Employing an Innovation at Workplace

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Abstract: It is an exploration of the influence of racial diversity and problem solving at workplace. The benches are used for personal reasons or for reasons of competence, but also for reasons of quality. Description of the social and financial identity that have direct effects, positive and negative, respectively, on racial diversity in the organization.

Keywords: diversity; firm, performance; innovation, strategy

1. INTRODUCTION

The choice of basic strategies for the development of society and the association of the various racial groups with the choice of the students is superior to the level of the innovation of the companies. Specifically, racial diversity and rendering for the institutes and companies that remain an innovation strategy, the reasons why the council innovated, the rendering, the least.

2. CONCEPTUAL BACKGROUND AND THEORY

As part of a growing interest in the diversity of the workforce and its effects within the organization, researchers have developed diverse perspectives and theories to frame and guide diversity research. In other words, theories of diversity and racial organization suggest that there may be positive and negative effects on increasing the heterogeneity of the workforce.

3. SOCIAL IDENTITY THEORY AND THE NEGATIVE EFFECTS OF RACIAL DIVERSITY

As previously discussed, social identity theory serves as a foundation for explaining the negative effects of racial diversity. According to this theory, belonging to a group, such as a racial group, creates a psychological state that confers social identity or a collective representation of self-identity and behavior.

4. RESOURCE-BASED THEORY AND THE POSITIVE EFFECTS OF RACIAL DIVERSITY

In contrast to social identity theory predictions, the resource-based view of the firm provides a theoretical rationale for predicting a positive relationship between diversity and organizational performance. Resource-based theory proposes that organizations can achieve a sustainable competitive advantage by selectively obtaining and effectively utilizing physical, human, and organizational resources. Diversity and strategic human resource management scholars, however, suggest that competitive advantage gained through technological and/or physical resources have become easier to imitate and thus offer no relative advantage (e.g., Pfeffer, 1994; Richard, 1999). Thus, human resources may serve as a critical differentiating factor for organizations intent on achieving a sustainable competitive advantage. To do so, however, resource-based theory suggests that the sources of sustainable competitive advantage must be valuable, imperfectly imitable, and rare.

As argued next, racial diversity meets these requirements and thus may serve as a source of advantage. Racial diversity provides several opportunities for an organization to achieve a sustainable competitive advantage. Empirical studies have shown, for example, that heterogeneity in race is valuable to the firm because it can lead to increased creativity, flexibility, and better decision making and problem solving (e.g., Elsass & Graves, 1997; McLeod et al., 1996). Additionally, according to the marketing argument proposed by Cox and Blake (1991), organizations that can successfully attract a diverse workforce will obtain value by matching the demographic characteristics of the markets they serve, positioning them to sell to a broader and more diverse customer base and, subsequently, potentially increasing their organizational performance.

5. INNOVATION STRATEGY AS A CONTINGENCY VARIABLE

An organizational focus on innovation can serve as a key facet of firm strategy (Miles & Snow, 1978; Richard & Johnson, 1999). The resource based view considers business strategy part of the social context within which resources are embedded (Oliver, 1997). For a firm to take advantage of its resources, however, it must be in a position to exploit and benefit from them (Richard, 2000).

6. RESEARCH METHOD

The scenario for this study was the banking sector. Only one industry was chosen for several reasons. First, federal regulation requires banks to publicly disclose the same types of financial

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data. So, objective and comparable financial data are readily available. Second, the effects of the industry are controlled for a single sample of the industry. Finally, a variety of competitive strategies, customers and market coverage are used in the banking sector.

We use logistic regression analysis with dummy variable, if human resources independent variables included: size of bank, affiliation of holding company, seniority of bank, number of branches, performance of assets, and ROE None of the variables were significant, indicating a lack of support for response bias in the frame.

7. ANALYSIS AND RESULTS

Hierarchical regression analysis was used to test hypotheses. In the first step, the control variables were entered. In the second step, we entered the contingency, the innovation strategy, racial diversity as the main effect. The interaction variable used to testing the fit between racial diversity and variable contingency was then introduced in next step. The test of an interaction effect follows the concept. Using two variables for predicting a third variable is a statement of an interaction affects between the first two variables. This is consistent with recent studies of the theory of contingency.

TABLE 1: provides descriptive statistical information (for example, averages, deviations and correlations) for all variables.

TABLE 1
Means, Standard Deviations, and Correlations

Variable	M	SD	*1*	*2*	*3*	*4*	*5*	*6*	*7*
1. Bank size	11.7	1.25	—	—	—	—	—	—	—
2. Holding company	0.87	0.34	.19**	—	—	—	—	—	—
3. Bank age	77.6	40.13	.11	−.07	—	—	—	—	—
4. Gender diversity	0.33	9.37E-02	.04	.02	.06	—	—	—	—
5. Geographic scope	4.32E-05	5.61E-05	−.41***	−.02	−.00	.06	—	—	—
6. Innovative strategy	5.08	3.5	−.03	−.02	−.01	.05	.16	—	—
7. Racial diversity	0.12	0.16	.31***	−.15	−.06	.21**	−.11	.02	—
8. Return on equity	12.54	10.38	.23***	.02	.10	.01	.09	−.30***	.08

**$p < .05$. ***$p < .01$.

TABLE 2

Results of Hierarchical Regression Analysis: Return on Equity

Hypothesis Tested	*Variable*	*Standardized Beta Coefficient*	p *Value*
	Step 1–Controls (ΔR^2)	(.06*)	
	Bank size	.22	.037
	Bank age	−.01	.942
	Holding company	.06	.479
	Gender diversity	−.01	.915
	Geographic scope	−.01	.490
	Step 2–Moderator (ΔR^2)	(.46****)	
	Innovation strategy	−.68	*ns*
	Step 3–Main effect (ΔR^2)	(.00)	
1, 2			
	Racial diversity	.00	.994
	Step 4–Interaction (ΔR^2)	(.07****)	
3			
	Racial Diversity × Innovation	.84	*ns*
	Total R^2 (adjusted R^2)	.59 (.56)	
	Full model *F* value	22.16****	

*$p < .10$. ****$p < .001$.

Table 2 shows the results of the hierarchical regression analysis.

Assumption 1a stated that racial diversity at the organizational level would be negatively associated with the performance of the company, while its competing hypothesis 1b affirmed that racial diversity is positively associated with the performance of the firm. As shown in Table 2, no hypothesis has been confirmed ($\beta = .00$, $p = .994$).

Hypothesis 2 postulates that racial diversity and an innovation strategy; it would affect the performance of the business through a positive interaction effect.

8. LIMITATIONS

Some limitations are inherent in this study. First, it was limited. in the banking sector. As a result, the results cannot be generalized to other industries. Several responses preferred the survey responses. In addition, the transversal nature of the data and the use of regression analysis exclude any inference of causality between the variables.

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