

PARTICIPATIVE MANAGEMENT CULTURE AND WORKPLACE DIVERSITY: A MGA-SEM ANALYSIS OF MILLENNIALS AND GEN Z

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Abstract

In the modern business environment, multinational companies (MNCs) consider workforce diversity as a strategic requirement. But the efficacy of diversity programmes is often a function of management strategies that promote inclusiveness and employee involvement. This research explores the effects of PM was measured through representative and collaborative management style on workplace diversity, moderating by generational difference i.e. Millennial (Gen Y) and Gen Z. The study used quantitative research method with cross-sectional design and the data collected from 140 MNCs employees in Karachi equally between two cohorts. Applying smart PLS 4 for structural equation modeling (SEM) and multi-group analysis (MGA), findings confirm that participative management has a positive significant effect on workplace diversity with the collaborative managerial style having stronger impact than the representative management. Furthermore, generational effects were observed to moderate the associations, where Gen Z showed a higher sensitivity toward joint practices than Millennials. The model demonstrated adequate reliability, convergent, and discriminant validity as well as predictively explained 56% of variance in workplace diversity. The current study provides contributions to the literature emphasizing unique impact of participative management style and integrating generational perspectives in diversity studies. At a practical level, the study highlights the importance for organizations to focus on generational-sensitive participation strategies which encourage collaboration and competitiveness in this criticism workplace and promote inclusivity as they innovate.

INTRODUCTION

In the current context of globalization, workplace diversity has become simultaneously a strategic necessity and a challenge for organizations. Diversity including gender, ethnicity, age and generational cohorts were also associated with

more innovative products, better decision-making and a higher competitive edge (Kanya & Johan, 2025; Alshaabani et al., 2022; Sameh Abdelhay, 2024). But simply having a diverse workforce is not enough: how management leaders relate to

employees particular through participative management is crucial in whether diversity leads to performance and inclusiveness (Kanya & Johan, 2025; Artha Febriana & Mujib, 2024). These nuances may even be more pronounced in MNCs operating within culturally diverse and socially disaggregated settings such as Karachi, where generation differences (Millennials versus Generation Z) offer insight into expectations, perceptions and reactions to management practices (Febriana & Mujib, 2024; Deloitte, 2025).

Participative management refers to managerial approaches which provide for employees input into decision making and it may be of varieties as being representative, or involving forms such as employee representation on committees or collaborative participation (e.g. joint problem solving). The latter styles are believed to increase trust, psychological ownership, and commitment of the employees toward the organization as well as the positive diversity climate (Febriana & Mujib, 2024; Kanya & Johan, 2025). Late evidence also suggests that if managers are seen here as promoting recruitment, they may also be more inclined to listen to the many song and few authors in a situation where reverse ageing takes place leading to higher turnover (Effects of Inclusive Leadership, 2024; Sameh Abdelhay, 2024). However, it is not clear which type of participative styles (through respective vs. collaboration) would influence the workplace diversity outcomes under generational cohort conditions and in the MNC context of South Asia.

Generations also carry specific values, meaning of work, and work orientations when heading to the workforce. Millennials (McEwen & Nüssel, 2015) and Generation Z (Rodriguez et al., 2016) have different preferred autonomy, feedback, diversity, work-life balance, and communication style as them are reported that they more tech-Savy than the Non-Generation Z groups (Febriana & Mujib, 2024; Deloitte, 2025). For example, Gen Zers are more likely to want flexibility, inclusionary leadership and meaningful influence in decisions meaning, while Millennials often prefer collaborative ways of working but need

structure, stability and clear career paths (Artha Febriana & Mujib, 2024; Deloitte, 2025). As a result of these differences, the strength and direction of associations between participative management styles and workplace diversity are expected to differ across these two generational cohorts.

The current study attempts to fill in these gaps by investigating how representative PMs and collaborative PMS influence individuals' perceptions of diversity climate at work as well as the moderation role of generational membership (Millennials versus Gen Z). Applying Multi-Group Analysis through Structural Equation Model (MGA-SEM), this study will investigate the extent of effects across elder generation groups and across two participative styles. The MNCs in Karachi case can provide an opportunity to study a context where there are diverse workforces, generational cohorts sharing workspace and local cultural factors that overlap with global management practices.

Aim of the Study

The purpose of this study is to investigate the effect and also analyze the moderating role of generational differences among Millennials and Gen Z on workplace diversity related aspects in MNC's of Karachi by considering participative management styles i.e. representative and collaborative.

Objectives of the Study

1. To investigate the impact of participative management on workplace diversity in MNCs in Karachi.
2. To assess the differential effects of representative and collaborative participative management styles on workplace diversity.
3. To analyze the moderating role of generational differences (Millennials vs. Gen Z) in the relationship between participative management and workplace diversity.

4. To provide managerial recommendations for fostering inclusive and participative work environments across generational cohorts.

