ST. MARY'S UNIVERSITY
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MBA PROGRAM

EFFECTS OF WORKFORCE DIVERSITY TOWARDS

EMPLOYE ES' PERFORMANCE IN TOTAL ETHIOPIA S.C

BY

ASSEFA ADMASU WONDIMU

NOVEMBER 2014 ADDIS
ABABA, ETHIOPIA

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APPROVED BY BOARD OF EXAMINERS

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DEDICATION

This Thesis work is dedicated to my family, especially to my brother *Zeleke Admasu,* who laid a basic foundation in my educational career. God bless you and your family.

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ACKNOWLEDGEMENTS

ABBREVIATIONS

LPG:	Liquefied Petroleum Gas
NCT:	Nursing Care Teams
SC:	Share Company
SFPS:	Société Française des Pétroles de Somalie
SPSS:	Statistical Packages for Social Sciences
TESC:	Total Ethiopia Share Company
TMR:	TOTAL Mer Rouge

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Abstract

It is generally recognized that there is diversity in the workforce of any enterprise, be it business, government, or civil society. This study therefore seeks to find out the efect of workforce diversity towards employee performance in Total Ethiopia S.C. The Study adopted a descriptive and explanatory research design .The study population consisted of all staf belong to Total Ethiopia S.C. A sample size of 80 respondents was selected and data collection method was by use of questionnaire, where by analysis was by use of descriptive and inferential statistics by the help of SPSS version 20.0. The Pearson's correlation coeficient signifies, there is a relationship between each independent variables and the dependent variable and tested at 1% significance level. It also revealed that gender; age, ethnicity and educational background are positively correlated and the strength of the relationship is small but definite relationship to employee performance. The regression analysis shows that, the R_2 figure of the four independent variables is 0.211. These also mean that independent variables (gender, age, ethnicity and educational background) can explain only 21.1% of the variation in dependent variable (employee performance). However, it still leaves 78.9% unexplained in this research. In other words, there are other additional variables that are important in explaining employee performance that have not been considered in this research. It is recommended that company managements must use good strategies to efectively manage workforce diversity and collaborative research eforts should be done to ascertain the contextual variables that moderate workforce diversity to produce positive performance outcomes.

KEY WORDS: **age, educational background, employee performance, ethnicity, gender, workforce diversity**

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Advances in technology and the advent of a global economy bring the people of the world closer together than ever before. Given this fact, businesses, educational systems and other entities are investigating ways to better serve their constituents. This includes being able to attract and retain the best and most qualified workers. Organizations that can develop and employ the necessary policies and procedures to do this will maintain a competitive advantage among their counterparts and increase their effectiveness. To achieve success and maintain a competitive advantage, the organization must be able to draw on the most important resource such as the skills of the workforce. With the increasing richness of diversity in the workforce, organizations need to expand their outlook and use creative strategies to be successful.

Employees can provide this resource. This study will identify the effects of workforce diversity toward employees' performance in Total Ethiopia S.C.

Workforce diversity refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background (Robbins, 2009). A diverse workforce for instance, includes gender, age, ethnicity, and education background According to Robbins (2009), workforce diversity has important implications toward management practices and policies. Frequently, diversity is viewed in a limited fashion, primarily addressing issues of race or gender differences, and linked to the laws providing protected status to certain groups. This study will use a very broad definition of diversity, to encompass most characteristics that individuals possess that affect the way they think and do things.

Today's managers are responsible for both leading employees and responding to the needs of customers who are more ethnically and culturally diverse, older, and in greater need of child and elder care. Leaders in both the public and the private sectors are focusing more attention on the issue of diversity. Whether the goal is to be an employer of choice, to provide excellent customer service, or to maintain a competitive edge, diversity is increasingly recognized and utilized as an important organizational Resource.

Leaders and managers within organizations are primarily responsible for the success of diversity policies because they must ensure that the policies are effective. Instead of treating every employee alike to recognizing and responding to those differences, it is a way to ensure employee retention and greater productivity. The most important issues of workforce diversity are to address the problems of discrimination in terms of gender, age, and ethnicity and education background. When diversity is not managed properly, there will be a potential for higher turnover, difficult in communication and interpersonal conflicts. Overall, it will be adversarial to organization's performance, profitability and reputation.

1.2 Background of the Company

TOTAL as a Petroleum Product Distribution Company was first established in 1950 as one of the oil companies in Ethiopia. Total was first established under the name of Société Française des Pétroles de Somalie (SFPS). It quickly went on to become TOTAL Mer Rouge (TMR) and was to be known under the name until very recently.

TMR, was engaged in distribution of TOTAL petroleum product i.e. Fuel, lubricants, LPG and Tar. After more than 40 years operation in the country in September 1997 the name TOTAL Mer Rouge was changed and organized in accordance with the Ethiopian commercial law by a new name Total Ethiopia S.C.

TOTAL Ethiopia officially merged with Mobil Oil East Africa – Ethiopian branch since the end of 2006. After the merger Total Ethiopia operates as a market leader in the country.

Domain of Activities

In accordance with its establishment under Ethiopian Commercial law Total Ethiopia S.C. performs the following activities:

1. Importing and distributing, liquefied petroleum gases, oil, lubricants and all petroleum by products for use by motor vehicles, airplanes, industries and house hold consumption.
2. Importing, storing and distributing refined petroleum products and byproducts.
3. Purchasing, leasing and exchanging storage and other facilities for petroleum products and other by products.
4. Operating network retail service stations or leasing the same to third parties and,

5. Carrying out such other activities which are directly or indirectly related to the above objectives.

1.3 Statement of the Problem

Today, workforce diversity is a global workplace and marketplace topic. Any business that intends to be successful must have a borderless view and an underlying commitment to ensuring that workforce diversity is part of its day-today business conduct (J. T. (Ted) Childs Jr. (2005). Besides, understanding the impacts of diversity on organizational outcomes, such as organizational performance, employee satisfaction, and turnover, has become essential (Sungjoo and Rainey, 2010). When these trends were first identified in the mid-1980s, they were proclaimed as an opportunity for organizations to become more creative, to reach previously untapped markets, and in general to achieve and maintain a competitive advantage (Ely and Thomas, 1996).

Erasmus (2007) mentioned that diversity management and workforce diversity is a forced integration that creates conflict and uncertainty in the workforce as leadership is not skilled in the discipline of diversity management and its principles. As a result, managers do not know how to effectively practice diversity management, and what factors contribute to effective diversity management task that can deal with diversity related issues in the work place. Even though companies train employees upon hire, conduct ethics test, online training and targeted anti-harassment training, employees still make decisions to break the rules with their behavior when it comes to diversity (Victoria and Mary, 2010).

Empirically, work place (workforce) diversity is found to have a contrasting dual implication on organizational effectiveness. *Milliken and Martins (1996),* opines that *'diversity appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group'*. Some studies have found that various forms of diversity are associated with greater innovation, improved strategic decision making, and organizational performance. Other research shows that various types of team and organizational diversity sometimes increase conflict, reduce social cohesion, and increase employee turnover *(Jackson, Joshi, & Erhardt, 2003; Webber & Donahue, 2001).* The demographic composition of today's workplace, occasioned by the international trend toward increased immigration and the globalization of firms, is increasingly becoming diverse *(Johnson, 2002; Yaprak, 2002).* The demographic trends in developed and developing

countries—aging workforce, growing representation of women

The research questions of this study were:

and minorities in the workplace, and the rising number of young people in developing countries has altered homogeneous work settings of the recent past *(Mor-Barak, 2005; Gorski, 2002).* Thus, given these demographic and organizational trends, business organizations are contending with the challenges of effectively managing a diverse workforce.

The specific problem is the fact that as more and more members of the company employees' move into the workforce, a greater demand is created for the manager and the need to possess the knowledge that calculates the expectations and needs of all employees into the organizational management strategy. In recent years, local and international petroleum and lubricant distributing companies are emerging as a best competitor in this industry. If the organizational effectiveness is to be maintained, workforce diversity, which refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background (Robbins, 2009) and the current corporate culture, must evolve to satisfy those diverse values, attitudes and behaviors. (Harris, Moran & Moran, 2004). The organization that fails to address these issues will be the organization that faces human resource issues of critical importance. The culture of the organization must experience rapid and substantial change if the human resource challenges are to be negotiated successfully and specifically demonstrated in employee retention, recruitment, development, and motivation. The organization that intends to remain competitive in global markets will be required to strive in order to become the "employer of choice" which may accomplished by the company that gains the great commitment of the employee and through means of increasing ability to attract and retain the best talent.

Therefore, the main focus of the study was to identify the effects of workforce diversity by creating a relationship among gender, age, ethnicity, and education background towards employees' performance in Total Ethiopia S.C and investigating the way to act in response with those factors to enhance the company's goal achievement, which is to be one of the competitive petroleum and lubricant distributor in Africa, which ultimately fills the gaps of the country's demand in supplying petrol and lubricant products

1.4 Research Questions

1. What is the effect of gender on employee performance?
2. What is the effect of age on employee performance?
3. What is the effect of ethnicity on employee performance?
4. What is the effect of educational background on employee performance?

1.5 Objectives of the research

1.5.1 General objective

The main objective of this research is to provide insights and in-depth understanding of the workforce diversity that will affect the employee performance and to identify whether the variables gender, age, ethnicity and education background would affect employee performance in Total Ethiopia S.C.

1.5.2 Specific objectives

The specific objectives of the research are:

- To investigate the effect of gender towards employee performance in Total Ethiopia S.C.

- To investigate the effect of age towards employee performance in Total Ethiopia S.C.

- To investigate the effect of ethnicity towards employee performance in Total Ethiopia S.C.

- To investigate the effect of educational background towards employee performance in Total Ethiopia S.C.

  To investigate which independent variable has greater influence on the dependent variable.

The research questions of this study were:

1.6 Hypothesis Development

In this study, employee performance is dependent variables. Meanwhile gender, age, ethnicity and education background is independent variables. Thus, in order to check the relationship between the dependent variables and independent variables five hypotheses were developed.

Hypothesis 1- Effects of gender on employees' performance

H_0: There is no significant effect of gender on employees' performance.

H_1: There is significant effect of gender on employees' performance.

Hypothesis 2- Effects of age on employees' performance

H_0: There is no effect of age diversity on employees' performance.

H_1: There is effect of age diversity on employees' performance.

H_0: There is no significant effect of ethnicity on employees' performance.

H_1: There is significant effect of ethnicity on employees' performance

H_0: There is no significant effect of educational background onemployee performance.

