

## **The Impact of Diversity Management and Leadership on Performance in Maritime Industry**

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**Abstract:** Many shipping companies hire crew members from different nationalities and cultural backgrounds due to several reasons such as cost reduction and the unavailability of national seamen. Shipping companies also face major problems when managing a diverse group of crew members on-board like cultural differences and communication problems. These problems are reported to have an impact on the company's overall performance. Therefore, this study tries to investigate the impact of diversity management policies and leadership on shipping companies' performance. A questionnaire survey has been conducted on shipping professionals working in Turkish companies. The model of the study was tested using structural equation modelling. The results indicate that diverse policies and strong leadership can improve a company's performance by raising personal and organizational awareness in the company.

**Keywords:** diversity management; leadership; organizational performance; maritime industry

**JEL Classification:** M14

### **1. Introduction**

Diversity management and leadership have been some of the most written subjects of management, in general and organizational behavior, in particular. The way an organization perceives and handles diversity can have a significantly profound impact on its culture and existence.

Diversity may be perceived by an organization as a boon or as a necessary evil. However, an organization's perception of diversity will significantly influence the policies that are created and in the long run the organizational culture that comes into being.

Organizations that aim to achieve global market relevance need to embrace diversity in their thoughts, actions and innovation (Llopis, 2011). However, it is important to note that like any other ideas, the concept of diversity is also constantly evolving. From organizational perspective, the new understanding of diversity involves more than increasing the number of different identity groups on the payroll. The focus is shifting from macro aspects of diversity such as the diversity of genders, nationalities, faiths,

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cultures and varying age-groups etc., to finer aspects such as diversity of opinions, social views and nuanced thought processes.

Regardless of the different levels or the varying extents of diversity in organizations, it is easy to deduce that diversity is being recognized as a strength for organizational success. How well diversity is managed in any organization is most significantly determined by the attitude of that organization's leaders towards diversity. While some organizational leaders may embrace diversity, others may subtly discourage it, deliberately or otherwise.

The success of any organization in today's globalized and competitive environment also depends on effective management of heterogeneity in culture, functions, knowledge and skills (Lawal et. al., 2018). Diversity management has been accepted as an important aspect of contemporary management practices since it significantly impacts organizational performance in general. Diversity management is rapidly emerging as a strategy to create a richly diverse and inclusive work environment. Successful application of such practices is found to have a profound impact on organizational performance.

Diverse teams that demonstrate a wide range of perspectives and ideas seem to consistently outperform like-minded groups particularly while working on complex problems and challenging situations. There are numerous research articles that highlight the relationship between effective diversity management and organizational performance. The reason behind diversity having such a positive impact is quite obvious. Diverse groups are less vulnerable to groupthink, a cognitive phenomenon which is observed when teams make ineffective decisions because they value conformity and harmony over objectivity, critical evaluation and accuracy of analysis. Diversity in work groups constantly presents opportunities to view the world through a variety of cultural lenses, and this in turn leads the groups to make better decisions and create more effective solutions.

Diversity management is especially important for maritime industry particularly shipping companies. These companies hire crew members from different nationalities and cultural backgrounds as part of cost reduction and due to the shortage of national seagoing personnel (Progoulaki & Theotokas, 2016). The multiculturalism of crews is one of the key elements of the universal character of shipping industry (Theotokas & Progoulaki, 2003). Previous researches about multicultural crews have been focusing on the issues of crew members' diversity. The companies' lack of strategic diversity management policies and practices unfortunately has been ignored (Progoulaki & Theotokas, 2016, p. 861).

An organization's perception and attitude toward diversity are largely shaped and influenced by its leadership. How leaders perceive diversity in an organization further goes on to shape their organizational strategy in general and human resource management strategy to be specific. Through this research study, the aim is to investigate the relationship between diversity management perception and diversity management awareness, leadership practices and their influence on organizational performance in maritime industry in Turkey.

## **2. Theoretical Background and Hypotheses Development**

### **2.1. Diversity Management**

Diversity is described as visible and non-visible differences of people according to their sex, age, race, background, disability, personality and work style. In literature, beyond aforementioned elements, several dimensions were considered in order to better understand diversity. For example, Ardakani et al. (2016) posited following dimensions: Personality, Internal dimensions including race, age, gender, sexual orientation, physical ability and ethnicity. External dimensions such as geographic location, recreational habits, personal habits, income, religion, educational background, work experience, marital status, parental status and appearance, and Organizational dimensions which consist of management status, work content/field, union affiliation, seniority, functional level/classification, division/department/unit/ group, and work location.