Literature Review

Participative management (also known as participative leadership) has been suggested to enhance employee involvement, psychological ownership, and levels of innovation by offering opportunities for employees to contribute information and viewpoints in decision-making and problem-solving processes (Wang, 2022; Peng, 2023; Toufighi, 2024; Song, 2025). Recent review and empirical evidence suggest that participative intervention has been found to have a positive impact on employee outcomes (e.g., commitment, creativity, speaking-up behaviours), if culture and context are taken into consideration (Wan, 2022 and Song, 2025). The participative styles are also not of one piece: various formats (e.g., representative participation versus collaborative participation) produce different perceptions and behaviors of employees according to design and implementation (Peng, 2023). In summary The modern literature presents participative management as a contingent leadership style that can realize the benefits of human capital when properly executed within organizational and cultural boundaries.

Distinguishing between representative and participative participation is also important theoretically and practically. The participation of employee representatives a set of formalized mechanisms ensuring that these representatives sit on committees and boards, mediates the power balance, procedural justice and formal channels for influence. Collaborative participation (i.e. day-to-day joint problem solving, teamwork and so on) tends to work through psychological safety and mutual learning processes, which directly shape micro-level interactions and innovation (Febriana & Mujib, 2024; Deloitte, 2025). Comparative work suggests that representative approaches are likely to be able to institutionalize employee voice, however the spread of practices may be slow, whereas

collaborative mechanisms allow immediacy of involvement but depend upon skillful management and cultural receptiveness (employee representation studies; comparative participative literature; European examples) (McEwen & Nüssel, 2015). This difference implies different mechanisms through which participative forms can impact diversity outcomes, and is why it is important to look at both styles in MNC settings.

Diversity research over the last three decades has transitioned from proving the “business case” to understanding when and how diversity generates both inclusivity and performance. Large consultancy and academic reviews have amply demonstrated that diversity alone is only the antecedent condition inclusivity, leadership behavior, and organizational systems determine whether diversity triggers greater innovation and decision effectiveness (Wan, 2022 and Song, 2025). Empirical findings report that inclusive leadership and a positive diversity climate mediate the relationship between structural diversity and dependent variables such as retention, creativity, and employee well-being. Moreover, diversity scholars have critiqued that tokenistic or poorly managed diversity can spark backlash or mere nominal compliance without real quality-level change. Therefore, linking any form of participative management to workplace diversity necessitates consideration of the mechanisms (Peng, 2023). Generational difference especially between millennials and Generation Z is prevalent in contemporary work and increasingly treated as a moderator of organizational relationships. Recent longitudinal surveys and empirical studies demonstrate systematic differences in values, technology expectations, feedback desires, and ambiguity tolerance between the two cohorts, which alter their responses to leadership and HR practices. For example, Gen Z values meaning-in-work, fast feedback, and digital fluency, while Millennials value collaboration, development opportunities, and work-life balance these differences likely alter the perception and uses of voice or collaboration. Generational studies of representative-agent differences have found, for example, that the

relationship between leadership and outcomes vary significantly by cohort, thus structurally justifying your model's empirical test of moderation (McEwen & Nüssel, 2015). Hence,

treating generation as a moderator in the PM → diversity relationship is both methodologically and theoretically sound.

