This study aims to determine whether bed and breakfast employees' hope, self-confident, optimistic and resilience is affected by diversity management. The results of the scores from the questionnaire used in the study will represent the employees' level of positive PsyCap.

## **2.11 THE RELATIONSHIP BETWEEN DIVERSITY MANAGEMENT AND PSYCHOLOGICAL CAPITAL**

Despite the growing literature on both diversity management and psychological capital, no empirical evidence exists on the relationship between the two variables in the context of developing economies and bed and breakfast establishments, specifically. Available literature argues that embracing diversity and managing it can increase one's willingness to remain in an organization, and improve skills, and organizational human resources that are difficult to imitate (Nwachukwu and Robinson, 2011). With such effect of diversity management, it can be argued that showing the reflectiveness, adaptiveness and responsiveness of employees to a diversity that is well managed can have the potential for the improvement of their psychological capital attributes. This assumption is supported by Chapman and Radford (2015) who underscore the importance of resilience-building programs in the workplace as a means of equipping individuals with the resources and skills necessary to function effectively. Such resilience programmes can incorporate elements of diversity management for the improvement of the psychological functioning of employees and their general well-being (Seligman & Csikszentmihalyi, 2000).

Further studies, such as the one by Luthans and Youssef's (2007) which merges positive organizational behavior, with Reichard, Dollwet and Louw-Potgieter's (2014) study, identified cross-cultural leadership as part of diversity management and psychological capital, and argue that organizations constantly need employees who can effectively work across a diverse workforce (diversity receptivity) and succeed. Other studies (Behjat & Chowdhury, 2012) illustrate the direct impact of properly managing diversity on the self-efficacy of employees; this also helps in the decisions employees make when dealing with diverse situations and resolving problems emanating from the diverse nature of colleagues. This is confirmed by the observation that a well-managed age-diversity assists younger employees to improve their self-efficacy when dealing with older employees within the organization (Chapman & Radford, 2015).

It can be argued from the above that, employees are unique and these unique characteristics influence their attitudes, behavior and psychological capital. This makes the relationship between diversity management and the psychological capital of employees, a worth area for further investigation, in different contexts. It can therefore, be argued in line with the context of this study that, the adoption of appropriate diversity management practices by the owners and or managers of bed and breakfast establishments might impact positively on the psychological capital of their employees.

## **2.12 THEORETICAL FRAMEWORK**

### **2.12.1 Positive Psychology Origin**

This study will be guided by the PERMA Model: A Positive Psychology Theory, which was an initiative by the positive psychologist, Martin Seligman in 2011 (Burton, 2012). Positive psychology is the scientific study of how the strengths, well-being, optimal functioning, positive experiences and positive individual traits, and those of the institutions, facilitate development (Lee Duckworth, Steen & Seligman, 2005; Donaldson, Dollwet & Rao, 2015) Positive psychology is focused more on constructing and monitoring the subjective well-being of the individual, community, and at international levels (Demirci & Eksib, 2015). Positive psychology aims to broaden the focus of clinical psychology beyond suffering and its direct alleviation (Lee Duckworth,

*et.al.*, 2005). Furthermore, the model aims to catalyze a change in the focus of psychology from pre-occupation only with repairing the worst things in life to also building qualities (Seligman & Csikszentmihalyi, 2000).

The field of positive psychology has conventionally operated within a deficit paradigm focusing on the treatment of people with deficiencies who are in need of healing (Asebedo & Seay, 2014). At the subjective level, this field is about valued subjective experiences such as well-being, contentment, and satisfaction (in the past), hope and optimism (for the future) and flow and happiness (in the present); at the individual level, it is about positive individual traits including the capacity for love and vocation, courage, interpersonal skill, aesthetic sensibility, perseverance, forgiveness, originality, future mindedness, spirituality, high talent, and wisdom; and at the group level, it is about the civic virtues and the institutions that move individuals toward better citizenship, such as responsibility, nurturance, altruism, civility, moderation, tolerance, and work ethics (Seligman & Csikszentmihalyi, 2000).

Seligman (2003) classifies the primary tenets of positive psychology as three different forms of life: the pleasant life “a life that successfully pursues the positive emotions about the present, past and the future”; the good life “using your strengths and virtues to obtain abundant gratification in the main realms of life”; and the meaningful life “the use of your strengths and virtues in the service of something much larger than you are”. In addition, the positive psychology theory is operationalized through five key elements: positive emotions, engagement, positive relationships, meaningful life and accomplishment- abbreviated as PERMA (Burton, 2012).

Firstly, positive emotions consist of the subjective positive view of the present, including somatic pleasures (that is, immediate but momentary sensory delights) and the complex pleasures (that is, pleasures that require learning and education); the past, including, (contentment, satisfaction and serenity); and the future, including, (optimism, hope, and faith) (Asebedo & Seay, 2014; Lee Duckworth, *et.al.*, 2005). It further includes, peace, hope and love (Burton, 2012). Emotions are central in the context of this study in that bed and breakfast establishments recruit and retain employees from various backgrounds who bring their traits, moods and emotions to work. Their emotional experiences have an impact towards their attitude (Collishaw,

Dyer & Boies, 2008). It is expected that when bed and breakfast establishments create awareness within their diverse workforce, employees may experience plenty of positive emotional experiences, each day (hope, self-efficacy, resiliency and optimism), which in turn will result in positive work attitudes and favorable judgments about the establishments. Finally, the display of positive emotions by employees is a critical indicator of performance of the bed and breakfast establishments (Jonker & Van der Merwe, 2013), hence, these establishments can improve the display of employees' positive emotions by creating a diverse atmosphere and improving wellbeing at work.

Secondly, engagement is a mental state of being and does not necessarily require or infer interaction with others as the more common definition of the word insinuates (Asebedo & Seay, 2014). It involves the use of positive individual traits such as strength of character and talent (Lee Duckworth, *et.al.*, 2005). Engagement at work creates what is called "a flow"; a condition in which employees find themselves enjoying the moment and concentrating on what they are working on in order to increase engagement at work or in life, and decrease the amount of distractions and interruptions (Burton, 2012). When employees feel valued, they tend to stay longer, work harder and perform high-quality work (Sarita & Guatam, 2015), therefore, whenever employees from the bed and breakfast establishments feel that their differences are valued, they are most likely to respond positively by engaging with other employees of different backgrounds.

Thirdly, positive relationships are the pursuit of positive, healthy, and fulfilling relationships with others (Asebedo & Seay, 2014). Employees need to create relationships with those around them, because it is proven that those who have meaningful relationships with those around them, are happier than those who do not. People spend the majority of their life at work, thus showing the need for positive relationships at the work setting in order to create a better environment (Burton, 2012). Employers are expected to create a positive working atmosphere by treating all employees equally and fairly, despite their differences (Sarita & Gautam, 2015). Bed and breakfast establishments, hence, need to implement diversity management practices in order to promote equality and connect employees, as this is likely to make

employees to strive towards working as a team and without conflicts based on their individual differences.

Fourthly, meaning is the full utilization of one's talents in order to contribute to something believed to be bigger than one's self (Asebedo & Seay, 2014). It entails belonging to and serving positive institutions (Lee Duckworth, *et.al.*, 2005). As human beings, there is a need to perform activities that give life meaning and enjoyment, so as to achieve a lasting well-being, hence, people should engage in activities that will make a difference that is more significant than imagined (Burton, 2012). Organizations that delegate authority to subordinates may instill high levels of commitment within employees since they will feel they are valued by their organizations (Azic, 2017; Chei, Yee, Men & Bee, 2014). Within the context of this study, the assumption is made that bed and breakfast establishments that put complete trust in their employees and provide them with more power could increase their employees' sense of meaningfulness which ultimately will lead to an improved self-efficacy. Thus, employees may feel that they are contributing to the success of the establishments and be more optimistic about future challenges.

Lastly, accomplishment is the pursuit of success, mastery, winning, and realization of goals or achievement (Asebedo & Seay, 2014). People need achievements and accomplishments in their lives and there are countless accomplishments that can be gained to better one's self (Burton, 2012). The development of diversity management practices cannot be underestimated because the key focus of recognition is to make employees feel appreciated and valued, individually (Alam, Saeed, Sahabuddin & Akter, 2013). When bed and breakfast establishments, therefore, establish an equitable balance between the work put in by employees and its effort in the management of diversity, employees are likely to end up representing these establishments knowing that they are appreciated; this leads to positive qualities, such as, higher self-esteem, more confidence, more willingness to take on new challenges and more eagerness to be innovative.

These elements are exclusive in that they can be defined and measured independently from one another and each one of these elements can be pursued and worked on separately or in combination with others (Seligman, 2011). All these elements add up

to long-lasting well-being of a person and with all five, a person will be more motivated and have a better work attitude (Burton, 2012).

Underlying this theory, is the assumption that an increase in the PERMA elements can lead to improved mental health, creativity, better relationships, and work performance (Berridge, 2011), therefore, the adoption of this theory assisted the researcher to focus on how diversity management practices may build employees positive qualities for them to reach positive outcomes.

The next section focuses on a close examination of the positive psychology theory, some of the critiques levelled at it from outside the field, as well as tensions and complexities within the field.

### **2.12.2 Criticism of Positive Psychology Theory**

The theory of positive psychology is innovative and ground-breaking, hence, the values and ideologies of the field need to be examined closely (Kubokawa & Ottaway, 2009). Several researchers have shed light on critiques of the field as a whole, while others are more specific on the criticism of certain aspects of the way positive psychology is practiced (Lomas & Hefferon, 2015). Dodge, Daly, Huyton and Sanders (2012) presented a critique of Martin Seligman's latest book titled *Flourish*, in which they argue that Seligman's definition of 'well-being' is limited as it focuses mainly on the dimensions of the concept "well-being" rather than on the definition. A critique that is founded upon the theory's inability to provide clear definitions is offered by Kubokawa and Ottaway (2009), who note that the positive psychology theory failed to portray all definitions of 'happiness' and 'well-being' that vary across cultures.

Held (2004) raises concerns with positive psychology regarding how it actively differentiates itself from the humanistic psychology and contributes to the 'tyranny of the positive' by disciplining people for experiencing negative states of mind, thereby adding insult to injury. Likewise, Robbins (2008) argues that positive psychology is subject to criticism for submitting to the culture of tyranny of the positive attitude and for failing to appreciate the adaptive and constructive aspects of the unpleasant states of mind. However, Gable and Haidt's (2005) study points out that the aim of positive psychology is not to erase the negative, but to build-up human resilience, strength and growth.

In addition, Shwartz (2000) argues that positive psychology has contributed to the unrealistic expectations of individuals through its cultivation of a trend that is not intended to relieve suffering but to create “self-actualization”- satisfaction in all things. In this situation, a person becomes too obsessed with becoming unrealistically perfect, which brings about negative emotions such as, frustrations and disenchantment and lead to further non-realistic optimism (Fernandez-Rios & Cornes, 2009). Kubokawa and Ottaway’s (2009) study reviewed the evidence and found the lack of culturally based content within the positive psychology field and as a result they concluded that positive psychology is not culturally sensitive. In concurrence, Wong (2011) who draws on the Chinese positive psychology as a reference case, points out that there is a need for positive psychology to incorporate the cultural context, as exemplified by the Chinese people who have endured and survived numerous natural disasters, oppressive regimes, and foreign occupations; this history has created in them characteristics of strength, endurance and patience and provided them with wisdom to cope with the complexities and vicissitudes of life.

Ciarrochi, Atkins, Hayes, Sahdra and Parker (2016) also note that positive psychology has been criticized for being decontextualized, coercive and for putting excessive emphasis on positive states, whilst failing to adequately consider experiences. In addition, Donaldson, Dollwet and Rao (2015) state that positive psychology ignores issues that are relevant to disenfranchised populations, such as gender, race, and ethnicity so, although, there is clear evidence that there is positive psychology, the rest being negative psychology also have credence (Gable & Haidt, 2005).

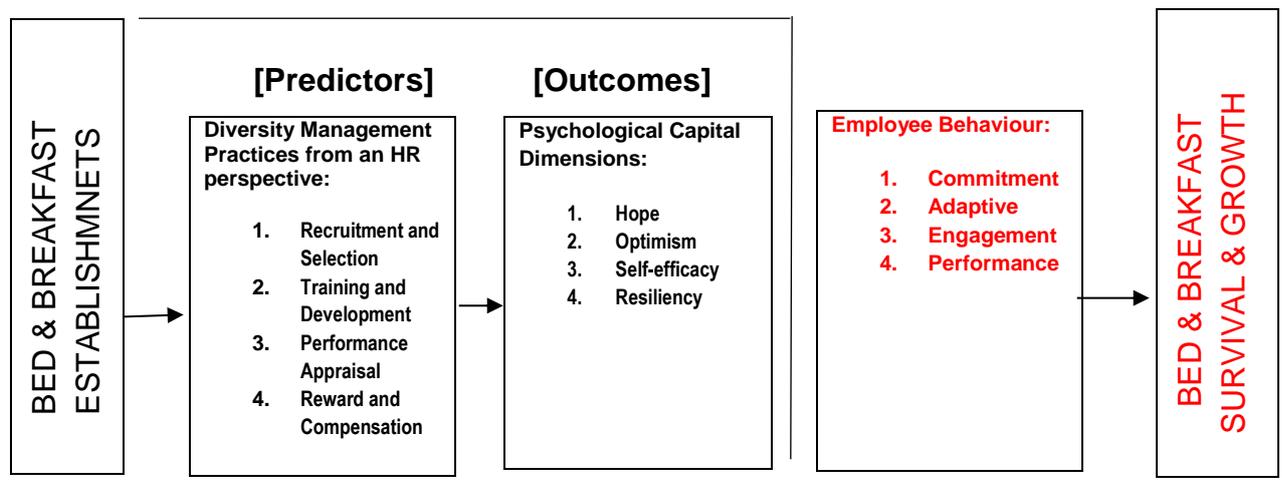
Robbins (2008) points out that positive psychology has also received much criticism for its sometimes confusing theoretical assumptions regarding the ethical foundations of its activity. This is also confirmed by Kristjánsson (2010) in the observation that positive psychology suffers from uncertainties regarding its views on what happiness is and the possibility of non-virtuous happiness; this is in addition to the contradiction concerning self-realism vs. anti-self-realism and the unjustified assumption that any view that makes overall evaluative judgment, is prescribing.

