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How Diversity Effects on Employees' Performance at a Non-Profit Orgainsation

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Abstract- *Objective:* This study aims to show the link between the diversity management and employees' performance, how this non-profit organization differs between local and international employees' packages and how this effects their employees' performance negatively. In this context, diversity management is defined as the systematic and planned commitment by the organizations to recruit, retain, reward and promote a mix of employees (Henry, O., Evans A., 2007). In addition to this, the definition of employee performance is the effectiveness with which organizations manage, develop and stimulate their employees is an important cornerstone for how organizations perform. (Noordzij, L, 2017).

Keywords: *diversity, employee's performance, international and local employees, salaries, non-profit organization.*

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How Diversity Effects on Employees' Performance at a Non-Profit Orgainsation

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Abstract- *Objective:* This study aims to show the link between the diversity management and employees' performance, how this non-profit organization differs between local and international employees' packages and how this effects their employees' performance negatively. In this context, diversity management is defined as the systematic and planned commitment by the organizations to recruit, retain, reward and promote a mix of employees (Henry, O., Evans A., 2007). In addition to this, the definition of employee performance is the effectiveness with which organizations manage, develop and stimulate their employees is an important cornerstone for how organizations perform. (Noordzij, L, 2017).

Methods: To test the hypothesis that offering different packages to local and international employees lead to lower employee performance, an online survey was distributed to employees across the non-profit organization. Respondents were divided into two groups (managers and officers) and interviews were conducted with some employees as well. Responses were analyzed using Microsoft Forms.

Results: The results showed that the hypothesis provedight, many employees indicated that the international packages affected their performance negatively.

Conclusions: These results suggest that the non-profit organization should re consider the packages of international and local staff. On this basis, the concept of unifying all packages should be taken into account when the organization re-visits its terms and conditions.

Keywords: diversity, employee's performance, international and local employees, salaries, non-profit organization.

I. Introduction

A non-profit organization was founded in early1930s. Their aim was to create in a country overseas a basis of knowledge and understanding of the people of its country. In addition, their mission was to promote a knowledge of its country, their language abroad and creating closer cultural relations between its country and other countries.

Equality, diversity, and inclusion are the heart of the organisation cultural relations ambitions. They represent the mutual trust and respect the organisation strives on behalf of its country. These concepts are an important part to their success, reputation, business sustainability and cultural relations impact. They want everyone who meets them, both offline and online, to feel valued and respected and their programmes, services, and general ways of working to show their stated commitment to equality, diversity, and inclusion EDI strategy (Jacques. M., 2003).

Although this organisation considers the Equity Diversity and Inclusion (EDI) as an integral part of their organisation, there are some highlights in this report demonstrate that the organisation needs to be more considerate in some EDI practices. In addition, it should adjust their polices related to local and international employees to meet their EDI strategy. The collected survey from staff shows how their performance would be more effective if the organisation amends some of their equality aspects when dealing with salary grades and benefits of international staff and how the non-profit organization would be much more inclusive.

II. Problem Statement

The organisation believes it is important to value everyone and to be fair and respectful. This holds whether they are an employee, participant in, or contributor to their work and regardless their background and fixed characteristics. While this can be challenging there are many advantages including a reduction in conflict, stress, tension, discrimination, unfairness, and anger experienced by individuals, organisations and societies, sometimes affecting globally.

The organisation focuses on six areas: disability, religion, age, gender, ethnicity/raceand sexual identity/orientation. Unfortunately, in the current state, many local staff have concerns about differences between their salaries and international staff's salaries even when both have the same grade and position, the rates of international staff are much higher. Some staff consider it as racial discrimination, others think that we cannot call it racial discrimination, but it is for sure unfair. They commented in the survey that local staff do the same effort as the international and sometimes more but get less salary.

Continuing with this current situation raises local staff dissatisfaction, creates an unfriendly environment, and contributes to higher turnover, which in turn does not match the organisation values and goals.

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(Carnahan. M, & Durch. W, Gilmore. S, 2006). Developing a more diverse system which contains the solutions for these concerns could help better implement the EDI strategy which focuses on creating an inclusive organizational culture.

This proposed research aspires to explore options for adjusting the EDI practices that could help the organisation to build more equality, diversity and inclusion into their environment. To do this, I carried out a full staff analysis and use it to propose appropriate solutions to this problem.

III. Research Objectives

The objectives that could be achieved to solve the problem of the differences of local and international grade salary are diverse. The first objective that I would like to start with is local and international grade salaries should be the same which would help to decrease prices occur in parts of the economy servicing international. The other objective that could support is that there is a large room to enhance the local economic impact, especially in local procurement practice and in how missions go about hiring and paying local.

Moving to the other objective where international positions can be replaced by national staff, which lead to significant cost savings and the legitimacy of the mission can be enhanced.

Also, missions' positive effects on local labour markets and the contribution to the growth of a locally driven "development sector" may foster the long-term development prospects of the economies that international institutions and donors are trying to help. (Laird, P. M., 2015)

Another objective which is local staff have knowledge of the local culture and business practices where the expats will need some time and training to become adjusted with a whole new culture and language, so everything will not work-out overnight.

One of the most crucial objectives is that the organisation should make local talent their first choice ensures that if culture mismatches occur, their new employees will not be stuck in midpoint.

The last objective is to lower the unemployment rate in the country which would provide a significant economic boost at a time when the economy needs it most here in Jordan.

IV. Research Questions

Does the difference between international and local employees' salaries effected the local staff performance?

