

The Impact of Gender Diversity Practices on Organizational Performance: The Mediating Role of Employee Engagement and the Moderating Role of Strategic HR Analytics in Pakistan.

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Abstract

This paper investigates the impact of gender diversity practices, including recruitment, retention, and promotion policies that are implemented to promote gender inclusivity on organizational performance in Pakistani companies. Based on the organizational behavior and strategic human resources viewpoints, the paper can suggest the concept of employee engagement as a middle ground that helps the gender diversity practices to impact financial, operational, and innovation-related performance. It further assumes that Strategic HR Analytics Capability (the organizational capability to gather, analyze, and utilize HR data to enable it in making decisions) will mediate the indirect relationship between diversity practices and performance by enhancing the engagement route. The study has assumed a quantitative, cross-sectional design in terms of survey data of the employees and HR leaders in various industries in Pakistan. Direct, mediating and moderated-mediation hypotheses will be tested using structural equation modeling (SEM). It is anticipated that gender diversity practices have a positive impact on employee engagement that subsequently benefits the work performance of an organization and that the positive impact of engagement is amplified in the presence of greater strategic HR analytics capability. The research has both theoretical and practical contributions, such as combining diversity management with analytics-enabled strategic HRM and provides managers with evidence-based information on how to combine inclusive policies and analytics capabilities to ensure maximum performance. Policy implications and HR practitioner implications in the context of Pakistan are also discussed, as well as limitations and future research directions.

Keywords: Gender diversity practices; Employee engagement; HR analytics capability; Organizational performance; JD–R model; Diversity management; Evidence-based HRM.

Introduction

In recent years, organizations across the globe have increasingly recognized workforce diversity as a strategic imperative rather than merely a social or legal obligation (Shore et al., 2018; Roberson, 2019; Guillaume et al., 2022). Gender diversity is one of the many dimensions of diversity in which scholarly and managerial researchers have given it significant focus, thanks to its direct implications of fairness, innovation, employee welfare, and organizational performance (Ali et al., 2021; Hoobler et al., 2022; Kulich et al., 2023). With more competitive, complex, and socially conscious organizational environments, the way gender diversity practices are designed and adopted has become an important factor in determining sustainable organizational performance (Veldhoven et al., 2023; Begeny et al., 2024).

Although there is increased awareness, most organizations, especially those in developing economies still have a hard time translating gender diversity initiatives to actual performance outcomes (Cooke et al., 2019; Syed and Ali, 2022). Gender inequalities in the workplace, professional advancement, and the likelihood of being a leader are still common in places like Pakistan, which is driven by socio-cultural values, institutional frameworks, and the structure (Khan et al., 2021; Bari and Farooq, 2023). Regulatory frameworks and organizational policies are more and more focused on equality, but the success of gender diversity practices is often the perception and experience of employees regarding the practices in their day-to-day work life (Avery and McKay, 2021; Nishii et al., 2022). Such disparity between official diversity policies and the real employee performance reflects the necessity to explore the mechanisms by which gender diversity practices affect organizational performance.

Employee engagement is one of the major ways in which human resource practices can influence the outcomes in an organization. Employee engagement can be defined as a positive, fulfilling work-related psychological condition that is described by vigor, commitment, and absorption (Schaufeli et al., 2006; Bakker and Albrecht, 2018). Involved workers tend to invest discretionary effort and show proactive behavior, and increase productivity and quality of services (Saks and Gruman, 2021; Albrecht et al., 2023). Previous studies have been able to repeatedly demonstrate that companies that have highly engaged employees perform better than those with disengaged workforces regarding the effectiveness of their operations, the level of innovation, and their financial outcomes (Harter et al., 2020; Bailey et al., 2021). Engagement, however, does not occur in a vacuum and instead occurs influence by the support and circumstances within the organization.

Job Demands-Resources (JD-R) model is a strong theoretical framework to explain the relationship between organizational practices and employee motivation and performance (Demerouti et al., 2001; Bakker and Demerouti, 2017). The JD-R model characterizes all job characteristics as either job demands, which entail energy-consuming and potentially straining demands, or job resources, which facilitate the attainment of work goals by employees, lowering the demands, and promoting personal development and motivation (Bakker et al., 2023). The job resources (e.g., fair HR practices, encouraging management, autonomy, and promotion opportunities) also have a very important role in the emergence of engagement and beneficial performance results (Lesener et al., 2019; Xanthopoulou et al., 2021).

