

# Human Resource Diversity Orientation Strategy and Firm Success: An Empirical Investigation of Electronic Parts Businesses in Thailand

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## Abstract

In the era of globalization, there are many diversifications in the organization. Human resource diversity orientation strategy has been recognized as one important key strategy which influences firm success. The main purpose of this study was to investigate the relationship between dimensions of human resource diversity orientation strategy (HRDOS) and firm success. The 137 electronic parts businesses in Thailand were chosen as the sample of the study. The multiple regression analysis was used for hypothesis testing. The results indicated that knowledge orientation exchange has a positive influence on sustainable competitiveness. Some dimensions of HRDOS (idea-challenging encouragement and teamwork value enhancement) have a positive influence on firm success. Moreover, sustainable competitiveness has a positive influence on firm success. Contributions, conclusion, and suggestions for directions of the future are also described.

**Keywords:** Human resource diversity orientation strategy, Sustainable competitiveness, Firm success

## 1. Introduction

In this highly competitive and constantly changing economy, there are various important factors for business operation such as globalization, innovation development and technology which inevitably affect businesses, both positively and negatively. Thus, it is important for businesses to adapt to these rapidly changing situations, be able to react to all stimuli and be effective both in short and long term periods (Girish, 2015). Business functions such as finance, marketing and operations especially human resources are used for strategic operations in order to develop and maintain the competitive ability of the organization (April Chang and Chun Huang, 2005).

According to the changes previously mentioned the some of the changes result from globalization which causes labor mobility across the world, which leads to a variety of personnel in the organization. A wide variety of personnel gives different work forms and the desire to work as well as different learning process and development. The variety of personnel may cause problems to the organization if the management does not learn and understand this (Urbsiené, 2011). Thus, diversity in an

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organization is extremely essential and has become an important strategy for advantages or disadvantages of the organization that cannot be overlooked by the management (Kossek et al., 2005).

Diversity strategy has been a developed concept in the U.S.A. since the 1980's (Kim et al., 2015). It uses the potential of the organization to deal with the differences of the employees whether it be their skills, ability, and knowledge to integrate these into the real potential of the organization by supporting the employees to learn, interact with each other, have common understanding and use their diversity to gain competitive advantages with the highest effectiveness (Gomez-Mejia et al., 2007). The objective of diversity strategy is to use the strength of the labor diversity at the highest level to gain competitive advantages for the organization and to develop the acknowledgment ability as well as perception and value diversity in the workplace and the acknowledgment of cultural diversity (Soni, 2000). Therefore, diversity strategy plays a vital role of being a way to form and create the employees' working behavior and it also influences the employees' performances. Diversity strategy creates activity and working integration. This will not only make employees perform better work but also lead to the main purpose of the organization including competitive advantages (Singh and Winkel, 2012). In addition, it is one of the main factors for the survival of the organization under the turbulent and uncertain circumstances. Employees get to use their potential and talents which will benefit the organization and they can adapt themselves in order to work together regardless of their diversity attributes. Moreover, a variety of personnel may be a strong point or an advantage to adjust the organization which may lead to the progress or success of the organization (Florida, 2003). Thus, each organization needs to understand how to manage the labor diversity in the workplace in order to create the effectiveness of the organization (Kalev et al., 2006; Pitts and Wise, 2010).

The key research question of this research is how human resource diversity orientation strategy influences firm success. The main purpose is to investigate the relationship between human resource diversity orientation strategy and firm success. The essential points of this research are organized as follows: The first section reviews the previous research and relevant literature on human resource diversity orientation strategy, describe the conceptual model and the relationships among the different variables, and develops the related hypotheses for testing. The second section reveals the research methods, including the data collection procedure, measurements and statistics. The third part describes results of the analysis and discussion. The final section reveals contributions, conclusion, and suggestions for directions of the future.

## 2. Literature review and hypothesis development

The relevant literature is developed for the conceptual model as shown in Figure 1 on the basis of extant research. The conceptual model is illustrated the relationships among human resource diversity orientation strategy and its consequences.

