Diversified Workforce and Employees' Performance: Moderating Effect of Bureaucratic Leadership in Third Sector

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With the global workforce undergoing unprecedented diversification, organizations in the Third Sector are compelled to scrutinize the intricate relationship between a diverse workforce and employees' performance. This paper delves into the nuanced dynamics within the Third Sector, focusing on the moderating effect of bureaucratic leadership on the link between workforce diversity and performance. The unique challenges and opportunities faced by non-profit organizations, NGOs, and social enterprises underscore the significance of this study. The research employs quantitative surveys to offer a holistic understanding of the complex interplay among workforce diversity, bureaucratic leadership, and employee performance. The study aims to identify patterns, correlations, and moderating influences that may provide valuable insights for organizations within the Third Sector. The key variables under investigation include workforce diversity, assessed through established scales regarding age, gender, ethnicity, and educational background diversity; employees' performance and bureaucratic leadership were also measured through established scales. Data was collected from diverse employees across various levels and departments within Lahore's third-sector organizations. The analysis employed statistical tools like regression analysis for quantitative data. This research seeks to contribute to the academic understanding of the subject and provide practical implications for organizational leaders in the Third Sector. The findings aim to guide effective decision-making, foster inclusive leadership practices, and enhance organizational performance in a diverse workforce.
1. Introduction

In Pakistan's third sector, the diversified workforce plays a crucial role in contributing to organizations' overall success and performance. With employees from various backgrounds, cultures, and experiences, the sector benefits from multiple perspectives and ideas. This diversity fosters innovation and creativity, ultimately leading to improved problem-solving and decision-making processes. As per the World Bank, the third sector has shown significant growth in developing and developed countries in the mid-seventies. It is an idea that 6,000 to 30,000 national NGOs are working in developing countries (Helmold & Samara, 2019). An organization may be labeled as a non-governmental organization (NGO) if it is voluntary, independent, not-for-profit, and not self-serving in objectives and related values (Lewis, 2018).

These value-based organizations (Aziz, 2019) either fully or partially depend on charitable donations and voluntary service. It is easy to consider NGOs as one group. However, the interests and perspectives are so diverse indeed. The main idea of a diversified workforce is to let people cooperate despite the fact that they all belong to different genders, ages, cultures, etc., so that they can share and expand their knowledge of helping in a productive manner (Batti, 2014). Thus, this study delves into nuanced dynamics within the Third Sector, focusing on the moderating effect of bureaucratic leadership on the link between workforce diversity and performance.

Employees' performance is understood as expected from the workers' allied activities and then how well these were executed by them (Ingsih et al., 2021). Bosses ration their subordinates' progress on an annual or quarterly basis. It helps them identify areas requiring improvements. Leadership has the ability to achieve something extraordinary through the engagement of people. Leadership may make or break an organization (Waltré et al., 2023). Unlike treating every employee the same and not identifying & responding to the differences, one way to guarantee employee retention and greater output. This ultimately led to turnover, interpersonal disputes, and overall organizational performance and reputation (Madera et al., 2023). Public, private, and third-sector leaders pay attention to diversity issues (Oman, 2023; Brennan, 2022). Leaders of nonprofit-seeking organizations face different challenges, so they require exceptional skills to meet these challenges.

An NGO is an organization with a diversified workforce as a core characteristic, so NGOs are selected rather than business organizations. Firstly, four main factors, such as gender, ethnic background, age, and education level, were measured for this study. These are the most important, among others, in understanding workforce diversity in an organization. Secondly, the impact of a diversified workforce on employees' performance is studied. The distinguishing feature of this study is that it incorporates the moderated effect of the bureaucratic leadership style, which strengthens the relationship between a diversified workforce and employees' performance. An empirical study was conducted in the third sector of Punjab, Lahore, which helps to examine the issues allied to workforce diversity and employee performance. Numerous studies have been conducted to see the effect of a diversified workforce on employee performance. However, this study is amongst the first to explore how workers from different age groups, educational backgrounds, genders, and ethnicities may perform differently in a non-governmental organization, with a moderating effect of
bureaucratic leadership adopted by the manager for a diversified workforce. Thus, this study aims to explore the impact of workforce diversity on employees' performance in a non-profit organization (NGO) with a moderating effect of bureaucratic leadership style. For workforce diversity, dimensions such as gender, educational background, age, and ethnicity of employees are considered, which are the most important among other variables.