Miller (2008) points out that there are more concerns about positive psychology than the above mentioned critiques. For instance, while positive psychology is perceived as unconcerned with the hedonistic pursuit of pleasure, positive psychology proposes

that absorbing activities and engagement (including selfless, altruistic ones) are central to a happy and meaningful life. Despite these criticism, positive psychology theory and its aspects continue to dominate the field of psychology and management, hence its relevance to and application in the current study.

### 2.13 PROPOSED FRAMEWORK

A conceptual framework for this study that is based on the literature and theory above is given below. Figure 2.1 outlines the conceptual framework for this study.



**Figure 2.1:** Conceptual Framework of the hypothesis on the relationship between diversity management practices and psychological capital of employees among B&B establishments.

As indicated in the Framework, it is hypothesized that the adoption of appropriate diversity management practices by the owners of B&B establishments in the Matjhabeng Local Municipality Area will impact positively on the psychological capital of their employees. The other hypothesis is that the development of the positive psychological capital for employees engenders indirect positive employee behaviors that are critical for the continued survival and growth of the B&B establishments.

## **2.14 THE CHAPTER SUMMARY**

The chapter emphasized that the definitions of small businesses vary from country to country owing to the different parameters that exist and these included the bed and breakfast establishments. While their significance is recognized universally, these establishments continue to experience challenges which hinder their growth. Amongst these are access to financial resources and stiff competition, which various studies have identified as the most common. The chapter continued that such challenges, however, relate to the external environment of the bed and breakfast establishments although they also face difficulties in relation to diversity within their workforce.

The chapter therefore went on to discuss the crucial role of diversity management practices which involve the activities that encourage employees to value diversity in an organization. The adoption of appropriate diversity management practices by the owners and or managers of bed and breakfast establishments might impact positively on the psychological capital of their employees, thus sustaining the development of these establishments.

## CHAPTER 3: RESEARCH METHODOLOGY

### Chapter outline

3.1 Introduction

3.2 Main and research questions

3.3 Research objectives

3.4 Hypotheses

3.5 Research philosophy/paradigm

3.6 Research Design

3.7 Target Population

3.8 Sampling Procedure

3.9 Data Collection

3.10 Ethical Approach to Fieldwork

3.11 Data Analysis

3.12 The Chapter Summary

### **3.1 INTRODUCTION**

In the previous chapter, substantial literature was reviewed as well as the theoretical framework relevant to the study. This chapter outlines the required data, the research philosophy/paradigm, research design and approach, target population, sampling procedure, sample size, data collection methods (questionnaire design), administering of the questionnaires, validity and reliability of the data collection instrument and the data analysis procedures adopted in the study.

### **3.2 MAIN AND RESEARCH QUESTIONS**

As stated in Chapter 1, the main research question for this study focused on what was the impact of employees' perceptions of diversity management practices on psychological capital within bed and breakfast establishments in the Matjhabeng Local Municipality, Free State. Specific research questions that were formulated from the main research question were:

1. To what extent do employees have knowledge and understanding of diversity?
2. What are the specific human resource management practices where employees perceive diversity to be applied by management within the bed and breakfast establishments in Matjhabeng Local Municipality, Free State?
3. What is the status of psychological capital of employees among bed and breakfast establishments in Matjhabeng Local Municipality, Free State?
4. To what extent do employees' perceptions of diversity management practices correlate with their psychological capital?

### **3.3 RESEARCH OBJECTIVES**

The main objective of this study was to determine the impact of employees' perceptions of diversity management practices on psychological capital within bed and breakfast establishments in Matjhabeng Local Municipality, Free State.

The following specific objectives were formulated in order to achieve this main objective:

1. To determine employees' knowledge and understanding of diversity
2. To identify the specific human resource management practices where employees perceive diversity to be applied by management within bed and breakfast establishments in Matjhabeng Local Municipality, Free State.
3. To measure the current status of psychological capital of employees among bed and breakfasts establishments in Matjhabeng Local Municipality, Free State.
4. To measure the extent to which employees' perceptions of diversity management practices correlate with their psychological capital.

### **3.4 HYPOTHESES**

The hypotheses that guide this study are outlined below:

- H 1: Employees do have knowledge and understanding of diversity;
- H2: There are specific human resource management practices where employees perceive diversity to be applied by management;
- H3: Employees' psychological capital is positive;
- H4: There is a positive correlation/relation between perceived diversity management practices and psychological capital of employees.

### **3.5. RESEARCH PHILOSOPHY/PARADIGM**

Danullis, Dehling and Pralica (2004:6) define a paradigm as “the way of looking at things” and a shift is a change in the way of looking at things. There are three different types of paradigms - the positivist, constructivist (also called the interpretivist paradigm in some paradigm classification), and the critical paradigm (Fazliogullari, 2012). Different paradigms have different assumptions of reality and knowledge which underpin their particular research approach (Scotland, 2012).

This study was informed by the positivist paradigm, which, according to Sulaiman and Kura (2012), is concerned with variables that embrace a number of assumptions about the social world and how it should be investigated. In this case, the researcher wanted

to find the strength of relationship between diversity management practices and employees' psychological capital and predict the results. In line with the positivist paradigm, the study was guided by the quantitative research approach, which is characterized by the collection of data that can be analyzed numerically and the results of which are typically presented using statistics, tables and graphs (Acaps, 2012). The relationship between diversity management practices and the psychological capital of employees among B&B establishments was determined through the formulation of hypotheses and the generation of data which were later analyzed.

### **3.6 RESEARCH DESIGN**

Sousa, Driessnack and Mendes (2007: 503), note a research design as “the framework or guide used for the planning, implementation, and analysis of a study. It is the plan for answering the research questions or hypotheses”. In concurrence, Ponce and Pagan-Maldonado (2015) acknowledge a research design as a plan that will guide the researcher in conducting his/her study. Research designs are most often classified as either qualitative or quantitative (experimental or non-experimental). Non-experimental designs are used to describe, differentiate, or examine associations as opposed to direct relationships between or among variables, groups or situations (Sousa, *et.al.*, 2007).

This study adopted the quantitative design, specifically the cross-sectional case study design. According to Johnson (2010) in cross-sectional study designs, data collection occurs at one point in time. It allows for the examination of associations between variables”. Whilst, Crowe, Cresswell, Robertson, Huby, Avery and Sheikh (2011:1) defined case study design as “a research approach that is used to generate an in-depth, multi-faceted understanding of a complex issue in its real-life context. It is an established research design that is used extensively in a wide variety of disciplines, particularly in the social sciences”. In this study, the case of all B&B establishments in the Matjhabeng Local Municipality Area, Free State was identified to construct a better understanding of the link between perceived diversity practices and psychological capital, using a quantitative method. In this study, the case of all B&B establishments in the Matjhabeng Local Municipality Area, Free State was identified to construct a

better understanding of the link between perceived diversity practices and psychological capital, using a quantitative method.

### **3.7 TARGET POPULATION**

A target population consists of all the individuals or units of interest in a study, according to Hanlon and Larget (2011). At the onset of this study, there were seventy-seven (77) bed and breakfasts establishments in the Matjhabeng Local Municipality Area, Free State, with each employing an average of 3 people (Lejweleputswa District, Flaming Accommodation Database, 2015), thus, the total population of the study was approximately 231 employees.

### **3.8 SAMPLING PROCEDURE**

#### **3.8.1 Sample size**

According to Hair, Wolfinbarger, Ortinau and Bush (2008:129) a sampling size determination can be done using a variety of methods, such as the sample size calculator, thus, in this study, the determined sample size was 144, obtained using the sample size calculator. The formula required the researcher to set the confidence level (95%) and confidence interval (5%) with a total population of 231 employees.

#### **3.8.2 Sampling procedure**

The sampling procedure used in this study was convenience sampling. Etikan, Musa and Alkassim (2016) and Elfil and Negida, (2017), categorize convenience sampling as a type of non-probability or non-random sampling where members of the target population who meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate, are included for the purpose of the study. This sampling method was chosen based on the availability of employees in the bed and breakfast establishments in Matjhabeng Local Municipality and their willingness to participate.

### 3.9 DATA COLLECTION

Collection of data allows researchers to obtain information that is required for study projects (Abawi (2013). The way in which data is collected impacts heavily on how data is managed and ultimately how the research is performed (Wilcox, Gallagher, Boden-Albala & Bakken, 2012). The study adopted the survey method, which from Mathiyazhagan and Nandan's (2010) view is a method of descriptive research that is used for collecting primary data using verbal or written communication with a representative sample of individuals or respondents from the target population. A survey method encompasses the use of questionnaires (Lynn, Erens & Sturgis, 2012). A structured Likert scale questionnaire was designed to collect the quantitative data needed to determine the hypotheses relationships to the key variables. Respondents who were sufficiently literate, completed the questionnaire on their own and the researcher assisted those who did not understand by explaining the questions, especially, to those from lower management. (Refer to Table 4.1 and 4.2)

#### 3.9.1 Questionnaire Design

A structured questionnaire was designed to capture the indicators that would adequately form a baseline for capturing the diversity management practices and psychological capital dimensions of employees within B&Bs in Matjhabeng Local Municipality. The list of indicators, and the formulation of the adapted questionnaire was a result of the researcher's extensive review of literature on similar instruments.

The questionnaire consisted of four sections (*see copy in Annexure A*). The first section (Section A) comprised of nine (9) questions that required respondents to detail their demographical and biographical information, such as, gender, age, ethnicity, languages spoken, religion, sexual orientation, qualifications, job levels and years in service at the B&Bs. (Refer to Table 4.1 and 4.2)

The second section (Section B) was on how employees value diversity. This was done by soliciting their knowledge and understanding of diversity. The items were developed by the researcher. The Cronbach Alpha of the scale is reported in Table 4.3 to Table 4.5. An example of an item in this section is: *Diversity in the workplace is the different unique aspects of individuals.*

The third section (Section C) focused on the respondents' perceptions of diversity management practices utilized at their B&Bs, such as the recruitment and selection, training and development, performance appraisal and reward as well as compensation. The items were developed by the researcher. The Cronbach Alpha of the scale is reported in Table 4.6 to Table 4.11. An example of an item in this section is: *Our organization creates an organizational climate that attracts diverse individuals from the labour market.*

The fourth section (Section D) focused on the respondents' psychological capital status. The items were developed by Luthans, Bruce, Avolio and Avey (2007). The Cronbach Alpha of the scale is reported in Table 4.12 to Table 4.15. An example of an item in this section is: *I feel confident helping to set targets/goals in my work area.*

Sections B to D's items were measured on a 6-point Likert Scale, ranging from (1) *strongly disagree* to (6) *strongly agree*.

### **3.9.2 Administering the Questionnaires**

A covering letter from the researcher's university requesting permission to conduct the study was attached to the questionnaires to introduce the researcher to the respondents; state the purpose of the study; inform respondents that the information would at all times be kept confidential and used for research purpose only. This may have contributed to a level of openness in rating the statements, and therefore improved the accuracy of the findings. The researcher, as the person who knew what the expected data should look like, reviewed the questionnaires as they were handed in to ensure that appropriate fields had been filled in.

Data was collected over a period of two (2) months, were the state of certain B&Bs required the researcher to distribute one hundred and forty-four (144) questionnaires across Matjhabeng Local Municipality precincts, that is Welkom, Virginia, Odendaalsrus and Hennenman. A total of one hundred (100) questionnaires were fully completed and returned, representing 69% response rate; these were utilized in the final analysis for the study. During this process, the researcher allowed the B&Bs to stipulate dates of collection due to the businesses' and the availability of employees. It is appropriate here to extend the researcher's gratitude to the B&Bs' employers for their participation. Owners of B&Bs were not allowed to complete the questionnaires

### **3.9.3 Validity and Reliability**

#### **3.9.3.1 Ensuring Validity**

Thatcher (2010) views validity as the extent to which any measuring instrument assesses what it is intended to measure. Kinyua and Okunya (2014) note different types of validity: face, content, criterion-related and construct. Content validity of the measuring instrument refers to the degree to which the entire domain of the subject or the construct of interest was properly sampled (Chipunza, 2014). The study ensured content validity by effectively covering the constructs of diversity management practices and psychological capital from the literature review. In addition, the questionnaire received input from experts in diversity management as well as from a statistician to gather appropriate feedback on the content, clarity, arrangement and coding of the questions.