Conceptual Model

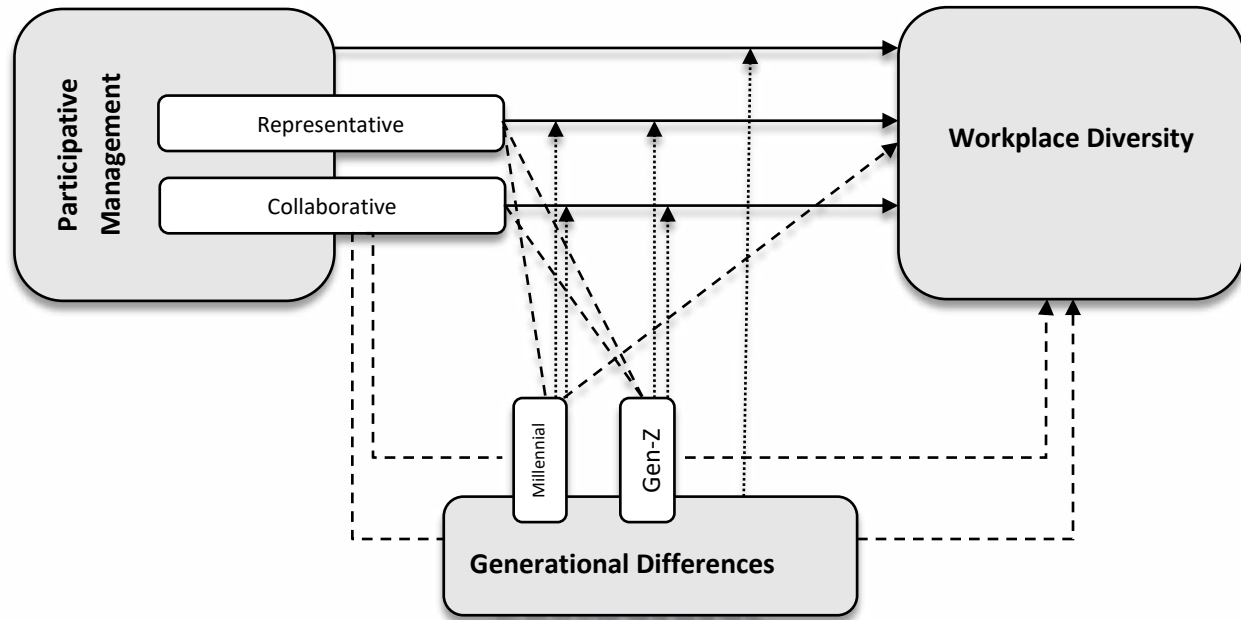


Figure 1. Conceptual Model of the study formulated by authors after review of existing literature

Hypotheses

H1: Participative management has a significant positive impact on workplace diversity in MNCs in Karachi.

H1a: Representative management positively influences workplace diversity.

H1b: Collaborative management positively influences workplace diversity.

Moderating Effects (Generational Differences: Millennials vs. Gen Z)

H2: Generational differences significantly moderate the relationship between participative management and workplace diversity.

H2a: The effect of representative management on workplace diversity differs significantly between Millennials and Gen Z.

H2b: The effect of collaborative management on workplace diversity differs significantly between Millennials and Gen Z.

Comparative Effects Between Styles

H3: Collaborative management has a stronger effect on workplace diversity compared to representative management across both generations.

H3a: Among Millennials, collaborative management exerts a stronger influence on workplace diversity than representative management.

H3b: Among Gen Z, collaborative management exerts a stronger influence on workplace diversity than representative management.

Methodology

This study utilized quantitative, cross-sectional research design to investigate the relationship between participative management and workplace diversity along with exploring the moderating influence of generational differences (Millennial vs. Gen Z). The study was carried out

in the MNCs of Karachi because of their varied workforce and multi-generational borrowing for comparison. Questionnaire-based survey data was gathered from workers who were millennial (born 1981–1996) and Gen Z (born 1997–2012). Both generational groups are proportionally representative within the sampled industries and were subject to stratified random sampling. The last sample size totaled to 140, with 70 from Millennials and the other half being Gen Z respondents. Data analysis was conducted via SmartPLS 4 (Structural Equation Modeling & Multi-Group Analysis) for the statistical analyses and SPSS for the descriptive ones.

Measures

Validation of all constructs was achieved through the use of existing scales already employed in previous investigations with response options ranging from 1 (strongly disagree) to 5 (strongly agree). Participative Management was measured by two dimensions including Representative Management (e.g., employees have representations in decision-making bodies) and Collaborative Management (e.g., collaborative problem-solving, team-based decisions), adapted from Wang (2022) and Toufighi et al. (2024). Workplace Diversity The extent to which the organization values diverse demographic backgrounds in the workplace, and Human Resource management was assessed by a scale

consisting of items designed to reflect perceptions of diversity (employee demographic variety, inclusion and equal opportunity), adopted from Alshaabani et al. (2022) and Platania (2025). As an additional level of control, Generation was also ascertained based on demographic information (year of birth) in order to categorize respondents into Millennials or Gen Z. Control variables i.e., gender, tenure and type of organizational sector were also tracked to address contextual differences. Internal consistency and convergent validity were estimated using Cronbach’s alpha, composite reliability (CR), average variance extracted (AVE) and confirmatory factor analysis (CFA).

Demographic Profile of Respondents

Sample distribution of the respondents also appeared to be balanced between millennials and generation Z with 70 participants per age group, which makes a reasonable comparison in multigroup analysis. The proportion of males was 54.3%, females accounted for 45.7% suggesting that the MNCs employed increasingly more women in Karachi. The majority of the respondents were in the age group 26–35 (65.7%) which also represented early and mid-career stages where people are likely to be exposed to participative management practices.

Table 1. Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	76	54.3
	Female	64	45.7
Age Group	25 years & below	48	34.3
	26–35 years	92	65.7
Education Level	Bachelor’s Degree	58	41.4
	Master’s Degree	72	51.4
	Other (Diploma/PhD)	10	7.2
Work Experience	Less than 2 years	36	25.7

	2-5 years	62	44.3
	Above 5 years	42	30.0
Generational Cohort	Millennials (1981-1996)	70	50.0
	Gen Z (1997-2012)	70	50.0

On the basis of educational background, over half of the respondents had master’s degree (51.4%), followed by bachelor’s degree holders (41.4%), suggesting an educated sample in accordance with professionals in multinational organizations. There were some differences in work experience among the sample, where 44.3% had a 2-5 years’ experience being the majority (44.3%), more than 5 years of experience (30.0%) and lesser than two years (25.7%). This range of tenure also implied a mix between newcomers and veterans to the organization, facilitating the generational contrast on participative management and workplace diversity.