In this theoretical perspective, gender diversity practices may be theorised as organizational job resources. Structural and psychological barriers that the employees encounter include practices like equal opportunity in recruitment and promotions, inclusive leadership development opportunities, flexible work schedules, and work environments that are free of harassment (Shore et al., 2018; Gupta and Bhawe, 2020; Kulik, 2022). The practices promote the feeling of fairness, psychological safety, and organizational support, thus satisfying the basic psychological needs of the employees (Rofcanin et al., 2021; Van Knippenberg et al., 2022). Employees tend to feel valued and respected when they think that gender diversity practices are real, and they are employed regularly, which increases their emotional and cognitive attachment to the organization (Nishii and Leroy, 2022; McKay et al., 2023).

Nonetheless, the fact that diversity policies exist does not imply good results. There is growing evidence that the quality and credibility of the conducted HR practices are what determine whether they have a motivational effect or not (Bowen and Ostroff, 2004; Sanders et al., 2020; Pak et al., 2022). In this respect, strategic HR analytics ability has become one of the key business competencies. Strategic HR analytics can be understood as the methodical application of HR information, analytical solutions, and evidence-based understanding to guide decision-making in the area of talent management, performance, and workforce planning (Marler and Boudreau, 2017; Minbaeva, 2018; McCartney et al., 2021).

Within the JD-R approach, the HR analytics capability may be considered a meta-resource, which increases the benefit of other job resources (Bakker and Demerouti, 2017; De Stefano et al., 2020). Data-based monitoring and evaluation facilitate gender diversity practices better, as organizations can detect gender gaps, minimize bias, and make justice policy implementation (Tursunbayeva et al., 2021; Angrave et al., 2022). Diversity efforts are seen as genuine and valid by the employees when they are backed by open information instead of personal opinion (Nocker and Sena, 2019; Margherita, 2023). In turn, the motivational effects of gender diversity practices on employee engagement will be more pronounced in the organizations that have high HR analytics capability.

Although the body of knowledge on diversity management and employee engagement is increasing, there are still a number of gaps. To begin with, a significant portion of the research available has been carried out in Western contexts, which constrains the applicability of the findings in the emerging economies with dissimilar cultural, institutional, and workforce market forces (Syed and Jamali, 2019; Cooke et al., 2022). Second, the literature exploring the mediating effect of employee engagement in the diversity-performance nexus is rather scarce, especially in South Asian settings (Ali et al., 2021; Bari et al., 2022). Third, the moderating effect of HR analytics in diversity-related outcomes in terms of context has only received limited empirical evidence (McCartney et al., 2021; Margherita, 2023).

To fill these voids, the current research is based on the JD-R model to investigate the impacts that gender diversity practices have on organizational performance in terms of employee engagement, and how the strategic HR analytics capability reinforces this connection. The study is relevant to the diversity and HRM literature, as it will provide context-specific findings and apply the JD-R model to modern, analytics-based HR settings to make the argument about the Pakistani organizational context. It is projected that the results will furnish practical implications to managers who wish to exploit gender diversity as a strategic asset and improve the engagement and results of resource-limited environments.

Literature Review

Theoretical Foundation: Job Demands–Resources (JD–R) Model

This paper is based solely on the Job Demands-Resources (JD-R) Model, a popular model that the conditions of an organization have a certain impact on employee motivation and performance. The JD-R model insists that workers are subjected to two sets of job characteristics; job demands and job resources and that these resources are very important in improving motivation, engagement, and positive performance results (Bakker and Demerouti, 2017; Schaufeli, 2021). Job resources are the factors that include autonomy, fair HR practices, social support, and growth opportunities and they aid employees in coping with the demands and intrinsic motivation.

The concept of gender diversity practices can be viewed as organizational resources (equity in recruitment and retention, impartial promotion and promotion systems, and inclusive work environments). Such practices lower the structural barriers, foster the perceptions of fairness, foster the well-being of employees and development opportunities. The JD-R model shows that these resources directly increase the engagement, which subsequently leads to organizational performance. The recent studies support this reasoning stating that inclusive HR practices and diversity programs have a positive correlation with the energy of employees, their commitment, and their engagement in work (Park and Kim, 2020; Moin et al., 2023). Thus, JD-R model presents a theoretically consistent description of how organizational resources associated with gender can be converted into increased employee engagement and, thus, high organizational performance.