#### **3.9.3.2 Ensuring Reliability**

Reliability is the extent to which the measurements are repeatable (Drost, 2011). In concurrence, Thatcher (2010) defines reliability as the extent to which an experiment, test, or any measuring procedure yields the same result on repeated trials. Felkel and Gosky (2013) outline various methods of measuring reliability, such as, test-retest and the Cronbach alpha reliability. It is the ability of an instrument to give similar results, at different times, with the same group of respondents. Thus, reliability is concerned with consistency of measures (Chipunza, 2014). In terms of assuring reliability of the study, threats such as, possible respondents' changes (focus/attention or hunger/tiredness) were taken care of by ensuring that data were collected at one point in time. The researcher also avoided ambiguous questions that the respondents would find difficult to interpret or answer. The reliability of the instrument was measured by the Cronbach Alpha Coefficient, which, according to Tavakol and Dennick (2011), is used to provide a measure of the internal consistency of a test or scale in an attempt to determine the extent to which all the items in a test measure the same concept or construction. In this study, the whole questionnaire was considered highly reliable with a Cronbach's Alpha statistic of 0.952 (See results in Chapter 4).

### 3.10 DATA ANALYSIS

Data analysis assists in categorizing, ordering, manipulating and summarizing data in order to obtain answers to research questions (Mathiyazhagan & Nandan, 2010). Analysis may therefore be categorized as descriptive or inferential. In this study, data was cleaned and captured using the Statistical Package for Social Science (SPSS) Version 25. Descriptive statistics were used to report the sample responses to all questions using frequencies, a measure of central tendencies (mean) and that of variation (standard deviation). Inferential statistics, such as exploratory factor analysis, Cronbach Alpha Coefficient, Kolmogorov-Smirnov (K-S) test, Shapiro-Wilk test and the Spearman Correlations were used to answer the research questions by testing the hypothesized relationships of the key variables (diversity management and psychological capital).

### 3.11 ETHICAL APPROACH TO FIELDWORK

According to Fouka and Mantzorou (2011), research ethics involve requirements on the work, the protection of dignity of subjects and the publication of the information gained from the research. The following ethical considerations were adhered to in the study: informed consent, respect for anonymity and confidentiality, respect for privacy, protecting dignity, as well as reporting study findings honestly and in accordance with the data collected from respondents. To ensure that these ethical issues were adhered to, the researcher considered the following:

- a) *Informed consent*: the researcher provided the respondents with clear information at the time of collecting data to avoid misunderstandings; incorporated an introduction to the study and its purpose, an explanation about the selection of the research subjects as well as the procedures that will be followed on the cover letter of the questionnaire.
- b) *Respect for anonymity and confidentiality*: the researcher indicated on the cover letter of the questionnaire that respondents' identity or that of their B&Bs will remain anonymous and responses will be treated confidentially.
- c) *Respect for privacy*: the researcher asked for consent to share information provided by respondents during data collection.

- d) *Reporting study findings honestly*: the researcher explained to the respondents that the data collected from them will be presented as given and used exclusively for the purpose of this study.

### **3.12 THE CHAPTER SUMMARY**

This Chapter discussed the research methodology and statistical methods used to analyze the data obtained from the questionnaire. The research methodology followed the positivist epistemology. Specifically, the chapter provided a discussion on the research design, target population, sampling frame, sampling procedure, sample size, the design of the questionnaire and the administration of questionnaires, as well as data collection and analysis. In addition, the reliability of the questionnaire was also discussed. The next chapter presents the results of this empirical study.

## CHAPTER 4: ANALYSIS, RESULTS & DISCUSSION

### Chapter outline

4.1 Introduction

4.2 Descriptive Statistics

4.3 Exploratory Factor Analysis

4.4 Reliability Analysis

4.5 Normality & Hypothesis Testing

4.6 The Chapter Summary

## **4.1 INTRODUCTION**

In the previous chapter, the research methodology issues were discussed. The chapter provided a discussion on research design, target population, sampling frame, sampling procedure, sample size, the formulation of a questionnaire, and the administration of questionnaires, data collection and analysis.

This chapter outlines the research findings obtained from the data, collected from B&Bs in Matjhabeng Local Municipality in the Free State Province with the aim of determining the impact of employees' perception of diversity management on their psychological capital. The results of the hypotheses testing are presented and discussed.

## **4.2 DESCRIPTIVE STATISTICS**

This section provides descriptive statistics pertaining to the response rate and the demographic data. Descriptive statistics in the form of arithmetic means and standard deviations, minimum and maximum values for the respondents are provided in the sections below.

### **4.2.1 Response Rate**

With one hundred and forty-four (144) questionnaires distributed across Matjhabeng Local Municipality, a total of one hundred (100) questionnaires were fully completed and returned, representing 69% response rate. The response of all respondents in terms of demographics are indicated in Table 4.1 and 4.2.

### **4.2.2 Demographics of Respondents**

The study focused on the selection of demographic variables, namely, gender, age, ethnicity, languages, religion, sexual orientation, qualification, job level and years of service in the accommodation sector. These were selected on the premise that they had been identified in literature as part of individual differences under diversity (Daniels, 2012). Table 4.1 and 4.2 indicate the results of the demographic variables of the respondents.

Table 4.1 Biographical information of the respondents.

Demographic Variables	Category	Frequency	Percentage
<b>1. Gender</b>	Female	29	29%
	Male	71	71%
<b>2. Age</b>	Below 21 Years	5	5%
	Between 21-30	39	39%
	Between 31-40	35	35%
	Between 41-50	14	14%
	More than 51 Years	7	7%
<b>3. Ethnicity</b>	African	51	51%
	Coloured	14	14%
	Indian	1	1%
	White	34	34%
<b>4. Languages</b>	Sesotho	48	48%
	Setswana	1	1%
	Isixhosa	1	1%
	Isizulu	2	2%
	English	6	6%
	Afrikaans	42	42%
<b>5. Religion</b>	None	6	6%
	Christian	93	93%
	Hindu	1	1%

The study was mainly made up of male respondents (71%) within the age groups of 21 to 30 years (39%) and 31 to 40 years (35%) making up most of the sample. Most of the respondents were Africans (51%), with whites coming in as the second largest group (34%), with coloureds in third place (14%) and only 1% were Indians. Most of the respondents spoke Sesotho (48%) or Afrikaans (42%) and were mainly Christians (93%).

Contrary to a study by Wambui, *et.al.* (2013) which report that the proportion of women entering the workforce has increased over the years, these results concur with Carelse's (2013) argument that women in South Africa are poorly represented in senior positions in organizations. Similarly, Joy (2016) argues that although organizations have given employment opportunities for women, they have failed to empower the

women by assigning them leadership roles. Bibi (2016) indicates that the female percentage in businesses shows a minor increase as compared to the past.

Table 4.2 Biographical information of the respondents (continued).

Demographic Variables	Category	Frequency	Percentage
<b>6. Sex orientation</b>	Heterosexual	89	89%
	Gay	2	2%
	Bisexual	9	9%
<b>7. Qualifications</b>	Below Gr 12	19	19%
	Gr 12	37	37%
	Post School	2	2%
	Diploma/Degree	35	35%
	Other	7	7%
<b>8. Job level</b>	Top Management	12	12%
	Middle Management	41	41%
	Low Management	47	47%
<b>9. Years of service</b>	Less than 2 Years	26	26%
	2 - 5 Years	36	36%
	6-10 Years	18	18%
	11-15 Years	13	13%
	16-20 Years	6	6%
	21-25 Years	1	1%

Table 4.2 indicates that most of the respondents were heterosexual (89%) while 9% were bisexual and 2% being gay. As far as educational qualification is concerned, 37% of the respondents have achieved Grade 12 followed by 35% who have attained Diplomas and degrees. Furthermore, 19% of the respondents did not have any formal qualification.

The results reveal that some employees do not have tertiary education as most of them have Grade 12 certificates. This could be because, graduates are not willing to start at the bottom as they believe that their qualifications should give them immediate access to middle management (Sibanyoni, Kleynhans & Vibetti, 2015). Commenting

on the qualifications of personnel in bed and breakfast establishments, Chimucheka (2013) indicates that bed and breakfast establishments need to access a pool of qualified, skilled and motivated employees to perform well and sustain growth. Supporting the results also is Carelse (2013) who argue that employees with Grade 12 qualification are less positive about the openness of diversity management as compared to those with tertiary education.

Table 4.2 further indicates that most of the respondents were either in low managerial positions (47%) or middle management (41%) with only 12% claiming to be in top management. In terms of work experience 26% of the respondents had less than two years' experience, 36% had between 2-5years experience whilst 18% had 6-10years experience. Only 1% of the respondents had between 21-25years of experience.

Bed and breakfast establishments are part of the small, micro and medium enterprises with a small number of employees (Nkonde, 2012), therefore, these results indicate a limited number of positions for top level management. This is also confirmed by the research conducted by Frazier (2010) and Malcom (2012) which indicates that bed and breakfast establishments are usually operated by the owners who play the role of the manager, offering personalized service.

#### **4.3 EXPLORATORY FACTOR ANALYSIS**

Exploratory factor was employed to determine the different dimensions measured by the questionnaire. The exploratory factor analysis, known as the EFA is used when a researcher wants to discover the number of factors influencing variables and to analyze which variables go together (Yong & Pearce, 2013). This statistic can also be calculated for each item with the same cut-off criterion of factor loadings. Retained factors should have at least three items with a loading greater than 0.4 (Samuels, 2016). While there are different views around the acceptable threshold to ensure satisfactory reliability, Cronbach's Alpha values of 0.8 or higher are considered as having high reliability, while those between 0.70 and 0.80 are regarded as having good reliability. Values between 0.60 and 0.70 are fair and acceptable, while values lower than 0.60 are questionable (Taber, 2016). The Cronbach Alpha coefficient and item-to-total values and results are presented below.

### 4.3.1 Exploratory factor analysis of knowledge and understanding of diversity

Exploratory factor analysis based on principal components was carried out on the 8 items of knowledge and understanding of diversity and two sub-constructs were obtained as shown in Table 4.3 below. Questions 10, 11 and 12 formed a sub-construct with the suggested name “Uniqueness and Interaction” while questions 13, 14, 15, 16 and 17 formed another sub-construct with the suggested name “Ethnic, Gender and Individual Tolerance for Progress”. These sub-construct names are based on the nature of the questions that fall under them.

Table 4.3 Exploratory factor analysis of knowledge and understanding of diversity.

Sub-constructs of Knowledge and understanding of diversity	Principal Components (Latent factors)	
	1	2
Q10. I have knowledge and understanding of diversity	0.656	
Q11. Diversity is unique aspects of individuals	0.838	
Q12. Diversity is interactions from different backgrounds	0.901	
Q13. Understanding organization's case for diversity		0.745
Q14. Comfortable initiating diversity issues with colleagues		0.830
Q15. Diversity is about ethnicity and gender		0.698
Q16. Diversity ensures sustainable future for company		0.802
Q17. Diversity is tolerance of individual differences		0.766
Cronbach's Alpha	0.783	0.857
Suggested sub-construct name	Uniqueness and interaction	Ethnic, gender and individual tolerance for progress

#### 4.3.1.1 Knowledge and understanding of diversity - Uniqueness and Interaction

Table 4.4 Analysis of the sub-construct of Uniqueness and Interaction.

Diversity: Uniqueness and interaction		Frequency Distribution						Descriptive		Latent Factor Principal component) Coefficient
		Strongly Disagr	Disagre	Neutra	Agree	Strongly Agr	%Agree/ Stron Agree	Mean	Std De	
10. I know and understand the meaning of diversity.	Count %	0 0.0%	3 3.0%	11 11.0%	48 48.0%	38 38.0%	86.0%	4.21	0.76	0.770
11. Diversity in the workplace is the different unique aspects of individuals.	Count %	1 1.0%	3 3.0%	18 18.0%	42 42.0%	36 36.0%	78.0%	4.09	0.87	0.853
12. Diversity is interactions of people from different backgrounds.	Count %	0 0.0%	1 1.0%	13 13.0%	45 45.0%	41 41.0%	86.0%	4.3	0.7	0.888
Cronbach's Alpha								0.783		

The knowledge and understanding of diversity sub-construct of Uniqueness and Interaction is made up of three questionnaire items as presented in Table 4.4. Results in Table 4.4 indicate that 86% of the respondents *agree/strongly agree* that they knew the meaning of diversity. Most of the respondents (78%) view diversity in the workplace as a unique aspect of individuals, whilst 86% agree/strongly agree that diversity manifests itself when people of different backgrounds interact.

These results support the argument of Korjala (2012) which indicates that due to the nature of hospitality industry, diversity is an essential factor that managers and employees should understand. Failure to fully understand the complexity of diversity may influence the effectiveness of diversity programmes or initiatives (Daniels, 2012). Petrov (2006) also notes that organizations that understand and value individual differences, and learn how to effectively manage a diverse workforce, reap benefits for their success.