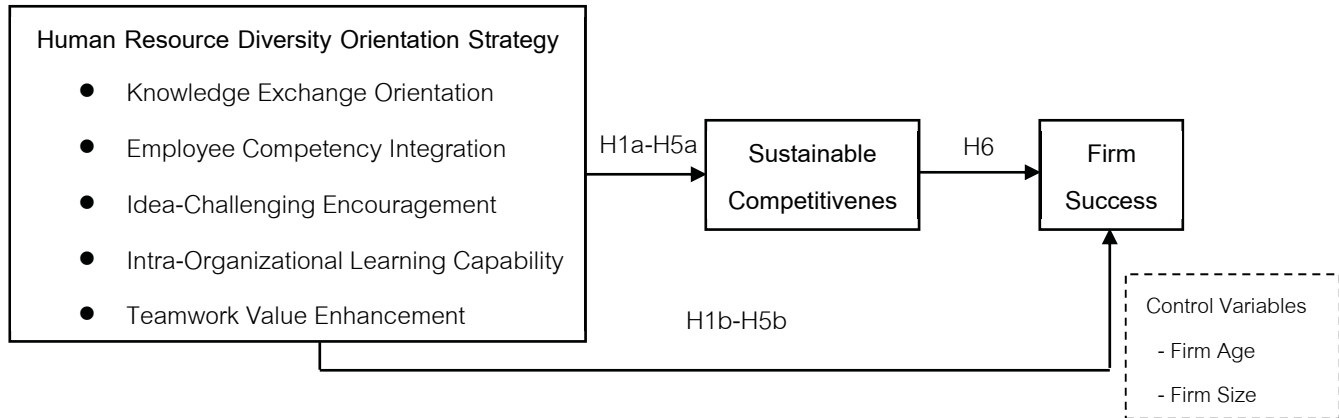


Figure 1: Conceptual Model of Human Resource Diversity Orientation Strategy and Firm Success

## 2.1 Human Resource Diversity Orientation Strategy

The diversity management is a concept that may be the successful or the threat of work. Business has to focus on the better of diversity management strategy. Hence, human resource diversity strategy is the method to manage human resources to support long-term business vision and outcomes with a strategic concept. It focuses on longer-term people facets, matching resources to future requirement, and macro-concerns about quality, structure, culture, and values (Colbert, 2004).

In this research, human resource diversity orientation strategy is defined as the potential of firms to manage the differentiation of employee in the facet of capability, knowledge, and skill for integrative these competency to be the potential of their firms by learning process, participation in organizations, develop communication between several groups within an organization to create a competitive advantage (Cascio, 2006; Gomez-Mejia et al., 2007; Ivancevich, 2007). It is mainly focused on strategic management in the process that makes different people to cooperate working as efficiency by connecting concept of operational participation focus and development and well-being to each and every person. Firms that have a proactive diversity strategy are possible to take a broad, gestalt view of diversity (Holladay et al., 2003). Then, these are likely to value of diversity and incorporate diversity initiatives into the vision, mission, policies, procedures, and practices (Ely and Thomas, 2001). Human resource diversity orientation strategy is possible to have quality group functioning, positive workforce attitudes, and highly firm performance (Fink et al., 2001). Moreover, it can utilize the beneficiary from skills and the potential of all employees. Thus, human resource diversity orientation strategy efficiency leads firms to success by changing through a business's multicultural employees and the image adaptation of those firms. Therefore, the value of diversification is the source of competitive advantage, a business's quality improvement, and leads to firm's success (Shen et al., 2009).

The previous literature has revealed that human resource diversity orientation strategy has two important things as follow: Firstly, this is the human resource practical connection with human resource process of the firms. Secondly, this is the integrative between human resources practical with the format of operation planning (Wright and McMahan, 1992). Moreover, the differentiation of human resource diversity

strategy of firms leads to create employee skill differently. Moreover, the resource-based view identifies that employee skill is a resource that leads to sustain competitive advantage of the firms. According to the literature reviewed above, this research proposes and develops human resource diversity orientation strategy definition and applied the concept for new dimensions as follows.

### 2.1.1 Knowledge Exchange Orientation

Knowledge is perceived to be the foundation resource of modern organizations, and is the most important of a firm's competitive advantage of efficient resources (Alavi and Leidner, 2001). Then, it becomes the main activity for sustaining development and the firm's competitive advantage. Moreover, knowledge improves the decision process in business and has the significant condition for firm success (Wang and Noe, 2010).