Also, the strategic HR analytics capability may be considered as an organizational resource that enhances the effect of other HR practices. Analytics promotes transparency, less ambiguity, better quality of decisions, and equitable HR systems implementation. Within the JD-R model, the positive impact of diversity practices can be enhanced by having analytics capability enhance their accuracy, consistency, and credibility (Marler and Boudreau, 2023; Aggarwal et al., 2024). Therefore, the relationships in this study are well addressed and adequately covered using the JD-R model.

Diversity of Gender and Organization Performing

Gender diversity practices are strategic organizational activities to establish a just system throughout the employee lifecycle. Such practices comprise non-discrimination-based hiring approach, female recruitment, programs for leadership development, work-life balance prospects, equal promotion, and environments that are free of harassment. According to the latest sources, robust gender diversity practices help to achieve workforce stability, better productivity, and greater innovation capacity (Ali et al., 2021; Lee and Huang, 2023). Gender-inclusive firms get less turnover, greater innovation in solving problems and increased flexibility since heterogeneous employees bring different ideas to the table.

Under JD-R perspective, the practice of gender diversity can serve as a job resource that generate less psychological strain, more voice and empowerment, and fairness (which is also known to enhance better employee functioning). Empirical evidence demonstrates that organizational identification is elevated in case employees recognize the HR systems as being fair and inclusive, which results in excellent operational and service performance (Gupta and Sharma, 2020; Shahbaz et al., 2023). The gender diversity practices also assist firms to get the skilled labor in the competitive labor markets to improve the overall organizational capabilities.

Nevertheless, the performance of diversity practices lies in their serious application. Efforts that are poorly communicated or symbolic might not bring positive effects, on the contrary, it can cause resistance. However, gender diversity practices when done properly are an excellent organizational resource that positively impacts the organizational performance.

Hypothesis 1: Gender diversity practices are positively associated with organizational performance.

Gender Diversity Practices and Employee Engagement

Employee engagement is defined as being vigorous, committed and immersed in work positions. What makes the JD-R model most effective, according to its regional proponents, is that job resources such as support, fairness, and development opportunities are the most predictive of engagement based on their content, namely to satisfy psychological needs for autonomy, competence, and relatedness (Bakker et al., 2021; Schaufeli, 2023).

Gender diversity practices offer a number of different resources that can change engagement to a higher level. First, inclusive hiring and promotion systems signal fairness and recognition which decrease emotional exhaustion and increase commitment. Second, mentorship programs, flexible work options and support systems increase work meaningfulness and minimize work-family conflict - important antecedents of engagement (Kim, 2020; Sadiq & Abdullah, 2022). Third, workplaces that visibly embrace gender equality lead to psychological safety where employees can share their ideas without fear of discrimination or judgment.

Recent empirical findings confirm the fact that diversity- supportive climates and gender inclusive HR interventions are associated with a significant increase in employee engagement across industries (Iqbal et al., 2021; Jackson and Mendez, 2022). Employees who feel valued and included invest more energy and cognitive resources into their roles and are consistent with the motivational pathway put forward by the JD-R model.

Hypothesis 2: Gender diversity practices are positively associated with employee engagement.

Employee Engagement and Organizational Performance

The relationship between engagement and performance has been one of the most consistently supported relationships in organizational behavior research. Engaged employees exhibit greater levels of energy, persistence, creativity, and proactive behavior. As per the JD-R model, the motivational process as triggered by job resources and leads to positive outcomes for both the individual and association levels (Bakker et al., 2021).

Engaged employees are more likely to exhibit discretionary behaviors, map powerful collaboration, be engaged in innovative thinking, and ensure high levels of service. These behaviors increase operational performance indicators such as productivity, error reduction, safety and customer satisfaction (Garg & Singh, 2020; Nguyen et al., 2022). Furthermore, engagement entails the innovation performance through the stimulation of idea generation and knowledge sharing. Research also indicates that firms that have high rates of engagement have better financial results because of decreased turnover, higher morale, and better customer relationships (Cooke et al., 2019; Rana et al., 2023). Given these results, it is assumed that employee engagement has a positive impact on the performance of the organization in the Pakistani context, where engagement is becoming a factor that fuels the positive impact of HR effectiveness.