#### 4.3.1.2 Knowledge and understanding of diversity - Ethnic, Gender and Individual Tolerance for Progress

Table 4.5 Analysis of the sub-construct of Ethnic, Gender and Individual Tolerance for Progress

Diversity: Ethnic, gender and individual tolerance for progress		Frequency Distribution					Descriptive		Latent Factor Principal component Coefficient	
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	%Agree/ Strongly Agree	Mean		Std Dev
13. I understand the organization's case for diversity.	Count %	1 1.0%	7 7.0%	19 19.0%	45 45.0%	28 28.0%	73.0%	3.92	0.92	0.756
14. I am comfortable initiating diversity issues with my colleagues.	Count %	0 0.0%	8 8.0%	17 17.0%	41 41.0%	34 34.0%	75.0%	4.01	0.92	0.818
15. Diversity is primarily about ethnicity and gender issues.	Count %	1 1.0%	18 18.0%	10 10.0%	43 43.0%	28 28.0%	71.0%	3.79	1.08	0.741
16. Diversity has an important role in ensuring a sustainable future for our company.	Count %	1 1.0%	4 4.0%	16 16.0%	44 44.0%	35 35.0%	79.0%	4.08	0.87	0.836
17. Diversity is about tolerance of individual differences.	Count %	0 0.0%	3 3.0%	18 18.0%	43 43.0%	36 36.0%	79.0%	4.12	0.81	0.868
		Cronbach's Alpha					0.857			

The knowledge and understanding of diversity sub-construct of Ethnic, Gender and Individual Tolerance for Progress has 5 items that are analyzed in Table 4.5. Table 4.5 indicates that 73% of the respondents understand their organizations' issues on diversity. From the data presented in Table 4.5, it can be inferred that 75% of the respondents *agree/strongly agree* that they are comfortable initiating diversity issues with their colleagues; 71% *agree/strongly agree* that diversity is primarily about ethnicity and gender issues. Most of the respondents (79%) *agree/strongly agree* that diversity has an important role in ensuring a sustainable future for their companies and

79% also *agree/strongly agree* that diversity is about tolerance of individual differences.

These results showing that diversity plays an essential role in ensuring a sustainable future for their companies reaffirm Daniels (2012) who indicated that, although, organizations are faced with challenges in understanding differences and instituting effective diversity management initiatives, managing diversity is an approach for creating an environment in which employees can reach their full potential and ensure success. Similarly, the study of Korjala (2012) indicates that the more hospitality organizations evaluate their diversity policies and plan for the future, the more profit and value they will obtain from the global hospitality markets. Many of these organizations in the hospitality industry, however, still encounter difficulties of effectively managing cultural differences (Gong, 2008).

#### 4.3.2 Exploratory factor analysis of organizational diversity in recruitment and selection

Table 4.6 Exploratory factor analysis of organizational diversity in recruitment and selection.

Sub-constructs of Organizational diversity in recruitment and selection	Principal Components (Latent factors)	
	1	2
Q18. Organization attracts diverse individuals	0.830	
Q19. Organization retains employees from different backgrounds	0.872	
Q20. Specific Interview techniques are applied for diverse applicants		0.849
Q21. Jobs are advertised in a language that accomodate diverse candidates		0.871
Q22. Selection measures are not potentially unfairly discriminatory		0.604
Cronbach's Alpha	0.697	0.756
Suggested sub-construct name	Employee attraction and retention	Employee selection methods

Exploratory factor analysis based on principal components was carried out on the five items of organizational diversity in recruitment and selection and two sub-constructs were obtained as shown in Table 4.6. Questions 18 and 19 formed a sub-construct with the suggested name “Employee Attraction and Retention” while questions 20, 21 and 22 formed another sub-construct with the suggested name “Employee Selection Methods”.

#### 4.3.2.1 Organizational diversity in recruitment and selection - Employee Attraction and Retention

Table 4.7 Analysis of the sub-construct of Employee Attraction and Retention.

Organizational diversity in recruitment and selection  - Employee attraction and retention		Frequency Distribution					Descriptive			Latent Factor Principal component Coefficient
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	% Agree/Strongly Agree	Mean	Std Dev	
18. Our organization creates an organizational climate that attracts diverse individuals from the labor market.	Count %	1 1%	3 3%	27 27%	47 47%	22 22%	69%	3.86	0.83	0.795
19. My organization retains employees from different backgrounds.	Count %	3 3%	7 7%	15 15%	50 50%	25 25%	75%	3.87	0.97	0.551
		Cronbach's Alpha					0.697			

The results in Table 4.7 indicate that most of the respondents (69%) *agree/strongly agree* that their organizations create an organizational climate that attracts diverse individuals from the labor market; 75% indicated that they *agree or strongly agree* that their organization retains employees from different backgrounds. These results also indicate that there is a fair amount of consideration of diversity issues in the attraction and retention of employees.

The results concur with the finding that organizations, such as bed and breakfast establishments are built around individuals who incorporate their diverse backgrounds, insights and experience to remain competitive (Daniels, 2012). In concurrence,

DeLancey (2013) points out that hospitality organizations by the nature of their strategic position employ people from different cultures, countries and regions, therefore, improving fairness and equal employment opportunities are vital (Gong, 2008). These results support the notion that in order to capitalize on diversity, organizations are to ensure that recruitment and selection processes are not tainted by stereotyping and discriminations (Noor, *et al.*, 2013).

On the contrary, DeLancey (2013) argues that, although, many organizations seek to hire people of diverse backgrounds in order to increase the quality of decision-making and creativity, some strong cultures often seek to minimize diversity, thus, missing out on the benefits derived from having a diverse workforce. Matemera (2008) also claim that some SMEs owners and managers consider formal recruitment processes a waste of time and that their priority is to make high production and profit, thus creating the potential for discrimination to arise.

#### 4.3.2.2 Organizational diversity in recruitment and selection - Employee Selection methods

Table 4.8 Analysis of the sub-construct of Employee Selection Methods.

Organizational diversity in recruitment and selection  - Employee Selection methods		Frequency Distribution						Descriptive		Latent Factor Principal component Coefficient
		Strongly Disagr	Disagre	Neutra	Agree	Strongly Agr	%Agree/ Strongly Agree	Mean	Std De	
20. In our organization, specific interviewing techniques are applied when dealing with diverse applicants.	Count %	5 5%	13 13%	27 27%	44 44%	11 11%	55%	3.43	1.02	0.735
21. Our organization advertises jobs in a language to accommodate diverse candidates.	Count %	7 7%	8 8%	20 20%	56 56%	9 9%	65%	3.52	1.01	0.684
22. During recruitment my organization ensures that selection measures are not potentially unfairly discriminatory.	Count %	3 3%	5 5%	25 25%	44 44%	23 23%	67%	3.79	0.96	0.820
Cronbach's Alpha								0.756		

The results in Table 4.8 indicates that 55% *agree/strongly agree* that specific interviewing techniques are applied when dealing with diverse applicants in their organizations, 65% *agree/strongly agree* that their organizations advertise jobs in a language to accommodate diverse candidates and 67% *agree/strongly agree* that during recruitment their organizations ensure that selection measures are not potentially discriminatory.

Babalola and Marques (2013) view selection criteria as a diversity management technique which also serves as a preventative measure to meet the challenge of a diverse workforce so as to prepare and select candidates with required attributes. Small Medium Enterprises (including bed and breakfast establishments) are confronted with issues such as, legislative requirements of equal employment opportunity and anti-discrimination (Matemera, 2008) when doing their recruitment and selection. The current results support a research conducted by Petrov (2006) which indicates that in order to improve the management of workforce diversity in the area of recruitment and selection, there should be a development of selection processes, such as advertising for jobs in ethnic languages and the use of diversified hiring processes when dealing with culturally-diverse candidates.

### 4.3.3 Exploratory factor analysis of Training and Development

Table 4.9 Analysis of the construct of training and development.

Training and Development		Frequency Distribution						Descriptive		Latent Factor Principal component Coefficient
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agri	%Agree/ Strongly Agri	Mean	Std De <sup>1</sup>	
23. Training is offered for diverse social groups in my organization.	Count %	7 7%	19 19%	29 29%	32 32%	13 13%	45%	3.25	1.12	0.889
24. Our organization promotes employee participation during diversity training.	Count %	6 7%	18 18%	32 32%	32 32%	12 12%	44%	3.26	1.08	0.885
25. Training offered helps create awareness on individual differences.	Count %	4 4%	18 18%	21 21%	43 43%	14 14%	48%	3.29	1.09	0.905
26. Training offered provides platform for the free and open expression of beliefs.	Count %	7 7%	22 22%	29 29%	29 29%	13 13%	57%	3.45	1.07	0.921
27. Employees are informed about diversity policies and initiatives during trainings in our organization.	Count %						42%	3.19	1.13	0.909
Cronbach's Alpha								0.942		

After conducting exploratory factor analysis, it was found that the construct of training and development cannot be split into any sub-constructs. As indicated in Table 4.9, 45% *agree/strongly agree* that training is offered for diverse social groups in their organization, 29% were *neutral* with only 7% and 19% *strongly disagreeing and disagreeing*, respectively. As indicated in the Table, 44% of the respondents *agree/strongly agree* that their organizations promote employee participation during diversity training, 48% *agree/strongly agree* that training offered by their organizations help create awareness on individual differences and 57% *agree/strongly agree* that the training offered provides a platform for the free and open expression of beliefs.

Table 4.9 also indicates that 42% of the respondents *agree/strongly agree* to the assertion that employees in their organizations are informed about diversity policies and initiatives during trainings.

The results reveal that bed and breakfast establishments offer diversity training to their employees. Petrov (2006) indicates that to retain the already-hired diverse employees, management can provide adequate training and development opportunities that can help to eliminate group differences in career outcomes and generate respect for individual differences. In concurrence, Gong, (2008) emphasizes the urgency of hospitality organizations creating and conducting effective diversity training for their employees in order to increase their awareness. Similarly, Reynolds, Rahman and Bradetish (2014) advocates that diversity training is especially necessary in hospitality and other service segments because restaurants and hotels employ women and minorities in great numbers. Other previous research findings, however, contradict these results by indicating that owners-managers of bed and breakfast establishments ignore the training and development of employees as they consider it a costly exercise (Das, *et al.*, 2014).

#### 4.3.4 Exploratory factor analysis of Performance Appraisal

Table 4.10 Analysis of the construct of performance appraisal.

Performance Appraisal		Frequency Distribution					Descriptive		Latent Factor Principal component Coefficient
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	%Agree/ Strongly Agree	Mean Std Dev	
28.In our organization, there are equitable systems for employee despite their individual differences.	Count	3	17	34	32	14			0.781
	%	3%	17%	34%	32%	14%	46%	3.37 1.02	
29.Our organization involves all diverse stakeholders during the performance evaluation processes.	Count	8	12	37	34	9			0.862
	%	8%	12%	37%	34%	9%	43%	3.24 1.05	
30.Diverse populations are represented on our staff complement for appraisal processes.	Count	7	6	39	37	11			0.874
	%	7%	6%	39%	37%	11%	48%	3.39 1.00	
31.Our performance appraisal techniques focus on appraising employees' performance not individual differences.	Count	7	8	38	36	11			0.851
	%	7%	8%	38%	36%	11%	47%	3.36 1.02	
32.Employees in my organizations are open to promotion regardless of background or circumstances.	Count	4	13	21	40	22			0.642
	%	4%	13%	21%	40%	22%	62%	3.63 1.09	
		Cronbach's Alpha					0.861		

After conducting an exploratory factor analysis, it was found that the construct of 'performance appraisal' cannot be split into any sub-constructs. The results of the construct are presented in Table 4.10. Table 4.10 indicates that 46% of the respondents believe that in their organizations, there are equitable systems for

employee despite their individual differences, 34% were *neutral* and 17% *disagreed*. About 43% of the respondents *agree/strongly agree* that their organization involves all diverse stakeholders during the performance evaluation processes, 37% were *neutral*. It is also indicated in the Table that 48% of the respondents *agree/strongly agree* that diverse populations are represented in their organizations' staff complement for appraisal processes, 39% remained *neutral*. Furthermore, 47% of the respondents claim that their performance appraisal techniques focus on appraising employees' performance not individual differences whilst 62% *agree/strongly agree* that employees in their organizations are offered opportunities for promotion, regardless of background or circumstances.

Van der Berg- Ross (2013) mentions that there are various steps that an organization can consider to improve its performance appraisal systems and practices within the diversity component; they include, among others - having diverse individuals as part of the panel discussions when evaluating, selecting and promoting. In supporting this argument, Petrov (2006) outlined steps that can be taken to improve the effectiveness of performance appraisal practices in the area of diversity, such as ensuring multicultural employees on panels that evaluate, select and promote, and using appraisal techniques that focus on appraising the individuals' performance despite their differences (Shume, 2013). To ensure success, some authors argue that it is essential that these appraisal techniques are transparent to the employees (Veldsman, 2013). These results, thus, affirm that the bed and breakfast establishments under study were able to differentiate employee performance from ethnicity and non-performance-related attributes as recommended by Wamaitha (2013).

On the contrary, the research finding of Sharma and Nisar (2016) indicate that employees were faced with challenges of managers who conducted appraisals showing discriminating in one way or the other. This is corroborated by O'Donovan and Linehan (2015) who reported that, adapting performance appraisal techniques to cater for diverse employees may be a challenge and difficult for managers but if not handled appropriately, it may have a detrimental effect on organizational production.

