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**THE IMPACT OF THE THEORY OF PLANNED BEHAVIOR
MODEL ON EMPLOYEES' ACCEPTANCE TOWARDS
WORKFORCE DIVERSITY IN
MALAYSIAN ISLAMIC FINANCIAL INSTITUTION**



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**MASTER OF HUMAN RESOURCE MANAGEMENT
UNIVERSITI UTARA MALAYSIA
AUGUST 2025**

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TOWARDS WORKFORCE DIVERSITY IN MALAYSIAN
ISLAMIC FINANCIAL INSTITUTION**

By

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**Thesis Submitted to
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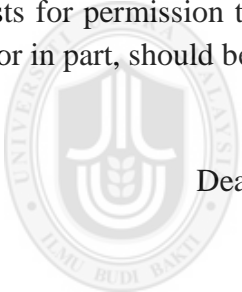
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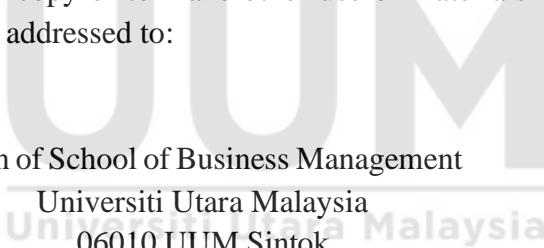
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ABSTRACT

This study investigates the factors influencing employee acceptance of workforce diversity in Islamic Financial Institution in Malaysia. Grounded in the Theory of Planned Behavior (TPB), the research focuses on three independent variables attitude toward diversity, subjective norms, perceived behavioral control, and one additional predictor of perceived organizational support to enhance the model's explanatory power, and examines their relationship with the dependent variable, employee acceptance. Using a quantitative research design, data were collected from employees in Islamic banking institutions. The findings reveal significant relationships between these psychological and organizational constructs and employee acceptance, providing empirical insights to support inclusive workplace practices rooted in both behavioral theory and Islamic ethical values. This research contributes to the literature on diversity management within Islamic banking and informs strategies to foster inclusive work environments in Malaysia's Islamic finance sector.

Key terms: employee acceptance, workforce diversity, islamic financial institution, inclusive

ABSTRAK

Kajian ini meneliti faktor-faktor yang mempengaruhi penerimaan pekerja terhadap kepelbagaian tenaga kerja dalam bank-bank Islam di Malaysia. Berasaskan Teori Tingkah Laku Terancang (TPB), kajian ini memberi tumpuan kepada tiga pemboleh ubah bebas sikap terhadap kepelbagaian, norma subjektif, kawalan tingkah laku yang dirasakan, dan satu pemboleh ubah ramalan tambahan iaitu sokongan organisasi yang diraskani bagi meningkatkan kuasa penjelasan model serta mengkaji hubungannya dengan pemboleh ubah bersandar, iaitu penerimaan pekerja. Kajian kuantitatif ini melibatkan pengumpulan data daripada pekerja di institusi perbankan Islam. Dapatan kajian menunjukkan hubungan yang signifikan antara konstruk psikologi dan organisasi ini dengan penerimaan pekerja, sekaligus memberikan panduan empirik untuk menyokong amalan tempat kerja yang inklusif berasaskan teori tingkah laku dan nilai etika Islam. Kajian ini menyumbang kepada literatur pengurusan kepelbagaian dalam perbankan Islam dan menyokong strategi bagi memperkukuh persekitaran kerja yang inklusif dalam sektor kewangan Islam Malaysia.

Kata kunci: penerimaan pekerja, kepelbagaian tenaga kerja, institusi kewangan Islam, inklusif

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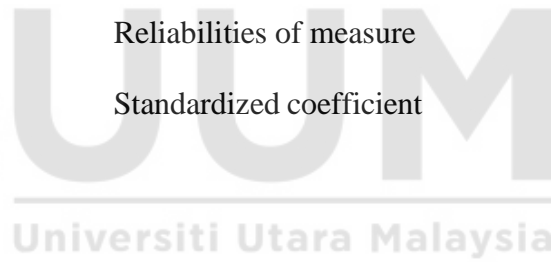
Appendix 1: Research Questionnaire

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LIST OF ABBREVIATIONS

ATD	Attitude Towards Diversity
D.F. (df)	Degrees of freedom
EA	Employee Acceptance
IFI	Islamic Financial Institution
p, Pvalue	Probability level
POS	Perceived Organizational Support
PBC	Perceived Behavioral Control
SPSS	Statistical Package for Social Sciences
TPB	Theory of Planned Behavior
α	Reliabilities of measure
β	Standardized coefficient



CHAPTER ONE

INTRODUCTION

1.1 Introduction

In recent years, Islamic banks in Malaysia have experienced growing recognition of the importance of fostering inclusive work environments. Employee acceptance of workforce diversity is crucial in ensuring organizational harmony, productivity, and ethical alignment with Islamic values. This study explores employee acceptance through the lens of the Theory of Planned Behavior (TPB), focusing on four core constructs: attitude toward diversity, subjective norms, perceived behavioral control, and perceived organizational support. These variables are critical in understanding how employees form intentions and behaviors related to accepting diversity in the workplace. As Islamic banks continue to expand in a multi-ethnic and multi-religious society like Malaysia, understanding these behavioral drivers can help institutions strengthen internal cohesion and support inclusive practices aligned with both organizational objectives and Islamic ethics.

1.2 Background of the Study

Malaysia provides a compelling context for examining workforce diversity due to its inherently multicultural and multi-religious society. The nation's population is primarily composed of Bumiputera (which includes ethnic Malays and indigenous groups), Chinese, and Indians, along with various smaller ethnic communities. According to the Department of Statistics Malaysia, Bumiputera represent approximately 70.5% of the population, followed by Chinese (22.9%) and Indians (6.6%) (Department of Statistics Malaysia, 2023).

Religious diversity is equally pronounced. Islam is the most widely practiced religion, followed by Buddhism, Christianity, Hinduism, and other faiths. As of the 2020 census, about 63.5% of the population identified as Muslim, 18.7% as Buddhist, 9.1% as Christian, and 6.1% as Hindu (Department of Statistics Malaysia, 2023). This unique demographic composition makes Malaysia an ideal setting for exploring issues related to workforce diversity, inclusion, and intergroup relations within organizational settings. The interplay of ethnicity and religion within the Malaysian socio-economic fabric often shapes employee attitudes, organizational policies, and workplace dynamics (Tan & Lim, 2022).

This inherent societal diversity is reflected in the workforce. The financial services industry and Islamic financial institution in particular employ staff from these varied backgrounds, making workplace diversity a lived reality. Islamic financial institutions (IFIs) include Islamic banks that operate in compliance with Shariah (Islamic law) (Letchumanan et al., 2025). Malaysia continues to be a global leader in Islamic finance, with a mature and rapidly growing Islamic banking sector. As of 2023, Islamic banking accounted for approximately 45.6% of total banking financing in Malaysia, outpacing the growth of conventional banking (Asian Development Bank, 2023). Malaysia also holds about 25% of the global share in Islamic banking assets, highlighting its international significance in the sector (AMRO, 2023).

Importantly, Islamic finance in Malaysia is not limited to the Muslim population. While earlier reports indicated that more than 50% of Islamic banking customers were non-Muslims (World Bank, 2017), more recent estimates suggest that about 15% of Islamic bank clients in Malaysia are non-Muslims (Musaffa Academy, 2023).

This still reflects a notable level of cross-religious acceptance, indicating that Islamic banking products appeal to a broader customer base due to factors such as ethical financial practices, transparency, and risk-sharing principles (Abdul Nasir et al., 2020). In line with this customer diversity, the workforce in Islamic financial institutions has also become increasingly multicultural. Employees from various ethnic backgrounds and nationalities are recruited to support the expanding industry and reflect the inclusive values embedded in Malaysia's Islamic banking model (Taufiqurrahman, 2023)

One important dimension of diversity in Malaysian Islamic finance is gender. Historically, the financial sector (including Islamic finance) had been male-dominated at upper echelons, but recent years have seen concerted efforts to improve gender balance. The Malaysian government, for example, introduced a policy stipulating that women should comprise at least 30% of corporate decision-making positions (Atlantis Press, 2023). Progress is evident in some institutions: Bank Negara Malaysia (the central bank) reported that, as of 2023, women account for close to 50% of its total employees, and 44% of its senior officers are women (Ali, 2023). Similarly, major banks have reached gender parity or better in overall workforce numbers (for instance, women now make up over 56% of Maybank's workforce) though female representation declines at higher management levels, indicating room for improvement. Despite gains, a gap persists in labor force participation nationwide, with Malaysia's female labor force participation rate at about 56.5% compared to 83.1% for males (Mohammed Azman, 2024). This gap suggests that structural and cultural challenges continue to impede full gender inclusion in the workplace. Within Islamic financial institution, enhancing gender

diversity remains a pertinent goal, aligning with both national policy and the values of equity espoused by the Islamic ethos.

Another key facet is ethnicity and culture. According to Asmak (2024), given Malaysia's plural society, Islamic financial institutions may employ Malays as well as significant numbers of Malaysian Chinese, Indians, and others, including non-Muslims. While Islamic banks were historically seen as catering to the majority Malay-Muslim community (SAGE Publications, 2021), the industry's evolution has been toward inclusivity and broad appeal. In the workforce, this translates to teams that can be ethnically heterogeneous. Managing such ethnic diversity requires cultural sensitivity and inclusive practices so that no group feels excluded or disadvantaged. Past experience in various organizations shows that if not handled well, ethnic differences can sometimes lead to in-groups and out-groups formation, affecting communication and teamwork (Kusku et al., 2022). On the other hand, when diversity is embraced, teams benefit from a wider range of perspectives and skills. Malaysia's context, with its long history of inter-ethnic cooperation and occasional tensions, underscores the importance of fostering social cohesion in workplaces. In Islamic finance an industry built on principles of justice and brotherhood there is both an ethical and practical imperative to ensure employees of all backgrounds are respected and valued.

Religious diversity is another consideration. By definition, Islamic financial institutions adhere to Shariah principles, and thus a significant portion of their employees are Muslim. However, many Islamic finance also hire non-Muslim professionals and serve non-Muslim customers. This interfaith aspect requires

mutual understanding and respect among employees. Malaysia, being a Muslim-majority country with a secular administrative framework, has experience in managing religious diversity nationally. In the workplace, a pluralistic ethos is needed indeed, it has been noted that Islamic teachings themselves promote pluralism and multiculturalism in society (UIN Salatiga, 2022). The Quranic emphasis on values such as justice and brotherhood can provide a supportive framework for diversity management from an Islamic perspective. Thus, Islamic financial institutions have an opportunity to model how Islamic principles can harmonize with modern diversity and inclusion practices.

Education and professional background diversity is especially salient within Islamic finance, which operates at the intersection of conventional finance and religious jurisprudence. As a result, the talent pool in this sector draws from a wide array of disciplines including finance, economics, accounting, law, Shariah studies, and increasingly, financial technology. Deputy Governor Adnan Zaylani Mohamad Zahid of Bank Negara Malaysia emphasizes the critical importance of nurturing such "intellectual diversity" spanning disciplines like economics, finance, law, and financial technology to foster innovation and transcend traditional boundaries within the industry (Adnan Zaylani, 2025). For instance, an effective team crafting an Islamic banking product may include a Shariah scholar, an economist, an IT specialist, and a marketing professional. In Malaysia, Islamic financial institutions actively recruit individuals from varied professional backgrounds including conventional banking, fintech startups, and global spheres to infuse diverse knowledge into organizational practice. This diversity, however, must be supported by an organizational culture that facilitates knowledge-sharing and mutual respect

among professionals of differing expertise.