H_1: There is significant effect of educational background on employee performance.

1.7. Operational definitions of variables and Terms

1.7.1 Dependent Variable

Employees' Performance: - refers to attainment of goals set by the company

1.7.2 Independent Variables

Gender, age and educational background: - refer to demographic workforce diversity which will be indicated by the count of people having different demographics in the company, ultimately which will affect employees' performance.

Ethnicity: - refers to a social-cultural workforce diversity which will be indicated by the count of the number of people having different ethnicity in the company.

1.7.3 Definition of Other Terms

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Workforce Diversity: - refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background

1.8 Significance of the Study

Mutual goals provide opportunity for alignment of personal goals that can lead to growth for both the human resources and organizations. Upon completion, suggestions will be put forward on how to manage diversity to ensure the organization's ability to create an environment that values diversity and reinforces its processes such as hiring, promotion, communication and power allocation. Organizations which manage diversity and multiculturalism will have a competitive edge in the market because they create higher morale and better relationships in the workplace. Moreover, the simple act of learning about other cultural practices enables the organization to expand their thinking in other fields as well.

The optimum outcome of this study is to benefit Total Ethiopia S.C by getting along with the top management and workers from different backgrounds that would find the information in this research study useful in accessing the value of workforce diversity in the company.

1.9. Scope of the study

The study focused on Total Ethiopia S.C; the study limited itself to the following variables of the study; - gender, age, ethnicity, and education background and employees' performance.

1.10 Organization of the paper

This research is structured as follows:

In chapter 1, overview of the study context and explain the research problem. This chapter addresses the research objective to be achieved, the research question to be answered and briefly explain about the importance or contribution of the research.

Chapter 2 focuses on the literature review of the theoretical argument from secondary sources such as books, journal, articles and etc. The empirical studies were reviewed in this chapter to enable the researchers to construct the hypotheses and conceptual framework of the research.

Chapter 3 is conducted to describe how the research is carried out in terms of research design, population, sample and sampling procedures, data collection methods, operationalization and the methods of data analysis.

The results and discussion of the research were presented in chapter 4, which is based on the data and results generated from the procedures set in chapter 3.

Finally, chapter 5 concludes with overall findings and provides the recommendations of the present research. Besides, the limitation in carrying out this research also included.

CHAPTER TWO: LITRATURE REVIEW

This chapter consists of reviews of secondary data that researchers have collected from other journals, books and primary data. It also outlines the literature and relevant theoretical model reviews regarding to employee performance and determined and defined deeply about the variables. The determinant of variables is necessary to understand to the relationship between the independent variables (gender, age, ethnicity, and education background) and the dependent variable (employee performance)..

2.1 Theoretical Review

2.1.1 Employees performance

2.1.1.1 The Capabilities Model

According to Kostas (2007), the capabilities model extends the concept of core competencies, by utilizing the fit between a particular capability and an employee (Stalk, 1992). A capability is defined as a set, or a complex string of business processes that deliver value to clients in a unique way.

The uniqueness of a capability makes the product more difficult to duplicate than, for example, core competencies.

Capabilities-based companies have been very successful at transferring their critical business processes to new geographic locations and to new business ventures (Stalk, 1992). While the transfer of core competencies is a piecemeal approach that requires large coordination of people, when using the capabilities approach, employees are trained to utilize processes, so it is easier to match employees' (internal/external fit) to global needs.

As well, capabilities encompass an entire value chain, so the degree of toughness or novelty that may challenge organizational members working abroad, can be readily assessed.

2.1.1.2 The Behavior Engineering Model

Based on Gilbert's (1978) classic behavior engineering model, it enables the HR professional to organize and to monitor key human resource attributes of the global organization. The model has three cells that correspond to the workplace environment (information, resources, incentives), and three cells that correspond to employee performance factors (knowledge, capacity, motives). When planning for excellent performance, the focus is on employee factors, but general research has shown that when employees are adequately provided with information, resources and incentives, they are able to perform at exemplary levels. To engineer excellent performance Gilbert (1978), Rothwell (1996) and

Wright and Geroy (1999), have suggested that most of the change would likely be found in the environment, rather than in the person. Thus, a two prong approach is needed to engineer "worthy performance". In essence, the model results in a gap analysis that determines what factors should be changed to reach optimum work results.

2.1.2 Gender

Figure 1: Model of effects of different gender towards business performance
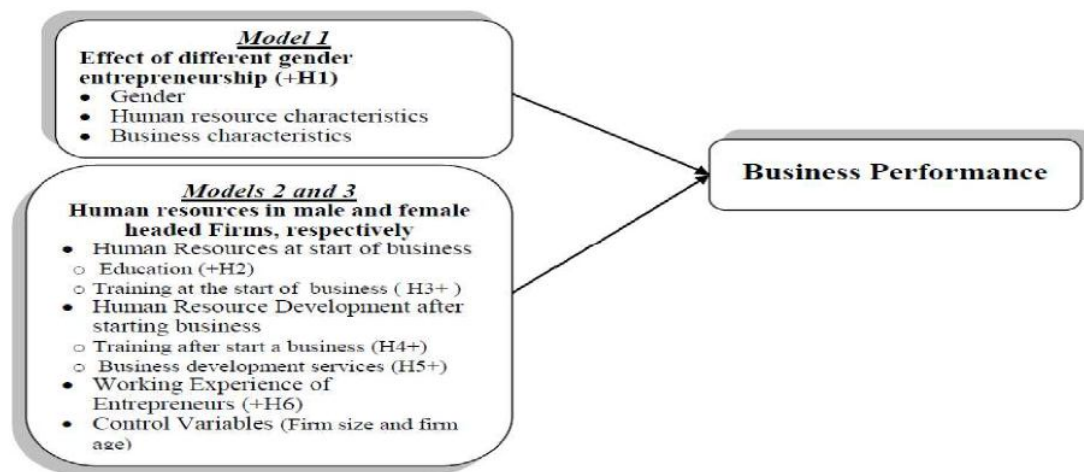
Source: Inmyxai and Takahashi (2010). Performance Comparison Derived from Human Resources Between Male and Female Headed Firms in Lao MSMEs. *International Reviews of Business Papers* Vol 6, No 2, 12-3 8.

Inmyxai and Takahashi (2010) presented that there are different effects on business performance when different gender; male or female headed a firm in different countries. The studies tested the result of business performance on different gender. According to researchers, it is an incentive for different gender headed firm to invest in different stages of

business to maximize its performance and build core competencies through diversifying its workforce thus, contribute better performance compared with competitors.

Inmyxai and Takahashi, 2010; Cliff, 1998 argues that the liberal and social feminist theory suggest that female entrepreneurs are reluctant to grow their businesses than males because they have fewer resources available such as insufficient business experience, a lack of freedom from domestic role and less value for business expansion.

However, the liberal feminist theory proposes that if males and females have an equal opportunity and condition to access resources available such as education, work experiences and other resources, females are expected to behave in a similar way as males do (Inmyxai and Takahashi, 2010; Unger and Crawford, 1992), and eventually performance by different gender headed firms may result in similar outcomes.

Figure 2: Model of Gender Discrimination and Employee Productivity

Source: Abbas, Qaisar; Hameed, Abdul (2010), Gender Discrimination and Its Effect on Employees Performance or Productivity, 3rd Annual EuroMed Conference of the Euromed Academy of Business.

Recent studies indentified that gender discrimination does affect employee's performance. Genders are defined as a range of differences between man and women, extending from a biological to the social. Abbas, Qasar; Hameed, Abdul (2010) suggest that there are three dimension of gender discrimination; gender discrimination in hiring, gender discrimination in promotion and gender discrimination in provisionof goods and facilities.

According to Abbas et al., (2010), a woman does not have an upper hand when it comes to hiring compared with men. There is also women discrimination in superintendent salary or getting promotion. Female superintendent who replace male superintendent gets a lower salary level.

Other than that, it shows that gender discrimination affects employee's performance as well as organization's productivity. Abbas et al., 2010; Patrick Francois, 1998 provides explanation that the continuation of gender discrimination and competitive labor markets and analyzes the effects on employees performance. The literature shows that on average, women receive lower earning than men. The difference persist even when controlling hours for work, industry of work and human capital characteristics suggest that this provides evidence of wage discrimination against women.

The study presented that even though there are quotas for the representation of female in an organization; it was superficial as the representative was appointed but the bodies were less or more powerless.

In the international arena, there is a growing condition that women participation is fundamental in decision making and adaptation of women's equality in society.

2.1.3 Age

2.1.3.1 Social Identity and Self Categorization

Possible explanations for negative effects of age diversity can be derived from the concept of compositional demography, which draws heavily on theories of social identity and self categorization. This theory suggests that individuals tend to classify themselves and others into certain groups on the basis of dimensions that are personally relevant for them. These dimensions often include demographic categories such as gender, age, or ethnicity (Kunze et al., 2009; Tajfel and Turner, 1986).

According to social identity theory, social identity and intergroup behavior are guided by the pursuit of evaluative positive social identity; through positive intergroup distinctiveness, which in turn, is motivated by the need for positive self-esteem (Hogg and Terry, 2000; Abrams and Hogg, 1988).

In addition to being motivated by self-enhancement, social identity processes are also motivated by a need to reduce subjective uncertainty about one's perceptions, attitudes, feelings, and behaviors and, ultimately, one's self-concept and place within the social world. As according to Al Jishi (2009), the level of performance depends on the level of motivation that stimulates someone to work and carry out the necessary tasks to achieve the goals.

2.1.4 Ethnicity

Figure 3: Relationship between race, leadership and the self-perceived communication effectiveness of nursing care teams (NCT).
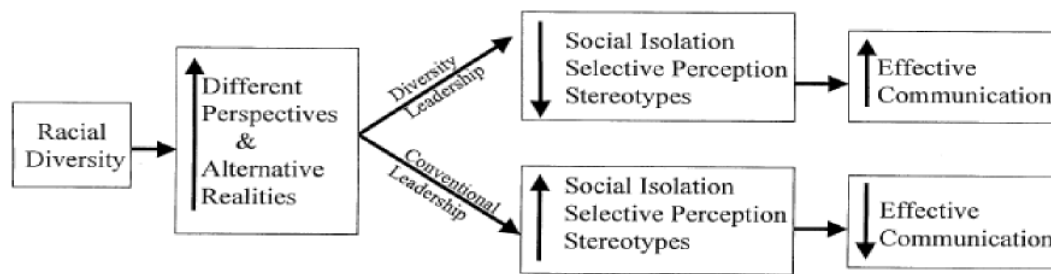
Source: Sprainer, Dreachslin, and Hunt (2000). Relationship between race, leadership and the self-perceived communication effectiveness of nursing care teams (NCT).