On a broader sense, managing diversity starts with accepting these differences and aims to harness them in order to create a productive environment where everybody feels valued, their talents are being fully utilized and in which organizational goals are met (Kandola & Fullerton, 1998). Organizations in public sector and private sector have been conducting diversity policies since the 1960s in European countries and the United States. In the 1960s and 1970s, primary aim of these policies was to enhance equal opportunities or outcomes for all people. These policies are based around the idea that people should have access to jobs without consideration of their sociodemographic group (Kirton & Greene, 2005). Immigration and increase of female participation in working environment have changed the composition of the workforce in Western countries. Public sector organizations were among the first to emphasize the importance of employing a diverse workforce reflecting the diversity of the population. Organizations in private sector began to support the importance of a diverse workforce in the late 1980s. A diverse workforce has been a reality today and effective management of this diversity has increasingly become a managerial issue.

In the diversity management literature, there have been three views on the meaning of diversity management. The first one is a traditional view based on recruitment, affirmative action, and equal employment opportunity processes. This diversity program tries to ensure that all groups in the organization are represented adequately. The second view is a more management-oriented approach which focuses on employee retention, performance, and collaboration. In response to the growing diversity in the United States workforce, Roosevelt Thomas supported this view and argued for a need to move beyond employment opportunity and affirmative action policies, because these are unable to develop the full potential of a diverse workforce (Roosevelt Thomas 1990). In other words, what he believed is that that diversity management is “a movement away from or an alternative model to traditional equal employment opportunity policies and practices or the second generation of equal employment opportunity” (Thompson, 1997, 195). The third view is a comprehensive approach which contains elements of both affirmative action/ equal employment opportunity and diversity management programs. According to these programs, all diversity-related processes and programs are considered under a large “diversity management” umbrella (Pitts, 2009).

In the literature, studies which are focused on the effects of diversity management on individual and organizational outcomes have attracted attention and these studies have yielded contradictory findings

(Jehn, & Bezrukova, 2004). While some studies concluded that diversified work groups produce higher-quality solutions than the less diversified ones (Cox, Lobel, & McLeod, 1991; Milliken & Martins, 1996), others claimed that the diversified groups indicated lower levels of integration and higher levels of dissatisfaction and turnover than the less diversified groups (O'Reilly, Caldwell, & Barnett, 1989). In short, these two perspectives have shaped research on the impacts of diversity management (Choi & Rainey, 2010). One perspective which is based on information and decision-making theories discusses diversity as effective management which can benefit organizations by providing a broad range of ideas, skills, and insights that can improve organizational capabilities to solve problems and make better decisions (Cox & Blake, 1991; Ely, 2004). In other words, this perspective is known as the new managing diversity paradigm which has been built on the norm of "individual recognition" and how it could be instrumentalized to improve organizational performance (Verbeek, 2011). The other perspective depends on social categorization and social identity theories (Turner, 1987) and the similarity-attraction paradigm (Byrne, 1971). It argues that diversity and its management may burden organizations with high costs of coordination and conflict resolution since people tend to distinguish between in-group and out-group members which may cause conflicts and miscommunication (Ely, 2004). The focus of the present study is on the first perspective by examining diversity management and its effects on perceived organizational performance.

## **2.2. Diversity Management and Performance**

Previous literature on Human resource management outcomes has been based on social exchange theory (Aryee et al., 2002; Gould-Williams, 2007). Social exchange theory argues that investments of organization and its management in human resource practices will cause positive work attitudes and behavior (Dinc, 2018); McClean & Collins, 2011; Nishii & Mayer, 2009; Van de Voorde et al., 2012). The argument is based on the principles of reciprocity in social exchange theory (Blau, 1964) positing that individuals feel obligated to respond in kind when they see fair and good behavior directed towards them. The need of reciprocity is the starting mechanism for social interaction and group structure (Blau, 1964). According to this reasoning, employees who positively value human resource management practices will reciprocate by showing attitudes and behaviors that are valuable for the organization (Gould-Williams, 2007; Van de Voorde et al., 2012). These employee reactions to human resource practices are influenced by their perceptions of the practices implemented (Paauwe et al., 2013; Wright & Nishii, 2007). Thus, it can be discussed that when employees perceive human resource practices to be beneficial for them, they will reciprocate in positive attitudes and behavior which will contribute to achieving organizational goals and improving organizational performance. Similarly, it can be concluded that diversity management outcomes depend on the effect of employees' perceptions of diversity management on their attitudes and behavior (Ashikali & Groeneveld, 2015).