1.3 Problem Statement

Despite the increasing emphasis on workplace diversity and inclusion within Malaysia's Islamic financial institutions, the factors driving employee acceptance of workforce diversity remain insufficiently explored. Islamic banks in Malaysia operate in an environment characterized by ethnic, religious, and cultural pluralism, making effective diversity management both a challenge and an opportunity (Sani et al., 2021). While organizations recognize the potential benefits of a diverse workforce, such as enhanced innovation, broader perspectives, and alignment with Islamic ethical principles, the degree to which employees themselves accept and support diversity is shaped by a complex interplay of psychological and organizational factors (Ali, 2023).

The Theory of Planned Behavior (TPB) provides a robust theoretical framework for understanding the determinants of employee acceptance of workforce diversity. According to TPB, an individual's behavior is influenced by their attitude toward diversity, which refers to personal evaluation of diversity's value, subjective norms, meaning perceived social expectations from supervisors and colleagues, and perceived behavioral control, which is confidence in one's ability to engage inclusively (Ajzen, 1991; Wiethoff, 2004). In addition, perceived organizational support, defined as the extent to which employees believe their organization values their contributions and supports diversity, has emerged in recent literature as a critical predictor of positive diversity outcomes in financial institutions (Kurtessis et

al., 2017; Dalessandro & Lovell, 2024; Sabir et al., 2022).

However, empirical studies examining the combined influence of these variables in the specific context of Malaysian Islamic banks remain limited (Tan & Lim, 2022; Sani et al., 2021). Existing research often focuses on Western or secular organizational settings, with insufficient attention paid to the interplay of Islamic values, organizational climate, and employee attitudes in shaping diversity acceptance (Basalamah, 2024). Furthermore, while the Malaysian government and Islamic banking regulators continue to promote diversity as a strategic and ethical priority, the extent to which these efforts translate into actual employee acceptance remains unclear (Bank Negara Malaysia, 2023).

There is a pressing need to investigate how attitude toward diversity, subjective norms, perceived behavioral control, and perceived organizational support jointly influence employee acceptance of workforce diversity in Malaysian Islamic banks. Addressing this gap will not only extend the application of TPB in a unique organizational and cultural context but will also provide actionable insights for leaders seeking to foster more inclusive and harmonious workplaces in line with both business imperatives and Islamic ethical values.

1.4 Research Questions

- i. What is the relationship between employees' attitude toward their acceptance of workforce diversity in Islamic financial institution?
- ii. What is the relationship between subjective norms and employees' acceptance of workforce diversity?
- iii. What is the relationship between perceived behavioral control and employees' acceptance of workforce diversity?
- iv. What is the relationship between perceived organizational support and employees' acceptance of workforce diversity?

1.5 Research Objectives

Corresponding to the research questions, the objectives of this study are outlined as follows:

- i. To examine the influence of employees' attitudes toward their acceptance of workforce diversity in Islamic financial institution?
- ii. To analyze the effect of subjective norms on employees' acceptance of workforce diversity.
- iii. To evaluate the impact of perceived behavioral control on employees' willingness to accept diversity.
- iv. To determine the effect of perceived organizational support for diversity on employees' acceptance levels.

1.6 Scope of the Study

This study was strictly limited to the context of Islamic banking institutions in Malaysia, with a specific focus on the perspectives of employees within these organizations. In terms of industry and location, the research concentrated exclusively on Islamic banks, purposely excluding takaful operators and investment firms to maintain a clear focus on banking activities. The study targeted three key Malaysian states: Kuala Lumpur, Penang, and Kedah. These locations were selected due to their high concentration of Islamic banking operations and their collective representation of diverse regions in the country. According to Ministry of Finance Malaysia (2023), Kuala Lumpur serves as Malaysia's financial capital and hosts the headquarters of many Islamic banks. Penang is recognized as a prominent commercial center with a diverse labor force, while Kedah offers a context marked by strong Islamic cultural influence and an expanding finance sector (Bank Negara Malaysia, 2023; Sani et al., 2021). By focusing on these locations, the study was able to access a substantial number of Islamic bank branches and employees, capturing possible regional variations in workplace practices and culture. This sampling approach ensured that the research provided a relevant cross-section of the Islamic finance workforce in Malaysia (Kamil & Mustaffa, 2024).

Participants in the study consisted of full-time employees working in Islamic banks, representing a variety of roles and hierarchical levels, from front-line staff and administrative personnel to middle managers. The sample also included employees with varying lengths of tenure and from different functional departments, allowing for a comprehensive organizational perspective. Although respondents naturally came from diverse demographic backgrounds such as gender, ethnicity, and age, the

study deliberately did not compare these demographic groups. Instead, the individual employee was treated as the primary unit of analysis, with attention directed toward psychological and organizational constructs, specifically attitudes, subjective norms, perceived behavioral control, and perceived organizational support, that influence the acceptance of workforce diversity. External stakeholders, including customers, were intentionally excluded from the scope of this study as the central interest was the internal acceptance of diversity within the organizations themselves (Ali, 2023; Kurtessis et al., 2017).

Regarding content, the study examined workforce diversity in a holistic manner. The term “diversity” in this context encompasses multiple salient dimensions in the Malaysian workplace, such as gender, ethnicity, religion, age, and educational background. These particular dimensions were selected because they are most frequently discussed in relation to diversity management within Malaysian organizations and are highly relevant to staffing practices in Islamic financial institutions (Shaari et al., 2020). Other aspects of diversity, such as disability status or nationality, were not explicitly addressed in order to maintain clarity and focus on the most prominent diversity factors applicable to this context. The study’s dependent construct, employee acceptance of workforce diversity, is broadly conceptualized as the willingness of employees to embrace, respect, and collaborate effectively with colleagues who differ from themselves across these major dimensions.

Methodologically, the study adopted a quantitative research design. Data were collected through structured questionnaires, which were developed to measure employees’ attitudes toward diversity, perceptions of subjective norms, perceived

behavioral control, and perceived organizational support, as well as their self-reported acceptance of colleagues from diverse backgrounds. The research was cross-sectional in nature, providing a snapshot of employee perceptions during 2024, the period in which the data were collected. All survey items and analytical procedures were informed by recent academic literature, particularly studies published from 2020 to 2025, to ensure relevance and methodological rigor (Dalessandro & Lovell, 2024; Sabir et al., 2022). By clearly delineating the study's scope in terms of organizational context, participant selection, and the diversity dimensions addressed, the research remains focused and manageable. Consequently, the findings and conclusions are interpreted within the defined context of Islamic bank employees in Kuala Lumpur, Penang, and Kedah, with care taken to avoid overgeneralization. Nevertheless, the insights generated by this study may also be informative for similar multicultural Islamic banking environments in Southeast Asia and the Gulf region where workforce diversity and inclusion are of growing importance (Tan & Lim, 2022; Sani et al., 2021).

1.7 Significance of the Study

This research is expected to be significant on multiple fronts: theoretical, practical, and contextual. By examining employees' acceptance of workforce diversity in Islamic financial institutions, the study contributes valuable insights to scholars, practitioners, and policymakers. From an academic standpoint, it addresses a gap in organizational behavior and diversity literature within the Islamic finance context of Southeast Asia. The study focuses on the application of established theories, such as the Theory of Planned Behavior and Social Identity Theory, to Islamic financial institutions operating in a multicultural, Muslim-majority country. It extends these

theoretical frameworks by exploring culturally specific variables, such as religious identity and Islamic values, that may influence acceptance of diversity (Accelerating Systemic Change Network, 2021; Tajfel & Turner, 1986). For example, findings may show that subjective norms play a stronger role in predicting inclusive behavior than individual attitudes alone, or that identity-based dynamics impact workplace interactions in unique ways

For industry practitioners including managers, executives, and HR professionals the study offers actionable insights. By identifying the level and determinants of acceptance, the findings will guide organizations in evaluating the effectiveness of current diversity and inclusion (D&I) strategies. High acceptance levels may indicate cultural alignment, while gaps may reveal the need for targeted interventions. For instance, if inclusive leadership correlates with positive acceptance, training programs can be tailored accordingly (Owen Reed, 2022). Likewise, if limited awareness of religious or cultural differences is a barrier, inter-cultural training and education initiatives can be implemented. The insights are also vital for talent acquisition and retention, especially among younger, diversity-minded employees. A truly inclusive culture can attract and retain top talent, drive innovation, and improve service to a diverse clientele (World Economic Forum, 2019; Bank Negara Malaysia, 2023).

The study also has policy and societal relevance. It supports national efforts towards inclusive growth, particularly those led by agencies like TalentCorp and Bank Negara Malaysia, by identifying areas in need of support or reform the equitable access, innovation and workforce representation in line with national inclusion objectives (Bank Negara Malaysia, 2024). For instance, findings on the under-

acceptance of women or minority groups can inform mentorship programs or diversity regulations. At a societal level, inclusive workplaces can model unity and contribute to broader social cohesion. Furthermore, according to Li and Tang (2022) the research highlights the economic rationale for inclusion: diverse teams, when managed inclusively, outperform homogeneous teams by enhancing innovation and decision-making quality.

Finally, from the employee perspective, this study gives voice to experiences often unrecorded in formal assessments. It provides data that may highlight the exclusion of non-dominant groups and can empower organizations to address these gaps. Over time, such efforts can lead to a healthier work environment and more equitable advancement opportunities for all. In summary, the study contributes to theory, enhances practice, informs policy, supports economic performance, and elevates the employee experience all while reinforcing Islamic ethical principles of justice, equity, and inclusion (Bank Negara Malaysia, 2023).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Workforce diversity refers to the variety of differences among people in an organization, encompassing both visible and invisible characteristics that make individuals unique. Cletus et al. (2018) define workplace diversity as a holistic concept denoting the differences that exist between people working within an organization, including a broad range of attributes such as gender, ethnicity, age, religious or political beliefs, education, and cultural background. In other words, a diverse workforce is one in which employees vary across dimensions that can influence their perspectives and experiences. Diversity in the workplace is often discussed in terms of primary dimensions such as race, gender, age, physical ability, and sexual orientation, as well as secondary dimensions such as education, marital status, and socioeconomic background, all of which shape individuals' identities and how they interact with each other (Guillaume et al., 2017; Sani et al., 2021).

Crucially, diversity in itself is neither automatically beneficial nor inherently problematic for organizations; rather, its impact depends on how it is managed. Recent research has shown that workforce diversity can yield positive outcomes such as enhanced critical thinking, creativity, and problem-solving in teams, as well as better outreach to diverse markets (Ali, 2023; Dalessandro & Lovell, 2024). For instance, teams composed of members from different ethnic backgrounds may generate a wider range of ideas and more innovative solutions to a problem than homogeneous teams. Diversity can also improve an organization's attractiveness as an employer by signaling inclusivity and equal opportunity, thereby drawing talent

from a larger pool (Talent Insight Group, 2024). On the other hand, diversity can pose challenges if not properly managed. Differences in backgrounds and beliefs may lead to misunderstandings, mistrust, or the formation of cliques along demographic lines. Employees might harbor prejudices or biases, whether conscious or unconscious, toward those who are different, which can lead to conflict, discrimination, or a lack of cohesion. Earlier research by Cox (1993) observed that unmanaged diversity could result in lower integration and higher turnover, especially for minority-group employees who feel excluded. More recent studies continue to highlight issues such as subtle forms of bias, microaggressions, and glass-ceiling effects as obstacles that diverse employees may face (Guillaume et al., 2017; Mansor et al., 2020).