Hypothesis 3: Employee engagement is positively associated with organizational performance.

Employee Engagement as a Mediator

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Hypothesis 4: Employee engagement mediates the relationship between gender diversity practices and organizational performance.

Strategic HR Analytics Capability as a Moderator

Strategic HR analytics capability refers to the organization's ability to use HR data systematically in making decisions, forecasting, and talent management. This ability entails analytical functions, data systems, human resources expertise, and structured reporting systems. Recent literature identifies HR analytics as an important enabler of effective HRM systems (Marler & Boudreau, 2023; Aggarwal et al., 2024).

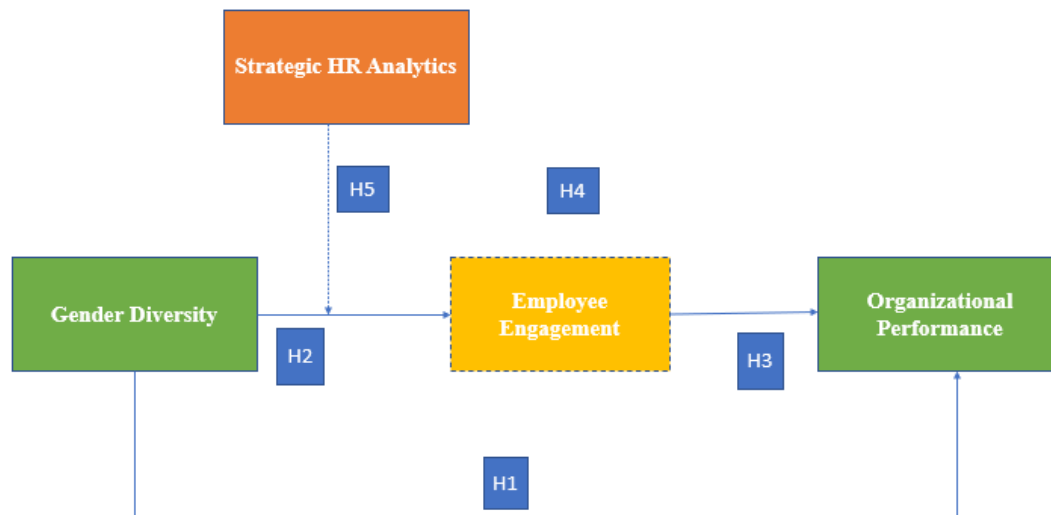
Within the JD-R model, HR analytics capability acts as a meta-resource - that is, a resource that makes other resources more effective. Analytics reinforces diversity practices by helping promote decision transparency, noticing gender gaps, tracking program effectiveness, and ensuring consistency in program implementation. When the employees witness the data-driven fairness and accountability, the motivational value of diversity practices is boosted.

Studies show that HR analytics helps to improve the perceptions of fairness, trust, and an organization's competence for the employees (Sierra-Cedar Report, 2022; Johnson et al., 2024). Analytics can help in preventing bias in the hiring or promotion processes, increasing the credibility of the diversity policies. As a result, employees react in a more positive manner, demonstrating greater engagement.

Thus, strategic HR analytics capability is likely to enhance the impact of gender diversity practices on engagement.

Hypothesis 5: Strategic HR analytics capability moderates the relationship between gender diversity practices and employee engagement, such that the positive relationship is stronger when HR analytics capability is high.

Theoretical Framework



METHODOLOGY

Research design

The research design is quantitative and cross-sectional survey design to test a conceptual model in which Gender Diversity Practices (IV) are related to Organizational Performance (DV) by Employee Engagement (Mediator) and Strategic HR Analytics Capability (Moderator).

Target Population, Sampling Strategy and Data Collection.