Sprainer, Dreachslin, and Hunt (2000) found that Figure 3 is a visual representation of the resultant theoretical model of how race influences the self-perceived communication effectiveness of nursing care teams. It should be noted that, irrespective of team role or race, NCT members were generally dissatisfied with the effectiveness of team communication.

According to Sprainer et al. (2000), the NCT members who did characterize communication within their own NCT saw their team's performance as not representative and acknowledged that communication within other NCTs was often fraught with conflict and misunderstanding.

Based on Sprainer et al. (2000) study, effective communication, widely recognized as key to high performing teams occur when sender and receiver share a common interpretation of the communication exchange; example, when the intended message and the received message are compatible. Effective communication is perhaps best viewed as an integrating mechanism.

Sprainer et al. (2000) study stated that unifies racially and ethnically diverse groups and, thereby, enables teamwork.

Although communication as an integrating mechanism appears to be central to well-functioning racially and ethnically diverse teams, the process of communication in racially and ethnically diverse teams has not been the focus of group or team research. (Maznevski, 1994).

According to Sprainer et al. (2000) it is stated that the purpose of the reanalysis was to develop a grounded theory of the role that race plays in the self-perceived communication effectiveness of nursing care teams.

Grounded theory differs from other qualitative methods due to its emphasis on theory development and the concomitant requirement that the researchers interprets and categorize respondents' answers into an overarching framework based on Sprainer et al. (2000)s study (Strauss and Corbin, 1994). Grounded theory analysis of the focus group transcripts resulted in the identification of three additional themes that serve as reinforcing factors; example, these themes deepen the conflict and miscommunication that occurs as a natural consequence of the overarching framework of different perspectives and alternative realities. (Sprainer et al., 2000)

According to Sprainer et al. (2000)'s study as Figure 3 illustrates, leadership emerged as a powerful mitigating factor in the model of how race influences the self-perceived communication effectiveness of nursing care teams. Sprainer et al. (2000) study stated that while conventional approaches to leadership; example, approaches that deny or fail to address racial dynamics in NCTs, appear to contribute to the social isolation, selective perception and stereotypes that reinforce different perspectives and alternative realities, an alternative approach referred to as diversity leadership (Dreachslin, 1996) for a thorough discussion of this approach mitigates against these same three reinforcing factors and enables NCT members to and common ground and shared purpose within the overarching framework of different perspectives and alternative realities.

2.1.5 Educational background

2.1.5.1 Conscientiousness

Barrick and Mount (1993) described those high in conscientiousness as ideal employees because these individuals possess, responsible, dependable, persistent, and achievement-orientedtraits.

Conscientiousness employees tend to be ambitious, exacting, methodical, and disciplined, whereas individuals low in conscientiousness tend to be imprecise, impetuous, and disorganized (Gellatly, 1996). Conscientious individuals are expected to perform at a higher level because they are, by predisposition, more persevering and disciplined (Colquitt and Simmering, 1998), as well as more confident in their abilities (Barrick and Mount, 1991). As such, they are likely more effective in identifying key priorities and contributing activities that support organizational objectives.

Significant evidence indicates that the conscientiousness; performance association is augmented in the presence of certain moderating variables.

For example, studies have demonstrated the utility of including autonomy (Gellatly and Irving, 2001), organizational politics, agreeableness (Witt, Burke, Barrick, and Mount, 2002), and extraversion (Witt, 2002) as intervening factors. However, in the search for moderators, a significant concern related to unexpected inverse relationships between conscientiousness and performance has surfaced (Driskell, Hogan, Salas, and Hoskitt, 1994). As a result, the continued search for appropriate moderating variables is necessary to further supplement our knowledge and provide insight into the conscientiousness–performance relationship.

2.2 Empirical Review

2.2.1 Employee Performance

According to Hasan, Muhammad, Imran (2009) study, conflict is a state in which two or more parties have incompatible objectives and in which their perception and behavior is appropriate with that incompatibility (Mack, 1965). Conflict is a foreseeable authenticity. It may not fade away nor ignored (Michael and Wayne, 2001; Medina, Munduate, Dorado, Martinez and Guerra, 2005). It is found in personal, group or organizational interaction. Conflict is either

"good or bad" and "sinful or immoral". It assumes significance, once it is handled intelligently. When conflict is handled unskillfully and badly, it becomes detrimental and when it is handled morally and creatively, it ceases to be frightening and incapacitated, and results in growth, maturity, and empowerment for individual, group and organization.

Conflict occurs due to difference of perception, ideas, behaviors, interest, attitudes, religious differences, political differences and unjustified distribution of national resources. Conflict is not always negative. It depends how the conflict is handle. If handled properly, it can become source of development; otherwise it creates hostilities (Kigali, 2006). So it affects quality, performance and profit of organization. Conflict is essential for life and dynamic for team performance (Medina et al., 2005).

When managers ignore the clash between the co-workers, those clashes will be converted into personal and emotional conflict in the long run and therefore damages the organizational culture, worker morale and overall chap reduction of organizational performance.

A perception of interpersonal incompatibility is labeled as relationship conflict and it typically includes tension, annoyance and animosity among group members (Hasan, Muhammad and Imran, 2009; Jehn, 1995; Simons, Peterson, 2000). It is a related to difference of relationship between team members. It is infertile, difficult to manage and likely to leave people with more pressures and less ability to manage them.

Normally, it occurs between frontline workers and their supervisors. It can reduce creativity, innovation, quality, and performance of employees and organizations (Jehn, 1994, 1995; Amason, 1996; De Dreu and Van de, 1997; Friedman, Curral and Tsai, 2000; Michael et al., 2001; Passos and Caetano, 2005). Relationship conflict also relates to conflict about personal taste, political preferences, values, and interpersonal style (De Dreu and Weingart, 2003). Relationship conflict negatively effects on the team performance and it breaks personal and professional relations.

Besides, it also produces tension between team members (Hackman and Morris, 1975; Wall and Callister, 1995). Once relationship conflict erupts, each individuals displays varying difference. In case conflict continues, it results in nervousness, rivalry, stress and discontents, which results into reduction in performance of employees in organization (Hasan, Muhammad and Imran, 2009; Pondy, 1967). Divergence of thoughts, action and opinion results in sorting out flimsy occurrences. It depletes energy of people to resolve conflict or to counter its effect

rather than spending time in achievement of organizational objectives (Simons and Peterson, 2000).

However, according to Jonathan, David and Aparna (2004), the past research on workplace diversity suggests that diversity can be either detrimental or beneficial for workgroup performance (Williams and OReilly, 1998). For instance, workgroup diversity is positively associated with creativity and problem-solving skills (Bantel and Jackson, 1989; Jehn, Northcraft, and Neale, 1999) and negatively related with cohesiveness and cooperation (Pelled, Eisenhardt, & Xin, 1999). Good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance (Adler, 1986).

Managing diversity involves leveraging and using the cultural differences in people's skills, ideas and creativity to contribute to a common goal, and doing it in a way that gives the organization a competitive edge (Morrison,

1992). There is a strong correlation between good diversity practices and profits based on recent studies. (Hayles and Mendez, 1997). Diversity allows increased creativity, a wider range of perspectives, better problem definition, more alternatives and better solutions (Adler, 1986). It is also argued that, with decreasing homogeneity in the workforce, it has become crucial for organizations to develop equal opportunities and diversity management policies to maintain the skills of employees with diverse backgrounds in order to protect their competitive position in the marketplace (Gilbert and Ivancevich 2000; Shaw 1993).

2.2.2 Gender

Gender-based inequities in organizations are reinforced and justified by stereotypes and biases that describe positive characteristics and therefore a higher status to the males (Leonard and Levine, 2003; Nkomo, 1992; Heilman et al., 1989). In other words, organizations prefer to hire males workers compared with women because they are perceived to have better performance and ability to manage their jobs. Besides, according to Brown, 2008; Carr-Ruffino, 2003, significant amount of workforce diversity remains ineffective if gender issues are not first recognized and managed. The research and study also state that the most constitutional challenge is overcoming the thought that woman are not equal to man. Kossek, Lobel, and Brown (2005) states only 54% of working-age women are in the workforce worldwide compared to 80% of men. Furthermore, women continue to have the upper hand on the „invisible care" economy, which relates to care giving and domestic work.However,

according to Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn,Leonard, Levine, and Thomas (2002), providing an equal job opportunity to women is vital to improve performance of employees in an organization. These societal mandates eliminated formal policies that discriminated against certain classes of workers and raised the costs to organizations that failed to implement fair employment practices.

Discrimination on hiring workers based on gender has resulted in a firms hiring workers who are paid higher wages than alternative workers, but are no more productive (Barrington and Troke, 2001; Becker, 1971).

Moreover, Wentling and Palma Rivas (2000) study states that organization with diverse workforce will provide superior services because they can understand customers better (Kundu, 2003). The research from Kundu,

2003; Mueller, 1998, states that hiring woman, minorities and others will help organization to tap niche markets.

Based on the research from Joshi and Jackson (2003), a positive relationship was found between team gender diversity and intra-team cooperation, but only within regions that were relatively diverse in terms of gender. Furthermore, team gender diversity was positively related to team performance, but again this was true only within regions characterized by relatively high gender diversity. Overall, regions with greater gender diversity at managerial as well as non managerial levels were more cooperative.

In comparison, Jayne and Dipboye (2004) argued that gender diversity does not necessarily bring positive outcome such as increases motivation, improving talents, build commitment, and decline conflict. The results from the studies conclude that benefits from diversity are contingent on situation such as the organization strategy, culture, environment as well as people and the organization. Other than that, giving more adequate training to build commitment among employees is necessary in the surface level. Consequently, high cost of time and money are spent.

Last but not least, the argument that greater diversity is associated with lower quality because it places lower performing people in positions for which they are not suited (Herring, 2005; Rothman, Lipset, and Nevitte,

2003). Finally, Williams and O'Reilly (1998) suggest that the most empirical evidence suggests that diversity is most likely to slow down group functioning (Herring, 2005). In

short, critics of the diversity model suggest that group differences result in conflict and its attendant costs. For these reasons, skeptics of the business case for diversity model have questioned the real impact of diversity programs on the bottom line of business organization (Herring, 2005).