Knowledge exchange is the process of knowledge production, sharing, storage, transfer, and utilization. Thus, knowledge leads to making decisions for increased firm success (Best and Holmes, 2010). In this research, knowledge exchange orientation is defined as the focus of the business on knowledge exchanging between employees by the exchanging expertise and experience to lead to increased operational competency (Best and Holmes, 2010; Cummings, 2004). Knowledge exchange is the most beneficial system for the firms when employees require utilizing the data in the system (Kankanhalli et al., 2011). The firms have to learn the best method for success, not only in knowledge exchange participation, but also in the storage of knowledge (Watson and Hewett, 2006). Moreover, resource management sectors suggest that the increase of knowledge exchange is the important factor in facilitation in society and environment, the effectiveness of the economy, and business sustainability (Benito-Bilbao et al., 2015). Thus, the hypothesis is posited as:

**Hypothesis 1: Knowledge exchange orientation has a positive influence on a) sustainable competitiveness and b) firm success.**

### 2.1.2 Employee Competency Integration

Competency is generally understood to be the expertise in operations which have capability, perceivable, and operations that are suitable and efficient. Moreover, there is also knowledge and skill in operations (Rodolfa et al., 2005). Previous research suggested that potential competency as a knowledge resource and the competency to connect them to be the structure leading to business achievement (Quinn, 1999). In this research, employee competency integration is defined as the business orient in combination with the variety capability and the special skill of each person by promoting the development, improvement and integration for competency (Mol et al., 2004).

From a resource-based perspective, employee competency is hardly imitated due to the resource development of each firm, as the imitation is the foundation for competitive capability (Lei et al., 1996). Therefore, the highly successful firm must have the capability to manage employee competency for creating a superior position. Several streams of research propose that employee competency integration is the continuous collaboration of work in activity to create firm operation efficiency and success of the firm

(Mol et al., 2004). Additionally, when the procedure and capability in an organization are integrated, it will make for better communication both in format and informality. The sustained competitive advantage creation comes from the resources and the business's capabilities to bundle competencies, when competences are processes embedded in businesses, and organizations' resources and competences connect activity systems that have complementarities. Then, a potential generates a sustained competitive advantage that is greater (Eisenhardt and Martin, 2000). Therefore, this research proposes the following hypothesis:

**Hypothesis 2: Employee competency integration has a positive influence on a) sustainable competitiveness and b) firm success.**

### 2.1.3 Idea-Challenging Encouragement

A new idea is capability of firm to encourage staff for new concept and knowledge improvement, create new operation process, and increasing potential and effectiveness of firm (Grandi and Grimaldi, 2005). Then, new ideas have development through the consideration, evaluation, and better improvement by conversation with other persons. Furthermore, it gets support from sociability that helps a manager to perceive new knowledge of employees through realization (Chua et al., 2010). New ideas lead to great benefit such as promotions, opportunities, bonuses and firm success (Nemeth et al., 2004). In this research, idea-challenging encouragement refers to the reinforcement of employees to be representatives of a newly created idea that can develop, solve problems, and take a new concept to adapt in an organization under a dynamic environment (Howell and Boies, 2004; Wu, Lin and Hsu, 2007).

Idea-challenging can develop in different ways and many are built by employees within firms. Employees are also likely to improve ties with individuals outside the business through several professional engagements (Nikolowa, 2014). The previous literature has shown that the creation of a new idea leads to better competition. Additionally, the increasing of idea-challenging can also build the creativity of firms (Chua et al., 2010). The large businesses can create operational efficiency and success by new ideas (McAdam and McClelland, 2002). Thus, the hypothesis is posited as:

**Hypothesis 3: Idea-challenging encouragement has a positive influence on a) sustainable competitiveness and b) firm success.**

### 2.1.4 Intra-Organizational Learning Capability

Organizational learning is the process related to the transformation of knowledge to knowledge, and transforming knowledge to the practical (Alipour et al., 2011). The learning process consists of comprehension in the learning process of each business for knowledge and skill by receiving knowledge transfer. The most research has studied about organizational learning in settings that have been conducted at the intra-organizational level (Muthusamy and White, 2005). The concept of learning focus, such as learning-by-doing, acquires information, balancing between exploration and exploitation (Kang et al., 2007).

The prior literature illustrated that the organizational learning capability is the learning process of firms that is the format of activities and firm competency. Besides, the organizational learning capability is the competency for efficient knowledge creation through specific management initiatives. Then, the practices of firms consist of producing, generalizing, and identifying the learning hindrances (Kiziloglu, 2015). From the literature review, intra-organizational learning capability in this research refers to the competency of firms to study, integrate, understand and develop novel approach in operation between employees in the firm through activities to learn about the project, work processes, organizational behavior, policies, and regulations (Byrne and Lemay, 2006).