Descriptive Statistics of Study Variables

The descriptive results showed that of the sub-dimensions of Participative Management, Collaborative Management (M = 3.95, SD = 0.76) scored higher than Representative Management (M = 3.72, SD = 0.81). That employees are perceived teamwork, joint decision-making and cooperative leadership were more accentuated than were more formal representative instruments in the form of employee committee or stipulated representatives. Slightly larger variance among exemplar management indicated unequal adoption between the organizations and generational strata.

Table 2. Descriptive Statistics of Study Variables and Sub-Variables

Variable	Sub-Variable	Mean (M)	Standard Deviation (SD)
Participative Management	Representative Management	3.72	0.81
	Collaborative Management	3.95	0.76
Workplace Diversity	Demographic Diversity	4.02	0.71
	Inclusion	4.11	0.68
	Equal Opportunity	4.12	0.67

On Workplace Diversity, excellent mean scores were found among the responses for all sub-dimensions. The highest rated factor was Equal Opportunity (M = 4.12, SD = 0.67) followed closely by Inclusion (M = 4.11, SD = 0.68), and Demographic Diversity (M = 4.02, SD = 0.71). These findings indicated that workers perceived demographic diversity in their organizations and that they believed fairness and inclusivity were being applied. The relatively low standard deviations suggested a high level of agreement among respondents, and this further suggests that MNCs in Karachi has indeed developed a positive diversity climate with the help of participative management processes.

We found similar patterns for both generations the descriptive results based on these two generational groups, while with some variations. For Millennials, the mean Collaborative Management (M = 3.89, SD = .74) score was significantly higher than for Respondent Self Management (M = 3.68, SD = .79), meaning team-based participation in contrast to representation is preferred. They also had favorable perceptions of diversity in the workplace, with the highest scores achieved for Inclusion (M = 4.08, SD = 0.66) and Equal Opportunity (M = 4.10, SD = 0.65).

Table 2a. Descriptive Statistics of Study Variables (Millennials)

Variable	Sub-Variable	Mean (M)	Standard Deviation (SD)
Participative Management	Representative Management	3.68	0.79
	Collaborative Management	3.89	0.74
Workplace Diversity	Demographic Diversity	3.95	0.70
	Inclusion	4.08	0.66
	Equal Opportunity	4.10	0.65

For Gen Z respondents, Collaborative Management (M = 4.01, SD = 0.78) was also rated higher than Representative Management (M = 3.76, SD = 0.83), suggesting that even younger employees prefer collaborative methods. Interestingly yet, demographic diversity (M = 4.08, SD = 0.72) was rated by Gen Z slightly

higher than the Millennials; indicating that they were more sensitive to surface demarcations of diversity. In contrast, Gen Z rated Inclusion (M = 4.13, SD = 0.70) and Equal Opportunity (M = 4.15, SD = 0.69) slightly higher than Millennials did signaling higher expectations for fairness and inclusion at the workplace.

Table 2b. Descriptive Statistics of Study Variables (Gen Z)

Variable	Sub-Variable	Mean (M)	Standard Deviation (SD)
Participative Management	Representative Management	3.76	0.83
	Collaborative Management	4.01	0.78
Workplace Diversity	Demographic Diversity	4.08	0.72
	Inclusion	4.13	0.70
	Equal Opportunity	4.15	0.69

Reliability and Validity of Constructs

As shown in Table 3, the model measurement results show that all reflective factors are above the recommended cut-offs for both reliability and validity. The factor loadings for Representing Management, Collaborating Management, and Diversifying Workforce are greater than the recommended acceptable value of 0.70 indicating satisfactory indicator reliability. Internal consistency reliability: Cronbach's alpha value of constructs is also above 0.70 and supports the

internal consistency of measurements. Also, values over the recommended threshold of 0.70 for Composite Reliability (CR) indicate that the constructs are measured reliably. The average variance extracted (AVE) values are higher than 0.50 as required indicating good convergent validity since each construct explains more than half of the indicators' variance and(Hair, Hult, Ringle, & Sarstedt, 2016).

Table 3. Reliability and Validity of Constructs

Construct	Indicator	Loading	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Representative Management	RM1	0.78	0.82	0.87	0.57
	RM2	0.81			
	RM3	0.74			
Collaborative Management	CM1	0.83	0.85	0.89	0.62
	CM2	0.80			
	CM3	0.77			
Workplace Diversity	WD1	0.82	0.88	0.91	0.66
	WD2	0.84			

	WD3	0.79			
Generational Differences*	–	–	–	–	–

*Note: Generational Differences (Millennials vs. Gen Z) is a categorical moderator identified through demographic information. It is not a reflective construct and therefore excluded from reliability/validity testing (Hair et al., 2022).