The following sections, including the literature review, dig deeper into existing studies to have a clear hypothesis for this study. The research methodology part shows how the research was carried out. At the same time, the results and discussion section presents the study results and critical discussion with previous studies on the subject matters and building the new argument. The conclusion and recommendation part that concludes the study findings and based on that policy recommendation are presented.

2. Literature Review

2.1 Diversified Workforce and Employee Performance

Diversity in the workforce has been proven to be the foundation for employee effectiveness (Brennan, 2022; Junejo et al., 2023). Diversity in the workforce leads to creativity, a broader range of outlooks, better problem definition, more substitutes, and better results (Adler & Jelinek, 1986). Workforce diversity remains useless if gender issues are not acknowledged and coped (Brown, 2008). Equal Employment Opportunity (EEO) provision to women is vital to better employee performance (Kochan et al., 2002). Another study (Backes-Gellner & Veen, 2009) argued that age heterogeneity and ethnic background may generate many potential paybacks if placed in the organization. According to Temmermans et al. (2011), diversity among employees is frequently seen as a good thing since it may expand the search space and foster a more creative and open-minded environment within the company. Daniel (2009) highlighted that as an individual (as he/she) will attain higher education, the worker will be more productive.

2.2 Bureaucratic Leadership Style and Employee Performance

The rationale for managing diversity is never so simple. The leadership style also plays a crucial role in shaping employee performance (Maqsoom et al., 2020). With the novel opportunities and breaks in business rising, the need for diversity is more significant. Today's organizations are more diverse than ever. Race, gender, experiences, and all other attributes lead to unique beings. If we name not all but just a few, logical procedures, vibrant goals, fair rewards, unbiased appreciation, clear communication, and respect towards all must be part of the leadership across all sectors. However, there are exceptional features and an immense importance of leadership in nonprofits (Zgourides et al., 2002). The fundamental difference Non-profit Organisation (NPO) leaders face is managing full-time and volunteers to fulfill their missions. Many NPOs initially occupy their people through voluntarism.

Unlike a business owner, a leader must operate with a diverse definition of capital. It is not just financial but nonfinancial, i.e., the social value of a piece of work cannot be calculated in
monetary terms but is the value assigned to people's volunteered time, properties donated, and skills they share. The leader of NPOs had to provide a social return on such investments by acknowledging the need to provide space and flexibility to such investors at ease. Such leaders had to involve people and work with these volunteers for social returns resulting from work (Zgourides et al., 2002). Every NPO is unique, so a unified set of competencies is not a viable solution every time. There are seven essential skills a leader must have in a non-profit organization.

These are financial management, ensuring that diversified stakeholders are in safe hands. It also deals with creating a balance between diversified needs on a priority basis. Fundraising: A successful leader must be capable of attracting donors to ensure a sustainable streamlining of funds. Human Resourcing: Nonprofit organizations must constantly change their projects, squads, and ways of doing things. They must know the art of dealing with diverse people. Program Knowledge: It is binding on NPO leaders to have work knowledge in all relevant areas. Board of Governance: every NPO must have a board of directors that looks after every aspect centrally. Every nonprofit must have a realistic plan for planning. As every contributor wants, NGOs plan to help people efficiently and effectively. Community Relations and Communication: Nonprofit leaders must not be scared to make speeches, greet, meet, increase social network, and be visible frequently to the community (Zgourides et al., 2002).