The businesses that have organizational learning promote organizational innovation and firm success (Kiziloglu, 2015). Moreover, the reasons for organizational learning are important factors because when the firms have a learning process, it has an effect on new product introduction or market creation that continuously leads to the success of a firm in intensive market competition (Cefis and Marsili, 2005). Therefore, these are necessary factors of development, leading to creation and competition within the industry (Ruiz Moreno et al., 2005). Therefore, this research proposes the following hypothesis:

**Hypothesis 4: Intra-organizational learning capability has a positive influence on a) sustainable competitiveness and b) firm success.**

#### 2.1.5 Teamwork Value Enhancement

The popularity of teamwork in the firms was expanded a decade ago. Many firms used teamwork for operating the day-to-day activities to achieve strategy in facing complexity and competition, especially in the response to the requirements and expectations of the customer (Dhurup et al., 2016).

Teamwork was defined as the collaboration of persons who have the characteristics, skills, unique goals, efficiency, and responsibility for direction that might create social interaction between a team's members (Hoegl and Gemuenden, 2001). In this research, teamwork value enhancement is defined as the enrichment of teams to work in team effectiveness, and to emphasize teamwork by focusing on group work, the same directions and goals, collaboration, co-ordination in work, and unity for value creation of the team (Baker et al., 2006; Eliasa, 2014). From the literature review, the experiences of firms have led the organization to efficiency by teamwork and productivity adjustment, creation, and performance that make a satisfied customer (Castka et al., 2001) Also, teamwork collaboration leads to successful projects. Teamwork value is the value creation of firms. Therefore, a team member will create a new concept and problem-solving approach for creating and retaining the competitive capability of the firm (Rego et al., 2007). According to the above reason, the hypothesis is posited below:

**Hypothesis 5: Teamwork value enhancement has a positive influence on a) sustainable competitiveness and b) firm success.**

## 2.2 The Effects of Sustainable Competitiveness on Firm Success

### 2.2.1 Sustainable Competitiveness

The competitiveness concept is used in modern economics and management science and needs to be a well-known concept in both economics and management. Then, there are traditional economic indicators such as productivity, profitability, or market share. Moreover, it can make for sustainability of business growth in the long-term. In addition, there are the economic strengths of competitors in concept, product, service, skill and humans (Abushaiba and Zainuddin, 2012).

Business sustainability is defined as the good performance and the capability to continuously solve the problem consistent with the source of a problem. Therefore, competitive advantage is a concept used to identify a superior market position by offering superior customer value. Furthermore, the goal success of a firm comes from the lower cost for a customer, the increase of market share, and superior financial efficiency (Weerawardena, 2003). Likewise, sustainable competitive advantage is competition over a long period of calendar time and reflects financial efficiency. Additionally, there is included the competency and the resource which cannot be imitate. Furthermore, there are important roles for value-added development and firm success (Walter et al., 2001). Thus, in this research, sustainable competitiveness is defined as the firm has perform better than competitors, which includes management, developing, and maintaining a profitable, market share that has advantage and superiority over other firms in the industry (Balkyte and Tvaronavičienė, 2010; Johannessen and Olsen, 2003). Therefore, the research hypothesis is proposed as follows:

**Hypothesis 6: Sustainable competitiveness has a positive influence on firm success.**

### 2.2.2 Firm Success

The goal of achievement is the most important objective for any operation. Then, the success of a business comes from sustainability, market share, profitability, and solving-problem skills (Meyskens and Carsrud, 2013). The resource-based view revealed that a firm will use unique resources for development and strategic operations for increased success (Winter, 2000). Furthermore, the commutation and integration of different resources, leading to sustainable competitive advantage and higher efficiency, is the important component of success (Meyskens and Carsrud, 2013).

The prior literature illustrates that the success of business is in operational competency for business goal achievement, both in finance and marketing, such as in sales growth rates, customer's satisfaction, market share, stakeholder relativeness, and profitability (Maltz et al., 2003). Additionally, firm success is continuous sales growth rate, market share, and business growth (Naidoo, 2010). Consequently, the concept of firm success in this research is defined as the goal achievement receiving revenue and profit consistent with a target; continuously increasing in market share, finance, and performance; being well-known, and agreeing with business professionals (Cantner and Joel, 2011; Wagner and Weitzel, 2006).