The above question is one of the questions that was asked in the e-interview which was made through Microsoft teams. The researchers e-interviewed 4 managers and 2 officers. Also, the question was stated in the survey which was made via the organisation survey platform. 5 managers and 5 officers filled out the e-survey.

63% of the local staff indicated that there is a relationship between the difference in international and local salaries and local staff performance. 60% of the managers agreed that there is a relationship between salaries of international staff and performance of local staff. 35% of the local staff including managers demonstrated that international staff do not deserve higher salaries.

International staff take a month of leave; they get 12 days. The organisation pays for their accommodation, international health insurance and even their children's school fees; on the other hand, local employees do not get any of that. Even if local staff have comparable skills and qualifications. In addition, they do the same work. In fact, they understand the context of work better than international colleagues.

One of managers commented the following "For teachers they should get the same salary if they deliver the same work and not based on nationality as they should have the same qualifications in order for them to deliver English courses and teach English at the organisation. For project management and running programmes, salary should be the same too as local and international staff deliver the same work".

In the humanitarian aid and development sector, this is always the case. Local staff are paid less and receive fewer benefits than their expat colleagues, even when they do similar work and have similar qualifications. (Laird, P. M., 2015)

Because of this, the organisation should revisit their equality strategy as it is not only effecting the local staff performance, but also, 50 % of local staff consider it as racial discrimination. Giving international staff different packages which are better than the local staff packages is racial discrimination and as a consequence, it could lead to incremental negative long-term effects on the mental health of staff which would affect the organisation's goals (Wallace. S , Nazroo. J , & Bécares. L, 2016).

V. Literature Review

According to a recent study by the Economic & Social Research Council (ESRC), a UK governmental body, there is a huge gap in salaries in lower-income countries, with expats making 400-900 percent more than their local counterparts. The survey drew on the participation of around 1, 300 local and foreign employees from the humanitarian aid, education, government and business sectors in six lower-income countries, which are India, China, Malawi, Uganda, the Solomon Islands and Papua New Guinea. The organization, which published its findings, among other places, in The Guardian in April, concluded that this

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inequality cannot be attributed to either differences in experience or skills, but rather to the fact that foreign employees are coming from economies with higher average incomes, and therefore demand higher pay (Ying. L, 2016).

As well as this, a survey in the Suzhou area confirmed that local employees observed that their salaries in comparison to expats is unfair. Trustworthiness, locals showed a stronger effect on their evaluation of expats than on their job satisfaction and organizational commitment. There is a relationship between the salary and job satisfaction as well as organizational commitment (Leung, K. & Zhu, Y & Cungen. G, 2009).

In developing countries, there is also a large gap in the salaries of locals and expats, which leads to negative attitudes of locals. Amulti level study was conducted in China on the influence of low salaries in multinational corporation operations. Findings show that the negative effects of low compensation on outcome variables, namely, evaluation of and knowledge sharing with expats, as well as job satisfaction and intention to quit, were fully facilitated by distributive justice based on a comparison with expats (Leung, K., Lin, X. & Lu, L., 2014).

At the end, it is a well-established fact that during recent decades wage inequality has increased in many countries around the world. Inequality reflects differences in workers' individual and productive characteristics, growing concerns have been expressed about the consequences of inequality on local employees.

VI. Methods of Data Collection

I used aqualitative data as my research required knowledge about local staff's behaviours and opinion of international staff packages. As well as this, this methodology is less controlled, more informative and through it I gained information from local staff which impacted the results of my research.

To gain a better insight into what the organisation local employees think of the effect of international salaries on how they performance, e-interviews were conducted through Microsoft teams with 10 local employees (5 managers and 5 officers) from the organisation. The local employees were selected anonymously but I ensured to get managers' responses as well. E-Interviews were conducted through Microsoft Teams approximately 15 minutes each. Answers were recorded by note taking.

The e-interviews were transcribed, and an analysis was conducted. This involved analysing all the data from managers and officers through Microsoft Forms where I was able to review and investigate the outcomes.

Lastly, out of the e-interviews a more in-depth understanding of local employees' perceptions, motivations and emotions were collated and suggestions on how the problem could be. solved Below are a sample of the e-interview questions that were asked during the e-interview and stated in the e-survey.

1) How much do you like your organisation environment?1-10
2) Do you consider that your organisation is applying the EDI strategy on all staff??1-10
3) Do expat employees deserve higher salaries? 1-10
4) Do you agree that the company should expat workers swing into town and get paid far higher rates than their national colleagues?1-1
5) If you get the same salary as the international staff would you be more satisfied?1-10
6) Do you agree that the company should focus more and hire local staff? 1-10
7) Do you agree that the higher salary of international staff could affect the performance of local staff??1-10
8) Can we consider it as racial discrimination or not, please comment here if you have anything to add ?1-10
9) Do you have any suggestions on how we can solve this problem (grade salaries for international and local staff)?
10) Would you like to add any other comment? If yes, please add here….

In the end and after the findings of this research, the organisation should not differ the international packages from the national ones as this does not match their equality strategy and could have a real negative impact on how local staff perform and do their work. Also, it could lead to negative long-term effects on the mental health of staff which would 100% affect the organisation's outcomes and goals.

VII. Conclusion

The diversity and employee performance have an apparent relationship at the workplace. Unifying international and local employees' packages should be taken into account by the organisation to increase its employees' performance. By doing so and through including this aspect in its terms and conditions, the employees' productivity will be enhanced, they will feel more valued and their health and wellbeing will be impacted positively. This will contribute to the organisation's future success and help it to reach its goals effectively.

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