2.2.3 Age

Growing age diversity has become part of many organizations (Florian Kunze, Stephen Boehm and Heike Bruch, 2009). There are two major theories which explain this relationship; the social identity and self categorization. Individuals are suggested to classify themselves into certain groups on the basis of dimensions that are personally relevant for them according to social identity and self categorization theory (Kunze, Boehm and Bruch, 2009; Tajfel and Turner, 1986).

As a result, individuals tend to favor members of their own group at the expenses of the other groups, against which they may discriminate. Consequently, if the employeesage or generational belonging is regarded as a relevant criterion for distinction, a differentiation between age groups within an organization may emerge, fostering emotional conflicts and agebased discrimination between the age groups (Kunze et al., 2009). Gelner and Stephen (2009) summarized that age heterogeneity can negatively affect productivity concerns differences in the values in and preferences of distinct age groups. It has been shown that productivitydiminishing conflicts are particularly frequent in the presence of "generation gaps" (Gelner and Stephen, 2009; Lau, Murnighan, 2005; Pitcher, Smith 2001).

However, Gelner and Stephen (2009) also include that age heterogeneity may be placed in proximity with its potential benefits. Complimentarily effects emerge when collaboration in a group enables individuals to be more productive than when working on their own. Hence, the benefits of age heterogeneity are based on additional productivity effects that arise due to interaction among individuals of different ages with differing skill profiles, differing perspectives and perhaps also different personality traits.

Last but not least, according to Brown (2008), increased diversity may also provides many challenges for HR management, as the workforce ages, for instance, employers will have to struggle with higher healthcare costs and pension contributions. Employees will need to accept that benefits are in sync with the vision of the organization; thus, their commitment will increase substantially

2.2.4 Ethnicity

The growth of a multicultural workforce was the focus of the 90s and is gaining more momentum into the new era (Zgourides, Johnson and Watson (2002); Milliken and Martins, 1996; Nemetz and Christensen,

1996). Along with the increase in diversity has been an increase in the use of work teams in general, with intention of utilizing greater participation and synergy to improve and increase both employee satisfaction and business performance. Even though the nature of workforce composition is rapidly becoming more mixed in terms of gender, age, ethnicity, parallel interest has been increasing about the impact of such diversity in our educational institutions (Zgourides et al., 2002). The multicultural increase in businesses is due to multicultural increase of our society and, thus, also pervades familial, educational, and religious circles.

According to Zgourides et al. (2002), the differences in cultural characteristics were predictive of team scores, which can be interpreted as the advantage of having ethnically different views for team problemsolving resulted in increased team performance after the teams learned how to utilize these differences to their benefit.

Timmermans, Ostergaard, and Kristinsson (2011) found that innovation is an interactive process that often involves communication and interaction among employees in a firm and draws on their different qualities from all levels of the organization. Diversity in ascribed characteristics, such as ethnic background, nationality, gender, and age can have negative affective consequences for the firm. Members of the minority group can experience less job satisfaction, lack of commitment, problems with identity, perceived discrimination, etc. (Timmermans et al., 2011; Milliken and Martins, 1996; Harrison and Klein, 2007). However, when minority group grows, some of the problems disappear. According to Timmermans et al., (2011) study, ethnicity can be used as a proxy for cultural background and diversity in ethnicity can be expected to be positive for innovative performance, since it broadens the viewpoints and perspectives in the firm (Richard, 2000). Moreover, based on Timmermans et al. (2011) study some levels of diversity in ethnicity might be positive associated with innovation, high degree of diversity in ethnicity might be negative since it can create conflict and cliques due to social categorization (Dahlin, 2005).

2.2.5 Educational background

Tracy and David (2011) found that employers commonly reject employing employees whose training, experience, or education is judged to be inadequate. On the other hand, this meant that education background is important to employees. Employees cannot find a job and perform well without adequate education background. Besides that, Daniel (2009) also found that various levels and types of education might expect different mobility rates. For example, the occupations available to those with working experience but does not possess a certified tertiary paper may differ from those who possess such education level. Mobility may differ across these occupations, causing the mobility of individuals with working experience to be different from those with non working experience but possesses a degree certificate.

According to Daniel (2009) study, an individual will be more productive depending on the level of their education. The more education the individual worker received, the more productive the worker will be. Moretti (2004) explored this idea and found that cities with higher percentage of tertiary education level workers will enable individuals of all education level have higher wages. Other researchers have found an increase in civic participation (Dee, 2004) or a decrease in crime rates (Lochner and Moretti (2004) resulting from more education. Glaeser, Scheinkman and Shleifer (1995) also found that a greater proportion of educated workers in a city translate to higher economic growth. However, Zeng, Zhou, and Han (2009) found that those high-level managers with higher education and the staff whose length of service is 11 to 15 years shows unusual decline in work performance because they have not found the suitable development space, so temporary disengagement happens.

2.3 Conceptual Framework of the Research

From the literature review and different journals, I realize that the four variables of workforce diversity are very important in affecting employee performance. So I came out with a framework as stated below.

Figure 4: Conceptual Framework of the Research

Employees' Performance

(dependent variable)

The future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a strategic organizational asset, if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents of diverse cultural backgrounds, genders, ages and lifestyles, an organization can respond to business opportunities more rapidly and creatively, especially in the global arena which must be one of the important organizational goals to be attained. More importantly, if the organizational environment does not support diversity broadly, one risks losing talent to competitors.

To meet organizational goals, each team must be effective in terms of its internal functioning. In addition, each team must effectively manage its relationships with other teams and individuals in the organization. Through their relationships, team members may gain access to needed resources and exert influence that is beneficial to the team and its individual members (West, 2003). Based on Chan (2002) study, in order to effectively manage workplace diversity, (Cox 1993) suggests that a Human Resource Manager needs to change from an ethnocentric view ("our way is the best way") to a culturally relative perspective ("let's take the best of a variety of ways"). This shift in philosophy has to be ingrained in the managerial framework of the Human Resource Manager in his or her planning, organizing, leading and controlling of organizational resources.

In the real world, diversity cannot be easily categorized and those organizations that respond to human complexity by leveraging the talents of a broad workforce will be the most effective

in growing their businesses and their customer base. Organizations must embrace and understand the importance of diversity in order to remain competitive, respond to globalization and promote innovation and productivity within its organization. Strong commitment and leadership will provide the necessary cultural atmosphere that promotes an inclusive environment. Training, education and effective communication will help execute strong change management practices. The rationale for understanding and managing diversity has never been stronger. As new possibilities and opportunities in the business environment arise, the need for diversity programs will be the key to successful organizations of the future. The world today is more diverse than ever before. Ethnicity, religion, life experiences and all other personal attributes creates unique individuals.

2.4 Conclusion

Literature reviews of relevant theoretical models and variety of approaches to employee's performance provides conceptual background to strengthen the argument of this research. The existence of diversity is apparent in most organizations. As suggested in a number of studies, diversity has both positive and negative consequences. On the positive side, it provides organizations opportunities to tap a broader, more diverse set of people, ideas, and experiences. Diversity is particularly valuable in a business organization because it often reflects the diversity of customers and the marketplace. By capitalizing on the diversity internally, business organizations may be able to adapt better to the subtle differences in various customer markets. On the negative side, diversity may initially lead to increased tensions and conflicts in the workplace. In some organizations, people who are part of well established groups with relatively similar backgrounds and racial or ethnic heritages have demonstrated reluctance to accept people who are "different." Fortunately, outright hostility and physical resistance have occurred in relatively few work situations. But tensions have increased in other circumstances as diversity efforts have been instituted in work settings. Communication difficulties and conflicts between workers may occur more often in organizations having greater diversity of people. Consequently, organizations must be proactive not only in addressing diversity concerns by existing employees but also in supporting individuals with different backgrounds and heritages. Any of these dimensions can create conflicts between people at work, but they can also bring the advantages of different ideas and viewpoints, which is why organizations address diversity as a strategic human resource iss

CHAPTER THREE: RESEARCH DESIGN AND METHODS

Research project requires the most suitable techniques or methods to come out with an accurate result. To complete this research, methods are developed to refine the study that enables researchers to generate information needed. It is important to have a well-designed research methodology as the degree of accuracy and usefulness of a research is directly affected by the methodology.

Research methodology is an important part for research study. Therefore, Chapter three discusses how the research is carried out. It includes research design, Population and Sampling Techniques, Types of Data and Tools/Instruments of Data Collection, Procedures of Data Collection and Methods of Data Analysis.

3.1 Research Design

A review of the research literature revealed that there is no universally accepted strategy for measuring communication effectiveness. As one of the objectives of the study was to carry out an audit of communication channels in use, a quantitative approach was vital to achieve a "numerical description of trends, attitudes, or opinions" (Creswell, 2009) of a large population base. In order to establish the reasons why some methods of communication were preferred to others, some qualitative enquiry was also needed "to unravel the meanings and understandings which participants bestow upon their experiences" (Hargie and Tourish, 2009).

Quantitative business research is used in conducting research. Quantitative business research is a research that addresses research objectives through empirical assessments. It involves numerical measurement and analysis approaches (Zikmund, 2010). It generates statistics through the use of large-scale survey research, using methods such as questionnaires or structures interviews.

The research design type is descriptive and explanatory research that describes characteristics of objects, people, groups, organizations, or environments. It addresses who,

what, where, why, and how questions. Descriptive studies are conducted with a considerable understanding of the situation being studied. A good research design ensures that the information collected is relevant and useful to conduct research project more effectively and efficiently.

This study focuses on investigating and examining the effects of workforce diversity towards employees' performances in Total Ethiopia S.C. There are four basic categories of techniques for obtaining insights and gaining a clearer picture of a problem: secondary data analysis, pilot studies, case studies, and questionnaire surveys. In this research, questionnaire survey was chosen as a tool to examine the factors that affect employees' performances in Total Ethiopia S.C. The reason of using questionnaire is to ensure completeness and consistency of information gathered; the result will be used as input for statistical analysis. It is done in a structured manner, where all of the interviewees will provide their perception through the questionnaires distributed to them, and it makes sure that no critical points are being left out.

3.2 Population and Sampling Techniques

For this study the source population was the current employees of Total Ethiopia S.C. The targeted population size for the study that was undertaken by the researcher for which questionnaire were distributed, there are 301 grand total populations as of April 30, 2014. From the source population of Total Ethiopia S.C, appropriate sample for questionnaire administration was determined by using proportionality sampling technique to give equal weights for each departments of the company. Once the total sample size from each department is determined, appropriate respondents from employees of the company were selected by non-probability sampling technique called convenience sampling.