The key to leveraging the benefits of diversity while minimizing its downsides lies in the implementation of effective diversity management and the fostering of an inclusive climate. Diversity management involves adopting policies and practices that promote the fair treatment and full participation of all employees, regardless of their backgrounds (Elamin et al., 2024). This may include formal initiatives such as diversity training, mentoring programs for underrepresented groups, flexible religious holiday policies, or clear anti-discrimination procedures. An inclusive workplace climate refers to the shared perception among employees that the organization values diversity and enables everyone to belong and contribute (Saqib & Khan, 2023). In an inclusive climate, employees feel respected and recognized for their unique perspectives, and differences are appreciated as sources of strength. It is found that when employees perceive a climate for inclusion, work units experience better psychological safety and performance outcomes (Fahrizal et al., 2025). Conversely, if employees feel that their organization or colleagues are indifferent or

hostile to diversity, they are less likely to share ideas or fully engage, thereby negating the potential advantages of diversity (Liu et al., 2023).

In the context of Islamic financial institutions in Malaysia, workforce diversity is a daily reality. These organizations employ Muslims and non-Muslims, people of various ethnicities, ages, and both genders. Embracing this diversity aligns with Islamic ethical values that encourage justice, equality, and brotherhood among all humans. Islamic teachings, for example, emphasize that superiority is only by righteousness and not by ethnicity or wealth, as reflected in the Quranic verse 49:13. Therefore, an Islamic bank has an inherent moral incentive to ensure that employees treat one another with respect and fairness, reflecting *ukhuwah* or brotherhood in the workplace. Some scholars have suggested that Islamic organizations may frame diversity efforts as part of their Shariah compliance in ethical behavior (Ali, 2021; Sani et al., 2021). On a practical level, given Malaysia's diversity, Islamic banks that actively manage diversity well can become role models in the broader effort to promote national unity and economic development through inclusive practices (Bank Negara Malaysia, 2023; Tan & Lim, 2022).

In summary, workforce diversity in an organization refers to the spectrum of differences among employees, which can yield significant benefits if harnessed in an inclusive environment. The effective management of diversity is particularly crucial in multicultural settings like Malaysian Islamic banks, where leveraging differences can enhance innovation and service, whereas neglecting inclusion could undermine organizational cohesion. This study focuses on employee acceptance of this diversity, essentially exploring how willing employees are to embrace and work with diverse colleagues, as a key outcome of interest.

2.2 Employee Acceptance of Workforce Diversity

Employee acceptance of workforce diversity refers to the extent to which employees are willing to embrace, respect, and work cooperatively with colleagues who differ from themselves in terms of backgrounds, demographics, or perspectives (Liu et al., 2023). This construct reflects an individual's inclusive attitude and behavior in the workplace. High acceptance implies that an employee not only tolerates diversity but values it. Such individuals are open-minded about differences, engage willingly and effectively with all colleagues, and support organizational initiatives that promote inclusion. Conversely, low acceptance may manifest as prejudice, discomfort, or resistance toward working with certain groups, even if not overtly expressed.

Researchers often conceptualize acceptance of diversity as part of the broader construct of inclusion or perceptions of diversity climate (Platania et al., 2022). However, this study focuses on individual-level acceptance as a distinct outcome. Employee acceptance can be understood as a combination of positive attitudes and behavioral intentions toward diverse colleagues. For instance, an employee high in acceptance is likely to agree with statements such as, "I enjoy working with colleagues from different cultural backgrounds," or "I appreciate the unique insights that people of other genders or ethnicities bring to our discussions." They are also more inclined to engage in inclusive behaviors, such as inviting input from quieter team members or volunteering to mentor newcomers who are demographically different. In contrast, employees low in acceptance might privately hold stereotypes or negative sentiments, avoid socializing with certain coworkers, or resist diversity-related organizational changes (Khan et al., 2021).

Importantly, employee acceptance is not merely the absence of overt discrimination. Individuals might avoid discriminatory acts due to company policy, yet may not truly “accept” diversity if they internally feel discomfort or resentment. Acceptance implies a genuine internalized openness to others. Research by Mansor et al. (2020) found that employees who value diversity and perceive it as morally right are more likely to exhibit supportive behaviors toward colleagues of different backgrounds, while those who perceive diversity as a threat may comply only superficially with organizational rules.

Recent studies have underscored the importance of employee acceptance for leveraging the benefits of workforce diversity. For example, a systematic review of Malaysian organizations found that employee acceptance of diversity was positively linked to outcomes such as teamwork quality and knowledge sharing (IJCRT, 2022). High acceptance fosters open communication and collaboration, whereas low acceptance can result in in-group bias, reduced knowledge integration, and ultimately weaker organizational performance. In the context of Islamic workplaces, promoting values of mutual respect derived from religious principles can foster higher acceptance and mitigate interpersonal frictions (Linando, 2022).

Employee acceptance is also critical for the success of organizational change initiatives, particularly those related to diversity. If employees are not accepting of diversity, new policies and hiring strategies may be met with cynicism or resistance (Sabir et al., 2022). To measure employee acceptance, scholars frequently use validated instruments such as the Attitudes Toward Diversity Scale (ATDS) developed by Montei et al. (1996), which has demonstrated high reliability in various contexts. In this study, items measuring the dependent variable were adapted from

such established scales and tailored to the Islamic banking context.

In summary, employee acceptance of workforce diversity represents the success of inclusion efforts at the individual level. It encompasses an employee's openness and positive orientation toward diversity in the workplace. This construct is therefore positioned as the key dependent variable in the current study, which investigates the factors influencing it among employees in Malaysian Islamic banks.

2.3 Attitude Toward Diversity

Within the Theory of Planned Behavior (TPB) framework, attitude toward the behavior refers to the individual's overall evaluation favorable or unfavorable of performing that behavior. Here, the relevant "behavior" is accepting and supporting workforce diversity (Ajzen, 1991). Attitude toward diversity is thus defined as an employee's positive or negative evaluation of the value of having diversity in their workplace and of engaging in inclusive behaviors. This addresses the question: "How do I feel about diversity and inclusion at work?" and encompasses whether one perceives diversity as beneficial and congruent with their values, or as unimportant or even detrimental.

A positive attitude toward diversity means the employee believes that a diverse workforce brings advantages such as creativity, improved decision-making, and a fair and equal environment. Employees with such attitudes might express that having colleagues from different backgrounds makes work more interesting and helps the organization serve customers better, or that promoting diversity is inherently the right thing to do. These positive appraisals are associated with stronger intentions to

engage in supportive and inclusive behaviors (Ajzen, 1991). Conversely, a negative attitude implies the employee views diversity as troublesome or unwelcome, perhaps perceiving that it leads to conflict or reduces organizational quality. Such negative evaluations are linked to lower intentions to embrace diversity-related behaviors.

Empirical research consistently finds attitude to be a strong predictor of behavioral intention within the TPB model (Ajzen, 1991). In organizational contexts, employees who personally value diversity are more likely to participate in and support inclusion initiatives. For example, Gonzales (2023) found that in a nonprofit organization, positive employee attitudes toward diversity and inclusion strategies were significantly associated with higher engagement in multicultural initiatives. This indicates that genuine belief in the value of diversity translates into action, whereas indifference or negativity results in superficial compliance at best.

In Malaysia, attitudes toward diversity can be shaped by cultural values and personal experiences. Mansor et al. (2020) reported that female employees tended to express more positive attitudes toward diversity, possibly due to their experiences as an underrepresented group in management. Similarly, employees with international exposure or those raised in multicultural environments often develop more favorable diversity attitudes. Educational interventions and diversity training can also play a significant role in shaping attitudes, as can alignment with religious or ethical values, particularly in Islamic organizations where fairness and benevolence are emphasized (Ali, 2023).

Overall, empirical evidence and theoretical predictions suggest that attitude toward diversity will significantly influence employee acceptance of workforce diversity. A more favorable attitude is expected to correspond with a stronger intention to behave

inclusively and to higher levels of acceptance in practice (Ajzen, 1991). Therefore, this study's first hypothesis posits that attitude toward diversity has a positive effect on employee acceptance of workforce diversity.

2.4 Subjective Norms

Subjective norms refer to an individual's perception of the social expectations or pressures from important others regarding whether they should perform a particular behavior (Ajzen, 1991). In the context of workforce diversity acceptance, subjective norms describe an employee's belief about whether influential people in their environment including supervisors, top management, coworkers, and sometimes family or community leaders expect them to support and accept diversity in the workplace. This construct addresses whether the workplace culture and leadership encourage inclusivity and whether employees feel social approval or disapproval based on their acceptance of diversity.

When employees perceive that colleagues and leaders actively support diversity and that prejudiced or exclusionary behavior is discouraged, they are more likely to feel motivated to act inclusively themselves. For example, in Islamic banks where top management and supervisors champion diversity and set positive examples, employees often internalize these expectations and are more likely to align their own behaviors accordingly (Dalessandro & Lovell, 2024). According to the Theory of Planned Behavior, subjective norms are significant predictors of behavioral intention. When the workplace culture strongly favors inclusion, employees typically aim to fit in by meeting these social expectations (Ajzen, 1991; Smith et al., 2021). In contrast, in environments where leadership is indifferent or where exclusionary behaviors are

normalized, the normative pressure to accept diversity weakens and employees may conform to less inclusive standards.

This factor is especially influential in collectivist and high power-distance cultures like Malaysia. Malaysian workplaces frequently emphasize respect for authority, group harmony, and community values, which increases employees' sensitivity to the expectations set by their supervisors and close work groups (Tan & Lim, 2022). In Islamic organizational contexts, the influence of community or religious leaders can further strengthen norms supporting diversity, since Islamic teachings emphasize justice and unity among all people (Ali, 2023).

Empirical studies have demonstrated that subjective norms play a significant role in shaping employees' diversity-related intentions and behaviors. Dalessandro and Lovell (2024) found that employees are more likely to participate in inclusion programs when they perceive strong support for such initiatives from both peers and leaders. Smith et al. (2021) showed that workgroup norms supporting inclusion are among the strongest predictors of pro-diversity behavior, including interventions to prevent bias and support minority colleagues. Real-world examples in Islamic banks include management's recognition of employees who bridge cultural gaps or the establishment of regular discussions that highlight the value of multiple perspectives.

In summary, subjective norms capture the perceived social pressure to embrace diversity in the workplace. When inclusivity is embedded as an organizational standard, these norms powerfully motivate employees to align their behaviors accordingly and increase the overall acceptance of workforce diversity. In multicultural settings such as Malaysian Islamic banks, positive subjective norms can significantly influence employees' willingness to adopt inclusive attitudes and

behaviors.

2.5 Perceived Behavioral Control

Perceived behavioral control refers to an individual's perception of their ability to perform a given behavior, including how easy or difficult it would be and the extent of control they have over its execution (Ajzen, 1991). In the context of workforce diversity, perceived behavioral control reflects an employee's confidence in their ability to interact effectively with colleagues from different backgrounds and to contribute to an inclusive organizational environment. It asks whether employees believe they are capable of being inclusive under real workplace circumstances.

This construct is composed of two primary elements: self-efficacy, which is belief in one's skills and capabilities, and controllability, which is the belief that one can overcome obstacles and access necessary resources to act inclusively. For example, self-efficacy may involve confidence in communicating across cultural or religious differences or handling cross-cultural misunderstandings. Controllability might involve having the freedom and support from the organization to initiate inclusive actions, such as facilitating inclusive discussions or supporting diversity initiatives.

Employees who possess a high level of perceived behavioral control feel that being inclusive is both within their ability and not especially difficult to achieve. Such confidence tends to strengthen their intention to behave inclusively and follow through with those intentions. Conversely, employees who perceive lower control because of personal anxieties, lack of experience, or a restrictive workplace environment may feel less able to act inclusively even if they value diversity

(Sullivan et al., 2022). In such cases, they may hesitate to participate in diverse teams, avoid engaging with colleagues from different backgrounds, or be less willing to address issues of bias.