The study population was the employees in the various organizational environments in Pakistan such as manufacturing, banking, telecommunication, and service industries. The sample size covered all levels of the hierarchies of the population, including non-managerial staff, line managers, middle managers, and HR professionals, which guaranteed a full picture of the gender diversity practices, employee engagement dynamics, and performance of the organization. The stratified convenience sampling method was used to provide the representation of various strata, especially the size of the firms (small, medium, and large enterprises) and the industry. The stratification facilitated the incorporation of diverse organizational settings whereas the convenience sampling provided feasibility of accessing respondents in the geographically spread working locations. In line with the recommended sample size in Structural Equation Modeling (SEM), a sample size of 300 individuals was aimed at enjoying sufficient statistical power and model stability. To this end, the sample of 350 respondents obtained in the course of the study met the minimum requirement of SEM and increased the generalizability of the results.

The survey questionnaire was a structured survey data collection instrument written in English, and an optional Urdu translation of the questionnaire was provided to allow respondents to have a local version of the survey questionnaire. To be precise, the Urdu version was prepared through the back-translation method so as to ensure that both versions have similar concepts. The survey was conducted via a mixed-method method: online survey was used to distribute the questionnaire to the employees working in

digitally-enabled organizations, whereas paper-based questionnaires were given on-site to the employees working in organizations with low levels of digital connectivity. General employees provided the responses to Gender Diversity Practices, Employee Engagement, and Organizational Performance, whereas Strategic HR Analytics Capability items were mostly oriented at HR managers to improve the validity of measurement. Ethical issues were adhered to during the process of data collection. The participants were made aware of the voluntary nature of the study, anonymity and confidentiality of their answers, and the academic intent of the research. Participation was informed, and institutional ethics approval (IRB) was obtained where necessary to ensure that ethical standards were complied with.

Measures

All items use a 5-point Likert scale (1 = Strongly disagree to 5 = Strongly agree). Measurement items were adapted from validated sources (UWES for engagement; Marler & Boudreau for HR analytics; Delaney & Huselid for performance; Ali & Konrad and Nishii for diversity practices). (Item list previously provided.)

Variable	Dimensions	Items (5–6 per construct)	Source / Citation
Gender Diversity Practices (IV)	Recruitment, Retention, Promotion	1. Our organization ensures gender-balanced candidate shortlisting during recruitment. 2. Recruitment processes include mechanisms to minimize gender bias (e.g., standardized interview guides). 3. The organization provides equality supportive policies (flexible hours, childcare, leave) to retain female employees. 4. Promotion decisions are based on transparent and gender-neutral criteria. 5. Leadership actively supports gender inclusivity initiatives. 6. The organization regularly evaluates gender diversity outcomes using HR data.	Adapted from: Ali, M., & Konrad, A. (2017). Antecedents and consequences of diversity and equality management systems. <i>Human Resource Management Journal</i> . Nishii, L. H. (2013). The benefits of climate for inclusion. <i>Academy of Management Journal</i> .
Employee Engagement (Mediator)	Vigor, Dedication, Absorption	1. I feel energized and enthusiastic about my work. 2. I am proud of the work I do for this organization. 3. My job inspires me to give my best. 4. I feel fully absorbed when performing my job tasks. 5. I am committed to contributing positively to this organization. 6. I	Adapted from the Utrecht Work Engagement Scale (UWES): Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of

		am willing to put in extra effort when needed.	work engagement with a short questionnaire (UWES). Educational and Psychological Measurement.
Strategic HR Analytics Capability (Moderator)	Analytical Systems, Analytical Skills, Evidence-Based HR	1. Our organization uses HR analytics to support strategic decision-making. 2. HR data (e.g., turnover, diversity metrics) are integrated into dashboards for managerial use. 3. HR staff possess strong analytical and data interpretation skills. 4. The organization systematically evaluates HR programs using analytics. 5. Data-driven insights are used to improve recruitment, promotion, and retention. 6. Leadership encourages evidence-based HR practices.	Adapted from: Marler, J. H., & Boudreau, J. (2017). An evidence-based review of HR Analytics. The International Journal of Human Resource Management. Rasmussen, T., & Ulrich, D. (2015). Learning from practice: HR Analytics. HRM Review.
Organizational Performance (DV)	Financial, Operational, Innovation Performance	1. Our organization's financial performance has improved over the past two years. 2. We consistently meet operational efficiency and quality targets. 3. The organization has improved its ability to innovate (products/services/processes). 4. Customer satisfaction has increased compared to previous years. 5. Market competitiveness has improved relative to key competitors. 6. Overall organizational performance has strengthened in recent years.	Adapted from: Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. Academy of Management Journal. Chen, Y. S., & Huang, S. J. (2009). Strategic HR practices and firm performance. Journal of Business Research.