### 4.3.5 Exploratory factor analysis of Reward and Compensation

Table 4.11 Analysis of the construct of reward and compensation.

Reward and Compensation		Frequency Distribution					Descriptive		Latent Factor Principal component Coefficient		
		Strongly Disagr	Disagree	Neutral	Agree	Strongly Agree	%Agree/ Strongly Agree	Mean		Std Dev	
33. We all feel recognized as employees despite our diversity.	Count %	4 4%	13 13%	25 25%	31 31%	27 27%	58%	3.64	1.13	0.851	
34. There is a fair practice on reward systems despite individual differences.	Count %	5 5%	13 13%	26 26%	37 37%	19 19%	56%	3.52	1.10	0.936	
35. Our organization provides equal pay for equal jobs despite our individual differences.	Count %	12 12%	7 7%	31 31%	31 31%	19 19%	50%	3.38	1.22	0.897	
36. Our efforts match the rewards granted by our organization.	Count %	12 26%	12 29%	26 21%	29 21%	21 12%	12% 12%	50%	3.35	1.27	0.896
Cronbach's Alpha								0.916			

After conducting an exploratory factor analysis, it was found that the construct of reward and compensation cannot be split into any sub-constructs. The results of the construct are presented in Table 4.11. Table 4.11 indicates that 58% of the respondents *agree/strongly agree* that they feel recognized as employees despite their diversity, 25% were *neutral*. More than half of the respondents, 56%, *agree/strongly agree* that their organizations have fair practices on reward systems despite individual differences, whilst 50% feel that their organizations provide equal pay for equal job despite individual differences and that their efforts match the rewards granted by their organizations.

Veldsman (2013) claims that among the multitude of challenges relating to gender diversity, the most prevalent issue is the equity earnings gap between the gender groups. Similarly, Shen, Chanda, D'Netto & Monga, (2009) indicate that pay inequality,

especially gender income inequality still remains a significant issue in diversity management. To address this challenge, Petrov (2006) advises that managers should implement a performance-based pay system to ensure that there is equal pay for equal job to avoid unexplained difference, which, according to Van der Berg-Ross (2013) may result in loss of motivation and lower job satisfaction. Bana (2019) supports that performance-based systems can help to reduce wage disparities for diverse employees, thus, these results support the notion that varieties in pay should not be arbitrarily between the different individuals (Shume, 2013).

#### 4.3.6 Exploratory factor analysis of Hope

Table 4.12 Analysis of the construct of Hope.

Hope		Frequency Distribution						Descriptive		Latent Factor Principal component) Coefficient	
		Strongly Disagree	Disagree	Somewhat disagree	Somewhat Agree	Agree	Strongly Agree	% Somewhat Agree/Agree/Strongly Agree	Mean		Std Dev
37. Right now I see myself as being pretty successful at work.	Count %	5 5%	2 2%	8 8%	25 25%	30 30%	30 30%	85%	4.63	1.32	0.749
38. If I should find myself in a jam at work, I could think of many ways to get out of it.	Count %	2 2%	1 1%	6 6%	12 12%	42 42%	37 37%	91%	5.02	1.07	0.802
39. I can think of many ways to reach my current work goals.	Count %	5 5%	4 4%	12 12%	35 35%	44 44%	0 0%	79%	5.09	1.08	0.899
40. There are lots of ways around any problem.	Count %	1 1%	5 5%	3 3%	11 11%	35 35%	45 45%	91%	5.09	1.14	0.841
Cronbach's Alpha								0.835			

After conducting an exploratory factor analysis, it was found that the construct of 'hope' cannot be split into any sub-constructs. The results of the construct are presented in Table 4.12. Table 4.12 indicates that 85% of the respondents *somewhat agree/agree/strongly agree* that they see themselves as being successful at work, 8%

*somewhat disagree*, 2% *disagree* and 5% *strongly disagree*. It can also be inferred from the Table that 91% of the respondents *somewhat agree/agree/strongly agree* that they can think of a way to get out of a jam should they find themselves in one at work, 6% *somewhat disagree*, 1% *disagree* and 2% *strongly disagree*. Most of the respondents (79%) *somewhat agree/agree/strongly agree* that they think of many ways to reach their current work goals and 91% *somewhat agree/agree/strongly agree* and believe that there are lots of ways around any problem.

These results support the research by Dawkins (2014) which indicates that individuals are motivated to achieve goals through their sense of work. This fosters internal determination and will-power to invest the necessary energy to achieve the desired goals with hopeful individuals being more motivated by the desire to develop ways to get things that they want. This means that, when bed and breakfast establishment employees continue to have hope, they might be able to identify, clarify and pursue ways to succeed, despite external challenges. This in turn allows them to generate multiple pathways to continuously envision goal attainment and success as they prepared to create alternative routes in the face of obstacles blocking their current path (Avey, *et al.*, 2006).

### 4.3.7 Exploratory factor analysis of Efficacy

Table 4.13 Analysis of the construct of Efficacy.

Efficacy		Frequency Distribution						Descriptive		Latent Factor Principal component Coefficient	
		Strongly Disagr	Disagree	Somewhat disagree	Somewhat Agree	Agree	Strongly Agree	% Somewhat Agr Agree/Strongly Agr	Mean		Std Dev
41. I feel confident analyzing a long-term problem to find a solution.	Count	2	4	2	11	34	47				
	%	2%	4%	2%	11%	34%	47%	92%	5.12	1.16	0.811
42. I feel confident in representing my work area in meetings with management.	Count	2	5	4	11	30	48				
	%	2%	5%	4%	11%	30%	48%	89%	5.06	1.24	0.960
43. I feel confident helping to set targets/goals in my work area.	Count	3	4	1	12	37	43				
	%	3%	4%	1%	12%	37%	43%	92%	5.05	1.20	0.907
44. I feel confident presenting information to a group of colleagues.	Count	2	5	4	8	32	49				
	%	2%	5%	4%	8%	32%	49%	89%	5.10	1.23	0.946
Cronbach's Alpha									0.928		

After conducting an exploratory factor analysis, it was found that the construct of Efficacy cannot be split into any sub-constructs. Table 4.13 presents the results of the questionnaire items on efficacy. Table 4.13 indicates that most of the respondents, 92%, feel confident analyzing a long-term problem to find a solution and 98% also feel confident in representing their work area in meetings with management. The majority of the respondents, 92%, feel confident in helping to set targets/goals in their work area, whilst 89% *somewhat agree/agree/strongly agree* that they feel confident presenting information to a group of colleagues.

A study of Dawkins (2014) shows that when individuals have a high self-efficacy, they are willing to take on challenging tasks, extend their motivation and effort to achieve

goals and to persist in the face of adversity. In the case of bed and breakfast establishment, this could mean that despite their inability to be sustainable, their employees are willing to put in more effort. These results, thus, reaffirm that employees can create their own discrepancies by continuously challenging themselves and setting higher goals (Ferreira, 2015).

#### 4.3.8 Exploratory factor analysis of Resilience

Table 4.14 Analysis of the construct of Resilience.

Resilience		Frequency Distribution						Descriptive		Latent Factor Principal component Coefficient	
		Strongly Disagree	Disagree	Somewhat disagree	Somewhat Agree	Agree	Strongly Agree	% Somewhat Agree/Strongly Agree	Mean		Std Dev
45. I usually manage difficulties one way or another at work.	Count %	1 1%	2 2%	5 5%	11 11%	38 38%	43 43%	92%	5.12	1.04	0.832
46. When I have a setback at work, I manage to recover from it, moving on.	Count %	2 2%	4 4%	4 4%	8 8%	39 39%	43 43%	90%	5.07	1.17	0.915
47. I feel I can handle many things at a time at this job.	Count %	3 3%	2 2%	4 4%	8 8%	36 36%	47 47%	91%	5.13	1.17	0.928
Cronbach's Alpha								0.873			

After conducting an exploratory factor analysis, it was found that the construct of Resilience cannot be split into any sub-constructs. Table 4.14, which represents the results of the questionnaire items on resilience, shows that 92% of the respondents *somewhat agree/agree/strongly agree* that they usually manage difficulties one way or another at work, whilst 90% claim that they are able to recover from setbacks at work. Most of the respondents, 91%, also indicated that they feel that they can handle many things simultaneously, in their job.

Resilience is a process of good adaption that enables individuals to rapidly overcome or rejuvenate after a setback or failure, under extenuating circumstances (Bayramoglu

& Sahin, 2015), thus, it allows for both reactive recovery and proactive learning and growth through conquering challenges (Appollis, 2010). The above results are in support of the view of Solomon (2014) who indicates that, due to the nature of the work, that the employees in bed and breakfasts perform, resiliency comes from the ability to move on after a stressful experience or event, such as personal adversity, conflict and/or failure. Ferreira (2015), hence, suggests that in order to develop resiliency, employees need to create and prioritize a list of resources, to enable them accomplish goals.

#### 4.3.9 Exploratory factor analysis of Optimism

Table 4.15 Analysis of the construct of Optimism.

Optimism		Frequency Distribution						Descriptive		Latent Factor Principal component) Coefficient	
		Strongly Disagr	Disagree	Somewhat disagree	Somewhat Agree	Agree	Strongly Agree	% Somewhat Agree/Strongly Agree	Mean		Std Dev
48. I always look on the bright side of things regarding my job.	Count %	2 2%	2 2%	4 4%	13 13%	29 29%	50 50%	92%	5.15	1.13	0.874
49. I approach this job as if every cloud has a silver lining.	Count %	2 2%	3 3%	3 3%	8 8%	32 32%	52 52%	92%	5.21	1.13	0.915
50. I am optimistic about what will happen to me in the future as it pertains to work.	Count %	2 2%	5 5%	2 2%	19 19%	26 26%	46 46%	91%	5.00	1.23	0.814
Cronbach's Alpha								0.833			

After conducting an exploratory factor analysis, it was found that the construct of Optimism cannot be split into any sub-constructs. Table 4.15 shows that 92% of the respondents *somewhat agree/agree/strongly agree* that they always look on the bright side of things regarding their jobs. The majority, 92% indicated that they approach their jobs as if every cloud has a silver lining, 91% are optimistic about what will happen to them in the future as it pertains to work.

Bed and breakfast establishments face challenges that threaten their attractiveness and ability to succeed (Jaafer, Ing & Surkarno, 2011; Talabi, 2015). Despite such, the results confirm that their employees expect positive and desirable events in the future and tend to attribute their success to themselves and global attributes, while failures were attributed to external factors specific to the situation (Ferreira, 2015). Contrary to this, Tabaziba (2015) indicates that optimism may also dysfunction in the workplace as employees who are physically healthy may be pessimistic about their health in the future and neglect their physical and nutritional maintenance at the present. To address these, Ferreira (2015) suggests that employees need to construct a more realistic optimism which involves an objective assessment of what an individual can accomplish within a specific context, taking into consideration the available time and resources.

#### **4.4 RELIABILITY ANALYSIS**

In the previous chapter, it was indicated that the testing of the reliability of the instrument was done using the Cronbach Alpha Coefficient, which Tavakol and Dennick (2011) attest as being used to provide a measure of the internal consistency of a test or scale in an attempt to determine the extent to which all the items in a test measure the same concept or construction. In this study, the whole questionnaire was considered highly reliable with a Cronbach's Alpha statistic of around 0.952.

Table 4.16 presents that reliability statistics of the constructs in the study's questionnaire. A construct or questionnaire is considered to be measuring the variables it is intended to measure, if items under each construct have internal consistency and this is indicated by a Cronbach's Alpha statistic of at least 0.700. Generally, all constructs in the questionnaire had adequate internal consistency with Cronbach's Alpha statistic greater than 0.700.

Table 4.16 Reliability statistics of the study questionnaire.

Construct	Number of Cronbach's		Comment
	items	Alpha	
<b>Knowledge and understanding of diversity</b>			
Uniqueness and interaction	3	0.783	
Ethnic, gender and individual tolerance for progress	5	0.857	High internal consistency
<b>Diversity in organization's management practices</b>			
<b>Diversity in recruitment and selection</b>			
- Employee attraction and retention	2	0.697	Moderate internal consistency
- Employee selection methods	3	0.756	
Training and Development	5	0.942	High internal consistency
Performance Appraisal	5	0.861	High internal consistency
Reward and Compensation	4	0.916	High internal consistency
<b>Psychological capital</b>			
Hope	4	0.835	High internal consistency
Efficacy	4	0.928	High internal consistency
Resilience	3	0.873	High internal consistency
Optimism	3	0.833	High internal consistency
<b>Overall questionnaire</b>			
All Likert Scaled Questions	41	0.952	High internal consistency

The whole questionnaire was considered highly reliable with a Cronbach's Alpha statistic of 0.952.

## 4.5 NORMALITY & HYPOTHESIS TESTING

### 4.5.1 Normality Test

The normality tests are supplementary to the graphical assessment of normality and consist of numerous tests (Ghasemi & Zahediasl, 2012). In this study, a normality test was done using the Kolmogorov-Smirnov (K-S) test and the Shapiro-Wilk test. Ghasemi and Zahediasl (2012) detail a Kolmogorov-Smirnov (K-S) test as an empirical distribution function (EDF) in which the theoretical cumulative distribution function of the test distribution is contrasted with the EDF of the data. The Shapiro-Wilk test is defined as one of the most popular tests for normality distribution diagnostics which has good properties of power and is based on correlation within given observations and associated normal scores (Das & Imon, 2016).