As to the sample size determination, from among different methods, the one which has developed by Carvalho (1984), cited by Zelalem (2005) will be used. The method is presented in table below.

Table1 Sample Size Determination

Population size	Sample Size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3021-10000	80	200	315
1001-35000	125	315	500
35001-150000	200	500	800

(Source: Zelalem, Issues and Challenges of Rural Water Scheme, 2005)

As indicated above the population size of the study is 301 which ranges between 28 1-500 according to Carvalho's sample size determination indicated in table 1. Thus, taking in to account a high population size variance and the representativeness of taking large sample size, high sample size was applied in accordance with the given Population size. Therefore, the sample size selected for the study under consideration was 80.

3.3 Data Collection Method

To obtain information relevant to the study both primary and secondary data were used.

3.3.1 Primary Source

The method employed to get primary information was a well designed questionnaire distributed to the selected sample population.

Questionnaire Design. It is absolutely necessary that the layout of the questionnaire is made simple so that the respondents can easily understand, and answer them without taking much of their time. The reason is because the form of questions asked, the language used, and the length of the questionnaire will affect the response rate. The research questionnaire was separated into 3 sections namely Section A, B and C. Section A collects the respondents' demographic data which consists of elements such as gender, age, ethnicity, education level, position in an organization and working experience. Section B consists of four independent variable which is to determine the main effects of workforce diversity towards employees performance. Each variable consist of 5 to 9 questions answered by respondents. Section C consists of 10 questions that talked about employee's performance. It consists of 10 questions answered by respondents.
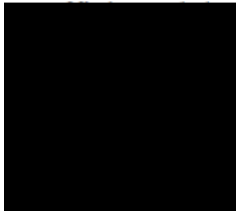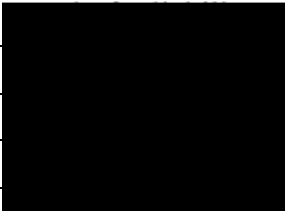
3.3.2 Secondary Source

To get **secondary data** all relevant documents related to the effects of workforce diversity towards employees' performance and I refer to different books, published and unpublished documents, journals, articles and research papers to get information on theoretical frame work of the study.

3.4 Reliability & Validity Test

Reliability analysis is important and widely used in measuring the accuracy of a study. Below are the descriptions of how coefficient alpha is labeled.

Table 2: Internal Consistency (Coefficient Alpha)

Source: Adapted from Hair, Money, Samouel and Babin (2003). Essential of Business Research Methods. *Wiley International Edition: Leyn Publishing LLC,* (page 172).

Table 3: Reliability Test

No.	Constructs	Coefficient alpha	No. of item
	Gender		
	Age		
	Ethnicity		
	Educational Background		
	Employee Performance		

Source: Own survey generated by SPSS version 20.0

From table 3, it shows that there are five constructs and total of 39 items were measured by reliability test and Cronbach alpha in the questionnaire. Referring to table 2, the Cronbach alpha was used to test the internal consistencies and stability of the multi-item scale. The closer the Cronbach alpha to value of 1 the higher the internal consistency of the particular item. The constructs of gender is measured by using 9 items and shows coefficient alpha at 0.8307. Second constructs which is age, measured by using 5 items gives coefficient alpha at 0.7027. Third, the ethnicity shows coefficient alpha at 0.7787 and measured by using 8 items. Fourth, the educational background shows coefficient alpha at 0.7187 which is measured by using 7 items. Finally, the employee performance shows coefficient alpha 0.7827 which is measured by using 10 items. Overall, the constructs of gender gives a very good reliability and the remaining four constructs which are age, ethnicity, educational background and employee performance fall under good reliability in this questionnaire.

In conclusion, the reliability coefficient (coefficient alpha) of all examined constructs in the questionnaire is acceptable. All the constructs shows a Cronbach alpha more than 0.6 which signifies the consistency and reliability of the questionnaire. Therefore, the questionnaire is distributed to 80 targeted respondents.

Questionnaire used for this research was constructed by adopting and then modifying the questionnaire of several related research journals. Compared to constructing own questionnaire, adopting questions from other researcheswell developed questionnaire could ensure higher validity of the questions used to ask the targeted respondents. It is known that the higher the validity means the more accurate the measure can represent a concept.

3.5 Methods of Data Analysis

Data analysis is an application of reasoning to understand, clear and interpret the data or information that have been collected through the questionnaires (Zikmund, 2003). Therefore, data collected through the questionnaire were analyzed statistically by using the Software Package for Social Science (SPSS Version 20.0). Besides, it also enables to present the data or information better through tabular presentation).SPSS was also used to test the relationship between the independent variables and dependent variable using methods such as Pearson Correlation analysis and Multiple Regression analysis.

The data gathered through primary methods were summarized using descriptive statistics such as tables, frequency distributions and percentages to give a condensed picture of the data. Accordingly, the summarized data were analyzed in brief vis-à-vis the theoretical frame work of the study to arrive at a meaningful conclusion.

Hypothesis findings of this research were evaluated using Software Package for Social Science (SPSS) to determine whether the hypothesis is supported by the research.

3.6 Ethical Consideration

The ethical issues considered in this study include worthiness, consent, and confidentiality. To ensure informed consent, respondents and all those who participated in this study were provided with all the relevant information about this study in order to ensure that they understood the nature of the study, objectives of the research and the benefits to the researcher. This process further ensured that the study did not misbehave the behavioral norms established by organizations being studied. Also, findings were reported in a complete and honesty fashion, without misrepresenting any responses given or intentionally misleading readers and researchers interested in this study.

CHAPTER 4: RESULTS AND DISCUSSION

For this chapter, the researcher review the data collected from the sample determined in the previous chapter by presenting the patterns of results and analyses of the results relevant to the research questions and hypothesis established in chapter one . The respondent's demographic profile and descriptive analysis, and inferential analyses are discussed at length in this chapter.

4.1 Descriptive Analysis

The research discusses the respondent's demographic profile and central tendencies measurement of constructs.

4.1.1 Respondents Demographic Profile

In the questionnaire survey, each respondent was asked six questions regarding their demographic profile, including gender, age, ethnicity, education level, working experience (in years), and position level in the organization. This part provides an analysis of the demographic characteristics of the respondents based on frequency analysis.

4.1.1.1 Gender

Table 4: Gender of the Respondents

Gender		Frequency	Percent
Valid	Male	51	63.8
	Female	29	36.3
	Total	80	100

Source: Own survey generated by SPSS version 20.0

Table 4, shows a percentage of respondents, whereby female (36.25%), while male (63.75%). In other words, from the 80 respondents, 51 of them are male while the remaining 29 are female.

4.1.1.2 Age

Age	Frequency	Percent

Table 5: Age of the Respondents

	Age	Frequency	Percent
Valid	20-29 years old	9	11.3
	30-39 years old	42	52.5
	40-49 years old	24	30
	50 years old and above	5	6.3
	Total	80	100

Source: Own survey generated by SPSS version 20.0

Table 5 shows age group of the respondents. The majority of the respondents fall under the age group category of 30 - 39 years old (accounted for 52.5% or 42 respondents), followed by the age group of 40 - 49 years old (30% or 24 respondents), 20 - 29 years old (11.25% or 9 respondents), and 50 years old and above (6.25% or 5 respondents). As a result, individuals tend to favor members of their own group at the expenses of the other groups, against which they may discriminate. Consequently, if the employees age or generational belonging is regarded as a relevant criterion for distinction, a differentiation between age groups within an organization may emerge, fostering emotional conflicts and age based discrimination between the age groups.

4.1.1.3 Nationality

Table 6: Ethnicity of the Respondents

	Nationality	Frequency	Percent
Valid	Ethiopian	76	95
	French	2	2.5
	Djiboutian	2	2.5
	Total	80	100

Source: Own survey generated by SPSS version 20.0

Table 6 shows that the highest proportion of respondents are Ethiopian (95% or 76 respondents), followed by French and Djiboutian (5% or 4 respondents), this is because, all the foreigners are department mangers.

4.1.1.3 Educational Background

Table 7: Educational Level of the Respondents

		Frequency	Percent
Valid	Diploma	12	15.00
	Degree	61	76.25
	Master	7	8.75
	Total	80	100

Source: Own survey generated by SPSS version 20.0

Table 7 shows the educational level of the respondents. The majority of the respondents are degree holders (76.25% or 61 respondents), followed by diploma holders (15% or 12 respondents), masters (8.75% or 7 respondents). Most respondents are degree holders, because there are a lot of degree holders in the labor market.

4.1.1.5 Working Experience

Table 8: Working Experience of the Respondents

		Frequency	Percent
Valid	2-5 years	18	22.50
	6-10 years	15	18.75
	10- 15 years	23	28.75
	More than 15 years	24	30.00
	Total	80	100.0

Source: Own survey generated by SPSS version 20.0

Employees who are managers with higher education and the staff whose length

of service is more than10 year's shows unusual decline in work performance because they have not found the suitable development space, so temporary disengagement happens.

4.1.1.6 Position Level

Table 9: Position Level of the Respondents in the company.

		Frequency	Percent
Valid	Department Manager	3	3.75
	Division Manager	17	21.25
	Territory Manager	14	17.50
	Civil /Mechanical Engineer	8	10.00
	Lubricant Engineer	6	7.50
	Customer Service Representative	9	11.25
	IT Specialist	3	3.75
	Accountant	11	13.75
	Others(Admin assistants and depot operators)	9	11.25
	Total	80	100.00

Source: Own Survey generated by SPSS version 20.0

Question 9 in the questionnaire asks about the respondent's position level in the company. The results are in Table 9. Majority of the respondents are Division Managers (21.5% or 17 respondents), followed by Territory Managers (17.5% or 14 respondents), Department Managers are (3.75% or 3 respondents) and others as indicated in the table above.

4.1.2 Central Tendencies Measurement of Constructs

Measurement of central tendencies is used to discover the mean scores for the five interval-scaled constructs. A total of 39 items (questions) with particular mean score were obtained from the SPSS output. All of the items/questions are being asked using 5-point Likert scale with 1 indicating strongly disagree, 2 indicating disagree, 3 indicating neutral, 4 indicating agree, and 5 indicating strongly agree.