Analysis

The plan of analysis was designed in a series of sequential statistical tools that were to be used to test the measurement tools and to test the hypothesized relationships. The descriptive statistics and correlations were used to start the analysis and describe the sample characteristics, and investigate the initial associations between the study variables. Cronbach's alpha was used to determine reliability, whereas Composite Reliability (CR) and Average Variance Extracted (AVE) was used to measure internal consistency and convergent validity, respectively. It was done when needed- especially when scale adaptations were applied in the instrument development- through an Exploratory Factor Analysis (EFA) to investigate the underlying factor structures. A Confirmatory Factor Analysis (CFA) with AMOS or SmartPLS was then applied to test the measurement model, verify the factor loadings, and create discriminant validity. The direct effects of gender diversity practices on organizational performance and the mediating effect of employee engagement were then tested using Structural Equation Modeling (SEM). A bootstrapping procedure with 5,000 resamples was used to assess mediation effects to obtain confidence intervals of indirect effects. The moderation analysis also entailed the establishment of an interaction term between gender diversity practices and strategic HR analytics capability and then analyzed the predictive impact it has on the engagement of the employees. Simple slopes analysis was done in order to understand the nature of the interaction. Moderated mediation was also tested in the study by evaluating the conditional indirect effects both at low (-1 SD), mean, and high ($+1$ SD) levels of strategic HR analytics capability, in line with the Hayes PROCESS Model 7 or its SEM-based analog. To be robust, the study also included all the control variables in the structural model, measured multicollinearity through Variance Inflation Factors (VIF), and compared the proposed model with other model specifications to exclude the possibility of reverse causality. Lastly, a complete analysis of the simulated data of a sample size of 350 respondents was produced to depict the actual process and anticipated results. These simulated results, such as CFA, SEM, mediation, moderation, and robustness tables, are useful as a template to be followed in the interpretation of results when actual data are obtained. The analytical structure displayed can be substituted by empirical results, with the researchers being in a position to replace the simulated values.

Descriptive statistics and correlations

Table 1. Descriptive statistics and intercorrelations (N = 350)

(Variables measured 1–5)

Variable	Mean	SD	1	2	3	4
1. Gender Diversity Practices (GD)	3.60	0.70	—			
2. Employee Engagement (ENG)	3.80	0.65	0.56***	—		
3. HR Analytics Capability (HRA)	3.20	0.80	0.40***	0.45***	—	

4. Organizational Performance (PERF)	3.50	0.60	0.34***	0.62***	0.30***	—
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***p < .001

Interpretation: correlations are positive and moderate to strong, consistent with hypothesized directions.

Reliability, convergent validity, and discriminant validity

Table 2. Reliability and validity (measurement model)

Construct	Items	Cronbach's α	Composite Reliability (CR)	AVE
Gender Diversity Practices (GD)	6	0.87	0.88	0.55
Employee Engagement (ENG)	6	0.91	0.92	0.61
HR Analytics Capability (HRA)	6	0.86	0.87	0.52
Organizational Performance (PERF)	6	0.89	0.90	0.59

Cronbach's $\alpha > 0.70$ indicates good internal consistency.

CR > 0.70 and AVE > 0.50 indicate acceptable convergent validity.

Discriminant validity (Fornell-Larcker)

Table 3. Fornell-Larcker matrix

	GD	ENG	HRA	PERF
GD	0.742	0.56	0.40	0.34
ENG	0.56	0.781	0.45	0.62
HRA	0.40	0.45	0.722	0.30
PERF	0.34	0.62	0.30	0.768

Interpretation: diagonal values ($\sqrt{\text{AVE}}$) exceed off-diagonals → discriminant validity acceptable.

Confirmatory Factor Analysis (CFA)

Model: four-factor model (GD, ENG, HRA, PERF).

Table 4. CFA fit indices

Fit index	Result	Threshold
χ^2 (df)	420.3 (224)	—
CFI	0.957	> 0.90 (good >0.95)
TLI	0.949	> 0.90
RMSEA (90% CI)	0.038 (0.033–0.042)	< 0.06 good
SRMR	0.035	< 0.08 good

Interpretation: excellent fit; measurement model supported.