Recent research highlights the importance of perceived behavioral control in predicting inclusion-related behaviors. Dalessandro and Lovell (2024) demonstrated that employees' belief in their capacity to act inclusively was a significant predictor of their participation in diversity initiatives. Sullivan et al. (2022) similarly found that employees with greater perceived control were more likely to adopt new workplace practices and engage with organizational change. In the Malaysian context, organizational support such as diversity training, inclusive policies, and a supportive culture can enhance employees' sense of control by providing them with the necessary skills and confidence (Tan & Lim, 2022). When employees feel supported and equipped, they are more likely to act on positive intentions and embrace diversity.

In summary, perceived behavioral control in the context of workforce diversity is about employees' confidence and sense of competence in engaging with a diverse workforce. Organizations that invest in developing employees' intercultural skills and provide a supportive environment can empower individuals to act inclusively. As the Theory of Planned Behavior suggests, higher perceived behavioral control is expected to lead to higher levels of acceptance of workforce diversity.

2.6 Perceived Organizational Support

Perceived organizational support (POS) refers to the extent to which employees believe their organization values their contributions and genuinely cares about their well-being (Kurtessis et al., 2017). In the context of workforce diversity, POS specifically reflects employees' perceptions that the organization actively supports diversity and inclusion, creating an environment where all employees are appreciated and treated fairly. This perception is shaped by visible actions and policies from organizational leaders, such as clear anti-discrimination rules, support systems for underrepresented groups, and swift responses to incidents of bias (Dalessandro & Lovell, 2024).

When employees perceive a high level of organizational support for diversity, they are likely to feel a strong sense of belonging and trust in their employer's commitment to inclusivity. For instance, regular communication from management on the importance of diversity, enforced policies that promote fairness, and programs that celebrate diverse identities all contribute to this perception. Employees who experience this environment are more likely to internalize and mirror organizational values, reciprocating support with positive attitudes and behaviors toward diversity (Sabir et al., 2022). Social exchange theory explains this process, positing that employees who feel valued by their organization are motivated to respond with loyalty, commitment, and cooperation (Rhoades & Eisenberger, 2002). As a result, POS not only increases job satisfaction and retention but also strengthens employees' willingness to embrace and support diversity.

Conversely, when organizational support for diversity is perceived as low or inconsistent, employees may feel less empowered to act inclusively. They may interpret management's silence or lack of action as indifference, discouraging proactive behavior and potentially legitimizing exclusionary practices. Shore et al. (2011) described this phenomenon as diversity cynicism, where employees become skeptical about the organization's stated commitment to inclusion if they do not observe tangible actions or consistent support. In such climates, even employees who value diversity may feel discouraged or hesitant to express acceptance for fear of lack of backing from leadership.

Empirical studies consistently demonstrate the positive impact of POS on employee outcomes, including attitudes toward diversity. For example, Sabir et al. (2022) found that perceived organizational support was significantly associated with improved employee performance and greater participation in diversity initiatives. Kurtessis et al. (2017), in a comprehensive meta-analysis, highlighted that POS enhances employees' sense of identification with organizational goals, including those related to diversity. Dalessandro and Lovell (2024) further showed that leader and coworker support for inclusion improved employees' optimism about the feasibility of inclusion and motivated them to contribute to a more inclusive workplace climate.

In summary, perceived organizational support provides the foundation for individual acceptance of workforce diversity. Employees who view their organization as supportive and committed to inclusion are more likely to adopt inclusive behaviors and attitudes themselves. Organizations that cultivate a strong climate of support can thus inspire employees to carry forward the mission of diversity in their daily work,

ultimately fostering a more inclusive and cohesive workplace (Dalessandro & Lovell, 2024; Sabir et al., 2022).

2.7 Theoretical Framework : Theory of Planned Behavior (TPB)

This study is anchored in the Theory of Planned Behavior (TPB), a widely validated framework for predicting human behavior based on intention (Ajzen, 1991). According to TPB, intention is the immediate antecedent of actual behavior and is shaped by three core constructs: attitude toward the behavior, subjective norms, and perceived behavioral control. Each construct is conceptually independent but collectively determines the likelihood of performing the behavior in question.

In the present context, the behavior of interest is employee acceptance of workforce diversity. The three TPB constructs map to this setting as follows. Attitude toward the behavior is represented by the employee's evaluation of being inclusive and supportive of diversity, with positive attitudes predicting higher intentions to act inclusively (Ajzen, 1991; Dhanani & Tripathi, 2024). Subjective norms capture the perceived social expectations from supervisors, coworkers, and the broader organizational culture regarding diversity acceptance. Employees are more likely to intend and engage in inclusive behaviors when they feel social pressure to do so, especially in collectivist cultures such as Malaysia (Tan & Lim, 2022). Perceived behavioral control describes the employee's confidence and belief in their ability to perform inclusive behaviors, shaped by skills, experiences, and organizational resources. Employees with higher perceived control are more likely to intend and actually demonstrate acceptance of diversity, especially if workplace structures

enable such actions.

Although the classic TPB model does not include perceived organizational support as a predictor, recent studies increasingly integrate organizational context factors to enhance explanatory power. For example, POS may influence subjective norms by signaling the organization's commitment to diversity or may directly increase the likelihood of inclusive behaviors by fostering a supportive climate (Ali, 2023; Dalessandro & Lovell, 2024). Including POS alongside attitude, subjective norms, and perceived behavioral control provides a comprehensive understanding of what shapes employee acceptance of diversity in Islamic banks.

The strength of TPB lies in its predictive validity and its adaptability to various domains, including workplace inclusion. Empirical evidence shows that the combined influence of these constructs explains significant variance in employees' intentions to engage in diversity-related actions (Wiethoff, 2004; Hemsworth et al., 2024). By applying TPB in a multicultural, religiously diverse context such as Malaysian Islamic banking, this study contributes new insights and tests the model's robustness beyond its usual Western applications.

In conclusion, the TPB provides a rigorous framework for examining the determinants of employee acceptance of workforce diversity. This approach highlights the need to promote positive attitudes, cultivate supportive norms, enhance perceived control, and ensure strong organizational support to foster inclusivity. The research model for this study (see Figure 1) visually represents the hypothesized relationships between each independent variable attitude, subjective norms, perceived behavioral control, and perceived organizational support and the dependent variable of employee acceptance of workforce diversity.

2.8 Hypothesis Development

Drawing on the literature review and theoretical frameworks above, this section develops specific hypotheses for the study. The hypotheses propose relationships between the key constructs attitude toward diversity, subjective norms, perceived behavioral control, perceived organizational support, and employee acceptance of diversity in the context of Islamic financial institutions in Malaysia. Each hypothesis is grounded in prior empirical findings and theory, as discussed earlier. The aim is to test a model in which employees' acceptance of workforce diversity (the outcome) is influenced by these factors. All hypotheses are stated in the alternative form (reflecting an expected effect or difference), based on the rationale built from the literature.

2.8.1 Attitude Toward Diversity and Employee Acceptance

H1: Employees' attitude toward diversity has a positive effect on their acceptance of workforce diversity.

The Theory of Planned Behavior (TPB) identifies attitudes toward a behavior as one of the key determinants influencing behavioral intention and subsequent action (Ajzen, 1991). In workplace contexts, attitudes reflect the degree to which an individual evaluates a specific behavior as positive or negative, which shapes their willingness to engage in that behavior. Recent research continues to confirm this linkage. For example, Shore et al. (2025) emphasise that in organizational settings, positive attitudes toward diversity are closely linked with higher engagement in diversity-supportive actions. This relationship holds across industries, including

finance, where diversity acceptance is increasingly recognised as a driver of team cohesion and organizational performance.

In Malaysian Islamic financial institutions, the role of attitudes is particularly relevant given the diversity of employees in terms of ethnicity, education, and professional background. Employees who believe that diversity contributes to innovation, problem-solving, and organizational growth are more likely to support inclusive practices in the workplace. These practices can include respecting colleagues from different backgrounds, building trust across teams, and actively engaging in programmes aimed at promoting equity and inclusion. Maj (2023) found that perceptions of an inclusive work environment and a sense of value for diversity are significantly associated with higher job satisfaction, which can in turn reinforce favourable diversity attitudes and behaviours.

Empirical evidence supports the TPB's assertion that favourable attitudes lead to stronger behavioural intentions and greater likelihood of action. Shore et al. (2025) report that employees who perceive diversity as beneficial are more likely to take part in inclusion-focused initiatives and exhibit supportive interpersonal conduct. These findings align with the observation by Maj (2023) that job satisfaction can act as both an outcome of inclusive environments and a reinforcing factor that strengthens pro-diversity attitudes. The reciprocal nature of this relationship highlights the strategic importance for Malaysian Islamic financial institutions of investing in initiatives that foster positive employee attitudes toward diversity.

The practical implication for organizational leaders is that attitudes are not passive beliefs but actionable predictors of behaviour. By promoting awareness of the benefits of diversity, modelling inclusive practices, and integrating diversity values

into organizational policies, leaders can actively shape employee attitudes. This aligns with recent studies showing that leadership commitment to diversity has a cascading effect on team norms and individual behaviours (Shore et al., 2025). Such strategies are consistent with the TPB framework, which posits that the cultivation of favourable attitudes is a foundational step toward achieving higher levels of diversity acceptance in workplace behaviour.

2.8.2 Subjective Norms and Employee Acceptance

H2: Subjective norms regarding diversity positively influence employees' acceptance of workforce diversity.

The Theory of Planned Behavior (TPB) emphasises that an individual's behavioural intentions are shaped not only by personal attitudes but also by perceived social pressure from influential referents such as supervisors, organizational leaders, or respected peers (Ajzen, 1991). In the context of Malaysian Islamic financial institutions, which often operate within collectivist cultural norms and high power distance organizational structures, the influence of social norms can be particularly pronounced. In such environments, employees tend to place considerable weight on the expectations and behaviours of authority figures and the prevailing organizational climate. When leaders at various levels consistently communicate and model inclusive values, they create an environment in which acceptance of diversity becomes an implicit and explicit organizational expectation (Dwivedi, 2025).

Recent empirical studies provide strong evidence that inclusive leadership and a supportive diversity climate have significant positive effects on employee behaviour.

For example, Lee et al. (2024) demonstrate that leaders who consistently demonstrate inclusive practices foster a collective perception that diversity is valued, which in turn encourages employees to engage in proactive and cooperative behaviours. Similarly, Jiang et al. (2024) find that diversity-friendly norms, when reinforced at both the group and organizational levels, significantly increase employees' willingness to participate in diversity-related initiatives and to adopt positive intergroup behaviours. These findings suggest that the presence of clear, organization-wide signals about the importance of diversity has the potential to align individual behaviours with collective organizational goals.

Within this framework, the normative component of the TPB is particularly relevant. When employees perceive strong normative pressure, such as the belief that colleagues, supervisors, and top management expect them to value diversity, they are more likely to internalise these expectations and translate them into action. This process is reinforced in collectivist settings, where individuals often define their identity and behavioural standards in relation to the expectations of their group or community. Therefore, in Malaysian Islamic financial institutions, the interplay between cultural context, leadership behaviour, and normative organizational climate is a powerful determinant of diversity acceptance. The combination of explicit leadership endorsement and consistent diversity-supportive practices creates an environment where valuing diversity becomes not only a moral or ethical imperative but also a socially reinforced organizational norm.

2.8.3 Perceived Behavioral Control and Employee Acceptance

H3: Perceived behavioral control over inclusive behavior positively influences employees' acceptance of workforce diversity.

