Executive Summary

Organizations are facing changes in the demographic composition of the workforce due to globalization. Managing workforce diversity becomes one of the major management challenges nowadays. In this study, the effect of demographic composition of peer group on job outcomes is examined. More specifically, we examined the moderating role of cooperative goal on the relationship between hometown or gender similarity on peer relationship based on three theories: similarity-attraction theory; social comparison theory and the cooperation and competition theory.

This is a quantitative study with a sample size of 214. Respondents are employees from two manufacturing companies in China. Data were collected through a survey questionnaire.

The findings of this study shows that the link between hometown or gender similarity and peer support were moderated by cooperative goal. It provides evidence that supportive peer relationship is higher even in low demographic similarity situation with cooperation goal, when compared to high demographic similarity situation with competitive goal.

The major contribution of our study is to identify the moderating role of cooperative goal so as to offer a better understanding in the mechanism of how demographic similarity affects supportive relationship among peers. Our findings provide

a blueprint for mangers to manage demographic diversity in organization and rise up the importance of fostering cooperative goals in the work environment among peers.