Table 10: <u>The Effects of Gender on employee Performance.</u>

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Deviation
Q1. The company prefers to hire male workers compared with women because they are perceived to have better performance and ability to manage their jobs.	15.0%	26.3%	23.8%	23.8%	11.3%	2.90	1.249
Q2. I see value in gender-diversity initiatives and also I believe that the company does a good job of attracting and hiring women employees.	2.5%	15.0%	37.5%	41.3%	3.8%	3.29	0.860
Q3. Fair treatment (the same compensation, benefits and opportunities, based on their skill) is given to all employees, whether they are male or female.	5.0%	12.5%	10.0%	48.8%	23.8%	3.74	1.111
Q4. Opportunities for growth and advancement exist for women employees in our company.	2.5%	16.3%	25.0%	45.0%	11.3%	3.46	0.980
Q5. A career development that includes women is encouraged within our company.	1.3%	22.5%	27.5%	37.5%	11.3%	3.35	0.995
Q6. The company's training and development program is developed to meet the criteria/requirements performed by male and female employees.	5.0%	16.3%	23.8%	46.3%	8.8%	3.38	1.023
Q7. Women are involved in the company's decision making as much as men.	6.3%	25.0%	11.3%	48.8%	8.8%	3.29	1.127
Q8. The performance criteria for success are expected to be higher for men than for women.	13.8%	41.3%	23.8%	17.5%	3.8%	2.56	1.054
Q9. I am positive about gender diversity in this workplace.	1.3%	5.0%	13.8%	61.3%	18.8%	3.91	0.799

Majority of the respondents (26.3%) disagreed that he/she have been discriminated by employer while hiring and recruitment process, while 23.8% of them neither agreed nor disagreed with that statement. 41.3% of the respondents agreed that they feel the organization does a good job of attracting and hiring women, while 37.5% of them neither agreed nor disagreed with that statement. Meanwhile, 48.8% of the respondents agreed that fair treatment is given to all employees whether they are male or female, while 10% of them neither agreed nor disagreed with that statement. 45% of the respondents agreed and 25% of them neither agreed nor disagreed that opportunities for growth and advancement exist for women in our organization. For the question career development that includes women is encouraged within our Company which is 37.5% respondent agree and 27.5% of them neither agreed nor disagreed and 22.5% disagree on this statement. For the next question, the company's training and development program is developed to meet the criteria/requirement of performed by male and female employees, there is 46.3% of respondent agree and 23.8% of them neither agreed nor disagreed. 48.8% of respondents agreed that women are involved in the company's decision making as much as men, while 11.3% of them neither agreed nor disagreed and 25.3% disagree on this statement. 41.3% of respondents disagreed that the performance criteria for success are expected to be higher for man than for women, while 23.8% neither agreed nor disagreed. Finally, 61.3% of the respondents agreed that they are positive about gender diversity in this workplace, while 13.8% of them neither agreed nor disagreed with this statement.

"I am positive about gender diversity in this workplace" is the item with highest mean (mean=3.91), followed by "Fair treatment (the same compensation, benefits and opportunities, based on their skill) is given to all employees, whether they are male or female" with mean 3.74.The item with third highest mean is "Opportunities for growth and advancement exist for women employees in our company" with mean 3.46. I see value in gender-diversity initiatives and also I believe that the company does a good job of attracting and hiring women employees and Women are involved in the company's decision making as much as men" with both mean 3.29.

"The performance criteria for success are expected to be higher for men than for women." has the lowest mean among the others (mean =2.56).The item "The Company prefers to hire male workers compared with women because they are perceived to have better performance and ability to manage their jobs." has the highest standard deviation, which is 1.249. The item with second highest standard deviation is "Women are involved in the company's decision

making as much as men." "I am positive about gender diversity in this workplace." Has the lowest standard deviation which is 0.799.

Table 11: The Effects of age on employee Performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Deviation
Q10. The company provides me with equal opportunities for training and career development regardless of my age, so as to enhance my performance.	3.8%	21.3%	16.3%	48.8%	10.0%	3.40	1.05062
Q11. My team leaders include all members at different ages in problem solving and decision making.	2.5%	7.5%	26.3%	55.0%	8.8%	3.60	0.8509 1
Q12. Age differences in work groups might affect the performance of employees.	7.5%	32.5%	17.5%	33.8%	8.8%	3.04	1.15225
Q13. At work, I experience lack of bonding with people of different age group.	7.5%	61.3%	5.0%	21.3%	5.0%	2.55	1.06617
Q14. I am positive about age diversity in this workplace.	1.3%	1.3%	20.0%	60.0%	17.5%	3.91	0.73250

Source: Own Survey generated by SPSS version 20.0

There were as much as 48.8% of the respondents agreed that the organization provides them with equal opportunities for training and career development, while 16.3.3% of them neither agreed nor disagreed with that statement. 26.3% of the respondents neither agreed nor disagreed that their team leaders include all members at different ages in problem solving and decision making, while 55% of them agreed. Both questions which are "the age differences in work group might the performance of employees" and "at work, I experience lack of bonding with people of different age group" have 32.5% and 61.3% of the respondents disagreed respectively and33.8% and 21.3% of them neither agreed nor disagreed% with the statement respectively.

"I am positive about age diversity in this place" is the item with highest mean (mean = 3.91), followed by "My team leaders include all members at different ages in problem solving and decision making" (means = 3.60).The item with the lowest mean is "At work, I experience

lack of bonding with people of different age group." (Mean=2.55). The items "the age differences in work group might cause conflict" and "at work, I experience lack of bonding with people of different age group" have the highest standard deviation, which is 1.152 and 1.066 respectively. The item with lowest standard deviation is "I am positive about age diversity in this workplace", with the standard deviation value of 0.7325.

Table 12: The Effects of Ethnicity on employee performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Deviation
Q15. The company does a good job of attracting and hiring minorities.	2.5%	23.8%	56.3%	13.8%	3.8%	2.93	0.792
Q16. Opportunities for growth and advancement exist for minorities in our company.	5.0%	20.0%	43.8%	25.0%	6.3%	3.08	0.952
Q17.The organization concerns about the employee's customs, cultures, and values.	1.3%	10.0%	33.8%	46.3%	8.8%	3.51	0.842
Q18.Different languages that are used to communicate do not create problem among employees.	5.0%	8.8%	18.8%	48.8%	18.8%	3.68	1.041
Q19. At work, I developed low self-esteem due to my ethnicity.	46.3%	33.8%	12.5%	6.3%	1.3%	1.83	0.965
Q20. The ethnicity differences in educational background do not affect employee performance.	3.8%	7.5%	16.3%	51.3%	21.3%	3.79	0.990
Q21. The team leader includes all members of different ethnicity in problem solving and decision making.	0.0%	7.5%	32.5%	47.5%	12.5%	3.65	0.797
Q22. I am positive about ethnicity diversity in this workplace.	1.3%	3.8%	13.8%	51.3%	30.0%	4.05	0.840

Source: Own Survey generated by SPSS version 20.0

Most of the respondents (23.8%) disagreed and 56.3% of them neither agreed nor disagreed that the organization does a good job of attracting and hiring minorities. 25.0% of the respondents agreed and 43.8% of them neither agreed nor disagreed and strongly agreed that

they have an opportunities for growth and advancement exist for minorities in their organization.

Most of the respondents (46.3%) agreed that the organization concerns about the employees customs, cultures and values and 46.3% of the respondents strongly disagree on the statement "at work, I developed low self-esteem due to my ethnicity" and " The team leader includes all members at different ethnicity in problem solving and decision making" have the result 47.5% agreed and 32.5% neither agreed nor disagreed on the statements.

"I am positive about ethnicity diversity in this workplace" is the item with highest mean (mean = 4.05), followed by "The ethnicity differences in educational background do not affect employee performance (means = 3.79). The item with the lowest mean is "At work, I developed low self-esteem due to my ethnicity" (mean = 1.83).

The item that has the highest standard deviation (1.041) is "Different languages that are used to communicate do not create problem among employees". The items "The ethnicity differences in educational background do not affect employee performance", "At work, I developed low self-esteem due to my ethnicity" and "Opportunities for growth and advancement exist for minorities in our company " have the second ,third and fourth highest standard deviation, which is 0.999,0.965 and 0.952 respectively. The item "The Company does a good job of attracting and hiring minorities" has the lowest standard deviation (0.792).

Table 13: The Effects of Educational background on employee performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Deviation
Q23. The recruitment plan of the company is based on the educational background of the employees.	3.8%	7.5%	13.8%	61.3%	13.8%	3.74	0.924
Q24. The organization provides paid study leave to employees who need supplementary education.	3.8%	13.8%	18.8%	51.3%	12.5%	3.55	1.005
Q25. Opportunities for growth and advancement exist for employees who have lower qualification in education.	5.0%	30.0%	27.5%	30.0%	7.5%	3.05	1.054
Q26. The difference in education background does not encourage conflict.	2.5%	20.0%	17.5%	45.0%	15.0%	3.50	1.055

Q27. At work, I experience lack of confidence due to my educational background.	33.8%	5 1.3%	2.5%	10.0%	2.5%	1.96	0.999
Q28. The team leader includes all members at different education level in problem solving and decision making.	2.5%	17.5%	25.0%	45.0%	10.0%	3.43	0.978
Q29. The company gives equal treatment when it comes to the diversity of educational background.	2.5%	23.8%	18.8%	50.0%	5.0%	3.31	0.976

Source: Own survey generated by SPSS version 20.0

There were as much as 61.3% of the respondents agreed and 13.8% neither agreed nor disagreed that the recruitment plan of the organization is based on the education background of the employees and also get the same result for the question "the difference in education background does not encourage conflict". 45.0% of the respondents agreed and 5 1.3% also agreed that the organization provides paid study leave to employees who need supplementary education. 30.0% of the respondents agreed and 27.5% of them neither agreed nor disagreed that "Opportunities for growth and advancement exist for employees who have lower qualification in education", while 30% of them disagreed with that statement.51.3% of the respondent disagreed and 3 3.8% strongly disagreed that at work, they experience lack of confidence due to their educational background, while 10.0% of them agreed with that statement. 25.0% of the respondents neither agreed nor disagreed and 45.0% of them agreed that their team leader includes all members at different education level in problem solving and decision making. Finally, 23.8% of the respondents disagreed that their organization gives equal treatment when it comes to the diversity of education background, while 50.0% of them agreed with that statement.

"The recruitment plan of the company is based on the educational background of the employees" is the item with the highest mean (mean=3.74), followed by "The organization provides paid study leave to employees who need supplementary education" (means = 3.55). There was 1 item with the lowest means which is "At work, I experience lack of confidence due to my educational background" with mean 1 .96.The item that has the highest standard deviation (1.055) is "The difference in education background does not encourage conflict". The item with second highest standard deviation (1.054) is "Opportunities for growth and advancement exist for employees who have lower qualification in education" .The item "The

recruitment plan of the company is based on the educational background of the employees" has the lowest standard deviation (0.924).