Supervisors must perceive the pros and cons of various leadership styles as these significantly impact employee performance and long-term organizational performance (McColl-Kennedy & Anderson, 2002). This also led to Organisational Citizenship behavior (OCB). The bureaucratic organizational leadership style involves sharing responsibility, delegates, and holding regular meetings (Heneman & Gresham, 1999). Further, encouraging our subordinates and involving them in decision-making leads them to be more committed. Such employees meet their deadlines afterward and show significantly better performance.

2.3 Theoretical Model and Hypotheses

An NGO is an organization with a diversified workforce as a core characteristic, so NGOs are selected rather than business organizations. Four main factors, gender, ethnic background, age, and education level, were measured for this study as these are the most essential factors in understanding workforce diversity in an organization. Secondly, the impact of a diversified workforce on employees' performance is studied. The distinguishing feature of this study is that it incorporates the moderate effect of bureaucratic leadership style, which strengthens the relationship between a diversified workforce and employees' performance. An empirical study was conducted in the third sector of Punjab, Lahore, which helps to examine the issues allied to workforce diversity and employee performance closer.

Based upon the above literature and the identified gap, this research is conducted to identify factors impacting the performance of employees of a diversified workforce in a nonprofit organization. This research may provide guidelines to potential entrants who wish to start their
careers in NGOs. Moreover, researchers want to provide a methodology that can be applied to analyze a diversified workforce and its impact on employees' performance.

Figure No 1: Theoretical Framework of the Study

The following are the hypotheses based on the comprehensive literature.

\[ H_1: \text{There is a significant relationship between AD and EP.} \]
\[ H_2: \text{There is a significant relationship between GD and EP.} \]
\[ H_3: \text{There is a significant relationship between ED and EP.} \]
\[ H_4: \text{There is a significant relationship between EDD and EP.} \]
\[ H_5: \text{BLS significantly moderates the relationship between AD and EP.} \]
\[ H_6: \text{BLS significantly moderates the relationship between GD and EP.} \]
\[ H_7: \text{BLS significantly moderates the relationship between ED and EP.} \]
\[ H_8: \text{BLS significantly moderates the relationship between EDD and EP.} \]

3. Methodology

3.1 Data Collection Methods

The critical objective was to investigate the association between study variables, i.e., workforce diversity, bureaucratic leadership style, and employee performance. Thus, to test the proposed hypotheses, this study followed quantitative, non-experimental, and correlational types of research. Furthermore, this study also examines how different factors can influence employees'
performance, which is co-relational. This study was conducted in a non-contrived setting with the minimal role of the researcher, i.e., limited to the explained items of the questionnaire and the purpose of the study to the respondents only.

Employee performance is the dependent variable of the study. Employees' performance is understood as expected from the worker's job allied activities and then sees how well these were executed by them (Ingsih et al., 2021). A diversified workforce is taken as the independent variable. A significant challenge NGOs face is managing diverse groups in the workforce to ensure their commitment to the organization's mission. Many others experience challenges in employee motivation who are from diverse ages and gender (Tatli & Özbilgin, 2012). Bureaucratic leadership is the moderator of this study. Bureaucratic leadership style was suggested by Max Weber in 1947. In this system, employees follow specific rulebooks, and a clear line of authority is formed by the managers (Abun, 2022). Demographic variables of the study are age, gender, education level, job position, and Ethnicity.

Moreover, the author controlled two variables, working experience, and marital status, since these might potentially impact study variables. Employees' marital status was controlled in this study as this may be a causal factor of high or low performance. Organizations must be flexible, not rigid. The organization's policies must be devised to let its employees maintain a work-life balance, as it is observed that such organizational practices lead to employee engagement and retention more than expected (Kossek & Ozeki, 1999). Work experience of employees was controlled due to its impact on employee performance. Previous studies have shown the effect of job tenure on the employees' overall performance (Ng & Feldman, 2010).