Previous studies have shown that diversity management has an important effect on organizational performance. For example, Choi and Rainey (2009)'s study which was conducted on employees in U.S. federal agencies indicated that racial diversity moderated by diversity management policies and practices and team processes correlates positively with organizational performance. In a study which was done in the same context, it was also found that diversity management is strongly linked to both work group performance and job satisfaction (Pitts, 2009). Additionally, in a recent study, Choi, Sung,

and Zhang (2017) found that diversity education positively affects innovative climate, employee competence and employee satisfaction, thus increasing the innovation and operational efficiency of an organization.

### **2.3. Diversity Management, Leadership, Awareness, and Performance**

In this paper, a theoretical model is elaborated on the assumptions that leadership is affected by employees' and organizational awareness and that the diversity management policy is positively correlated with the perceived organizational performance. In this model, the role of the supervisor, specifically the supervisor's leadership style in organizations, becomes a vital element in implementing HRM practices successfully and subsequently in how human resource management is perceived by employees (e.g., Gilbert, De Winne, & Sels, 2011). In other words, the leadership of managers influences the causal chain between diversity management policies, employees and their awareness about these policies and organizational performance. Recent studies on diversity management also suggest the importance of leadership style in influencing the relationship linking diversity, diversity management, and positive outcomes (Ashikali, 2011; Choi & Rainey, 2010; Kearney & Gebert, 2009; Nishii & Mayer, 2009).

For the purposes of the present study, diversity environment in an organization is conceptualized in two dimensions: personal and organizational. The personal, which is called awareness in this study refers to an individual's views toward people who are different from themselves which can affect their behaviors toward others in the organization. The organizational dimension in this study is the management's policies which are influencing diversified groups such as discrimination in human resource management practices like hiring and promotion. These two dimensions are similar to Cox (1994)'s individual-level and organizational-level factors which are essential blocks in assessing organizational diversity climate (Barak, Cherin, & Berkman, 1998).

Past evidence has demonstrated that there is positive relationship among diversity management, leadership, diversity awareness of employees, and organizational performance. For instance, Kearney and Gebert (2009)'s study which was done in a sample of 62 research and development teams showed that transformational leadership moderated the relationship of the three examined diversity dimensions with the elaboration of task-relevant information, which in turn was positively associated with team performance. Jehn and Bezrukova (2004) also found that an organizational culture and managerial attitudes supporting diversity can improve performance. In addition, a recent research indicated that productive workplaces exist when employees are encouraged to express their opinions, and their input is sought before making important organizational decisions. This requires supportive leadership and empowering employees with information and resources that will help them make important decisions about their jobs and improve organizational performance (Sabharwal, 2014).

### **2.4. Diversity Management in Maritime Industry**

Previous research on the impact of diversity management and company performance in maritime industry is quite scarce. For example, the study of Panayides (2003) investigates the impact of strategic management and performance in ship management. This research finds that absolute cost advantage

alone may not lead to superior performance, if those competitive prices are achieved through low quality services. Although this research does not mention anything about the companies manning strategies, its findings are consistent with the study of Theotokas and Progoulaki (2007) which focuses on shipping companies hiring crew members from countries where the labor cost is low to reduce the manning costs. The aim of the Theotokas and Progoulaki (2007) study was to explore the way shipping companies and seafarers perceive and manage cultural issues in a multicultural working environment in Greek shipping companies. The results indicated that there are three main problems about culturally diverse working environment on ships, namely cultural incompatibility, language differences and lack of adequate and appropriate training. The study also indicates that company executives and crew onboard have different perceptions regarding these problems.