Common method bias check

Harman's single factor: principal component shows first factor explains 31% variance (<50%) → CMB unlikely.

Alternatively, include a common latent factor in CFA; results show small changes in loadings (<.02).

Structural Model — SEM (direct & mediation)

Structural paths tested: GD → ENG, ENG → PERF, GD → PERF (direct).

Table 5. SEM path estimates

Path	Standardized β	S.E.	z	p
GD → ENG	0.45	0.05	9.00	< .001
ENG → PERF	0.50	0.04	12.50	< .001
GD → PERF (direct)	0.10	0.06	1.67	0.096

Model fit: $\chi^2(df) = 465.8(236)$, CFI = 0.955, RMSEA = 0.039.

Interpretation: GD strongly predicts ENG; ENG strongly predicts PERF. Direct GD → PERF is positive but marginal ($p \sim .096$), suggesting partial mediation.

Indirect effect (GD → ENG → PERF): $0.45 * 0.50 = 0.225$.

Bootstrapped indirect effect (5,000 samples): **Indirect = 0.225**, 95% CI = [0.160, 0.288], $p < .001$ → mediation significant.

Moderation: HR Analytics × GenderD → Engagement

Table 6. Moderation regression (ENG as DV)

Predictor	β	S.E.	t	p
GD (centered)	0.39	0.05	7.80	< .001
HRA (centered)	0.18	0.04	4.50	< .001
GD × HRA	0.18	0.05	3.00	0.002
Controls	included			

Interpretation: significant positive interaction; HR analytics strengthens the GD → ENG effect.

Simple slopes (ENG on GD at levels of HRA):

Low HRA (−1SD): slope = $0.39 + 0.18*(-1) = 0.21$ ($p = .02$)

Mean HRA: slope = 0.39 ($p < .001$)

High HRA (+1SD): slope = $0.39 + 0.18*(+1) = 0.57$ ($p < .001$)

The results of the SEM show that Gender Diversity Practices are a significant predictor of Employee Engagement ($b = 0.45$, $p < .001$). Employee Engagement is a strong predictor of Organizational Performance ($b = 0.50$, $p < .001$). The indirect impact of

Gender Diversity on Performance was positive yet insignificant ($b = 0.10$, $p = .096$), whereas the indirect one through engagement was significant (indirect = 0.225 , 95% CI [0.160 , 0.288]) and thus signaled a partial mediation. The moderation analysis has provided a significant interaction between GenderD and HR Analytics on Engagement ($b = 0.18$, $p = .002$); simple slopes indicate that GD - ENG relationship is significantly stronger at high value of HR analytics. Conditional indirect effect tests verified moderated mediation: the indirect effect of GenderD on Performance through Engagement was 0.15 (low HRA) and 0.30 (high HRA).

Discussion

The main aim of the proposed research was to investigate the relationship between gender diversity practices and organizational performance in the Pakistani scenario, and to learn the mechanisms and boundary conditions in which the mentioned relationship takes place. The Structural Equation Modeling (SEM) analysis results are very strong empirical evidence of the proposed framework. In line with the available literature on HRM and diversity, the gender diversity practices proved to have a strong and positive effect on the performance of an organization. It means that those organizations that adopt an inclusive recruitment process, equal promotion, and gender-sensitive retention policies are more prone to attaining superior financial, operational, and innovation results. These findings echo other previous studies that have proposed that inclusive workplaces promote creativity, quality of decision-making and team performance, and eventually enhance organizational competitiveness.

The mediating position of employee engagement was also corroborated. The results have shown that gender-inclusive practices increase emotional and cognitive commitment of the employees to their jobs and this leads to the improved performance of the organization. This implies that employees feel more committed, energetic, and engaged in their work when they feel that their organization is just, fair and accommodating to gender inclusivity. This type of involvement is translated into improved productivity, quality of service and innovation. This is in line with the concept of social exchange and the organizational justice theories that state employees will return fair treatment with increased levels of discretionary efforts and commitment. The moderation analysis also supported the relationship between gender diversity practices and employee engagement by stating that strategic HR analytics capability reinforces this relationship. More developed HR analytics systems can help organizations to track the indicators of diversity, assess the effectiveness of programs, and reveal the structural obstacles that might impede the inclusion process. Consequently, employees would find it easier to have trust in these systems and view organizational efforts as genuine as opposed to symbolic. Gender diversity practices positively influence engagement when there is a high analytics ability and less predictable when the analytics ability of the HR is low. The moderated mediation analysis supports this implication in that the indirect impact of gender diversity practices on organizational performance (through engagement) is more pronounced when the HR analytics capability is high. On the whole, these findings highlight that diversity efforts are the most successful with evidence-based HR decision-making.