The time-lagged structure was utilized to lessen common method bias (Podsakoff et al., 2023). Data is collected on the criterion and predictor variables at different periods. Further, this study was cross-sectional because the data had been collected from respondents at one point. At the same time, the analysis units were individual NGO employees.

Data was collected from the employees of registered NGOs operating in Lahore city. Lahore was targeted as it is the capital of Pakistan's most developed province, i.e., Punjab. Moreover, it is the center of many business and social activities after Karachi. Further, people from diverse backgrounds live in Lahore, so most diverse NGOs concerning employees were accessible in Lahore. A total of 973 registered NGOs are working in Pakistan, including NGOs working for animal protection, arts/heritage, development, education & training, environment & energy, health, poverty alleviation, environment protection, protection of human rights, legal, protection of vulnerable groups, peace and conflict resolving, research work, and international NGOs. Of these 973 NGOs, 353 are in the province of Punjab, out of which 109 are working in Lahore; this implies the significance of Lahore city in the third sector.

For generalizing this study's outcomes, the sample size was selected by following the (Cochran, 1977) formula, which is quite popularly used for determining the sample size for survey research, especially in social sciences, because it is easy to use and quite fit in situations where
researchers came across with the problem of unknown populations. It suggests that the sample size is equal to \( n_0 = \left( \frac{Z^2 \times pq}{e^2} \right) \); the sample size derived by applying this formula was 384 full-time employees from different NGOs.

NGOs were selected using simple random sampling because this technique gives each NGO an equal chance of being selected as a sample. Another reason to prefer this method is that it minimizes biases and ensures the highest level of generalizability (Berger & Zhang, 2006). Employing the abovementioned practice, we selected 66 out of 109 Registered NGOs working in Lahore. Since there were, on average, 7 to 8 full-time employees working in each NGO, we had to target approximately 66 NGOs (7 x 66 = 462) to obtain 384 responses.

The questionnaire was compiled in English and contained close-ended questions. The survey instrument was divided into two parts. The first part comprises some demographic details, and Section A addresses participant demographic information, including name, position in the organization, age, education level, gender, work experience, ethnicity, and marital status.

Section B is composed of workforce diversity measured through variables, namely, gender, age, ethnicity, and educational background, which will define the influence of workforce diversity on employees' performance. Nine items covered the impact of gender, the effect of age consisted of five items, the impact of ethnicity comprised eight items, and the effect of education level contained four items. The second part of the survey instrument contained three sections, namely C and D. Section C composed of ten items about bureaucratic leadership style. The last Section D consisted of nine items measuring employee performance.

Data was collected by using a self-administered questionnaire from NGO employees. As mentioned, the data was collected in two different time intervals to minimize bias. At the first point in time (T1), data for the measures of workforce diversity and its four dimensions, namely age, gender, ethnicity, and educational level, was collected. Two weeks after T1, at a second point in time (T2), data for employee performance, bureaucratic leadership style, and demographics were collected. The data was gathered in a natural work setting. A permission letter explaining the nature of research provided by the institute, UMT, Lahore, was used to obtain permission from the chairperson in each NGO. The objectives of the study were explicitly told to them. After obtaining consent, questionnaires were distributed to the participants.

Data was collected in two breakers. A total of 500 questionnaires were distributed among employees of the 66 NGOs. The researcher could not get back all distributed questionnaires; 422 questionnaires were received back, of which 384 usable and valid matched pairs of survey instruments were available for further statistical analysis. Hence, the response rate was (384/500 = 76.8%). The cooperation of the authorities and participants was highly appreciated.