Table 14: <u>Central tendencies Measurement of Construct: Employee Performance</u>

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Deviation
Q30 I enjoy my tasks and the divisions work approach.	1.3%	8.8%	5.0%	68.8%	16.3%	3.90	0.821
Q31 I am committed to the mission and direction of my company.	1.3%		1.3%	7 1.3%	26.3%	4.21	0.589
Q32. I am motivated to complete the task assigned to me.	1.3%	7.5%	6.3%	5 1.3%	33.8%	4.09	0.903
Q33. I co-operate well with my colleagues of different ethnicity, educational background, age and gender	0.0%	0.0%	0.0%	52.5%	47.5%	4.48	0.503
Q34. I believe Opposite gender can perform well and I enjoy working with them.	3.8%	5.0%	8.8%	46.3%	36.3%	4.06	0.998
Q35. My performance level affects my salary level.	5.0%	23.8%	21.3%	38.8%	11.3%	3.28	1.102
Q36. I am satisfied with my current salary level.	7.5%	27.5%	20.0%	33.8%	11.3%	3.14	1.166
Q37. I am given the chance to try my own method of doing the job.	3.8%	6.3%	11.3%	65.0%	13.8%	3.79	0.896
Q38. By learning more skills through courses/training, I can improve my task performance.	0.0%	1.3%	3.8%	55.0%	40.0%	4.34	0.615
Q39. Good employee performance is important for the future growth of my company.	0.0%	0.0%	1.3%	30.0%	68.8%	4.68	0.497

Source: Own survey generated by SPSS version 20.0

There were as much as 68.8% of the respondents agreed that they enjoy their tasks and the divisions work approach while 16.3% strongly agreed with that statement. 71.3% of the respondents agreed and 33.8% of them strongly agreed and only 1.3% of them neither agreed

nor disagreed that they are committed to the mission and direction of their company. There was little number of the respondents (6.3%) neither agreed nor disagreed and 51.3% of them agreed that they were motivated to complete the task that is assigned to them. 52.5% of the respondents agreed and 47.5% of them strongly agreed co-operate well with their colleagues of different ethnicity. Aggregately, more than half of the respondents (46.3% and 36.3%) agreed and strongly agreed that opposite gender can perform well and they enjoy working with them, while 8.8% of them neither agreed nor disagreed with that statement. 38.8% of the respondents agreed and 21.3% of them neither agreed nor disagreed that their performance levels affects their salary levels. 27.5% and 33.8% of the respondents disagreed and with the statement "I am satisfied with my current salary level" respectively.

Finally, there was 65% of the respondents agreed and 11.3% of them neither agreed nor disagreed that they are given the chance to try their own method of doing the job. "Good employee performance is important for the future growth of my company." is the item with highest mean (mean=4.68), followed by "I co-operate well with my colleagues of different ethnicity" (means=4.48). The item with the lowest mean is "I am satisfied with my current salary level" (mean=3.14).

The item that has the highest standard deviation (1.166) is "I am satisfied with my current salary level". The item with second highest standard deviation (0.606) is "My performance level affects my salary level. The item "Good employee performance is important for the future growth of my company." has the lowest standard deviation (0.497).

4.2 Inferential Analysis

Inferential analysis is used to provide generation of conclusion regarding the characteristics of the population based on the sample data (Burns and Bush, 2000). Furthermore, it aims to examine the individual variables and its relationships with other variables.

4.2.1 Correlation Analysis

Pearson's correlation coefficient is known as a method of measuring the correlation and it is based on the method of covariance. Pearson's correlation coefficient will indicate the direction, strength and significant of the bivariate relationship among all the variables that were measured at an interval or ratio level (i.e. gender, age, ethnicity and education background). The number representing the Pearson correlation is referred to as a correlation

coefficient. Correlations of +1 mean that, there is a perfect relationship between two variables. Hair, Money, Samouel and Page (2007) proposed Rules of Thumb on coefficient range and strength of association as shown in table below:

Table 15: Rules of Thumb about Correlation Coefficient Size
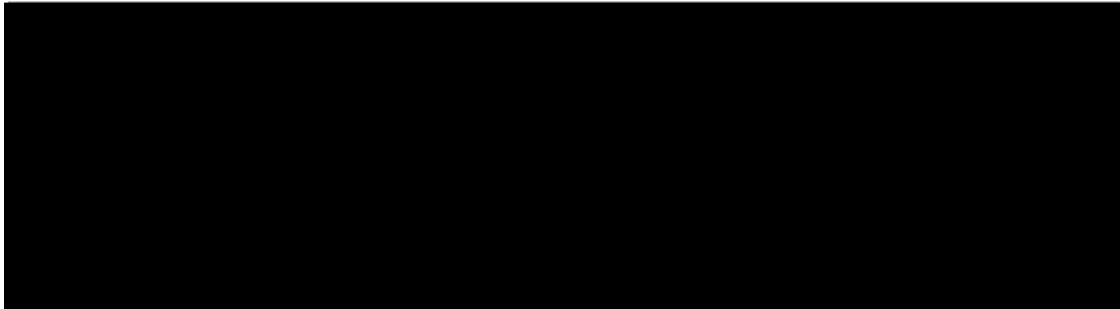
Source: Adapted from Hair, Money, Samouel and Page (2007), Research Methods for Business. West Sussex: John Wiley Sons.

4.2.1.1 Correlation between gender group and employee performance

Hypothesis 1

H_0 : There is no significant effects of gender group on employees' performance H_1

: There is significant effects of gender group on employees' performance Table

16: Correlation between gender group and employee performance

Correlations		Gender	Employee Performance
Gender Group	Pearson Correlation	1	.298**
	Sig. (2-tailed)		.007
	N	80	80
Employee Performance	Pearson Correlation	.298**	1
	Sig. (2-tailed)	.007	
	N	80	80

**. Correlation is significant at the 0.01 level (2-tailed). Source: Own Survey generated by SPSS version 20.0

Direction of relationship

From the table above, there is positive relationship between gender group and employee performance because of the value for correlation coefficient is positive. The gender group variable has a 0.298 correlation with the employee performance variable.

Strength of relationship

The value of this correlation coefficient (0.298) is fall under coefficient range from ±0.2 1 to ±0.40. Therefore, the relationship between gender group and employee performance is small but definite relationship.

Significance of relationship

The relationship between gender group and employee performance is significant. It is because the p-value 0.007 is less than alpha value 0.01. Therefore, null hypothesis (H_0) is not accepted but alternative hypothesis (H_1) is accepted.

4.2.1.2 Correlation between age group and employee performance

Hypothesis 2

H_0 : There is no significant effects of age group on employees' performance.

H_1 : There is significant effects of age group on employees' performance.

Table 17: Correlation between age group and employee performance

Correlations			Age Group	Employee Performance
Age Group	Pearson Correlation		1	.397[**]
	Sig. (2-tailed)			.000
	N		80	80
Employee Performance	Pearson Correlation		.397[**]	1
	Sig. (2-tailed)		.000	
	N		80	80

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

Direction of relationship

From the table above, there is positive relationship between age group and employee performance because of the value for correlation coefficient is positive. The age group variable has a 0.000 correlation with the employee performance variable.

Strength of relationship

The value of this correlation coefficient (0.3 97) is fall under coefficient range from ±0.2 1 to ±0.40. Therefore, the relationship between gender group and employee performance is small but definite relationship.

Significance of relationship

The relationship between gender group and employee performance is significant. It is because the p-value 0.000 is less than alpha value 0.01. Therefore, null hypothesis (H_0) is not accepted but alternative hypothesis (H_1) is accepted.

4.2.1.3 Correlation between ethnicity group and employee performance

H_0 : There is no significant effects of ethnicity group on employees' performance.
H_1 : There is significant effects of ethnicity group on employees' performance.

Table 18: Correlation between ethnicity group and employee performance

Correlations

		Ethnicity Group	Employee Performance
Ethnicity Group	Pearson Correlation	1	.346**
	Sig. (2-tailed)		.002
	N	80	80
Employee Performance	Pearson Correlation	.346**	1
	Sig. (2-tailed)	.002	
	N	80	80

**. Correlation is significant at the 0.01 level (2-tailed). Source: Own Survey generated by SPSS version 20.0

Direction of relationship

From the table above, there is positive relationship between ethnicity group and employee performance because of the value for correlation coefficient is positive. The ethnicity group variable has a 0.346 correlation with the employee performance variable.

Strength of relationship

The value of this correlation coefficient (0.346) is fall under coefficient range from ±0.2 1 to ±0.40. Therefore, the relationship between ethnicity group and employee performance is small, but definite relationship.

Significance of relationship

The relationship between ethnicity group and employee performance is significant. It is because the p-value 0.002 is less than alpha value 0.01. Therefore, null hypothesis (H_0) is not accepted but alternative hypothesis (H_1) is accepted.

4.2.1.4 Correlation between educational group and employee performance

H_0 : There is no significant effects of educational background group on employees'
     performance.

 H_1 : There is significant effects of educational background group on employees' performance.

Table 19: Correlation between educational background group and employee performance

Correlations		Educational Background	Employee Performance
Educational Background	Pearson Correlation	1	.365**
	Sig. (2-tailed)		.001
	N	80	80
Employee Performance	Pearson Correlation	.365**	1
	Sig. (2-tailed)	.001	
	N	80	80

**. Correlation is significant at the 0.01 level (2-tailed). Source: Own Survey generated by SPSS version 20.0

Direction of relationship

From the table above, there is positive relationship between educational background group and employee performance because of the value for correlation coefficient is positive. The education background group variable has a 0.365 correlation with the employee performance variable.

Strength of relationship

The value of this correlation coefficient (0.3 65) is fall under coefficient range from ±0.2 1 to ±0.40. Therefore, the relationship between educational background group and employee performance is small, but definite relationship.

Significance of relationship

The relationship between educational background group and employee performance is significant. It is because the p-value 0.00 1 is less than alpha value 0.01. Therefore, null hypothesis (H0) is not accepted but alternative hypothesis (H1) is accepted.

As a result employee performance relates positively with variables such as gender, age, ethnicity and educational background, the company should start realizing the need to be tackle such demographic categories in order to stay ahead of its competitors.

4.2.2 Regression Analysis

Multiple linear regression analysis is a method which uses more than one independent variable to explain variance in a dependent variable.