The study of Progoulaki and Theotokas (2016) tries to develop a framework for shipping companies to turn culturally diverse crew into a strategic asset for competitive advantage. The framework consists of four strategies; ignoring cultural diversity, using mediators and support groups, training and utilizing diversity to develop core competency. The study of Schröder-Hinrichs et al. (2013) focuses on the regulations of International Maritime Organization (IMO) regarding human factor on marine casualties. Although it does not directly relate to diversity management, “crew interaction” is indicated as an important human factor for maritime accidents. To the authors’ best knowledge, the relationship between companies’ diversity management practices and its performance has not been studied in maritime industry, including the studies cited above. Based on the literature mentioned above, present study expects that diversity policies and leadership have a significant and positive relationship with personal and organizational awareness, and perceived organizational performance and the following hypotheses are proposed accordingly:

*Hypothesis 1:* Personal awareness has a significant and positive effect on performance.

*Hypothesis 2:* Organizational awareness has a significant and positive effect on performance.

*Hypothesis 3:* Diversity management policies have significant and positive effects on personal awareness/performance.

*Hypothesis 4:* Leadership has a significant and positive effect on personal awareness/performance.

*Hypothesis 5:* Diversity management policies have significant and positive effects on organizational awareness.

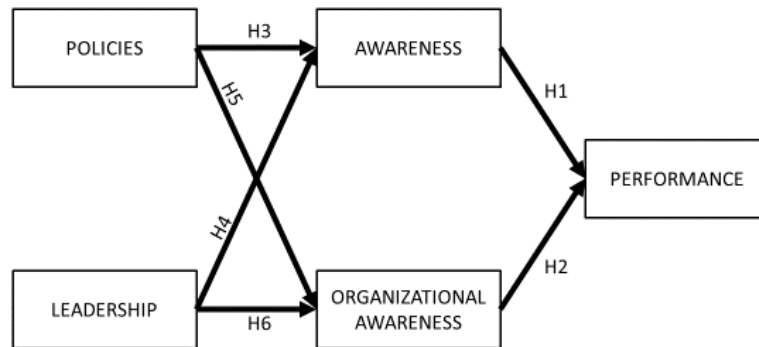
*Hypothesis 6:* Leadership has a significant and positive effect on organizational awareness.

*Hypothesis 7:* Personal awareness mediates the relationship between diversity management policies and performance.

*Hypothesis 8:* Personal awareness mediates the relationship between leadership and performance.

*Hypothesis 9:* Organizational awareness mediates the relationship between diversity management policies and performance.

*Hypothesis 10:* Organizational awareness mediates the relationship between leadership and performance.



**Figure 1. Proposed Model and Hypotheses**

### 3. Research Methodology

The survey instrument is composed of five components apart from demographic questions. These are; diversity management policies, diversity management organizational awareness, diversity management personal awareness, leadership and organizational performance. Diversity management policies questions are adopted from Konrad et.al. (2016), diversity management organizational awareness questions are adopted from Ravazzani (2016), diversity management personal awareness questions are adopted from Mor Barak, (1998), leadership questions are adopted from Daft (2018) and performance questions are adopted from Abidi et.al. (2017). In this research, the organizational performance is evaluated through perceptual indicators. Each item is rated on a five-point Likert Scale anchored at the numeral 1 with the verbal statement “strongly agree” and at the numeral 5 with the verbal statement “strongly disagree”.

Data for this study is collected using a self-administered questionnaire that is distributed using convenience sampling. The responders are carefully selected from working professionals in the maritime industry, since the nature of the questionnaire requires a certain level of expertise (such as; unlimited ship master, chief engineer, designated person ashore, etc.) to be able to respond. Online questionnaires are prepared and the links to the responders are then sent via email. The collected data is then analyzed in environment R. The R (i386 version 3.4.2) and RStudio (Version 1.0.153) is used on an Intel Core i5 2.50 GHz computer.