The four constructs of psychological capital were measured on a 6-point Likert scale. The overall means of each of the four psychological capital are presented in Table 17 below. The results show that, in general, optimism has the highest score (mean=5.120) followed by resilience (mean=5.107) then efficacy (mean=5.083) and lastly, hope (mean=4.958). The psychological capital variables were constructed by finding the means of the questionnaire items that fall under them. The measurement of overall psychological capital was obtained by averaging all the questionnaire items that fell under the four constructs that are listed in Table 4.17 below.

Table 4.17 Summary statistics of the four constructs of psychological capital.

<b>Descriptive Statistics for psychological Capital</b>					
	N	Minimum	Maximum	Mean	Std. Deviation
Hope	100	1.50	6.00	4.958	0.946
Efficacy	100	1.00	6.00	5.083	1.094
Resilience	100	1.33	6.00	5.107	1.005
Optimism	100	1.00	6.00	5.120	1.009
Overall psychological capital of employees	100	1.21	6.00	5.060	0.918

Psychological capital variables are the dependent variables that are affected by diversity management practices, therefore, it is important to check the normality of

these variables to decide whether parametric or nonparametric tests can be used. The normality tests are presented in Table 18 below. The results show that all four constructs of psychological capital and their overall measure are not normally distributed as all the p-values of the Kolmogorov-Smirnov and the Shapiro-Wilk tests are all less than 0.05, which indicate that there is significant departure from normality on all four variables and their overall measure.

Table 4.18 Test of normality of psychological capital variables.

<b>Tests of Normality</b>						
Variable	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	p-value	Statistic	df	p-value
Hope	0.183	100	0.000	0.864	100	0.000
Efficacy	0.230	100	0.000	0.797	100	0.000
Resilience	0.218	100	0.000	0.804	100	0.000
Optimism	0.192	100	0.000	0.815	100	0.000
Overall psychological capital of employees	0.153	100	0.000	0.850	100	0.000
a. Lilliefors Significance Correction						

The histograms in Figure 4.1 below illustrate the distributions of the psychological capital variables. The histograms show that the variables are left skewed and concentrated to the right-hand side. In general, there is more concentration on the positive scores as far as psychological capital is concerned, since the response variables are not normal, it is not possible to carry out regression analysis or Analysis of Variance (ANOVA) as these methods are based on the assumption of normality. The relationships between psychological capital variables as dependent variables, and diversity management practices as independent variables, are, therefore, assessed by means of correlation analysis.

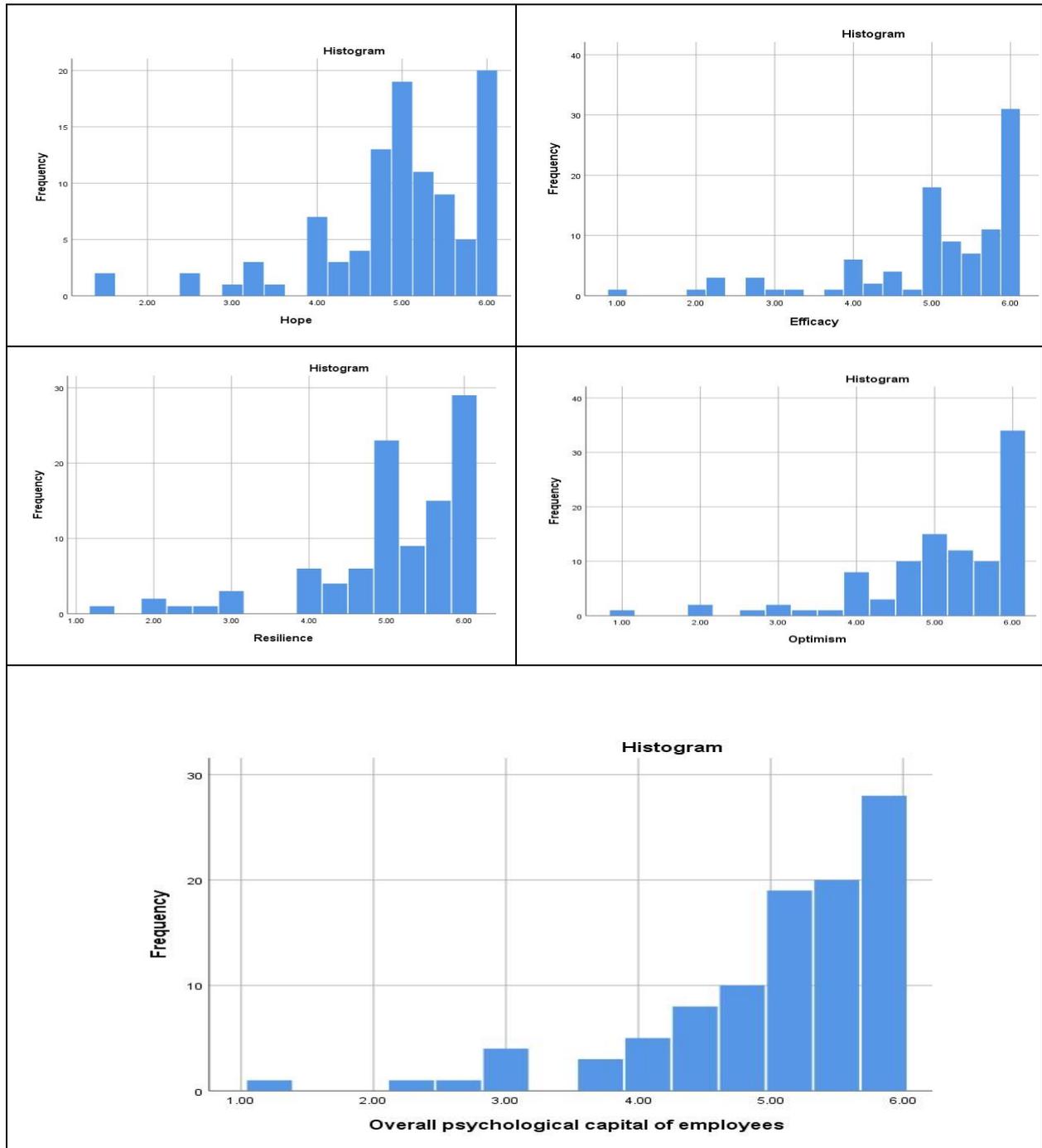


Figure 4.1 Histograms of psychological capital variables.

## 4.5.2 Hypothesis Testing

### 4.5.2.1 Correlation analysis of knowledge and understanding of diversity and psychological capital of employees

Table 4.19 Correlations of Knowledge and understanding of diversity and psychological capital variables

Spearman Correlations			Knowledge and understanding of diversity		Psychological capital			
			Uniqueness and Interaction	Ethnic, gender and individual tolerance for progress	Hope	Efficacy	Resilience	Optimism
Knowledge and understanding of diversity	Uniqueness and Interaction	Correlation						
		p-value						
		N						
	Ethnic, gender and individual tolerance for progress	Correlation	0.532**					
		p-value	0.000					
		N	100					
Psychological capital	Hope	Correlation	0.302**	0.352**				
		p-value	0.002	0.000				
		N	100	100				
	Efficacy	Correlation	0.277**	0.256*	0.739**			
		p-value	0.005	0.010	0.000			
		N	100	100	100			
	Resilience	Correlation	0.270**	0.186	0.645**	0.883**		
		p-value	0.007	0.065	0.000	0.000		
		N	100	100	100	100		
	Optimism	Correlation	0.316**	0.362**	0.799**	0.726**	0.730**	
		p-value	0.001	0.000	0.000	0.000	0.000	
		N	100	100	100	100	100	
	Overall psychological capital of employees	Correlation	0.321**	0.320**	0.886**	0.937**	0.897**	0.889**
		p-value	0.001	0.001	0.000	0.000	0.000	0.000
		N	100	100	100	100	100	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
\* . Correlation is significant at the 0.05 level (2-tailed).

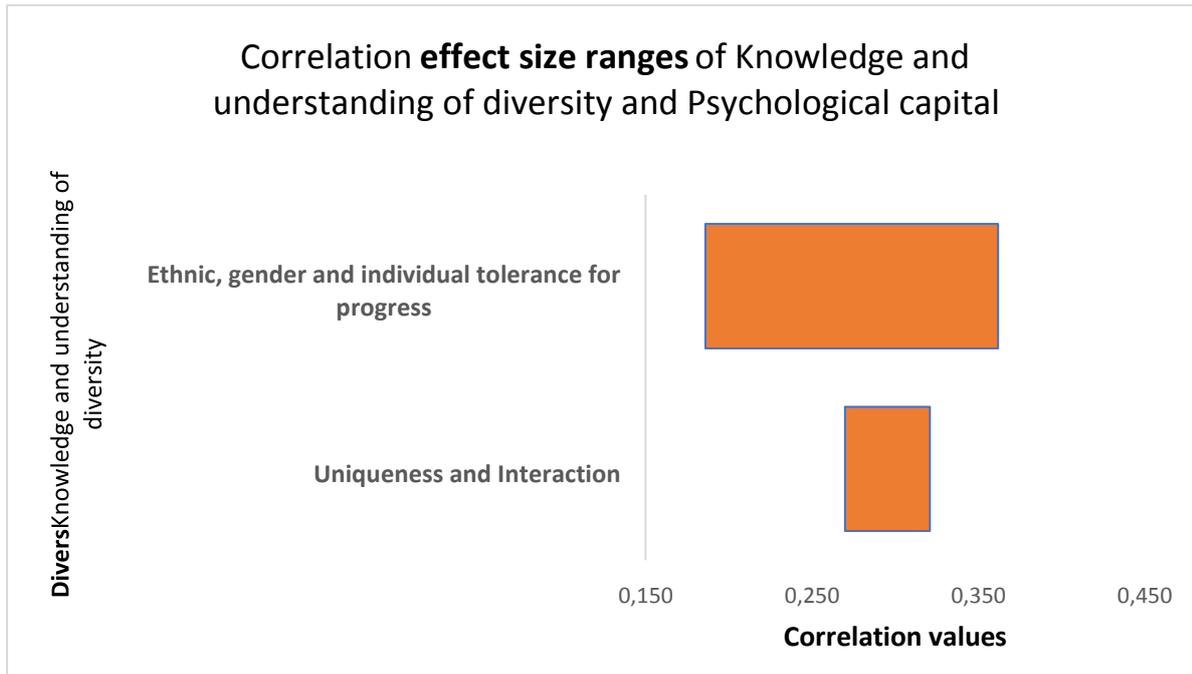


Figure 4.2 Correlation effect size ranges for knowledge and understanding of diversity and psychological capital.

Figure 4.2 shows that, the ranges of correlations between knowledge and understanding of diversity against all psychological capital variables, have a wider range (more effect) for Ethnic, Gender and Individual Tolerance for Progress than for Uniqueness and Interaction.

Results in Table 4.19 show that, while psychological capital variables are highly correlated amongst themselves (correlations  $\geq 0.645$ ), their correlations with 'Knowledge and understanding of diversity' variables are rather low, although, most of them are significant, thus, 'Knowledge and understanding of diversity' has low effect size on psychological capital. Furthermore, the results show that the psychological capital variable of resilience is not correlated to the Knowledge and Understanding of diversity variable of Ethnic, Gender and Individual Tolerance for progress ( $r=0.186$ ,  $p=0.065$ ).

These results, although not hypothesized, are in contradiction to those from the research study conducted by Khan, Rao- Nicholson, Akhtar, Tarba, Ahammad and Vorley (2017), which indicated that when managers' design gender-neutral jobs and assign high-impact jobs equally to male and female employees, this may promote

employees' resilience. In concurrence, Simonsen (2008) argues that resilience thinking acknowledges that things change and that employees are to adapt to these changes and optimize or grow from them. This could mean that when employees adapt to individual differences, they tolerate and accept these differences, thus affecting their resilience towards a diversified workforce. Nwachukwu and Robinson (2011) claim that providing the reflectiveness, adaptiveness and responsiveness of employees to diversity that is well-managed can have the potential for the improvement of employees' psychological capital attributes. This assumption is supported by Chapman and Radford (2015) who underscore the need for resilience building programs in the workplace, as a means to equip individuals with the resources and skills necessary to function, effectively. Such resilience programmes could incorporate elements of diversity management for the improvement of psychological functioning of employees and their general well-being (Seligman & Csikszentmihalyi, 2000).

#### 4.5.2.2 Correlation analysis of specific human resource management practices where employees perceive diversity to be applied by management and psychological capital of employees

Table 4.20 Correlations of Diversity management practices and psychological capital variables.