3.2 Estimation Techniques

The researcher adopted well-established and widely used scales to measure study variables in previous studies. The questionnaires (T1 and T2) comprised 45 five-point Likert scale items. The
respondents were asked to choose the number and the scale closely depicting them and their preferences. The questionnaires (T1 and T2) consisted of 45 Five-point Likert scale items with four sections: A, B, C, and D, respectively. The respondents were asked to choose the number along a scale which closely matches their preferences. The first set of questionnaires (T1) was distributed to full-time NGO employees to collect information about workforce diversity practices prevailing in their respective organizations. Then, the second set of questionnaires (T2) was distributed to the same employees who were asked about bureaucratic leadership practiced in their respective NGOs and its impact on their performance.

Section A collects respondents' demographic information. This includes name, gender, ethnic background, age and designation, education level, working experience with current organization, total work experience, and marital status. Section B comprises a diversified workforce through four variables, namely, age, gender, ethnicity, and education level, which determine the impact of diversity on employees' performance. A nine-item scale used by (Abbas & Hameed, 2010) is adopted, which measures the effect of gender on employees' performance. Participants were asked to estimate these nine items using a five-point Likert Scale, ranging from 1 for strongly disagree to 5 for strongly agree. A five-item scale used by (Abbas & Hameed, 2010) is adopted and measures the impact of age on employees' performance. Participants were asked to measure these five items using a point Likert Scale, and the range was from 1 for strongly disagree to 5 for strongly agree.

An eight-item scale is used (Giles, 2008) and measures the impact of ethnicity on employees' performance. Participants were asked to estimate these eight items using a five-point Likert Scale, and the range was from 1 for strongly disagree to 5 for strongly agree. A four-item scale is used (Giles, 2008) and measures the impact of an employee's educational background on his/her performance. Participants were asked to measure these four items using a five-point Likert Scale, ranging from 1 for strongly disagree to 5 for strongly agree.

Section C comprises ten questions that talk about employees' performance. Ten items used by (Giles, 2008) are adapted to measure employees' performance. Participants were asked to measure these ten items using a five-point Likert Scale, ranging from 1 for strongly disagree to 5 for strongly agree. Section D comprises nine questions that talk about bureaucratic leadership style. The nine-item scale used by (Bass, 1985) is adopted to measure the effect of bureaucratic leadership style. Participants were asked to measure these nine items using a five-point Likert Scale, ranging from 1 for strongly disagree to 5 for strongly agree.

Before analyzing hypothesized relationships of the theoretical model, descriptive statistical analysis was performed to get descriptive and internal consistencies of data, including mean, standard deviations, and Cronbach's alphas (α) of study variables using SPSS version 25. Correlations were computed by using Pearson Product-Moment correlation. Several model fit indices were evaluated; hierarchal regression was used to find the predictors of employee performance.
4. Results and Discussion

4.1 Descriptive Statistics

Table 1 provides frequency analysis for respondents by age, education, service, and gender. The majority of the participants belonged to the 30 to 35 years age group (48%), followed by the 36-40 years age group (30%) and the age group above 41 years (22%). The findings indicated that 52% of the participants were male, while 48% were female. Comprehensive details of education and service and their frequencies are also in Table 1.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Frequency</th>
<th>Percent</th>
<th>Service Group</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-35</td>
<td>183</td>
<td>48</td>
<td>1-5 years</td>
<td>160</td>
<td>42</td>
</tr>
<tr>
<td>36-40</td>
<td>116</td>
<td>30</td>
<td>5-10 years</td>
<td>180</td>
<td>47</td>
</tr>
<tr>
<td>41-above</td>
<td>85</td>
<td>22</td>
<td>&gt;10 years</td>
<td>44</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Education</th>
<th>Frequency</th>
<th>Percent</th>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor</td>
<td>220</td>
<td>57</td>
<td>Male</td>
<td>200</td>
<td>52</td>
</tr>
<tr>
<td>Master</td>
<td>158</td>
<td>41</td>
<td>Female</td>
<td>184</td>
<td>48</td>
</tr>
<tr>
<td>PhD</td>
<td>06</td>
<td>02</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As per Cronbach (1951), the threshold value to verify a scale's items' reliability and internal consistency should be equal to or greater than 0.7. Reliability test outcomes of the current study and Cronbach's α for all variables' scales after deleting some items met the threshold value, ranging from (i.e., 0.72 to 0.89). This indicates that all variables have 72% to 89% internal consistency, and no reliability issues were in the data set. The analysis also met the multicollinearity assumptions, given that the tolerance values range from 0.68 to 1.00. In contrast, the value inflation factor (VIF) ranges from 1.00 to 1.46, indicating that multicollinearity was not a problem in this study.