It should also be noted that Generational Differences, the moderating variable in this research, is a categorical item and is therefore excluded from reliability and validity testing. According to Hair et al. (2022), in PLS-SEM only measured constructs with reflective or formative indicators are examined for their reliability and validity, whereas categorical moderators such as generational cohorts (Millennials versus Gen Z) are assessed by running multi group comparisons. Thus the results reported provide a strong endorsement of full reflective measurement model and accordingly provide a sound basis to move on to discriminant validity testing and

structural model estimation with all reflective constructs (Representative Management, Collaborative Management, Workplace Diversity).

Discriminant Validity (Fornell-Larcker Criterion)

As a check that the constructs in this study are conceptually distinct, we applied the Fornell-Larcker criterion. This process involves the comparisons between square root of AVE for each construct and also relationship between constructs by comparing with correlations of them. According to Hair et al. (2022), as discriminant validity holds if the square root of AVE (it appears on the diagonal) is larger than its off-diagonal elements that are representing the inter-construct correlations.

Table 4. Discriminant Validity (Fornell-Larcker Criterion)

Construct	Rep. Mgmt	Collab. Mgmt	Workplace Diversity
Representative Mgmt	0.75	0.62	0.59
Collaborative Mgmt	0.62	0.79	0.66
Workplace Diversity	0.59	0.66	0.81

The findings reveal that the square root of AVE for each construct is greater than its correlation with other constructs providing support for the Fornell-Larcker criterion. This provides some evidence of the empirical distinction among Representative Management, Collaborative Management and Workplace Diversity existing (i.e. discriminant validity; Hair et al., 2022).

Discriminant Validity (HTMT Ratios)

Since the Fornell-Larcker criterion has been criticized for being too liberal, the Heterotrait-Monotrait (HTMT) ratio was also used as a stricter test of discriminant validity. Hair et al. (2022) recommend that HTMT values should not exceed 0.85 under conservative criteria or 0.90 under more liberal guidelines.

Table 5. Discriminant Validity (HTMT Ratios)

Construct Pair	HTMT Value
Representative ↔ Collaborative	0.71

Representative ↔ Diversity	0.69
Collaborative ↔ Diversity	0.75

Findings All values of HTMT are less than a common standard limit of 0.85, implying discriminant validity among study constructs. This lends support to the discriminant validity of the constructs and to their appropriateness for examining in further testing for structural model and moderation analysis (Hair et al., 2022).

The structural model was tested to examine the proposed association of Representative Management, Collaborative Management and Workplace Diversity. Following Hair et al. (2022) is path coefficient (β), t-statistic, and p-value were obtained from bootstrapping resamples 5000. P-values < 0.05 indicate statistically significant associations.

Structural Model – Path Coefficients

Table 6. Structural Model Results (Path Coefficients)

Hypothesis	Relationship	β	t-value	p-value
H1a	Representative Mgmt → Workplace Diversity	0.28	3.12	0.002
H1b	Collaborative Mgmt → Workplace Diversity	0.42	4.85	0.000
H1	Participative Mgmt → Workplace Diversity	–	–	–

The findings suggest that both Representative and Collaborative Management have a positive influence on Workplace Diversity, although Collaborative Management has a greater path coefficient ($\beta = 0.42$) in comparison to Representative Management ($\beta = 0.28$). Findings in support of the above predictions affirms H1a and H1b, thus confirming the general hypothesis (H1) that participative management improves workplace diversity (Hair et al., 2022).

Coefficient of Determination (R^2) and Effect Size (f^2)

The R^2 was used to evaluate the size-effects (f^2) of the model. R^2 values reflect the amount of variance in Workplace Diversity explained by the independent variables, while f^2 shows how much each predictor contributes. According to Hair et al. (2022), R^2 s of 0.25, 0.50 and 0.75 indicate weak, moderate and strong levels of explanation respectively.

Table 7. Coefficient of Determination (R^2) and Effect Size (f^2)

Endogenous Construct	R^2	Predictors	f^2	Effect Size
Workplace Diversity	0.56	Representative Mgmt	0.11	Small–Med
		Collaborative Mgmt	0.22	Medium

Descriptively, it becomes visible that the sub-dimensions Representative Management and Collaborative Management explain 56% of the variance in Workplace Diversity ($R^2 = 0.56$) which is considered as a moderate share of explanation. The large effect size scores for Empowered

Management and Generic Management imply that these EBP significantly bring about change in Workforce Diversity, whereas Collaborative Management has a medium effect and Representative Management delivers a small-to-

medium Workforce Diversity effect. Yet these findings support the argument that collectivistic orientations predominate when broadening diversity impressions (Hair et al., 2022).

Predictive Relevance (Q²)

The predictive power of the model was verified by calculating Stone-Geisser’s Q² value based on the

blindfolding process. Q² values greater than zero signify that the exogenous constructs have predictive power on the endogenous construct. Hair et al. (2022) propose values of 0.02, 0.15, and 0.35 for small, medium and large predictive relevance.