### 3. Methodology

#### 3.1 Sample Selection and Data Collection Procedure

This research is chosen 773 electronic parts businesses in Thailand as the population and sample. This is obtained from the database of the following: the Department of International Trade Promotion, Ministry of Commerce, Thailand, accessed on February 14, 2016. The electronic parts businesses in Thailand were chosen because they have a large amount of the country's foreign direct investment (FDI) that make it one of the most attractive areas for foreign investors. Moreover, they were both concentrated labor and are fast-growing, which intensifies the need for a variety of skills development. Variety skilled labor is the most important (Rasiah, 2003). The mail surveys were sent to managing directors or managing partners who are the key informants. Data was collected during May to September 2016. A collection of 146 responses was received. However, only 137 complete questionnaires were usable for further analysis. It could be stated that the effective response rate was approximately 20.33 percent. The response rate for a mail survey, without an appropriate follow-up procedure, if greater than 20 %, is considered acceptable (Aaker et al., 2001). Moreover, the test of non-response bias is tested for a difference between responding firms and non-responding firms, which may limit an inference from sample to population. Thus, this research employs a t-test by comparing the group mean of the firm characteristics (business location, number of full time employees, operation capital and average annual incomes) between early and late responding firms. These results show that there were no statistically significant differences between early and late groups at a 95% confidence level. Therefore, it can be stated that the non-response bias is not problem in this research (Armstrong and Overton, 1977).

#### 3.2 Variable Measurement

The measure of development procedures are involved with multiple item development for measuring each variable in the conceptual model. These variables are transformed into the operational variables for true measuring. Moreover, the measurement of each variable in the conceptual model was developed from the definition for measuring, and all variables gained from the survey are measured by a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree). This measurement comprised dependent variables, independent variables, mediating variables and control variables that are explained as follows.

##### 3.2.1 Dependent Variable

Firm success is a measurement from revenue and profit consistent with a target, continuously increasing in market share, finance and performance. This variable is adapted from Pongpeachan and Ussahawanitchakit (2011), which is including a five-item scale.

##### 3.2.2 Independent Variables

This research has 6 independent variables as follows:

Knowledge exchange orientation is measured is measure by the capability of the business in



receiving and sending knowledge and experience by relying on work cooperation, sharing and improve the system of knowledge exchange between variety employees. The measure is created as a new scale with four-items developed from the definition and literature review.

Employee competency integration is measured by the capability of a firm to support employees working together to better adapt their process and link of its potential and capability in order to create a system that can be used to effectively develop a plan. The measure is developed as a new scale with a four-item scale, developed from the definition and literature review.

Idea-challenging encouragement is measured by new idea of work method, new business idea on product and service, new idea of administration, the idea of potential market that differentiation of competitor. The measure is created as a new scale with a four-item scale, developed from the definition and literature review.

Intra-organizational learning capability is measured by the ability of firm to study, comprehend and improve new operation among employees in the organization through communication, activities and organizational behavior. This construct is developed as a new scale from the definition and literature review, including a four-item scale.

Teamwork value enhancement is measured by the cooperation between employees as systematic with the same goal and ability in order to consult and solving problem together. This construct is developed as a new scale from the definition and literature review, including a four-item scale.

Sustainable competitiveness is measured by the outstanding performance of the firm that is superior to their competitors and other firms in the industry, and can maintain profitability and market share. This variable is adapted from Intarapanich and Ussahawanitchakit (2011), including a four-item scale.

#### **3.2.4 Control Variables**

In this research, Control variables include firm age and firm size as follows:

Firm age refers to the number of years that a firm has been in operation. It is a critical control variable that may have effects on management. Thus, this research, it is measured by the period of time in business (Zhou et al., 2005). Firm age is represented by a dummy variable in which 0 = less than or equal to 20 years, and 1 = more than 20 years.

Firm size refers to the operational capital of the business. Thus, this research, it is measured by the asset or capital on investment in businesses' operations (Rothaermel and Deeds, 2006). Firm size is represented by a dummy variable in which 0 = less than or equal to 75,000,000 baht, and 1 = more than 75,000,000 baht.