### 4. Results

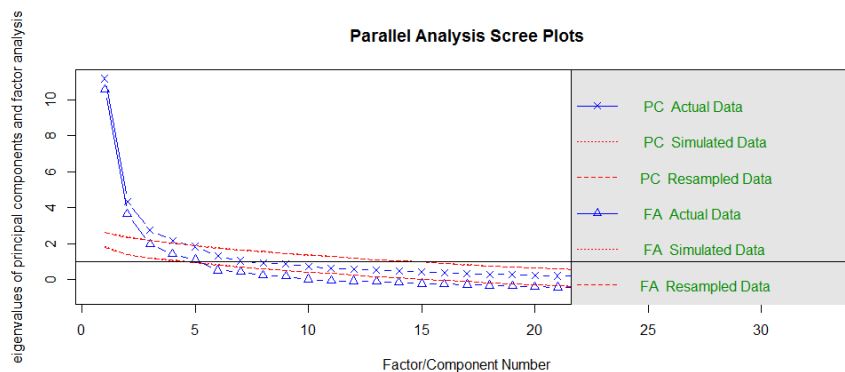
The collected data is analyzed using the “lavaan” and the “psych” packages in R programming language, using R version 3.4.2 and RStudio Version 1.0.153. First, Parallel Analysis and Exploratory Factor Analysis are performed to determine the number of factors to retain. The reliability of each factor is then checked using Cronbach’s Alpha method. Finally, the Structural Equation Modeling is used to determine the relationships between the constructs and to test the research hypotheses.

#### 4.1. Parallel Analysis and Exploratory Factor Analysis

In order to determine the total number of factors to retain, Parallel Analysis, which is an accurate way of determining the number of factors to extract (Watkins 2006) has been performed. The code used for the Parallel Analysis is as follows:

```
library(psych)
library(GPArotation)
parallel<- fa.parallel(dataset, fm="ml", fa="both")
parallel$fa.values
sum(parallel$fa.values >1)
sum(parallel$fa.values >0.7)
```

where dataset refers to the data frame that contains the data to be analyzed, “ml” means maximum Likelihood Method is used as the factor method, and “both” refers to the calculation of both principal components and principal factors. The Parallel Analysis indicates the total number of factors is 5. Figure 2 shows the resulting scree plot.



**Figure 2. Parallel Analysis Scree Plot**

The code used to perform Exploratory Factor Analysis is as follows:

```
results_efa<- fa(dataset, nfactors = 5, rotate = "varimax", fm="ml")
```

where “nfactors=5” refers to the number of factors to extract, which is computed using Parallel Analysis, “rotate= “varimax”” which indicates that the results are rotated using Varimax method, and finally “ml” means maximum Likelihood Method is used as factor method. The results of the Exploratory Factor Analysis are summarized in Table 1. Table 1 also contains the Cronbach’s Alpha values for each extracted factor, calculated using the following code:

```
Cronbach_P<-alpha(dataset[,1:5])
```

where “dataset [1:5]” refers to the first five columns of the dataset, in which the measurement variables for “Policies” factor are stored. Cronbach’s Alpha values for each factor needs to be calculated separately.



**Table 1. Exploratory Factor Analysis and Reliability Analysis Results**

Measurement Variables	Extracted Factors					Cronbach's Alpha
	Policies (POL)	Awareness (AWE)	Organizational Awareness (ORAW)	Leadership (LEAD)	Performance (PERF)	
P1	0.88	0.16	-0.04	0.1	0.14	0.84
P2	0.85	0.1	-0.14	0.12	0.12	
P3	0.5	0.07	0.22	-0.01	0.08	
P4	0.44	0.23	0.19	0.05	0.17	
P5	0.71	0.33	0.17	0.05	0.23	
A1	0.48	0.51	0.09	0	0.09	0.9
A2	0.29	0.84	0.13	0.12	0.22	
A3	0.28	0.79	0.13	0.17	0.32	
A4	0.28	0.75	0.18	0.21	0.08	
OA17	0.08	0.28	0.74	0.17	0.24	0.85
OA18	0.13	0.22	0.8	0.19	0.25	
OA19	0.08	0.01	0.64	0.34	0.08	
OA20	0.01	0.22	0.42	0.16	0.17	
OA22	0.1	-0.09	0.72	0.27	0.26	
L24	0.38	-0.04	0.24	0.55	0.12	0.93
L25	0.09	0.03	0.37	0.55	0.1	
L26	-0.06	-0.33	0.02	0.61	0.14	
L27	0.09	-0.03	0.04	0.58	0.35	
L28	0.1	0.08	0.29	0.81	0.19	
L29	0.13	-0.01	0.22	0.84	0.09	
L31	0.09	0.14	0.19	0.82	0.1	
L32	-0.01	0.32	0.08	0.62	0.2	
L33	0.04	0.07	0.05	0.86	0.18	
L35	-0.04	0.29	0.2	0.56	-0.11	
L36	-0.07	0.19	0.15	0.87	0.12	
L37	0.1	0.16	0.06	0.76	0.07	
PER39	0.07	0.02	0.15	0.3	0.71	
PER40	0.24	0.14	0.03	0.18	0.81	
PER41	0.15	0.09	0.16	0.23	0.81	
PER42	0.09	0.03	0.17	0.24	0.73	
PER43	0.07	0.26	0.1	0	0.58	
PER44	0.15	0	0.28	-0.1	0.53	
PER46	0.09	0.23	0.2	0.19	0.53	