Spearman Correlations			Diversity management practices					Psychological capital					
			Employee attraction and retention	Employee selection methods	Training and Development	Performance Appraisal	Reward and Compensation	Hope	Efficacy	Resilience	Optimism		
Diversity management practices	Employee attraction and retention	Correlation											
		p-value											
		N											
	Employee selection methods	Correlation	0.420**										
		p-value	0.000										
		N	100										
	Training and Development	Correlation	0.497**	0.507**									
		p-value	0.000	0.000									
		N	100	100									
	Performance Appraisal	Correlation	0.587**	0.555**	0.677**								
		p-value	0.000	0.000	0.000								
		N	100	100	100								
	Reward and Compensation	Correlation	0.506**	0.414**	0.510**	0.693**							
		p-value	0.000	0.000	0.000	0.000							
		N	100	100	100	100							
	Psychological capital	Hope	Correlation	0.332**	0.151	0.171	0.325**	0.482**					
			p-value	0.001	0.133	0.089	0.001	0.000					
			N	100	100	100	100	100					
Efficacy		Correlation	0.387**	0.332**	0.217*	0.394**	0.462**	0.739**					
		p-value	0.000	0.001	0.030	0.000	0.000	0.000					
		N	100	100	100	100	100	100					
Resilience		Correlation	0.368**	0.307**	0.242*	0.391**	0.351**	0.645**	0.883**				
		p-value	0.000	0.002	0.015	0.000	0.000	0.000	0.000				
		N	100	100	100	100	100	100	100				
Optimism		Correlation	0.358**	0.219*	0.167	0.319**	0.367**	0.799**	0.726**	0.730**			
		p-value	0.000	0.029	0.096	0.001	0.000	0.000	0.000	0.000			
		N	100	100	100	100	100	100	100	100			
Overall psychological capital of employees		Correlation	0.400**	0.281**	0.220*	0.397**	0.468**	0.886**	0.937**	0.897**	0.889**		
		p-value	0.000	0.005	0.028	0.000	0.000	0.000	0.000	0.000	0.000		
		N	100	100	100	100	100	100	100	100	100		

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

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

Results in Table 4.20 show that the diversity management practice variable of Employee Attraction and Retention is significantly correlated to all psychological capital variables (all  $p$ -values $<0.05$ ).

The results reveal that when bed and breakfast establishments attract and retain diverse employees, this will positively affect the employees' psychological capital. Employee retention is a critical issue and a challenge for organizations because it costs organizations in terms of recruiting, selecting and training new employees (Ganesha & Abubakkar, 2017). Doing it in a way that shows diversity and that does not discriminate, (for example, by using a variety of selection methods, using diverse retention methods), might increase the employees' hope, efficacy, resilience and optimism. Scott (2015) found that hospitality managers face some of the lowest employee retention rates because of lack of strategies to manage or deal with the nature of diverse employees on the industry. Usually, this has resulted in staff resignations, loss of customer satisfaction and poor profitability. Some researchers have found that, young hospitality employees are making themselves available to replace the ageing workforce in the industry, however, when the younger workers experience constriction of diversity (which can be viewed as stifling their hope, and optimism), they leave. When this happens, valuable knowledge is lost to the industry (Rowe, 2013; Fernandez & Worasuwan, 2017).

A research conducted by Gu (2016) presented findings on how a Chinese restaurant indicated that, having clear career paths or promotion routes that are universally recognised by employees, make the employees feel hopeful, thus showing positive organizational behaviors. In concurrence, Ganesha and Abubakkar (2017) posits that recognizing the efforts and input of employees, providing opportunities for employee participation in the management as well as empowering and delegating challenging tasks to employees are the some of the diverse techniques used to eliminate low employee retention rates. According to Scott (2015), such retention strategies have the potential to enhance employees' optimism.

In Table 20, Hope is not significantly correlated to employee selection methods (correlation=0.151,  $p$ -value=0.133) and training and development (correlation=0.171,  $p$ -value=0.089) but significantly to the other three diversity management practices

variables ( $p$ -values $<0.05$ ) - employee attraction and retention, performance appraisal as well as rewards and compensation.

The results showing the correlation between hope and performance appraisal affirm Idowu (2017) who indicate that the use of performance appraisals in organizations contributes positively to employee motivation. Similarly, the findings of Daoanis (2012) demonstrate that performance appraisal systems strongly affect employees' willingness to work and commit. Additionally, the results of Asamoah (2012) prove that when performance appraisal is implemented fairly, employees become satisfied and it reflects on their work output and performance. These studies suggest that, when performance appraisal is fair and precise, employees will be hopeful and motivated to put more effort to achieve positive goals. These are supported by the notion of Asamoah (2012) which suggest that implementation of performance appraisal shapes the personal goals of an employee and gives them hope. In concurrence, research findings of Kaposambo (2016) note that for an organization to obtain employee commitment, it should ensure that performance appraisal is well understood, fair and clearly communicated to employees. This means that, a well-communicated performance appraisal process could trigger high levels of commitment and hope for a better future in the organization, for the employees. LeVan (2017) summarizes that employees' commitment and hope are affected by the organizations' ability to create and implement fair performance appraisals.

The results also show that the diversity management practices variable with the least effect on psychological capital is training and development which had the smallest correlation values with diversity management practice variables ( $0.167 \leq \text{correlation} \leq 0.242$ ). These results are in contrast with the research findings of Reynolds, Rahman and Bradetich (2014) which revealed that hospitality managers reacted most positively when asked whether diversity training made them better managers and least positively when asked whether their own job performance improved after diversity training. In the present study, the results could therefore mean that, although bed and breakfast establishments offer diversity training for employees, it more beneficial for the establishment or organization than for employees' personal growth and well-being.

In concurrence with the above assertion, Kalargyrou and Costen (2017) argue that even though properly designed diversity training may influence employee attitude, there is little evidence that it changes employee behavior. Reichard, Dollwet and Louw-Potgieter (2014), on the other hand, maintain that through diversity training, it is likely that employees will benefit from a range of psychological resources that will allow them to take a positive perspective about their new environment and safeguard them against setbacks (resilience). Similarly, West and Ryan (2011) claim that psychological capital may positively relate to employee motivation in a training and development context; the research finding of Combs and Luthans (2007) concur that diversity training was also shown to be positively related to employees' stated levels of difficulty and magnitude in coping with diversity initiatives - which could be construed as related to a sense of hope.

The diversity management practice variable of reward and compensation has the highest effect on psychological capital variables ( $0.351 \leq \text{correlation} \leq 0.482$ ). Figure 3 below shows that, as far as the effect of diversity management practices on psychological capital is concerned, reward and compensation has the ranges of correlations higher than the other four diversity management practices with performance appraisal and employee attraction and retention following, then employee selection methods and training and development with the lowest effect size.

These results are supported by the research study conducted by Mabaso (2017) which reported that rewards and compensation play a significant role in motivating employees, while ensuring a high level of performance and work stability. At the same time, further findings confirm that motivated employees have resilience and tend to develop high self-efficacy for themselves (Schwarzer & Warner, 2013). In concurrence, Victor and Hoole (2017) note that when employees are provided with higher levels of rewards, they tend to put more effort into their work, thus showing optimism. Shelton and Renard (2015) claim that if employees are not satisfied with the rewards and compensation put in place, it will result in lower levels of optimism. Furthermore, Zaraket and Saber (2017) indicate that when employees are satisfied financially and psychologically, they are able to perform their work successfully and have hope of growing in their career. Contrary to these evidence, the research findings of Kim and Kim (2001) revealed that there is a negative relationship between rewards

and employees' self-efficacy. This was, however challenged by recent research findings of Tzur, Ganzah and Pazy (2016) showing that employees' self-efficacy is positively influenced by fair and equal rewards.

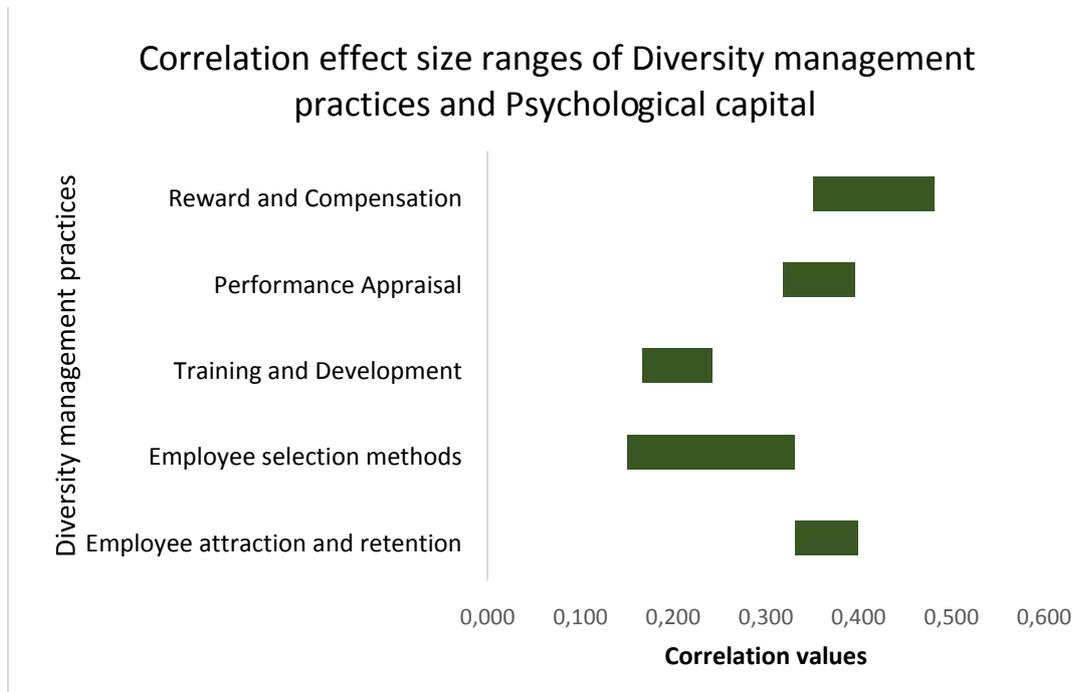


Figure 4.3 Correlation effect size ranges for Diversity management practices and psychological capital.

Figure 4.3 shows that, the ranges of correlations between employee selection methods and reward and compensation against all psychological capital variables have a wider range (more effect) than for performance appraisal, training and development and employee attraction and retention.

#### 4.6 THE CHAPTER SUMMARY

The chapter presented and discussed the results obtained from the analysis of the collected data. The results were graphically presented while descriptive and inferential statistical analyses were tabulated and discussed. The next chapter presents conclusions and recommendation based on the findings in this chapter.

## CHAPTER 5: SUMMARY OF RESULTS, CONCLUSIONS AND RECOMMENDATIONS

### Chapter outline

5.1 Introduction

5.2 Conclusion based on literature reviewed

5.3 Summary of results and conclusions based on research hypotheses

5.4 Recommendations

5.5 The Chapter Summary

## 5.1 INTRODUCTION

The preceding chapter outlined the data analysis processes, results, their interpretation, and discussions pertaining to the study objectives. This chapter provides the conclusions that can be drawn from the literature reviewed, the results of the study as well as proposing recommendations for practice and future research.

To recap, the present study sought to achieve the following objectives:

1. To determine employees' knowledge and understanding of diversity;
2. To identify the specific human resource management practices where employees perceive diversity to be applied by management within bed and breakfast establishments in Matjhabeng Local Municipality, Free State.
4. To measure the status of psychological capital of employees among bed and breakfast establishments in Matjhabeng Local Municipality, Free State.
5. To measure the extent to which employees' perceptions of diversity management practices correlate with their psychological capital.

## 5.2 CONCLUSION BASED ON LITERATURE REVIEW

The hospitality industry is dominated by large business establishments and available literature revealed that bed and breakfast establishments contribute largely to the hospitality industry and economic growth (SA Tourism Review: Report of the Expert Panel, 2015; Awang, Aziz & Samdin, 2011). Despite this contribution, bed and breakfast establishments are believed to be faced with numerous challenges that inhibit their growth (Mahembe, 2011), although most of these are in the external environment of the ventures (Niemann, *et al.*, 2008). These establishments also face difficulties in relation to diversity within their workforce (Pinilla, 2002; Awang, *et al.*, 2011: 80), however, literature shows that most of the information on diversity management, within the hospitality sector focuses more on large establishments (Tervonen, 2012; Gong, 2008, Gajjar & Okumus, 2018; Badran & Khalifa, 2013).

The reviewed literature revealed that diversity management is “the utilization of human resource management practices to (a) increase or maintain the variation in human capital on some given dimensions, (b) ensure that variation in human capital on some

given dimensions does not hinder the achievement of organizational objectives, and (c) ensure variation in human capital on some given dimension facilities for the achievement of organizational objectives” (Olsen and Martins (2012). These diversity management practices involve activities that encourage employees to value diversity in an organization, such as, recruitment and selection, training and development, performance appraisal as well as reward and compensation (Shume, 2013).

Furthermore, literature narrates that effectively implementing diversity management practices will not decrease turnover, attract customers nor improve employees’ performance, but will rather motivate employees, therefore, positively influencing their psychological capital (Gong, 2008); which is defined as the positive psychological states of individuals, hence a positive psychology theory was adopted to guide the study (Luthans, Youssef & Avolio, 2007).

In order to achieve the above objectives, a number of hypotheses were tested and the following conclusions were arrived at:

### **5.3 SUMMARY OF RESULTS AND CONCLUSIONS BASED ON RESEARCH HYPOTHESES**

#### **5.3.1 Knowledge and understanding of diversity**

The first hypothesis (H1) tested was: ‘Employees do have knowledge and understanding of diversity’. As indicated in the exploratory factor analysis in Table 3 of Chapter 4, two sub-constructs were obtained from Knowledge and Understanding of diversity as follows:

- (a) Sub-Construct of Uniqueness and Interaction – results indicated that employees knew the meaning of diversity.
- (b) Sub-Construct of Ethnic, Gender and Individual Tolerance for Progress - results indicated that employees had an understanding that diversity plays an important role in ensuring a sustainable future for their companies.