### **3.3 Validity and Reliability**

To measure the reliability and validity, the factor analysis was used to examine the construct validity. All factor loadings were greater than cut-off value was at 0.40 and were statistically significant (Nunnally and Berstein, 1994). The Cronbach's alpha coefficients were used to examine the reliability. It

are greater than 0.70 (Nunnally and Bernstein, 1994). The scales of all measures are shown to result in internally consistency. This study has presented validity and reliability as illustrated in Table 1. The factor loading was ranging between 0.603 - 0.910 in that these scales are more than 0.40, which indicates acceptable construct validity. Furthermore, Cronbach's alpha coefficients were measured between 0.717 - 0.884, which exceeds 0.70 to indicate that the internal consistency of the entire scale exists (Nunnally and Bernstein, 1994).

**Table 1:** Result of Measure Validation

Variables	Factor Loadings	Cronbach's Alpha
Knowledge exchange orientation (KEO)	0.722 - 0.764	0.717
Employee competency integration (ECI)	0.690 - 0.910	0.822
Idea-challenging encouragement (ICE)	0.820 - 0.901	0.884
Intra-organizational learning capability (ILC)	0.706 - 0.861	0.781
Teamwork value enhancement (TVE)	0.624 - 0.909	0.833
Sustainable competitiveness (SC)	0.641 - 0.910	0.817
Firm success (FSU)	0.603 - 0.862	0.790

### 3.4 Statistical Techniques

The multiple regression analysis was used to investigate the hypothesized relationships between dependent and independent variables. Therefore, the proposed hypotheses were transformed into three equations that guided the steps to regression analysis. The equation models are presented in the following.

$$\text{Equation 1: SC} = \alpha_1 + \beta_1\text{KEO} + \beta_2\text{ECI} + \beta_3\text{ICE} + \beta_4\text{ILC} + \beta_5\text{TVE} + \beta_6\text{FA} + \beta_7\text{FS} + \epsilon_1$$

$$\text{Equation 2: FSU} = \alpha_2 + \beta_8\text{KEO} + \beta_9\text{ECI} + \beta_{10}\text{ICE} + \beta_{11}\text{ILC} + \beta_{12}\text{TVE} + \beta_{13}\text{FA} + \beta_{14}\text{FS} + \epsilon_2$$

$$\text{Equation 3: FSU} = \alpha_3 + \beta_{15}\text{SC} + \beta_{16}\text{FA} + \beta_{17}\text{FS} + \epsilon_3$$

## 4. Results and Discussion

The correlations among each dimension of human resource diversity orientation strategy on its consequences are revealed in Table 2.

Table 2: Descriptive Statistics and Correlation Matrix

	KEO	ECI	ICE	ILC	TVE	SC	FSU
Mean	4.12	3.98	3.99	3.90	3.85	3.67	3.74
S.D.	0.63	0.65	0.71	0.72	0.72	0.73	0.54
KEO	1.000						
ECI	.596 <sup>***</sup>	1.000					
ICE	.582 <sup>***</sup>	.537 <sup>***</sup>	1.000				
ILC	.573 <sup>***</sup>	.522 <sup>***</sup>	.753 <sup>***</sup>	1.000			
TVE	.597 <sup>***</sup>	.566 <sup>***</sup>	.719 <sup>***</sup>	.760 <sup>***</sup>	1.000		
SC	.558 <sup>***</sup>	.345 <sup>***</sup>	.451 <sup>***</sup>	.411 <sup>***</sup>	.444 <sup>***</sup>	1.000	
FSU	.395 <sup>***</sup>	.276 <sup>***</sup>	.502 <sup>***</sup>	.462 <sup>***</sup>	.501 <sup>***</sup>	.447 <sup>***</sup>	1.000
FA	-.073	.065	.041	-.009	.046	.029	.110
FS	.120	.066	.115	.043	.080	.161	.170 <sup>**</sup>

\*\*\*p<0.01, \*\*p<0.05

The most of these correlations are less than 0.80 as recommended by Hair et al. (2010). The maximum value of VIF is 3.070, which is well below the cut-off value of 10 (Hair et al., 2010). This means each dimension of human resource diversity orientation strategy is not correlated with each other. As a result, multicollinearity problems should not be of concern.

