

Impact of Diversity Management on Employee Engagement: The Moderating Role of Perceived Organizational Support among Non-executive Employees in Hotel Sector in Kandy District of Sri Lanka

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Abstract

In today's dynamic business environment, diversity management (DM) has become a key strategic tool for enhancing workforce effectiveness. In this study, which explores the relationship between diversity management (DM) and employee engagement (EE), perceived organisational support (POS) plays a moderating role among non-executive employees in the hotel sector in the Kandy district of Sri Lanka. This sector has a diverse workforce and customer base, where non-executive employees often experience complex and stressful work environments, as they are the backbone of service operations. Although they make a significant contribution to the national economy, this area is still understudied. A quantitative, cross-sectional research design was adopted with a structured questionnaire distributed to targeted non-executive hotel employees, and using stratified random sampling, 254 respondents (N= 254) were selected from a population of 736 based on Morgan's table. SPSS version 21 was used to analyse the collected data. Reliability analysis confirmed high internal consistency across constructs with a Cronbach's alpha value of 0.842. The findings showed that all four DM dimensions positively (age: 0.57, gender: 0.59, ethnicity: 0.67, and disability: 0.42) and significantly ($p < 0.01$) affect EE. In addition, Multiple Regression Analysis confirmed that all these dimensions significantly predicted EE, while Moderation Analysis indicated that a statistically significant moderating effect of POS on the relationship between DM and EE (interaction term: $\beta = -0.217$, $p = 0.008$). These findings highlight the complexity of POS in diverse environments, providing new insights into diversity dynamics within the Sri Lankan hospitality industry. Policymakers and hotel managers are advised to create inclusive and supportive policies that promote EE and organisational sustainability, thereby contributing to the advancement of this industry.

Keywords: diversity management, employee engagement, hospitality sector, non-executive employees, perceived organizational support