The Theory of Planned Behavior (TPB) asserts that perceived behavioral control, which reflects an individual's assessment of their capability and resources to perform a behavior, is a significant determinant of both behavioral intention and action (Ajzen, 1991). In workplace settings, higher perceived behavioral control generally translates to greater confidence in one's ability to carry out a desired action. Within the diversity context, this means that employees who believe they can navigate cross-cultural interactions effectively, and who perceive minimal organizational barriers to doing so, are more inclined to engage in inclusive behaviors. Recent research supports this view. For example, Shore et al. (2025) note that when organizational structures and resources lower the difficulty of inclusive actions, employees demonstrate greater readiness to participate in diversity-supportive activities.

In the context of Malaysian Islamic financial institutions, perceived behavioral control can be strengthened through targeted organizational initiatives. These may include diversity and intercultural communication training, structured mentoring programmes, and accessible conflict resolution mechanisms. When such resources are available, employees are more likely to believe they can interact effectively with colleagues from diverse backgrounds. This belief aligns with findings by Maj (2023), who reported that supportive organizational systems significantly improve employees' perceptions of their own ability to engage in collaborative and respectful interactions across demographic boundaries.

Perceived behavioral control also plays a mediating role between organizational policies and individual behaviors. According to Lee et al. (2024), training and skill-building opportunities not only improve competency but also reduce the psychological barriers that might otherwise discourage employees from participating in inclusion-related activities. This is particularly relevant in Islamic banking, where hierarchical structures and cultural norms can sometimes inhibit open interaction between different employee groups. By actively removing structural obstacles and enhancing employees' skills, organizations can raise perceived control, which, according to the TPB framework, increases the likelihood of translating intention into consistent inclusive behavior.

Ultimately, employees with greater perceived behavioral control are more likely to exhibit higher acceptance of diversity. This is expressed through tangible actions such as collaborating smoothly with colleagues from varied cultural or educational backgrounds, contributing to diversity-focused initiatives, and maintaining a respectful and open-minded workplace mindset. As emphasised by Shore et al. (2025), perceived capability is a powerful motivator for action because it reduces uncertainty and increases an individual's willingness to engage. For Malaysian Islamic financial institutions seeking to foster diversity acceptance, enhancing perceived behavioral control should therefore be a strategic priority embedded within both training and organizational culture.

2.8.4 Perceived Organizational Support and Employee Acceptance

H4: Perceived organizational support for employees (and for diversity initiatives) positively affects employees' acceptance of workforce diversity.

Perceived organizational support (POS) refers to the extent to which employees believe that their organization values their contributions, cares about their well-being, and treats them fairly (Eisenberger et al., 1986). When employees hold strong perceptions of support, they are more likely to internalise and reflect the organization's values in their own behaviour. In the context of workplace diversity, high POS signals that the organization genuinely endorses and practices inclusion, which encourages employees to adopt inclusive attitudes and behaviours in their daily interactions. Shore et al. (2025) note that employees who perceive their organization as supportive of diversity demonstrate higher levels of cooperation, respect for colleagues from different backgrounds, and engagement in inclusion-oriented initiatives.

A high level of POS fosters a psychological sense of obligation in employees, leading them to reciprocate with positive attitudes and behaviours toward the organization (Rhoades & Eisenberger, 2002). This reciprocity mechanism aligns closely with social exchange theory, where perceived investment from the organization results in employees responding with increased commitment and prosocial behaviour. Recent evidence from Ali (2023) in the Malaysian Islamic banking sector shows that when diversity support is embedded into organizational policies and reinforced by leadership modelling, employees report feeling safer, more valued, and more willing to collaborate across demographic and cultural

boundaries.

organizations that actively demonstrate support for diversity through clear policies, visible leadership endorsement, and a caring organizational culture tend to create climates where employees experience higher psychological safety. According to Maj (2023), such climates increase not only employee engagement but also openness to differing perspectives, which is a crucial component of diversity acceptance. The availability of resources, mentorship opportunities, and recognition of inclusive behaviours further reinforces the perception that diversity is valued.

Empirical research also links supportive diversity climates to measurable improvements in commitment and inclusive behaviour. Lee et al. (2024) found that employees in environments with strong diversity-supportive climates were more willing to engage in change-oriented citizenship behaviours, including advocating for diversity initiatives. In alignment with the Theory of Planned Behavior, higher POS enhances the subjective norm and attitudinal components that influence diversity acceptance. Therefore, employees who perceive strong organizational support are more likely to engage in inclusive practices and maintain positive interactions with colleagues from all backgrounds, leading to higher overall acceptance of diversity.

2.9 Proposed Research Framework

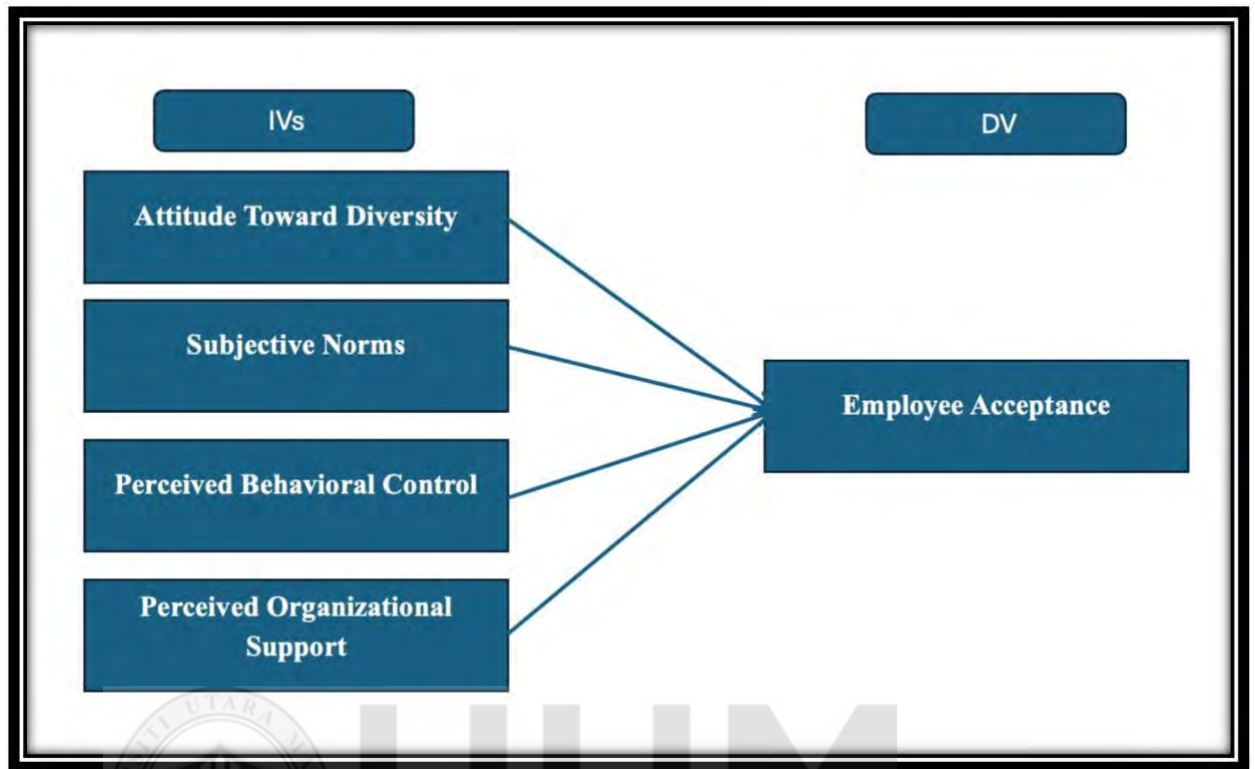


Figure 1 Research Framework

Based on the literature review and hypotheses developed, a conceptual research framework is proposed to examine employees' acceptance of workforce diversity in Islamic financial institutions in Malaysia. The framework integrates the key constructs and theories discussed, illustrating the presumed relationships between independent variables (predictors) and the dependent variable (outcome).

These variables are derived from the Theory of Planned Behavior (attitude, norms, PBC) and are extended with an organizational factor (POS) to capture the influence of organizational context (Ajzen, 1991; Shore et al., 2011). The framework can be visually represented as a diagram where each of the four predictors has an arrow pointing to the outcome, signifying a hypothesized positive relationship.

In summary, the proposed research framework provides a structured view of how the study will examine employees' acceptance of workforce diversity: by testing the influence of personal, social, and organizational factors. Figure 1 (if included in the thesis) would illustrate this model, showing boxes for each construct and arrows for the hypothesized causal links. This framework will guide the methodology in Chapter 3 and set the stage for data analysis in subsequent chapters.



CHAPTER THREE

RESEARCH METHODOLOGY

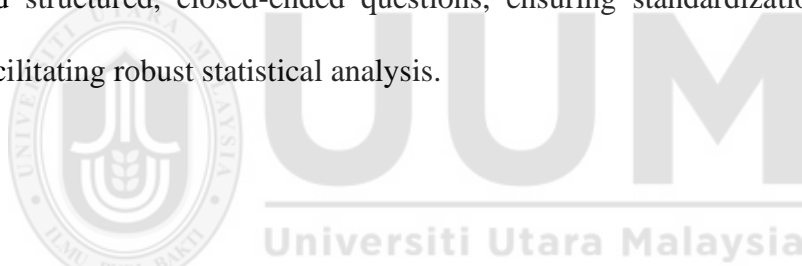
3.1 Introduction

This chapter elaborates on the methodological framework of the research, which aimed to investigate employees' acceptance of workforce diversity within Islamic financial institutions in Malaysia. It outlines the research design, population and sampling strategy, data collection procedures, measurement instruments, data analysis methods, and ethical considerations. Emphasis is placed on ensuring methodological rigor and alignment with the study's theoretical framework and objectives. Given that the research has been completed, this chapter is written in past tense, reflecting the actual steps taken.

As mentioned earlier, the study focused on Islamic banking institutions, particularly in three Malaysian states: Kuala Lumpur, Penang, and Kedah. These states were selected due to their substantial Islamic banking presence and to capture a mix of urban (KL, Penang) and regional (Kedah) contexts. By concentrating on these locations, the research tapped into a significant and diverse pool of Islamic bank employees while maintaining feasible boundaries for data collection. The methodological choices were made to ensure that findings would be valid, reliable, and could reasonably be generalized (with caution) to similar contexts in Malaysia's Islamic finance sector.

3.2 Research Design

This study adopted a quantitative, cross-sectional survey design. The quantitative approach was selected due to its ability to provide objective, empirical evidence to test theoretical relationships and hypotheses regarding workforce diversity acceptance (Saunders et al., 2019; Sekaran & Bougie, 2016). A cross-sectional design involves collecting data from participants at a single point in time, enabling the assessment of prevailing attitudes and perceptions in an efficient, resource-conscious manner. This design is especially effective in organizational research contexts where trends and relationships need to be identified within a defined time frame without longitudinal tracking (Creswell & Creswell, 2018). The survey utilized structured, closed-ended questions, ensuring standardization of responses and facilitating robust statistical analysis.



3.3 Population and Sample

The population for this study comprised all employees working within Islamic banking institutions in the selected regions of Malaysia (Kuala Lumpur, Penang, and Kedah) as of 2024. This included employees across different Islamic banks (both full-fledged Islamic banks and Islamic banking windows of conventional banks) operating in those states. By focusing on these three states, the study targeted a population that represents a considerable portion of Malaysia's Islamic banking workforce, given that many bank headquarters and major branches are in Kuala Lumpur and Penang, while Kedah provides perspective from the northern region with a strong Islamic community presence. While exact figures of the total

population were not readily available from public sources (as employee numbers are typically aggregated at the national level), industry data suggest that Malaysia's Islamic banking sector employs tens of thousands of individuals nationwide. For instance, Bank Islam Malaysia Berhad alone has over 4,900 employees as of end 2023 (Bank Islam Malaysia Berhad, 2023), whereas as of December 2023, Bank Muamalat Malaysia has a total of 2,357 employees across managerial, executive, non-executive levels (Bank Muamalat Malaysia Berhad, 2024). Therefore, it can be inferred that the population of Islamic bank employees in the three targeted states would be in the several thousands, providing a substantial pool from which to sample.