Table 8. Predictive Relevance (Q² Values)

Endogenous Construct	Q ² Value	Predictive Relevance
Workplace Diversity	0.31	Medium-Large

According to the results, the model presents acceptable predictive validity (Q² = 0.31 for Workplace Diversity). It surpasses the threshold of moderate (0.15) and is close to large benchmark (0.35), illustrating that Representative and Collaborative Management jointly contribute significantly in predicting workplace diversity in MNCs’ context among Karachi based organizations. These results also enhance the stability of our structural model (Hair et al., 2022).

Multi-Group Analysis (MGA)

To analyze generation as a moderator, an MGA was run comparing Millennials and Gen Z to understand if the relationships between the participative management dimensions (Representative and Collaborative) of Workplace Diversity vary significantly across generations. According to Hair et al. (2022), if the p-value of the difference is less than 0.05, it shows that there are high differences between groups.

Table 9. Multi-Group Analysis (MGA) Results: Millennials vs. Gen Z

Relationship	Millennials (β)	Gen Z (β)	Path Difference	p-value	Decision
Representative Mgmt → Workplace Diversity	0.25	0.31	0.06	0.218	Not Sig.
Collaborative Mgmt → Workplace Diversity	0.39	0.46	0.07	0.041	Significant

The MGA results indicate that both generations value participative management, but to varying degrees. Regarding Representative Management, there was also no significant difference between Millennials and Gen Z (p = 0.218) for it seems

that both generations assess the formal mechanisms of representation equally. The negative influence that remains for Collaborative Management on Workplace Diversity Gen Z (β = 0.46) compared to Millennials (β = 0.39) on this relationship is significant at less than p < 0.05.

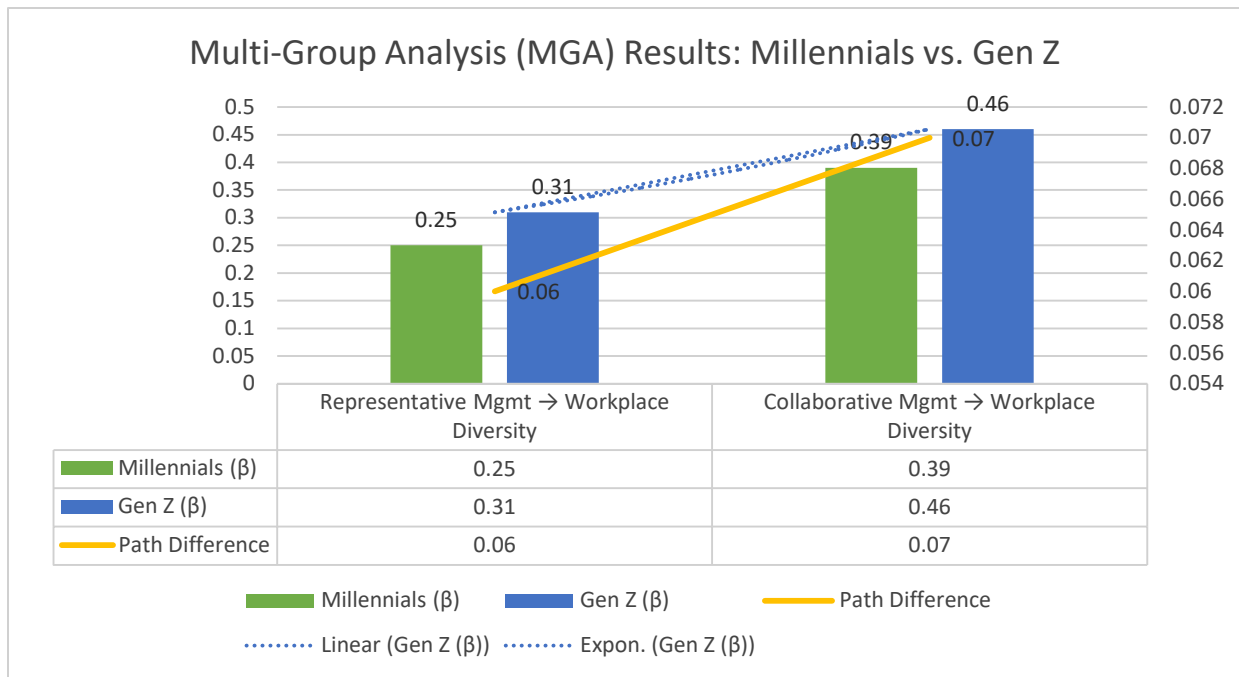


Figure 2. Multi-Group Analysis (MGA) Results: Millennials vs. Gen Z

This finding confirms H2b and highlights that younger employees are more responsive to collaborative approaches, aligning with generational expectations of inclusivity and co-creation in organizational decision-making (Hair et al., 2022).