**4.2. Structural Equations Modeling**

In order to calculate the regression weight estimates, the model using “lavaan” package has been constructed. The R code used to create the model is as follows:

```

modelSEM<-
  PERF~ h1*AWE + h2*ORAW
  AWE ~ h3*POL + h4*LEAD
  ORAW ~ h5*POL + h6*LEAD

```

IND1:= h3\*h1

IND2:= h4\*h1

IND3:= h5\*h2

IND4:= h6\*h2

estimationsSEM <- sem(modelSEM, data = dataset)

summary(estimationsSEM, rsquare=TRUE, standardized=TRUE, fit.measures=TRUE)

where h1 to h6 refer to the research hypotheses, and IND1 to IND4 refer to the indirect impacts of Policies and Leadership on Performance. After the model is run using the sem() function, summary() function provides the analysis results, including the regression estimates and model fit parameters. Table 2 and 3 summarize the regression estimates and model fit parameters, respectively.

**Table 2. Structural Equation Modeling Analysis Parameter Estimates**

Regressions:	Estimate	Std.Err	z-value	P(> z )	Std.lv	Std.all	Accept/Reject
Performance←Awareness	0.204	0.09	2.263	0.024	0.204	0.248	**
Performance←Organizational Awareness	0.412	0.114	3.604	0.000	0.412	0.395	***
Awareness←Policies	0.642	0.116	5.556	0.000	0.642	0.552	***
Awareness←Leadership	0.284	0.147	1.939	0.053	0.284	0.193	*
Organizational Awareness←Policies	0.168	0.099	1.687	0.092	0.168	0.183	*
Organizational Awareness←Leadership	0.524	0.126	4.157	0.000	0.524	0.451	***
<b>Indirect Impact 1:</b>							
Performance←Awareness←Policies	0.131	0.062	2.096	0.036	0.131	0.137	**
<b>Indirect Impact 2</b>							
Performance←Awareness←Leadership	0.058	0.039	1.472	0.141	0.058	0.048	Reject
<b>Indirect Impact 3</b>							
Performance←Organizational Awareness←Policies	0.069	0.045	1.528	0.127	0.069	0.072	Reject
<b>Indirect Impact 4</b>							
Performance←Organizational Awareness←Leadership	0.216	0.079	2.723	0.006	0.216	0.178	***
<b>Variances:</b>	0.523	0.092	5.701	0.000	0.523	0.732	
Performance	0.645	0.113	5.701	0.000	0.645	0.609	
Awareness	0.477	0.084	5.701	0.000	0.477	0.725	
Organizational Awareness	0.523	0.092	5.701	0.000	0.523	0.732	

\* significant at 0.1 level, \*\* significant at 0.05 level, \*\*\* significant at 0.01 level

**Table 3. Structural Equations Model Fit Parameters**

Used	Total		
Number of observations		65	66
Estimator		ML	
Minimum Function Test Statistic		6.987	
Degrees of freedom		3	
P-value (Chi-square)		0.072	
Model test baseline model:			
	Minimum Function Test Statistic		82.174
	Degrees of freedom		9
	P-value		0.000
User model versus baseline model:			
	Comparative Fit Index (CFI)		0.946
	Tucker-Lewis Index (TLI)		0.837
Loglikelihood and Information Criteria:			
	Loglikelihood user model (H0)		-368.606
	Loglikelihood unrestricted model (H1)		-365.112
	Number of free parameters		9
Akaike (AIC)		755.212	
Bayesian (BIC)		774.782	
Sample-size adjusted Bayesian (BIC)		746.452	
Root Mean Square Error of Approximation:			
RMSEA		0.143	
90 Percent Confidence Interval		0.000	0.285
P-value RMSEA <= 0.05		0.110	
Standardized Root Mean Square Residual:			
SRMR		0.061	

### 4.3. Model Fit Parameters

As shown in Table 3, the model shows acceptable model fit. Model chi-square is not significant ( $P=0.073$ ), and relative chi-square ( $X^2/df$ ) is 2.329, which is greater than the acceptable limit of 2 (Hooper, Coughlan, & Mullen, 2008). Standardized Root Mean Square Residual (SRMR) is less than 0.08, in addition to Comparative Fit Index (CFI) and Tucker-Lewis Index (TLI) which are all in acceptable ranges.