The sample for the survey was drawn using a non-probability convenience sampling approach, complemented by purposive elements. Due to practical constraints in obtaining a complete sampling frame (list of all Islamic bank employees in the states), the researcher approached accessible Islamic bank branches and offices in the selected states to solicit participation. Within those, efforts were made to include respondents from different departments, job levels, and demographic groups to improve representativeness. The goal was to capture diversity within the sample itself (e.g., both managerial and non-managerial staff, various ethnicities, genders, ages) since the topic relates to diversity perspectives.

A target sample size of 150 respondents was set and achieved. This number was determined based on several considerations. First, referring to guidelines for multivariate research, a sample of 150 was deemed adequate for multiple regression analyses involving up to 4–5 predictors. Hair et al. (2019) suggest that a minimum of 15–20 observations per predictor variable is desirable for reliable regression estimates. With four main independent variables, 150 cases provide roughly 37 cases

per predictor, which exceeds the commonly recommended minimum and thereby enhances the statistical power to detect medium-sized effects. Second, pragmatic factors such as response rates and available contacts were considered; targeting 150 responses was realistic within the data collection timeframe while still being sufficiently large to conduct meaningful analysis. Indeed, compared to typical rules-of-thumb (e.g., a total sample of >100 is often advisable for regression; Green, 1991), our sample size falls in a favorable range. The actual sample ($N = 150$) comprised respondents from 3 different Islamic banking institutions (to avoid organizational culture bias from a single organization) across the three states.

It should be noted that the sampling method was not strictly random; hence the sample may not perfectly represent the population in a statistical sense. However, by ensuring inclusion of multiple banks and a variety of respondent backgrounds, the sample provides a reasonable cross-section of the population for an exploratory correlational study such as this. The characteristics of the sample (demographics, etc.) are detailed in Chapter 4, but in brief, the sample included approximately equal gender representation, a mix of ethnic groups (Malay, Chinese, Indian, etc., reflecting Malaysia's demographics), and a wide range of tenure and age groups. This diversity within the sample is advantageous, as it mirrors the diversity context under study and allows examination of whether the hypothesized relationships hold across subgroups.

In conclusion, the population of interest was Islamic bank employees in key Malaysian states, and a sample of 150 such employees was obtained through convenience and purposive techniques. While caution is warranted in generalizing the findings to all Islamic bank employees (especially outside the sampled regions),

the sample size and composition are adequate for testing the study's hypotheses and providing initial insights into the phenomena.

3.4 Sampling Procedure

A **convenience sampling** method, a non-probability approach, was adopted. This method was chosen for its practicality, allowing efficient access to employees who were willing and available to participate (Etikan, Musa, & Alkassim, 2016). While random sampling offers higher generalizability, the sensitive nature of organizational access in financial institutions necessitated a pragmatic approach, prioritizing access, timeliness, and cost efficiency (Saunders et al., 2019). Employees were invited to participate via email and institutional communication platforms, with the survey administered online through Google Forms. This approach enabled broader reach, including employees from geographically dispersed branches, and minimized logistical barriers.

To mitigate potential bias, efforts were made to distribute questionnaires across multiple organizations and departments. All participants were required to be full-time employees with at least six months' tenure, ensuring sufficient experience and exposure to workplace diversity.

3.5 Data Collection Method

Primary data were collected through a self-administered, structured questionnaire distributed online. The use of Google Forms facilitated wide, rapid distribution and allowed participants to complete the survey at their convenience, increasing response rates and reducing interviewer bias (Sekaran & Bougie, 2016). The questionnaire included a cover page explaining the study's purpose, ensuring informed consent and voluntary participation.

Secondary data sources, including peer-reviewed journal articles, books, and industry reports, were used to underpin the research context and instrument design. These sources informed the operationalization of variables and supported the theoretical framework (Creswell & Creswell, 2018).

The data collection period spanned one month, allowing adequate time for follow-up reminders and maximizing participation.

3.6 Research Instrument

The main research instrument was a structured questionnaire consisting of closed-ended items using a five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). The questionnaire was divided into several sections:

- **Section A:** This section collects demographic data, including gender, age, ethnicity, education level, job role, and tenure. These variables provide contextual background for interpreting the study's findings and allow for analysis of potential variations in responses across different demographic groups. Collecting such information also facilitates a deeper understanding of workforce composition within Malaysian Islamic financial institutions, ensuring that diversity-related patterns can be examined meaningfully (Creswell & Creswell, 2023).
- **Section B: Dependent Variable: Employee Acceptance (EA).** Capture employees' willingness to embrace inclusive practices, collaborate with diverse colleagues, support inclusion initiatives, believe in performance benefits of inclusion, and endorse equitable treatment.
- **Section C: Independent Variables (IVs).** Operationalize the four predictors (five items each):
 - **Attitude Toward Diversity (ATD):** Reflect evaluative beliefs about the desirability/benefits of inclusion.
 - **Subjective Norms (SN):** Capture perceived social expectations from important referents (e.g., supervisors, peers).

- Perceived Behavioral Control (PBC): Assess perceived ease, capability, and confidence to enact inclusive behavior.
- Perceived Organizational Support (POS): Assess the extent to which the organization values contributions and supports inclusion.



The Likert format was chosen for its reliability in measuring attitudes and perceptions, its ease of use for respondents, and its suitability for quantitative analysis (Saunders et al., 2019).

Table 3.1
Reliability Statistics for All Items

Construct	No. of Items	Sample Item	Source of Scale (Reference)	Cronbach's α (Previous Studies)	Cronbach's α (This Study)
Employee Acceptance of Diversity (DV)	6	"I enjoy working with colleagues from diverse backgrounds."	Adapted from ATDS (Montei et al., 1996)	0.88–0.92 (Montei et al., 1996)	0.86
Attitude Toward Diversity (IV)	5	"A diverse workforce is beneficial for our organization."	Adapted from diversity attitude scales (e.g., Mor Barak, 2016)	~0.85–0.90	0.88
Subjective Norm (IV)	4	"My supervisor expects me to be supportive of all coworkers."	TPB Normative Items (Francis et al., 2004)	~0.70–0.80 (various studies)	0.80
Perceived Behavioral Control (IV)	4	"I am confident I can work well with any colleague, no matter how different."	TPB Control Items (Ajzen, 2002)	~0.75–0.85 (various)	0.75
Perceived Organizational Support (IV)	5	"My organization truly values diverse employees."	Short SPOS (Eisenberger et al., 1986) and diversity climate (McKay et al., 2007)	0.88–0.94	0.87

3.6.1 Item–Construct Map and Scoring

Construct scores are computed as mean indices of their respective items:

Table 3.2
Likert Five-Point Scale

Research Construct	Role	Related Questionnaire Items	Response Scale	Interpretation of Scores
Employee Acceptance of Workforce Diversity (EA)	Dependent Variable (DV)	Items B1 to B5	5-point Likert scale: 1 = Strongly Disagree, 5 = Strongly Agree	Higher scores indicate stronger acceptance and openness towards workforce diversity initiatives.
Attitude Toward Diversity (ATD)	Independent Variable (IV)	Items C1 to C5	5-point Likert scale: 1 = Strongly Disagree, 5 = Strongly Agree	Higher scores reflect a more positive and favourable attitude towards diversity in the workplace.
Subjective Norms (SN)	Independent Variable (IV)	Items C6 to C10	5-point Likert scale: 1 = Strongly Disagree, 5 = Strongly Agree	Higher scores signify stronger perceived pressure or encouragement from peers, supervisors, or the organization to embrace diversity.
Perceived Behavioral Control (PBC)	Independent Variable (IV)	Items C11 to C15	5-point Likert scale: 1 = Strongly Disagree, 5 = Strongly Agree	Higher scores represent greater self-assessed ability and readiness to engage in inclusive practices.

Perceived Organizational Support (POS)	Independent Variable (IV)	Items C16 to C20	5- point Likert scale: 1 = Strongly Disagree, 5 = Strongly Agree	Higher scores denote stronger perception that the organization values, supports, and promotes diversity.
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3.7 Instrument Development, Translation, and Pretesting

Items were adapted from established TPB and organizational support measures and contextualized for Islamic banking operations and inclusive workplace practices. Where a Malay version was supplied, forward-back translation procedures ensured semantic equivalence with the English version. Two content experts (Islamic banking HR and organizational behavior) reviewed the draft for relevance and clarity.

3.8 Reliability and Validity Procedures

Content validity was established through expert review, alignment with TPB and POS constructs, and contextualization to Islamic banking.

Construct validity was addressed through (i) item–construct coherence (Section 3.6.1) and (ii) factor structure checks (e.g., EFA/CFA if conducted; otherwise, dimensionality inspected via item–total correlations).

Reliability was assessed using Cronbach’s alpha (α) for EA, ATD, SN, PBC, and POS, targeting $\alpha \geq .70$ as acceptable for research use.

Common-method bias mitigation included procedural remedies (assured anonymity, construct separation in instructions, randomized item order). A post-hoc diagnostic (e.g., Harman's single-factor test) may be reported as a sensitivity check.

3.9 Data Management and Screening

Raw data were exported to statistical software (IBM SPSS). Data cleaning included checks for duplicates, missingness, and out-of-range values. Missing data were minimal and handled via listwise deletion if necessary (given adequate N). Assumption checks included:

- Normality: inspection of skewness/kurtosis for all indices (acceptable bounds within ± 2 for regression).
- Linearity & homoscedasticity: residual plots between predictors and EA.
- Multicollinearity: VIF (< 5) and tolerance ($> .20$) thresholds.
- Outliers: standardized residuals ($|z| > 3.29$) and leverage/Cook's distance flagged for review.

3.10 Data Analysis Plan (Aligned to the Model)

Analyses were conducted at $\alpha = .05$ (two-tailed) unless specified.

1. Descriptive statistics: Means, standard deviations, minima/maxima for EA, ATD, SN, PBC, POS; frequency tables for Section A demographics (reporting only).
2. Reliability analysis: Cronbach's α for each construct (target $\geq .70$).

3. Correlation analysis: Pearson's r among EA and all IVs to inspect zero-order relationships and preliminarily gauge multicollinearity.
4. Hypothesis testing: Multiple linear regression with EA as the dependent variable and ATD, SN, PBC, POS entered simultaneously as predictors. Report β (standardized coefficients), t -statistics, p -values, R^2 , adjusted R^2 , and F -test for model fit.
5. Robustness/diagnostics (if needed): Evaluate residual normality and influence statistics; consider sensitivity checks (e.g., enter vs. stepwise for stability of significant predictors) strictly for verification—not as the primary model.

3.11 Ethical Considerations

Ethical principles of voluntariness, anonymity, and confidentiality were observed. The study information sheet and consent statement preceded the survey. No personally identifying information was collected beyond general profile variables in Section A (reported in aggregate only). Data were stored on password-protected drives accessible only to the researcher and used solely for academic purposes.

3.12 Methodological Limitations

The cross-sectional design precludes causal claims beyond statistical association. Non-probability sampling may limit generalizability to all Islamic bank employees nationwide. Self-report measures may be susceptible to social desirability; procedural safeguards were implemented to mitigate this risk.