Comparative Effects: Collaborative vs. Representative Management

To evaluate hypotheses H3, H3a, and H3b, a comparative analysis of path coefficients was

conducted. This test determines whether Collaborative Management exerts a stronger influence on Workplace Diversity than Representative Management overall, as well as across the two generational cohorts. Following Hair et al. (2022), significant differences are confirmed if the difference in path coefficients is statistically meaningful ($p < 0.05$).

Table 10. Comparative Effects of Collaborative vs. Representative Management

Group	Collaborative Mgmt → WD (β)	Representative Mgmt → WD (β)	Difference	p-value	Stronger Effect
Overall	0.42	0.28	0.14	0.003	Collaborative
Millennials	0.39	0.25	0.14	0.021	Collaborative
Gen Z	0.46	0.31	0.15	0.018	Collaborative

The comparative analysis clearly demonstrates that Collaborative Management has a stronger impact on Workplace Diversity than

Representative Management across all tested groups. Overall results show a significant difference (β difference = 0.14, $p = 0.003$), supporting H3.

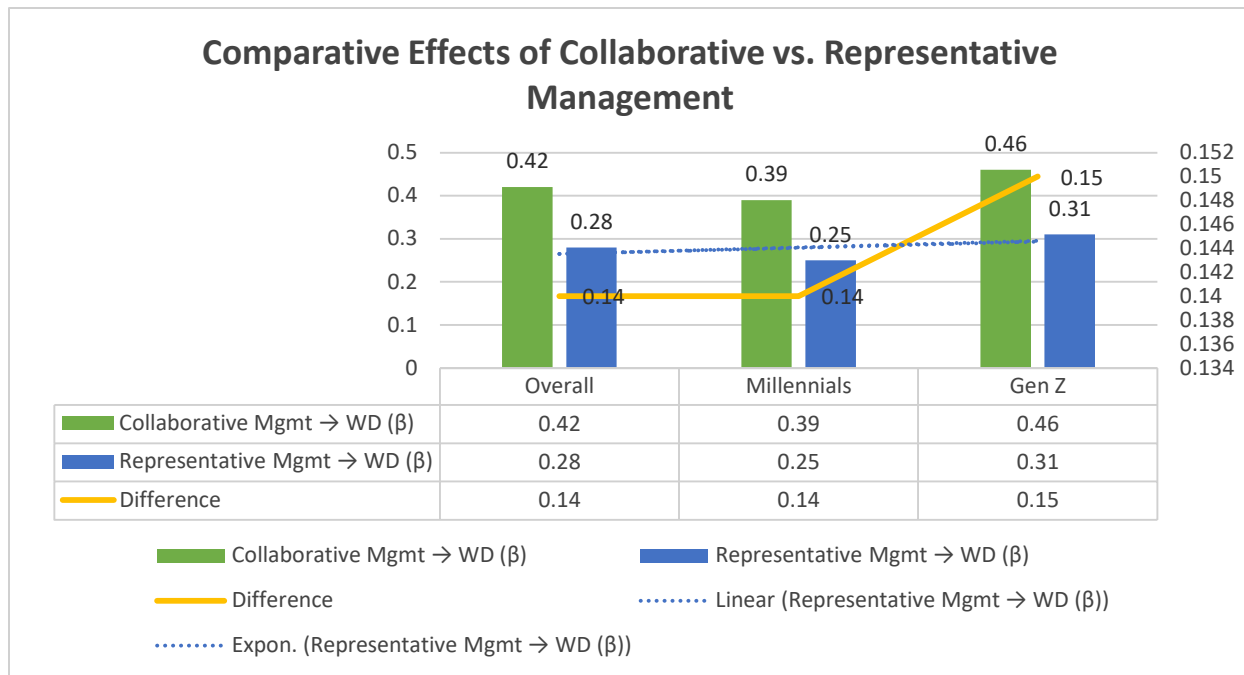


Figure 3. Comparative Effects of Collaborative vs. Representative Management

When examined by generation, both Millennials (β difference = 0.14, $p = 0.021$) and Gen Z (β difference = 0.15, $p = 0.018$) perceive collaborative practices as more influential in fostering diversity, thereby confirming H3a and H3b. These results highlight the practical importance of emphasizing collaborative decision-making approaches to strengthen inclusive outcomes, particularly in diverse, multi-generational workplaces (Hair et al., 2022).