4.2 Regression Results

The results of the hierarchical regression (Table 2) show that the inclusion of gender diversity into Model 1 accounted for 7% variance in employee performance, $R^2 = 0.07, \Delta R^2 = 0.07, F(1, 382) = 28.43, P < .001$, and the analysis showed evidence of a significant effect of gender diversity on employee's performance ($\beta = .26, CI = 0.20, 0.43, P < .001$), thus author accept research hypothesis 1. Also, the inclusion of age diversity into Model 2 added 10% variance in predicting employee performance, $\Delta R^2 = 0.10, F(1, 381) = 46.94, P < .001$, and it significantly predicted employee's performance ($\beta = .33, CI = 0.19, 0.35, P < .001$), thus we accept research hypothesis 2. The analysis showed that adding ethnic diversity in Model 3 showed an additional 8% variance in predicting employee performance, $\Delta R^2 = 0.08, F(1, 380) = 41.76, P < .001$. It significantly predicted employee performance ($\beta = .34, CI = 0.21, 0.39, P < .001$); thus we accept research hypothesis 3.

Further, the analysis showed that the inclusion of educational diversity into Model 4 added 19% variance in predicting employee performance, $\Delta R^2 = 0.19, F(1, 379) = 131.67, P < .001$, and it significantly predicted employee performance ($\beta = .49, CI = 0.23, 0.33, P < .001$). Thus, we accept research hypothesis 4. Hypothesis 5 was not supported and therefore rejected due to the insignificant
effect. Gender and ethnic diversity interacted with employee performance. The inclusion accounted for an additional 2% variance in predicting employee performance. Significantly impact on employee performance, $\Delta R^2 = 0.02, F(2, 376) = 5.23, P < .001$, and it significantly predicted employee performance ($\beta = -0.11, CI = -0.42, -0.06, P < .001$) for gender with significant adverse effect and, ($\beta = 0.11, CI = 0.02, 0.30, P < .001$) for Ethnic background with substantial positive impact, thus both research hypotheses 6 and 7 were accepted. Hypothesis 8 was not supported and, therefore, rejected. The interaction slopes show that higher BL dampens the relationship between GD, ED, and EP (Figures 2 and 3).

### Table No 2: Results of the Hierarchical Regression Analysis (Direct & Moderation Effect)

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee's Performance</th>
<th>Model 1</th>
<th>CI: 95%</th>
<th>Model 2</th>
<th>CI: 95%</th>
<th>Model 3</th>
<th>CI: 95%</th>
<th>Model 4</th>
<th>CI: 95%</th>
<th>Model 5</th>
<th>CI: 95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>0.26***</td>
<td>0.20,</td>
<td>0.18***</td>
<td>0.09,</td>
<td>0.11***</td>
<td>0.02,</td>
<td>0.05***</td>
<td>0.03,</td>
<td>0.05***</td>
<td>0.04</td>
<td>0.43</td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>0.32</td>
<td></td>
<td>0.32</td>
<td></td>
<td>0.24</td>
<td></td>
<td>0.16</td>
<td></td>
<td></td>
<td>0.16</td>
</tr>
<tr>
<td>Age</td>
<td>0.33***</td>
<td>0.19,</td>
<td>0.18***</td>
<td>0.07,</td>
<td>0.09***</td>
<td>0.00,</td>
<td>0.06***</td>
<td>0.03</td>
<td></td>
<td></td>
<td>0.35</td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>0.23</td>
<td></td>
<td>0.23</td>
<td></td>
<td>0.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.13</td>
</tr>
<tr>
<td>Ethnic</td>
<td>0.34***</td>
<td>0.21,</td>
<td>0.22***</td>
<td>0.11,</td>
<td>0.06***</td>
<td>0.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.39</td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>0.39</td>
<td></td>
<td>0.39</td>
<td></td>
<td>0.27</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.13</td>
</tr>
<tr>
<td>Educational</td>
<td>0.49***</td>
<td>0.23,</td>
<td></td>
<td>0.23</td>
<td></td>
<td>0.49***</td>
<td>0.23</td>
<td></td>
<td></td>
<td></td>
<td>0.33</td>
</tr>
<tr>
<td>Diversity</td>
<td></td>
<td>0.33</td>
<td></td>
<td>0.33</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL_X_ED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.11***</td>
<td>0.02</td>
<td></td>
</tr>
<tr>
<td>BL_X_GD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-0.11***</td>
<td>-0.42</td>
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Model Fit Statistics