3.13 Chapter Summary

This chapter provided a detailed and transparent account of the methodological procedures adopted for this quantitative study, justifying the research design, sample, measurement tools, analysis methods, and ethical protocols. The rigor established here ensures the validity and reliability of subsequent findings and provides a clear blueprint for replication or extension by future researchers. The next chapter presents and analyzes the empirical results, drawing upon the robust methodological foundations established here.

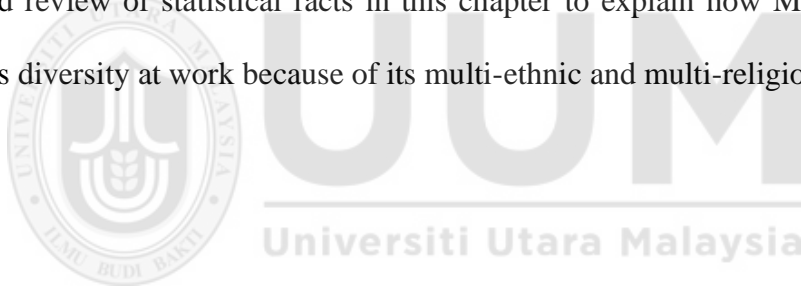


CHAPTER FOUR

RESULTS & ANALYSIS

4.1 Introduction

In this chapter, the analysis and explanation of data related to employees accepting workforce diversity in Malaysian Islamic financial institutions is given. The purpose of this chapter is to study the descriptive statistics, the reliability, correlation, and regression results that involve the variables in the study. Employee acceptance is the thing we measure, while attitude toward diversity, norms, control, and organizational support affect it. The purpose of the analysis is to examine if the proposed hypotheses are right and find out how these factors relate to one another. There is a detailed review of statistical facts in this chapter to explain how Malaysian society handles diversity at work because of its multi-ethnic and multi-religious background.



4.2 Demographic Profile

Table 4.1
Demographic of Respondents

Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	131	87.3	87.3	87.3
	Female	19	12.7	12.7	100.0
Age	Below 25 years	26	17.3	17.3	17.3
	25–34	7	4.7	4.7	22.0
	35–44	93	62.0	62.0	84.0
	45–54	12	8.0	8.0	92.0
	55 and above	12	8.0	8.0	100.0
Ethnicities	Malay	95	63.3	63.3	63.3
	Chinese	20	13.3	13.3	76.7
	Indian	27	18.0	18.0	94.7
	Others	8	5.3	5.3	100.0
Education	Diploma	69	46.0	46.0	46.0
	Bachelor's Degree	31	20.7	20.7	66.7
	Master's Degree	34	22.7	22.7	89.3
	Doctorate	16	10.7	10.7	100.0
Job Role	Administrative Staff	10	6.7	6.7	6.7
	Executive Manager	57	38.0	38.0	44.7
	Senior Management	56	37.3	37.3	82.0
	Other	11	7.3	7.3	89.3
		16	10.7	10.7	100.0
Years of Experience	Less than 1 year	6	4.0	4.0	4.0
	1–3 years	64	42.7	42.7	46.7
	4–6 years	64	42.7	42.7	89.3
	7–10 years	10	6.7	6.7	96.0
	More than 10 years	6	4.0	4.0	100.0

The demographic assessment of the respondents illustrates that the sample was overwhelmingly composed of male participants (87.3%), with females representing a considerably smaller proportion (12.7%). In terms of age composition, the dominant

cohort fell within the 35–44 years range (62.0%), signalling a workforce that is largely in its mid-career stage. This was followed by employees aged below 25 years (17.3%), while those in the 45–54 years and 55 years and above categories each constituted 8.0% of the respondents. The smallest representation was observed among those aged 25–34 years (4.7%), indicating limited participation from younger early-career professionals.

Ethnic distribution revealed that the majority of employees were Malay (63.3%), with Indian (18.0%) and Chinese (13.3%) groups forming notable minorities, and the remaining 5.3% identifying with other ethnic backgrounds. Regarding educational qualifications, nearly half of the respondents (46.0%) possessed a diploma, while 22.7% had completed a Master's degree and 20.7% held a Bachelor's degree. A further 10.7% had attained a Doctorate, suggesting that the workforce includes a notable proportion of individuals with advanced academic credentials.

From an occupational perspective, executives (38.0%) and managers (37.3%) emerged as the most prevalent roles, reflecting a concentration of respondents in middle-tier organizational positions. Administrative staff accounted for 6.7% of the sample, senior management for 7.3%, while 10.7% occupied various other positions. With respect to tenure, the largest segments of the workforce were equally divided between those with one to three years (42.7%) and four to six years (42.7%) of service, indicating a strong presence of early- to mid-tenure employees. Smaller proportions reported seven to ten years of experience (6.7%) or less than one year and more than ten years (each 4.0%).

Taken together, these findings portray a predominantly male, mid-career, and Malay-majority workforce, characterised by relatively high levels of educational attainment

and concentrated in executive and managerial functions. The distribution of tenure suggests a relatively stable organizational structure, with the bulk of employees possessing between one and six years of service in the banking sector.



Table 4.2
Descriptive Statistics

	Mean	Std. Deviation	Minimum	Maximum	Skewness
Employee Acceptance	3.1987	.49126	2.20	5.00	.393
Attitude Toward Diversity	3.2583	.61966	1.60	5.00	-.175
Subjective Norms	3.1667	.64315	1.00	5.00	-.043
Perceived Behavioral Control	3.1680	.82773	1.00	5.00	-.383
Perceived Organizational Support	3.0000	.47993	2.00	4.40	.174

Employee Acceptance ($M = 3.20$, $SD = 0.49$) was moderately high, indicating general openness to diversity. Attitude Toward Diversity ($M = 3.26$, $SD = 0.62$) and Subjective Norms ($M = 3.17$, $SD = 0.64$) were also moderately positive, showing that both personal beliefs and perceived social expectations support inclusion. Perceived Behavioral Control ($M = 3.17$, $SD = 0.83$) displayed the greatest variability, suggesting uneven confidence levels in engaging inclusively. Perceived Organizational Support ($M = 3.00$, $SD = 0.48$) was neutral, highlighting an area where visible, consistent support could improve overall acceptance.

4.4 Reliability Test

Table 4.3

Reliability Statistics for the for Employee Acceptance

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.831	5

Table 4.4

Reliability Statistics for the for Attitudes toward diversity

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.720	5

Table 4.5

Reliability Statistics for the for Subjective norms

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.788	5

Table 4.6

Reliability Statistics for the Perceived Behavioral Control

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.827	5

Table 4.7

Reliability Statistics for the Perceived Organizational Support

Reliability Statistics	
Cronbach's	
Alpha	N of Items
.744	5

All constructs recorded Cronbach's alpha values above 0.70, ranging from 0.720 to 0.831. This indicates that the survey items reliably measure the intended constructs and that the results can be interpreted with confidence. The high reliability of Employee Acceptance (.831) and Perceived Behavioral Control (.827) suggests that these variables are particularly well-defined in respondents' minds, which strengthens the robustness of the regression outcomes.



4.5 Correlations analysis

Table 4.8

Bivariate correlation matrix - Pearson Correlation

	Employee Acceptance	Attitude Toward Diversity	Subjective Norms	Perceived Behavioral Control	Perceived Organizational Support
Employee Acceptance	1	.508**	.392**	.305**	.643**
Attitude Toward Diversity	.508**	1	.123	.295**	.499**
Subjective Norms	.392**	.123	1	.007	.281**
Perceived Behavioral Control	.305**	.295**	.007	1	.238**
Perceived Organizational Support	.643**	.499**	.281**	.238**	1

Note. ** Correlation is significant at the 0.01 level (2-tailed).

All four independent variables were positively and significantly correlated with Employee Acceptance. The strongest correlation was between Perceived Organizational Support and Employee Acceptance ($r = 0.643$), followed by Attitude Toward Diversity ($r = 0.508$), Subjective Norms ($r = 0.392$), and Perceived Behavioral Control ($r = 0.305$). These results indicate that employees are more accepting when they perceive strong organizational backing and hold positive attitudes toward diversity, while social pressures and self-confidence also contribute meaningfully, albeit to a lesser degree.

4.6 Regression analysis

Table 4.9

Model summary of multiple linear regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726 ^a	.528	.515	.34229

a. Predictors: (Constant),
Perceived_Organizational_Support,
Perceived_Behavioral_Control, Subjective_Norms,
Attitude Toward Diversity

Table 4.10

A NOVA and Model Fit Table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.971	4	4.743	40.479	.000 ^b
	Residual	16.989	145	.117		
	Total	35.960	149			

a. Dependent Variable: Employee_Acceptance

b. Predictors: (Constant), Perceived_Organizational_Support,
Perceived_Behavioral_Control, Subjective_Norms, Attitude Toward Diversity

Table 4.11

Table of coefficients

Coefficients ^a						
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.456	.221		2.064	.041
	Attitude_Toward_Diversity	.177	.053	.224	3.318	.001
	Subjective_Norms	.185	.046	.243	4.075	.000
	Perceived_Behavioral_Control	.080	.036	.135	2.238	.027
	Perceived_Organizational_Support	.442	.070	.431	6.284	.000

a. Dependent Variable: Employee_Acceptance

The regression model explained 52.8% of the variance in Employee Acceptance, a substantial level in organizational behavior research. Perceived Organizational Support was the strongest predictor ($\beta = 0.431$, $p < 0.001$), emphasizing the critical role of institutional commitment in shaping acceptance. Subjective Norms ($\beta = 0.243$, $p < 0.001$) and Attitude Toward Diversity ($\beta = 0.224$, $p = 0.001$) also had significant positive effects, consistent with the Theory of Planned Behavior's focus on social influence and personal attitudes. Perceived Behavioral Control ($\beta = 0.135$, $p = 0.027$) had the weakest but still significant effect, indicating that while confidence matters, it is less influential than organizational and social factors in this context.



4.7 Hypothesis Testing

Table 4.12
Table of Hypothesis

Hypothesis	Paths	Beta coefficient	R ²	F	t- value	p- value	Result
H1	ATD -> EA	.224	.528	40.479	3.318	.001	Supported
H2	SN -> EA	.243	.528	40.479	4.075	< .000	Supported
H3	PBC -> EA	.135	.528	40.479	2.238	.027	Supported
H4	POS -> EA	.431	.528	40.479	6.284	< .000	Supported

The hypothesis testing results indicate that all four proposed relationships were statistically significant and in the expected positive direction. For H1, attitude toward diversity (ATD) demonstrated a significant positive effect on employee acceptance (EA) with a standardized beta coefficient of 0.224 ($p = .001$, $t = 3.318$). This suggests that employees who hold favorable evaluations of workforce diversity are more inclined to accept and engage with diversity initiatives. This finding is consistent with the Theory of Planned Behavior, which posits that positive attitudes toward a behavior enhance the likelihood of performing that behavior (Ajzen, 1991).

For H2, subjective norms (SN) were found to have a significant positive relationship with employee acceptance, with a beta coefficient of 0.243 ($p < .000$, $t = 4.075$). This indicates that when employees perceive that important referent groups, such as peers or supervisors, endorse diversity, they are more likely to align their behavior

accordingly. This finding aligns with prior research in collectivist cultural contexts, where social influence plays a crucial role in shaping workplace behavior (Tan & Lim, 2022).

For H3, perceived behavioral control (PBC) was also positively associated with employee acceptance, albeit with a smaller effect size ($\beta = 0.135$, $p = .027$, $t = 2.238$). This implies that employees who feel confident in their ability to work effectively with diverse colleagues are more likely to accept diversity in the workplace. Although the effect is weaker than that of attitudes or norms, it still reflects the TPB assertion that perceived capability can influence intention and behavior (Ajzen, 1991).