Discussion

The results endorse participative management as a strong and positive driver of workplace diversity, influenced to a greater degree by collaborative management rather than representative. This is consistent with emerging evidence on the utility of collaborative strategies for building inclusivity, creativity and trust within multi-cultural teams (Toufighi et al., 2024., Song, Xu & Zhang (2025). The findings also build on past evidence in showing that collaborative practices (i.e., team decision-making and united problem solving) carry more weight for

employees' expectations of fairness, being included, and having equal chances than the formal representative body elements. It follows as a multinational corporation keen to develop inclusive working environments, corporate HR should give priority to day-to-day coordinated activities more than the formal organization of representation guidelines alone (Platania, 2025) as real participation happens in continuous interaction and not just looking at tokens people. Additionally, the generational moderation analysis provides new evidence of how Millennials and Gen Z tend to react differently to participative management styles. Both groups appreciated the same participative type of leadership, but the influence of shared management was at an extreme power for Gen Z representing their particular desire to have open lines of communication and digital collaboration; not only being part of a decision-making process, but having their involvement be significant. This finding also reinforces the findings of a global study from Deloitte (2025) that found member of Generation Z expect transparent leadership and ongoing engagement, with Millennials being somewhat more comfortable with formal

structures for participation. Accordingly, this research examines how age differences moderate the relationship between participative management and workplace diversity, thereby suggesting that organizations should provide differential offerings in order to cater for varying generational expectations. These findings also support demands for context-aware styles of leadership that allow for demographic and culture diversity in MNCs (Febriana & Mujib, 2024).

Implications

The present study has theoretical relevance in emphasizing the role of collaborative work management practices more than representative methods for promoting workplace diversity. This contributes to the literature on participative management by unpacking its dimensions and demonstrating how they have divergent effects on diversity outcomes. It also contributes to the generational literature by demonstrating that Millennials and Gen Z actually react differently to participative practices, thus underscoring the value of integrating cohort-specific preference into organizational behavior research. These findings have the potential to advance our understanding of leadership and diversity by joining together participative management and generational issues in an integrated model.

The findings have managerial implications, calling for the attention of organizations and especially that of multinational companies which often work in cross-cultural and multi-generational contexts - towards cooperative mechanisms like a team working for decision-making, joint problem solving and an inclusive style of leadership. These not only enhance perceptions of fairness and inclusion but are also more appealing to younger workers, including Gen Z, who desire active participation in the workplace. Managers can increase employee engagement, establish retention, and generate a positive diversity climate that directly connect to organizational performance and innovation by investing in relational structures.

The study also has implications for human resource development and policymaking.

Organizations must develop training and development programs that provide managers with the capability to curate collaboration, stimulate employee voice, and control generational expectations. HR policies need to strike a balance between formal representation and the every day ways we collaborate so that all employees feel represented and actively included. In addition, these insights can help organizations develop specific diversity and inclusion strategies that cater to generational needs and guarantee lifelong vitality in recruiting and corporate competitiveness of global talent markets.

Recommendations

The results suggest that there may be a greater need for multinational companies to promote participative practices of management in their organizational design. Managers should be encouraged to form open lines of communication, foster team problem-solving and practice inclusive leadership patterns that enable everyone a voice. Through integrating cooperation in day-to-day activities, and not just reserved to the formal or representative structures, political equity can be improved and organization cultures that view diversity as a bridge to innovation and performance supported. What's more, some companies need to customize their participative management approaches as per generational presumptions. While millennials might like some formal structures to represent them, and opportunities for staff input, Gen Z employees tend to react more favorably to ongoing involvement and more flexible co-creative decision making. As a result, the hybrid model should become more prevalent to encompass both representative and collaborative processes in policies and practices that are generational inclusive. This strategy can feed into employee engagement, retention and placing organizations at the forefront of diversity and inclusion in competitive, global markets.

Limitations and Future Research Directions

The current study has some limitations. In addition, the sample size was small (140 participants employed in multinational

corporations from Karachi), which could limit generalizability to other industries, regions or organizational settings. Finally, the cross-sectional nature of the data precludes conclusions as to causality or long-term consequences of participative management for workplace diversity. Moreover, the use of self-reported survey data might lead to response bias since participants could have reported socially desirable responses rather than purely objective information.

There are several limitations that future researchers might want to address, such as the use of larger samples with a wider range of people from different cultures and industries in order to generalize the findings. Longitudinal study designs would help to explore how participative management practices shape workplace diversity and inclusion over time, as generations shift in their expectations. In addition, qualitative and/or mixed-methods approaches would deepen our understanding of the processes by which collaborative and representative management styles influence employees' perceptions. Furthermore, examining other moderators such as organizational culture, leadership style, or technostress pressure would further enhance our understanding of how participative management interacts with the larger dynamics in the workplace.

Conclusion

In Summary, this study finds that participative management plays a significant role in influencing workplace diversity of multinational organizations, and collaborative action has a much greater impact than representative mechanicals. The results also emphasize the critical moderating role of generational differences, with Gen Z employees being more responsive to practices than Millennials. The study, by empirically recognizing those unique influences of participative management dimensions and generational expectations, extends to concepts both theoretic and practical across the leadership field of diversity. In the end, this research has demonstrated that developing inclusive, collaborative and generationally sensitive management approaches may be a

vehicle for sustainable organizational success in today's highly diverse and competitive global market.

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