Table 3 illustrated the hypothesis testing results. Firstly, the results indicate that knowledge exchange orientation has a significant positive effects on sustainable competitiveness ( $\beta_1 = 0.455$ ,  $p < 0.01$ ). In terms of knowledge exchange, the results show that knowledge exchange between employees and collect knowledge from each other which gains from talking to co-worker to support them get work done better, more efficiently or more quickly, which offers the firm capability for improved productivity (Lin, 2007). Hence, knowledge exchange is one of the most common approaches in economics and business fields to connect business creation, business growth (Best and Holmes, 2010) and competitive competency (Reinholt et al., 2011). *Thus, hypothesis 1a is supported.* Nevertheless, knowledge exchange orientation has no significant influence on firm success ( $\beta_8 = 0.115$ ,  $p > 0.1$ ). Luring and Selmer (2012) stated that in the diverse workplace, which normally related to variance of employees, is the variety of behavioral patterns, language skills and communication styles. It is possible that firm is not fully distributed and employs knowledge in operation and social barriers may hinder individuals from communicating their knowledge beyond social communities. Hence, knowledge exchange often fails to efficiently use their full knowledge potential. *Thus, hypothesis 1b is not supported.*

Secondly, employee competency integration has no significant influence on sustainable competitiveness ( $\beta_2 = -0.078$ ,  $p > 0.1$ ) and firm success ( $\beta_9 = -0.089$ ,  $p > 0.1$ ). The results are consistent with Leonard-Barton (1992) who had revealed that employee competency is distinctive skills, managerial systems and technical systems that these competences create organizational values and develops to become a core competency of the firm. However, the electronic parts industry lack of labor development and attention to competence standards that leads to the less of employee competency (Sunthonkanokpong et al., 2011). Therefore, it is more likely that the development of employee competency in Thailand context is not competitive enough with other country for business success. **Thus, hypotheses 2a and 2b are not supported.**

Thirdly, the findings suggest that idea- challenging encouragement has no significant influence on sustainable competitiveness ( $\beta_3 = 0.148$ ,  $p > 0.1$ ). The results are according to the study of Rasiah (2003) who indicated that the electronic parts industry is both rapidly growth and labor intensive. Whereas, in Thailand context lack of encourage in develop skill labor that leading to less of develop in new idea (Mulder et al., 2007). Thus, firm should not adapt new idea and concept that differentiation from other competitor. It is possible that cannot sustain in competitive advantage. **Thus, hypothesis 3a is not supported.** However, idea- challenging encouragement has a significant positive effects on firm success ( $\beta_{10} = 0.234$ ,  $p < 0.1$ ). It can be explained that the variety of data in the firms lead the employees to have new ideas, different ideas, and viewpoints leading to utilize, create, and evaluate differently. Therefore, the sharing concept of divergent member within the firm will increase idea- challenging that increases valuably and contributes to firm success (Chua et al., 2010). **Thus, hypothesis 3b is supported.**

Fourthly, the results indicate that intra-organizational learning capability has no significant influence on sustainable competitiveness ( $\beta_4 = -0.003$ ,  $p > 0.1$ ) and firm success ( $\beta_{11} = 0.080$ ,  $p > 0.1$ ). Muller and Siebenhuner (2007) stated that the sustainability in any firm necessitates organizational learning. Moreover, the development and learning processes are perceived that is an important component towards the sustainable development to the implement the sustainability of firms. However, there are less research and development activities and learning process in electronic parts industry (Rasiah, 2004). Therefore, it is possible that firms cannot encourage learning capability leading to limitation in competitive capability and success. **Thus, hypotheses 4a and 4b are not supported.**

Table 3: Results of Regression Analysis

Independent Variable	Dependent Variables		
	SC	FSU	FSU
Knowledge Orientation Exchange (KEO) (H1a – H1b)	0.455*** (0.099)	0.115 (0.101)	
Employee Competency Integration (ECI) (H2a – H2b)	-0.078 (0.095)	-0.089 (0.097)	
Idea-Challenging Encouragement (ICE) (H3a – H3b)	0.148 (0.119)	0.234* (0.121)	
Intra-Organizational Learning Capability (ILC) (H4a – H4b)	-0.003 (0.125)	0.080 (0.127)	
Teamwork Value Enhancement (TVE) (H5a – H5b)	0.110 (0.122)	0.242* (0.124)	
Sustainable Competitiveness (SC) (H6)			0.431*** (0.077)
Firm age (FA)	0.127 (0.183)	0.245 (0.186)	0.225 (0.193)
Firm size (FS)	0.052 (0.153)	0.207 (0.156)	0.230 (0.163)
Adjusted R <sup>2</sup>	0.312	0.291	0.209
Maximum VIF	3.070	3.070	1.089