H4 showed the strongest effect among all predictors, with perceived organizational support (POS) having a substantial positive impact on employee acceptance ($\beta = 0.431$, $p < .000$, $t = 6.284$). This result underscores the critical role of organizational climate in fostering diversity acceptance. When employees believe their organization values their contributions and actively supports diversity, they are significantly more likely to embrace inclusive practices. This supports social exchange theory, where perceived organizational care fosters reciprocal positive behaviors (Kurtessis et al., 2017).

The R^2 value of 0.528 indicates that collectively, attitude toward diversity, subjective norms, perceived behavioral control, and perceived organizational support explain approximately 52.8% of the variance in employee acceptance. This reflects a moderate-to-substantial explanatory power, suggesting that the model provides a

robust framework for understanding diversity acceptance within Malaysian Islamic banks.



CHAPTER FIVE

DISCUSSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the discussion and interpretation of the findings on employee acceptance of workforce diversity in Malaysian Islamic banks, guided by the Theory of Planned Behavior (TPB) with an extended model incorporating perceived organizational support (POS). The analysis focuses on the influence of four independent variables attitude toward diversity, subjective norms, perceived behavioral control, and perceived organizational support on the dependent variable, employee acceptance. Statistical results from Chapter 4 indicated that all variables were significantly and positively correlated with acceptance, with perceived organizational support emerging as the strongest predictor. The discussion integrates these findings with relevant literature and theoretical expectations, followed by practical and theoretical implications, limitations, and recommendations for future research, and a concluding summary.

5.2 Discussion and Interpretation of Results

This research set out to explore the applicability of the Theory of Planned Behaviour (TPB) in explaining employees' acceptance of workforce diversity within a Malaysian Islamic financial institution, with the model extended to include perceived organizational support (POS). The analysis demonstrated that all four variables attitude toward diversity, subjective norms, perceived behavioural control, and POS were significantly associated with employee acceptance, though their relative influence varied.

The results confirmed that Hypothesis 1, attitude toward diversity had a significant positive relationship with employee acceptance. Employees with favorable evaluations of diversity were more inclined to embrace inclusive practices, consistent with TPB's premise that positive attitudes enhance behavioral intentions (Ajzen, 1991). This aligns with findings that positive diversity attitudes lead to greater participation in inclusion initiatives (Dalessandro & Lovell, 2024). In the present context, where the workforce is largely composed of mid-career executives and managers in Islamic banks, such attitudes may be shaped by both professional exposure and values emphasizing fairness and respect.

On top of that, the results supported Hypothesis 2 where subjective norms also had a significant positive influence, indicating that perceived social expectations from supervisors and peers encourage acceptance. This supports the TPB view that normative pressure from important referents shapes behavior (Ajzen, 1991). In Malaysian workplaces, where collectivist values are present, peer and managerial endorsement of diversity can influence employees' willingness to act inclusively (Tan & Lim, 2022). The results indicate that in such environments, social endorsement may act as a moral and communal cue, strengthening employees' willingness to act inclusively.

Perceived behavioral control which is Hypothesis 3 was positively related to acceptance but was the weakest predictor. This suggests that while confidence in one's ability to work with diverse colleagues matters, acceptance may rely more on intrinsic attitudes and organizational cues than on perceived capability. This is

consistent with Sullivan et al. (2022), who noted that control perceptions are more impactful when behaviors are seen as challenging, whereas diversity acceptance may be viewed as an attitudinal stance requiring minimal skill barriers.

Perceived organizational support showed the strongest positive effect on employee acceptance. Employees who believed their organization valued their contributions and supported diversity were significantly more willing to embrace diversity. This finding supports social exchange theory, where employees reciprocate perceived organizational care with positive behaviors (Kurtessis et al., 2017). It also aligns with evidence that diversity-supportive climates enhance commitment and pro-diversity behaviors (Sabir et al., 2022). The strong influence of perceived organizational support suggests that TPB can be strengthened by including organizational climate variables which means with a workforce dominated by executives and managers operating in structured, hierarchical environments, employees may rely heavily on top-down signals when deciding whether to adopt inclusive practices.

Overall,for Islamic financial institutions, this suggests that building a visibly supportive environment and reinforcing positive attitudes and workplace norms may have greater impact than focusing solely on enhancing individual capability.

From a Human Resource Management perspective, these results offer a practical guide for shaping diversity strategies. While earlier studies centred on the three original TPB predictors, this work demonstrates the added value of organizational-level factors. It also highlights a potential risk, if leadership fails to convey visible commitment to diversity, even employees with positive attitudes may disengage from

diversity initiatives. HR leaders can use these insights as a reference when refining policies, designing training programmes, or allocating resources. By understanding where the strongest influences lie, organizations can better align managerial practices, employee motivation, and workplace culture to achieve both higher acceptance of diversity and stronger overall cohesion within their teams.

5.3 Practical Implications

The findings highlight several practical actions for Islamic banks. First, enhancing perceived organizational support for diversity should be a priority. This can be achieved through consistent enforcement of inclusive policies, visible leadership commitment, and provision of resources such as mentoring programs and flexible arrangements (Dalessandro & Lovell, 2024).

Second, shaping positive attitudes toward diversity is essential. Training programs and workshops that emphasize the benefits of diversity for innovation and performance can foster favorable attitudes (Weller et al., 2024). Intergroup contact initiatives, such as diverse team projects, can reduce stereotypes and increase openness.

Third, leveraging social norms can strengthen acceptance. Recognizing employees who model inclusive behaviors and embedding inclusivity in performance evaluation criteria can reinforce workplace expectations (Smith et al., 2021). Onboarding programs should also communicate diversity values as part of the organizational culture.

Fourth, while perceived behavioral control was less influential, enhancing employees' skills to work effectively in diverse settings can still be beneficial. Training in cross-cultural communication and conflict resolution can increase confidence in navigating diversity (Sullivan et al., 2022).

Finally, integrating diversity goals into business strategies can align inclusion with organizational performance. Diversity councils, regular climate surveys, and public celebration of diversity initiatives can maintain momentum and signal ongoing commitment (Bank Negara Malaysia, 2023).

5.4 Theoretical Implications

This study affirms the applicability of TPB in explaining diversity acceptance in organizational contexts. The significant influence of attitude, subjective norms, and perceived behavioral control supports TPB's core assumptions (Ajzen, 1991). Importantly, the integration of perceived organizational support extends TPB by incorporating an organizational climate factor, offering a more comprehensive understanding of workplace behaviors.

The strong role of perceived organizational support demonstrates the value of combining TPB with organizational support theory (Kurtessis et al., 2017). This integration bridges individual-level psychological determinants with contextual influences, supporting calls for multi-theory approaches in organizational behavior research.

The hierarchy of predictor importance organizational support, attitude, subjective norm, and perceived behavioral control suggests that for diversity acceptance,

environmental support and personal attitudes outweigh perceived ability. This nuance contributes to refining TPB applications by considering the nature of the behavior studied.

By focusing on Islamic banks, this research adds to diversity literature in religious and multicultural organizational contexts. It shows that while Islamic ethical principles may support equality, active organizational reinforcement is necessary to translate values into employee behavior.

5.5 Limitations and Future Research

The study's focus on Malaysian Islamic banks limits generalizability to other sectors and cultural contexts. Future research should test the model in conventional banks, other industries, and different countries to assess cross-context validity.

The cross-sectional design restricts causal inference. Longitudinal studies could track changes in acceptance following diversity interventions. Experimental designs could directly test the causal impact of enhancing organizational support or attitudes on acceptance.

Self-reported measures may be affected by social desirability bias, particularly for diversity-related topics (Mansor et al., 2020). Future research could incorporate behavioral measures, peer evaluations, or scenario-based assessments to capture acceptance in practice.

The study did not examine other potentially relevant variables, such as personal values, leadership style, or organizational justice perceptions. Future models could

explore whether perceived organizational support influences acceptance indirectly through shaping attitudes and norms, or whether its impact varies across demographic subgroups.

Qualitative approaches could complement quantitative findings by revealing why employees perceive support levels differently and how acceptance manifests in daily workplace interactions.

5.6 Conclusion

This study found that employee acceptance of workforce diversity in Malaysian Islamic banks is significantly influenced by attitude toward diversity, subjective norms, perceived behavioral control, and perceived organizational support, with the latter being the most powerful predictor. The findings validate TPB in a new context and demonstrate the added value of integrating organizational climate variables.

Practically, the results underscore the importance of visible and consistent organizational support, positive attitude development, norm reinforcement, and skill enhancement in promoting diversity acceptance. Theoretically, the research bridges TPB and organizational support theory, offering a richer framework for understanding workplace inclusion behaviors.

By addressing the identified predictors, Islamic banks can foster a culture where diversity is genuinely accepted and leveraged for both ethical and strategic gains. Continued research across contexts and methods will further refine strategies to achieve inclusive organizational environments.

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Appendix 1: Research Questionnaire

Questionnaire: Employee Acceptance of Workforce Diversity

Instructions:

Please indicate your level of agreement with each statement using the following scale:

1 – Strongly Disagree

2 – Disagree

3 – Neutral

4 – Agree

5 – Strongly Agree

Section A: Demographic Information

(Kindly tick ✓ or fill in where applicable)

1. Gender:

☐ Male

☐ Female

2. Age:

☐ Below 25

☐ 25–34

☐ 35–44

☐ 45–54

☐ 55 and above

3. Ethnicity:

☐ Malay

☐ Chinese

☐ Indian

☐ Others (please specify): _____

4. Highest Education Level:

☐ Diploma

☐ Bachelor's Degree

☐ Master's Degree

☐ Doctorate

5. Job Role/Position:

☐ Administrative Staff

☐ Executive

☐ Manager

☐ Senior Management

☐ Other (please specify): _____

6. Years of Working Experience in the Organization:

☐ Less than 1 year

☐ 1–3 years

☐ 4–6 years

☐ 7–10 years

☐ More than 10 years

Section B: Employee Acceptance of Workforce Diversity (Dependent Variable)

No.	Statement	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	I am comfortable working with colleagues from diverse backgrounds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	I support diversity and inclusion initiatives at my workplace.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	I believe diversity enhances team performance and productivity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	I treat all employees equally, regardless of their ethnicity, gender, or religion.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	I am open to learning from coworkers with different cultural experiences.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C1: Attitude Toward Diversity

No.	Statement	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	I believe workforce diversity is beneficial to organizational success.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2	I enjoy learning from individuals with different perspectives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Embracing diversity creates a more positive work environment.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Diversity makes the workplace more dynamic and innovative.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	I view diversity as a strength rather than a challenge.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C2: Subjective Norms (Regarding Diversity)

No.	Statement	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	My colleagues support workforce diversity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	My supervisor expects me to be accepting of diversity.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	There is a shared understanding in my team that diversity should be respected.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	People important to me believe diversity should be embraced at	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	work.					
5	Organizational culture encourages me to respect differences among coworkers.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C3: Perceived Behavioral Control (Over Inclusive Behavior)

No.	Statement	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	I am confident in my ability to collaborate with people from different backgrounds.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	I know how to respond appropriately in diverse work situations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	I have access to training or resources that help me work inclusively.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	I feel empowered to promote diversity and inclusion in my team.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	I can effectively communicate with coworkers from different cultures or generations.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section C4: Perceived Organizational Support (For Diversity)

No.	Statement	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1	My organization supports diversity and inclusion initiatives.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Management actively promotes equal opportunities for all employees.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Diversity is included in organizational policies and procedures.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	My organization takes action against discriminatory behavior.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	I believe my organization values and respects employee differences.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>