### 5. Discussion

Research findings indicate that diversity management policies is positively associated with perceived organizational performance through individual and organizational diversity awareness. Moreover, leadership enhance individual and organizational diversity awareness.

The link between diversity management and performance is consistent with the existing literature. There are empirical findings supporting the positive effects of diversity management on firm level (Shen,

et.al., 2009; Abidi et. al., 2017), team level (Pitts, 2009) and individual level performance (Ashikali & Groeneveld, 2015). However, the mediating role of individual and organizational awareness of diversity is one of the most important contributions of this research. This finding reveals that diversity management policies enhance organizational performance when it is reinforced by diversity awareness in individual or organizational level. In diversity management literature, much attention has been paid to the strategic dimension of diversity policies, systems, and processes, and comparatively less consideration has been given to the cultural and normative dimension (Pless & Maak, 2004). The normative and cultural dimension can be considered as the soft side of diversity management. Findler et. al. (2007) provide a framework regarding the significant paths between diversity management organizational culture variables and work outcomes. Ashikali and Groeneveld (2015) also reveal the mediating role of inclusive culture between diversity management and organizational outcomes. Diversity awareness has emerged over the last few decades as a significant part of conceptualizing the cultural dimension of diversity management (Baker, 2012). Therefore, the findings of this research are expected to make a significant contribution in providing the empirical evidence regarding the mediating effects of diversity awareness between diversity management policies and performance.

The research findings also point out the impact of leadership on diversity management policies, individual and organizational awareness. Perception of leadership is well acknowledged in diversity management policy implementation (Gotsis & Grimani, 2016). Thus, the research findings are consistent with the existing literature. One of the astonishing results of this study is that diversity awareness is affected by leadership and mediate the impact of leadership on perceived organizational performance.

## **6. Conclusion**

Leadership practices that recognize the role of diversity management are increasingly becoming a key aspect of organizational culture. Leaders of contemporary organizations need to appreciate the role that diversity can potentially play in helping organizations improve their overall performance. There is a need for greater awareness on the merits of effective diversity management. How an organization manages its diversity is also a reflection of the quality of leadership of an organization. As revealed through this study, an aware and forward-looking leader is more likely to affect organizational performance positively. Organizations must, therefore, take bold leadership training initiatives that will result in greater awareness on the benefits of effective diversity management.

The role and importance of diversity management in maritime industry is also well acknowledged. As mentioned earlier, maritime industry is leaning towards hiring more diverse crew members due to competition, cost reduction and availability issues (Progoulaki & Theotokas, 2016; Theotokas & Progoulaki, 2007). Therefore, a well-defined plan for handling the differences on-board is crucial for the success of the shipping firms. The results of this study indicate that there is no significant difference between the various parts of the maritime industry, whether the respondents work on-board or on-land, or whether they are deck officers or marine engineers.



## 7. Limitations and Further Research

The main limitation of this study is on the scope of the survey. Since the nature of the questionnaire requires expertise on a specific domain, convenience sampling has been selected targeting professionals in Turkish maritime industry. Accordingly, a small sample size was initiated. Nevertheless, the results converged on reliable results status which is assumed due to the expertise of the respondents. Finally, self-reported issue may be another limitation of this research.

This research is expected to lead potential future studies in several areas. The model proposed in this study can be applied to other industries similar to maritime industry where the industry is impacted by globalization and leaning on hiring diverse employees. A comparative study between companies which adopt any form of formal diversity management policy and their actual performance parameters, is another form of research that has to be pursued. In this regard, a comparative study focusing on the relationship between diversity management policy and organizational performance in public and private sector organizations can also be conducted in the future. Finally, this model can be applied and tested in different contexts, and regions other than Turkey and Greece.

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