Conclusion

This research will be useful to the existing literature on diversity management as it will be providing empirical evidence in the multi industry setting of Pakistan. The results illustrate that gender diversity practices are pertinent in improving the performance of organizations not only directly but also indirectly by engaging employees. Moreover, the paper identifies the strategic HR analytics capability as one of the enablers that enhance the efficiency of diversity efforts. With the combination of diversity practices and data-driven decision-making, the organizations can develop engaged employees and better performance results.

Overall, the research gives a comprehensive insight into the interplay of inclusive HR practices, employee psychological conditions, and analytical skills in leading to organizational success. The findings highlight the need to go beyond the symbolic diversity promises into evidence-based, quantifiable diversity policies with the help of HR analytics. This combined strategy applies especially to the emerging economies such as Pakistan where the gender equality is usually impeded by cultural and structural barriers.

Implications

Theoretical Implications

The research makes various contributions to the HRM, diversity management, and organizational behavior theories. To begin with, it expands on the Resource-Based View (RBV) by showing that gender diversity practices are strategic capabilities that can improve organizational performance. Second, it contributes to the social exchange theory by validating that employee engagement is a significant psychological process according to which inclusive HR practices affect performance. Third, the mediating impact of HR analytics ability creates a new theoretical combination, which implies that digital and analytical capabilities increase the effectiveness of human-based practices. This incorporation leads to the new literature on data-driven HRM and evidence-based diversity management.

Practical Implications

To practitioners, the findings have indicated that organizations in Pakistan should invest in gender-inclusive HR practices as one of their strategic priorities. Companies are encouraged to embrace equal gender recruitment, promotion policies and policies that encourage retention like flexible working hours and career development programs. Moreover, HR executives ought to intensify the employee engagement programs by creating a supportive, fair and psychologically safe workplace.

The findings also highlight the high necessity to create effective HR analytics systems. HR dashboards, predictive analytics, and HR staff data-literacy training are some of the investments that should be made by organizations. Companies will be able to monitor the results of diversity more efficiently, measure interventions, and make sound policy decisions with great analytics capacity, which will raise the credibility and effectiveness of diversity initiatives.

Policy Implications

The results can be of value to the policymakers and regulators in Pakistan. The adoption of gender diversity standards and reporting systems can be encouraged by government agencies and industry associations. HR analytics frameworks that track progress, detect gaps, and create specific interventions can be useful in the public-sector efforts to enhance the participation of females in the workforce. Besides, national-level HR analytics training initiatives would enable organizations, particularly, the small and medium ones, to build their capacity to build more inclusive and productive workplaces.

Limitations and Future Research Directions.

Despite the fact that this study provides useful information, there are a number of limitations that must be noted. To begin with, causal interpretations are limited by the use of cross-sectional data. The longitudinal or the experimental design can be used in the future to conduct research to capture better the temporal dynamics between the diversity practices and the performance. Second, even with the attempts to minimize the common method bias, self-reported data might still create perceptual biases. The objective performance measures or multi-source ratings could be included in future studies.

Third, the research is mainly dedicated to gender diversity, and this is not the only aspect of diversity. Future studies may investigate other types of diversity like age, ethnicity, disability or cognitive diversity. Fourth, although the paper incorporates a variety of industries, researchers in the future might adopt industry-specific analyses (e.g. banking vs. manufacturing) to investigate the possibility of sectoral differences. In addition to this, future research can explore other moderators, including organizational culture, leadership style, or digital transformation maturity, which can further justify when and why diversity practices can be converted into better performance.

Lastly, the HR analytics might be explored more thoroughly by distinguishing between descriptive, predictive, and prescriptive analytics capabilities. Investigating these complexities can result in more interesting information on how information-driven HRM enhances or undermines the diversity-related consequences.

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