<table>
<thead>
<tr>
<th>F-Value</th>
<th>28.43**</th>
<th>46.94***</th>
<th>41.76**</th>
<th>131.67**</th>
<th>5.23***</th>
</tr>
</thead>
<tbody>
<tr>
<td>R2</td>
<td>0.07</td>
<td>0.17</td>
<td>0.25</td>
<td>0.45</td>
<td>0.47</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>0.07</td>
<td>0.10</td>
<td>0.08</td>
<td>0.19</td>
<td>0.02</td>
</tr>
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</table>

Note: *** $P < .001$
Figure No 2: Interaction Slope (GD > BL > EP)

Figure No 3: Interaction Slope (ED > BL > EP)
The study identifies the significant impact of a diversified workforce on an NGO's employees' performance by incorporating the idea of a bureaucratic leadership style. Our findings offer valuable suggestions for managers who are required to deal with and lead a diversified workforce. These suggestions connect everyone, create collaboration by clearly identifying company and department goals, and keep constant communication open to give frequent coaching and feedback on how they are doing and what else they should do for improvements.

Further, our results tell managers the advantages of adopting a bureaucratic leadership style as they manage a diversified workforce in an NGO where they have to manage both volunteers and full-time employees to enhance the efficiency of their subordinates and, in the long run, the overall organizational performance. The main advantages of adopting a Bureaucratic leadership style are: it promotes a high level of creativity, removes favoritism to job security, allows upward scalability, encourages familiarity with each other within and outside the organization, you can easily predict results by having a concurrent control over the teams working under a manager. This study also acts as a guideline to potential employees in NGOs by telling them how to tackle the behavior of their leaders to be a better subordinate and, in turn, a better employee. One can be a better employee by being honest, volunteer, flexible, authentic, holding social gatherings, and showing gratitude regularly.

5. Conclusion and Recommendations

A diversified workforce in the Third Sector can bring numerous benefits to organizational performance. The findings of this study emphasize the significant role of a diversified workforce in enhancing employee performance within Pakistan's third sector. The research highlights that embracing diversity and inclusivity benefits organizations in terms of innovation, problem-solving, and stakeholder relations and directly contributes to improved employee engagement and productivity. Moreover, the study underscores the importance of considering leadership styles, particularly bureaucratic leadership, in effectively harnessing the potential of a diverse workforce to enhance employee performance. By acknowledging and addressing these dynamics, organizations in the third sector can optimize their performance and achieve their organizational goals more effectively. However, to fully realize these benefits, organizations must foster an inclusivity culture and implement inclusive leadership practices. Moreover, the role of bureaucratic leadership plays a crucial moderating effect in this relationship. By promoting equity in opportunities, inclusive decision-making, and continuous evaluation and adaptation, organizations can leverage their employees' diverse talents and perspectives to drive innovation and achieve sustainable success.

6. References