\*\*\* p < 0.01, \*\* p < 0.05, \* p < 0.10, Beta coefficients with standard errors in parenthesis

Finally, teamwork value enhancement has no significant influence on sustainable competitiveness ( $\beta_5 = 0.110$ ,  $p > 0.1$ ). In terms of teamwork value enhancement, teamwork has to be acknowledged also that setting is clear and detailed performance to the outset of difficult project of innovations and competitiveness because the electronic parts industry is often highly complex and uncertain (Hoegl and Gemuenden, 2001). Therefore, that teamwork may fail to generate novel ideas for innovations and competitive because the potential employee is different such as skill, competency, knowledge and ability that might affect directly teamwork's operating results difference (McClough and Rogelberg, 2003). *Thus, hypothesis 5a is not supported.* Nevertheless, teamwork value enhancement has a significant positive effects on firm success ( $\beta_{12} = 0.242$ ,  $p < 0.1$ ). The study of Jaskyte (2008) indicated

that the team members who have a high level of interpersonal communication and are clear in their objectives will have high creativity and success. *Thus, hypothesis 5b is supported.*

Additionally, the analysis indicated that sustainable competitiveness has a significant positive effects on firm success ( $\beta_{15} = 0.431, p < 0.01$ ). In term of sustainable competitiveness, the resource-based view explains the resources and competency of firms leading to a competitive advantage and sustains it over time that makes business successful (DeSarbo et al., 2007). The business has the best operations for rapid response to customer needs and competition. Those are the characteristics of managerial professionalism strategy of the firm which can improve competitive advantage, performance that leads to success of the organization (Donsophon et al., 2015). *Thus, Hypothesis 6 is strongly supported.*

## 5. Contributions

### Theoretical Contributions

This research purposes to an understanding of the relationships between human resource diversity orientation strategy and firm success. Moreover, human resource diversity orientation strategy has been conceptualized into five dimensions (knowledge exchange orientation, employee competency integration, idea-challenging encouragement, intra-organizational learning capability, teamwork value enhancement) are newly developed to extend the concept that can describe a phenomenon of a business environment, especially in Thailand. They are particularly designed for measuring in an industrial context.

### Managerial Contributions

This research provides managerial contributions to managing directors and executives that understanding of the changing nature of today's workplace, the shifting demographics of workers today, and the importance of diversity strategy. They can use variety elements of human resource diversity orientation strategy to provide firms with sustainable competitiveness and firm success. Interesting, the result had shown that knowledge exchange orientation, idea-challenging encouragement and teamwork value enhancement as the most interesting of each dimension of human resource diversity orientation strategy have the relationships significantly affect among consequences. Therefore, managing directors and executives should realize and provide appropriate activities to diversity employee in exchange the knowledge and focus on the new idea of employee to make effectiveness of the operation and focuses on the cooperation in working of employee as systematic.

## 6. Conclusion

The research investigates the relationships among each dimension of human resource diversity orientation strategy, sustainable competitiveness, and firm success of electronic parts businesses in Thailand. The sample of the study includes 137 observations. The results of regression analysis show that knowledge exchange orientation had a positive influence on sustainable competitiveness. Besides, idea-challenging encouragement had a positive firm success. Moreover, teamwork value enhancement had a

positive influence on firm success. Interestingly, sustainable competitiveness had a strongly positive influence on firm success. In addition, some hypotheses are not statistically significant. Because of electronic parts businesses did not focus on employee development and organizational learning. Thus, for a better result, further research should reinvestigate them. Additionally, further research should collect data from different groups or a larger segment of the population, or a comparative population. Therefore, other sample groups from other sector such as service sector (hotel business) should be investigated in order to verify the generalizability of the study, and the increase the level of reliability. The reason of selective this sector because they are becoming increasingly growth and trend toward more requirement of diverse workforces to operation. Furthermore, some variables are developed as a new scale and are measured by using the literature reviews, as well as new definitions of each variable. Therefore, future research should develop and explore the scale applying different methods such as in-depth interviews with executives, in order to confirm and create true variable measurements and all relationships shown in this research model.

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