This means that the first hypothesis (H1) that employees do have knowledge and understanding of diversity is not rejected rather it is supported. It is therefore concluded

that, employees from the B&Bs had an understanding of, and knowledge of what diversity means.

### **5.3.2 Diversity Management practices**

The second hypothesis (H2) tested was: 'There are specific human resource management practices where employees perceive diversity to be recognised by management'. There were four diversity management practices that were analysed in the study, namely, recruitment and selection, training and development, performance appraisal as well as reward and compensation.

#### **5.3.2.1 Recruitment and Selection**

As indicated in the exploratory factor analysis in Table 6 of Chapter 4, two sub constructs were obtained from recruitment and selection and the results were as follows:

- (a) Sub-Construct of Employee Attraction and Retention - Table 7 in Chapter 4 indicates that employees agreed that their organizations attract and retain employees from different backgrounds.
- (b) Sub-Construct of Employee Selection methods – Table 8 in Chapter 4 indicates that employees agreed that their organizations ensure fair and diversified selection measures, during recruitment.

5.3.2.2 Training and Development - Table 9 in Chapter 4 indicates that employees agreed that training is offered for diverse social groups in their organizations.

5.3.2.3 Performance Appraisal - Table 10 in Chapter 4 indicates that employees agreed that there are equitable systems for employee appraisals, despite their individual differences.

5.3.2.4 Reward and Compensation - Table 11 in Chapter 4 indicates that employees agreed that their organizations have fair practices on reward systems despite individual differences.

This means that the second hypothesis (H2) that there are specific human resource management practices where employees perceive that diversity is applied by

management is not rejected but is supported. It is, therefore, concluded that employees' perceptions of specific diversity management practices are all positive.

### **5.3.3 Psychological Capital**

The third hypothesis (H3) tested was: 'Employees' psychological capital is positive'. Psychological Capital consists of four dimensions that were analyzed, namely, hope, self-efficacy, resilience and optimism. The results of the analysis for each dimension are as follows:

5.3.3.1 Hope - Table 12 in Chapter 4 indicates that employees think of many ways to reach their current work goals.

5.3.3.2 Self-efficacy - Table 13 in Chapter 4 indicates that employees feel confident analyzing a long-term problem to find a solution and they also feel confident in representing their work area in meetings with management.

5.3.3.3 Resilience - Table 14 in Chapter 4 indicates that employees are able to recover from setbacks at work.

5.3.3.4 Optimism - Table 15 in Chapter 4 indicates that employees are optimistic about what will happen to them in the future, as it pertains to their work.

This means that the third hypothesis (H3) that employees' psychological capital is positive is not rejected, rather it is supported. It is, therefore, concluded the B&B employees have positive psychological capital.

### **5.3.4 Relationship between diversity management practices and psychological capital**

The fourth hypothesis (H4) tested was: 'There is a significant positive correlation/relation between perceived diversity management practices and psychological capital of employees'. The Spearman Correlation test results showed a significant correlation (all p-values<0.05) between diversity management practices and psychological capital of employees (see Table 20). This means that, the fourth hypothesis is supported. It is, therefore, concluded that perceived diversity management practices in specific human resource management practices, have an effect on the psychological capital of the B&B employees.

## 5.4 RECOMMENDATIONS

### 5.4.1 Recommendations for practice

- (a) From the findings of this study, it can be recommended that in order for bed and breakfast establishments to have a sustainable future, they should learn about and understand diversity, and this will help them value cultural differences and effectively manage a diverse workforce.
- (b) Bed and breakfast establishments, in the study, need to continue implementing diversity management practices in their human resource functions. By so doing, they will develop a diversity-learning culture for employees to fully understand the needs and expectations of working in a diverse workplace.
- (c) Bed and breakfast establishments need to continue embracing and investing more in their human resource functions, in different ways, in order to develop and build employees' psychological capital. In addition, B&B managements should find other ways, besides human resource functions, to make their employees understand their psychological strengths, thus promoting other psychological states such as employee engagement; this might result in high productivity and successful management of the bed and breakfast establishment employees.
- (d) It is also recommended that bed and breakfast establishments correctly implement fair diversity management practices, since this might motivate and develop employees positively, as well as contribute to increased productivity; thus positively influencing employees' psychological capital.

### 5.4.2 Recommendations for future research

The recommendations are:

- (a) The sample size that was used in this study is too small and is not a reflection of all the South African bed and breakfast establishments, therefore, a research with a larger sample should be conducted, covering other areas, either in the Free State Province or the country at large.

- (b) Future research could conduct and investigate further on the relationship between diversity management practices and psychological capital of employees by incorporating the views of the employers.
- (c) Future research could make use of qualitative research (interviews) to corroborate data.

## **5.5 THE CHAPTER SUMMARY**

This chapter presented a summary of the conclusions drawn from the findings of the study and proposed recommendations based on the conclusions arrived at.

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## ANNEXURE A: QUESTIONNAIRE



**Dear Respondent**

**RE: REQUEST TO COMPLETE A QUESTIONNAIRE – THE IMPACT OF EMPLOYEES’ PERCEPTIONS OF DIVERSITY MANAGEMENT PRACTICES ON PSYCHOLOGICAL CAPITAL: A CASE OF BED AND BREAKFAST ESTABLISHMENTS IN MATJHABENG LOCAL MUNICIPALITY IN THE FREE STATE PROVINCE**

My name is Litsoanelo Palesa Sealome. I am a Masters’ student at the Central University of Technology, Free State. The title of my research topic is “The impact of employees’ perceptions of diversity management practices on psychological capital”. As part of my thesis, I am collecting data on the diversity management practices utilized by bed and breakfast establishments in the Matjhabeng Local Municipality, Free State, South Africa. I humbly request that you complete this questionnaire for me, which will take less than 20 minutes of your time.

This data will be useful in assisting bed and breakfasts establishments to implement appropriate diversity management practices which would have a positive influenced on the workforce. As part of this study, your bed and breakfast establishment has been selected to take part in this research. Your identity and that of your establishment will remain anonymous and your responses treated confidentially, and used exclusively for the purpose of this research study.

Thanking you in anticipation.

Ms L.P Sealome

**NB:** For any further clarity, please do not hesitate to get in touch with my Supervisor, Professor C. Chipunza on these numbers 051 507 3218 or email: [cchipunza@cut.ac.za](mailto:cchipunza@cut.ac.za)

## SECTION A: Demographical information of the respondents

Indicate your responses by ticking  the relevant option in the boxes provided

### 1. Gender

Male	1
Female	2

### 2. Age

Below 21 years	1
Between 21 - 30	2
Between 31 - 40	3
Between 41 - 50	4
More than 51 years	5

### 3. Ethnicity

African	1
Coloured	2
Indian	3
White	4
Other (Specify).....	5

### 4. Languages that you speak

Sesotho	1
Setswana	2
Isixhosa	3
Isizulu	4
Tshivenda	5
Shangaan	6
Sepedi	7
English	8
Afrikaans	9
Other (Specify).....	10

### 5. Religion

None	1
Buddhist	2
Christian	3
Hindu	4
Jewish	5
Muslim	6
Other (specify).....	7

**6. Sexual Orientation**

Heterosexual	1
Gay	2
Lesbian	3
Bisexual	4

**7. Highest Qualification**

Below Gr. 12/	1
Gr. 12/	2
Post school	3
Diploma/degree	4
Other (specify).....	5

**8. Job Level**

Top Management	1
Middle Management	2
Low Management	3

**9. Years of Service in the Establishment**

Less than 2 Years	1
2 Years to 5 Years	2
6 Years to 10 Years	3
11 Years to 15 Years	4
16 Years to 20 Years	5
21 Years to 25 Years	6
26 + Years	7

**SECTION B: Knowledge and understanding of diversity**

**Instructions to respondent:**

Please do not leave any item unanswered.

Indicate your level of **agreement** with the following statements by ticking  the appropriate box.

<b>B1</b>		<b>Strongly Disagree</b> 1	<b>Disagree</b> 2	<b>Neutral</b> 3	<b>Agree</b> 4	<b>Strongly Agree</b> 5
<b>10</b>	I know and understand the meaning of diversity.	1	2	3	4	5
<b>11</b>	Diversity in the workplace is the different unique aspects of individuals.	1	2	3	4	5
<b>12</b>	Diversity is interactions of people from different backgrounds.	1	2	3	4	5

13	I understand the organization's case for diversity.	1	2	3	4	5
14	I am comfortable initiating diversity issues with my colleagues.	1	2	3	4	5
15	Diversity is primarily about ethnicity and gender issues.	1	2	3	4	5
16	Diversity has an important role in ensuring a sustainable future for our company.	1	2	3	4	5
17	Diversity is about tolerance of individual differences.	1	2	3	4	5

**SECTION C: This section is about your opinions on diversity in your organization.**

**Instructions to respondent:**

Please do not leave any item unanswered.

Indicate your level of **agreement** with the following statements by ticking  the appropriate box.

C1		<b>Strongly Disagree</b> 1	<b>Disagree</b> 2	<b>Neutral</b> 3	<b>Agree</b> 4	<b>Strongly Agree</b> 5
18	Our organization creates an organizational climate that attracts diverse individuals from the labour market.	1	2	3	4	5
19	My organization retains employees from different backgrounds.	1	2	3	4	5
20	In our organization, specific interviewing techniques are applied when dealing with diverse applicants.	1	2	3	4	5
21	Our organization advertises jobs in a language to accommodate diverse candidates.	1	2	3	4	5
22	During recruitment, my organization ensures that selection measures are not potentially unfairly discriminatory.	1	2	3	4	5

C2		<b>Strongly Disagree</b> 1	<b>Disagree</b> 2	<b>Neutral</b> 3	<b>Agree</b> 4	<b>Strongly Agree</b> 5
23	Training is offered for diverse social groups in my organization.	1	2	3	4	5

24	Our organization promotes employee participation during diversity training.	1	2	3	4	5
25	Training offered helps create awareness on individual differences.	1	2	3	4	5
26	Training offered provides platform for free and open expression of beliefs.	1	2	3	4	5
27	Employees are informed about diversity policies and initiatives during trainings in our organization.	1	2	3	4	5

C3		<b>Strongly Disagree</b> 1	<b>Disagree</b> 2	<b>Neutral</b> 3	<b>Agree</b> 4	<b>Strongly Agree</b> 5
28	In our organization, there are equitable systems for employee despite their individual differences.	1	2	3	4	5
29	Our organization involves all diverse stakeholders during the performance evaluation processes.	1	2	3	4	5
30	Diverse populations are represented on our staff complement for appraisal processes.	1	2	3	4	5
31	Our performance appraisal techniques focus on appraising employees' performance not individual differences.	1	2	3	4	5
32	Employees in my organizations are open to promotion regardless of background or circumstances.	1	2	3	4	5

C4		<b>Strongly Disagree</b> 1	<b>Disagree</b> 2	<b>Neutral</b> 3	<b>Agree</b> 4	<b>Strongly Agree</b> 5
33	We all feel recognised as employees despite our diversity.	1	2	3	4	5
34	There is a fair practice on reward systems despite individual differences.	1	2	3	4	5
35	Our organization provides equal pay for equal job despite our individual differences.	1	2	3	4	5
36	Our efforts match the rewards granted by our organization.	1	2	3	4	5

**SECTION D: This section is about items that describe or do not describe yourself.**

**Instructions to respondent:**

Please do not leave any item unanswered.

Indicate your level of **agreement** with the following statements by ticking  the appropriate box

<b>D1</b>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Somewhat Disagree</b>	<b>Somewhat Agree</b>	<b>Agree</b>	<b>Strongly Agree</b>
		1	2	3	4	5	6
<b>37</b>	Right now, I see myself as being pretty successful at work.	1	2	3	4	5	6
<b>38</b>	If I should find myself in a jam at work, I could think of many ways to get out of it.	1	2	3	4	5	6
<b>39</b>	I can think of many ways to reach my current work goals.	1	2	3	4	5	6
<b>40</b>	There are lots of ways around any problem.	1	2	3	4	5	6
<b>41</b>	I feel confident analysing a long-term problem to find a solution.	1	2	3	4	5	6
<b>42</b>	I feel confident in representing my work area in meetings with management.	1	2	3	4	5	6
<b>43</b>	I feel confident in helping to set targets/goals in my work area.	1	2	3	4	5	6
<b>44</b>	I feel confident presenting information to a group of colleagues.	1	2	3	4	5	6
<b>45</b>	I usually manage difficulties one way or another, at work.	1	2	3	4	5	6
<b>46</b>	When I have a setback at work, I manage to recover from it, moving on.	1	2	3	4	5	6
<b>47</b>	I feel I can handle many things at a time at this job.	1	2	3	4	5	6
<b>48</b>	I always look on the bright side of things regarding my job.	1	2	3	4	5	6
<b>49</b>	I approach this job as if — every cloud has a silver lining.	1	2	3	4	5	6
<b>50</b>	I am optimistic about what will happen to me in the future as it pertains to work.	1	2	3	4	5	6

**Thank you for your time, support and input in completing this questionnaire!!**