Table: 20 Model Summary of Regression Analysis

Model Summa

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.460[a]	.211	.169	.43472

a. Predictors: (Constant), Gender, Age, Ethnicity, Education background
b. Dependent Variable: Employee Performance

Source: Own Survey Data generated by SPSS version 20.0

The R value is the correlation coefficient between the dependent variable and the independent variables. According to the Model Summary, the value of correlation coefficient(R) of four independent variables (gender, age, ethnicity and educational background) with the dependent variable (employee performance) is 0.460. Therefore, there is positive and moderate correlation between four independent variable and dependent variable.

Besides that, Model Summary also indicates the coefficient of determination (R square) which can help in explaining the variance. The R square figure of the four independent variables is 0.211. These also mean that independent variables (gender, age, ethnicity and educational background) can explain 21.1% of the variation in dependent variable (employee performance). However, it still leaves 78.9% (100% - 21.1%) unexplained in this research. In other words, there are other additional variables that are important in explaining employee performance that have not been considered in this research.

Table 21: Summary of Coefficients

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.476	.370		6.692	.000
Gender Group	.258	.093	.298	2.761	.007
Age Group	.326	.085	.397	3.820	.000
Ethnicity Group	.299	.092	.346	3.252	.002
Educational Background	.313	.090	.365	3.462	.001

a. Dependent Variable: Employee Performance.
Source: Own Survey Data generated by SPSS version 20.0

The four independent variables are the factors that determine perceived employability.

This can be represented by the equation as below:

$Y = a + b_1{}^{x_1} + b_2{}^{x_2} + b_3{}^{x_3} + b_4{}^{x_4} +$

Where: Y= Dependent variable (Employee performance)

   a= Constant variable

   b_1= Value of independent variable 1 (Gender)

   X_1= Independent variable 1 (Gender)

   b_2= Value of independent variable 2 (Age)

   X_2= In dependent variable 2 (Age)

   b_3= Value of independent variable 3 (Ethnicity)

   X_3= In dependent variable 3 (Ethnicity)

   b_4= Value of independent variable 4 (Educational background)

   X_4= In dependent variable 4 (Educational Background)

Based on the Coefficients, the regression equation for the employee performance is:

Employee Performance = 2.476 + (0.258) Gender Group + (0.326) Age Group + (0.299) Ethnicity Group + (0.313) Educational Background Group.

From the Coefficient's table, $age\ group$ is the first and most significant independent variable in this research since its t-value is 3.820 and p-value is 0.000, which is lower than alpha value

0.01. This also shows that age group is significant to predict perceived employee performance. Besides that, age group is the predictor variable that contribute the highest to the variation of the perceived employee performance because Beta value (under standardized coefficients) for this predictor variable is the largest (= 0.3 97), which means a change of one standard deviation in age diversity has 3 9.7% change of standard deviation on employee performance

Besides, *educational background group* is second most significant variable where it carries out the t-value 3.462 and the p-value 0.002, which is lower than the alpha value 0.01. This shows that educational background group is significant to predict perceived employee performance. In addition, ethnicity group contribute the second highest to the variation of the perceived employee performance because Beta value (under standardized coefficients) for this predictor variable is the second largest (= 0.365)), which means a change of one standard deviation in educational background diversity has 3 6.5% change of standard deviation on employee performance.

The third most significant independent variable is *ethnicity group,* where the t-value is 3.252 and the p-value is 0.001, which is lower than the alpha value 0.01. This represent that the ethnicity group is significant to predict perceived employee performance. Besides, educational background group contribute the third highest to the variation of the perceived employee performance because Beta value (under standardized coefficients) for this predictor variable is the third largest (= 0.346), which means a change of one standard deviation in ethnicity diversity has 34.6% change of standard deviation on employee performance.

Lastly, in this research, *gender group* is significant independent variable where it carries out the t-value 2.76 1 and the p-value 0.007, which is lower than the alpha value 0.01. This shows that gender group is significant to predict perceived employee performance. In addition, gender group contributes Beta value (under standardized coefficients) for this predictor variable is (= 0.298), which means a change of one standard deviation in gender diversity has 29.8% change of standard deviation on employee performance. The result indicates that the four independent variables (gender group, ethnicity group, education background group, and age group) have a significant relationship with the employee performance.

4.3 Discussion of the Research Result

Table 22: Result Summary of Hypotheses Testing

Hypothesis	Accepted	Rejected
There is significant relationship between gender group and employee performance.	=0.298 p=0.007<0.01	
There is significant relationship between age group and employee performance.	= 0.3 97 p=0.000<0.01	
There is significant relationship between ethnicity group and employees performance.	=0.346 p=0 . 002<0.01	
There is significant relationship between educational background group and employees performance.	=0.365 p=0.001<0.01	

Source: Own survey generated by SPSS version 20.0

4.3.1 Relationship between gender group and employee performance

H_1 : There is significant relationship between gender group and employee performance

Based on the result from the inferential analysis, there is significant positive and small but definite relationship between gender group and employee performance which carries correlation coefficient value of 0.298 and p-value of 0.007 which is significant at the alpha value 0.01. The finding in this research showed that gender group and employee performance is positively linked. Based on the information provided in the research the overall feeling is that, for the most part, gender was not an area of concern. All divisions of the company must meet annual targets for the representation of majority and minority males and females in each employee grade level (Kochan, Bezrukova and Ely, 2002).

In order to enforce the employee performance described above, performance appraisals employees included measures employee's ability to achieve the targets. According to the Kochan, Bezrukova and Ely (2002), the performance appraisals were used for making promotion and compensation related decisions. Training practices included intensive diversity training. Trainers used behavioral modeling techniques to help develop managerial

capabilities for interacting with subordinates and colleagues irrespective of demographic differences. Thus the training efforts focused more on skill-building than on building awareness or modifying attitudes.

Furthermore, according to the research revealed that 3 6.25% of female participants hold salaried positions, and men participants hold 63 .75% of the salaried positions. Although there are a smaller percentage of female participants in salaried positions, the number is still high compared to the norm.

4.3.2 Relationship between age group and employee performance

H_1: There is significant relationship between age group and employee performance

Based on the result from the inferential analysis, there is significant and small but definite relationship between age group and employee performance which carries correlation coefficient value of 0.3 97 and p-value of 0.000 which is significant at the alpha value 0.01. Age is also regularly viewed as one dimension of social category diversity (Jehn, Northcraft, and Neale (1999); Simons, Pelled, and Smith (1999); and Pelled, Eisenhardt, and Xin (1999). However, the result shows that, there is an influence of age diversity on employee performance, which agrees to the findings of the empirical studies reviewed by Gelner and Stephen (2009) summarized that age heterogeneity can negatively affect productivity concerns differences in the values in and preferences of distinct age groups. It has been shown that productivity diminishing conflicts are particularly frequent in the presence of "generation gaps". However, Gelner and Stephen (2009) [6] also include that age heterogeneity may be placed in proximity with its potential benefits. Complimentarily effects emerge when collaboration in a group enables individuals to be more productive than when working on their own. Hence, the benefits of age heterogeneity are based on additional productivity effects that arise due to interaction among individuals of different ages with differing skill profiles, differing perspectives and perhaps also different personality traits.

4.3.3 Relationship between ethnicity group and employee performance

H1: There is significant relationship between ethnicity group and employee performance

Based on the result from the inferential analysis, there is significant positive and small, but definite relationship between ethnicity group and employee performance which carries

correlation coefficient value of 0.346 and p-value of 0.002 which is significant at the alpha value 0.01.

Ethnically diverse teams working in relatively homogeneous organizations experienced performance deficits relative to the more homogeneous teams (Joshi and Jackson, 2003). Furthermore, the performance deficit was not evident for ethnically diverse teams working in ethnically diverse organizations. In ethnically homogeneous organizations, the ethnic differences among members of diverse teams become more salient and are more likely to interfere with performance. In ethnically heterogeneous organizations, however, the ethnic identities of team members may be less salient and therefore they create less disruption (Joshi and Jackson, 2003).

4.3.4 Relationship between education background group and employee performance

H_1: There is significant relationship between educational background group and employee performance

Based on the inferential analysis, there is significant positive and slight, almost negligible relationship between education background group and employee performance which carries correlation coefficient value of 0.365 and p-value of 0.001 which is significant at the alpha value 0.01 .Different education types, or a more balance in the education types a firm possesses would increase the likelihood of having an innovation. There is a bias in the education diversity measure, since it measures diversity within the highly educated group, meaning the employees with a bachelor degree or higher. All employees with a degree below bachelor are put in a single category. According to the Ostergaard (2002), as a result a higher entropy value can be explained by having a larger share of employees with a higher education and multiple types of higher educated people. Having a higher educated employee alone would be positive for innovation performance, having more different types would increase the likelihood. (Ostergaard, 2002).

Firms with a higher share of employees with a higher education and diversity in the types of educations have a higher likelihood of innovating.

Although education is essential to human capital, on job training, heath care, experience and migration also have great effect on the actual human capital. Growth-oriented strategies moderated the effects of group diversity in level of education on composite bonuses; this type

of diversity was more beneficial in department with a strong focus on growth orientedstrategies (Bezrukova, 2004). An organization may make an effort to compensate for educational or skill deficiencies of group members by offering specialized training that brings employees up to the required standards (Moskos and Butler, 1996)

4.4 Implications of the Study

4.4.1 Managerial Implications

As the research result shows that high employee performance relates positively with variables such as gender, age, ethnicity and educational background, business organizations should start realizing the need to be tackle such demographic categories in order to stay ahead of its competitors.

According to Erasmus (2007), gender groups follow the overall trend of diversity management but males perceive diversity related issues more positively than females. Therefore both gender groups must have the same viewpoint and communication channels in order implement their actions successfully. Kreitner (2001), also mention that an organization utilizes a hierarchical or grapevine communications pattern while being aware of the distortion of communication. Hierarchical communication occurs when managers pass messages to subordinates along formal communication channels and is most appropriate for vertical communication. Informal communications like the "grapevine" allows most of the horizontal communication to take place but has little or no credibility. Therefore, this may result in lack of trust causing the message of diversity management from managers to subordinates to be distorted. For this reason leaders must make a great effort to keep employees informed about the current diversity initiatives and programs as well as to educate current and new employees on the subject of diversity and related concepts. Employee must need to understand the importance of diversity management and the motivation of the implementation of diversity management. Grobler (2002) also mention that by it is important to educate employees on diversity management because there will be better job performance and longer service with the organization from managers and employees as they develop more skills and self confidence.

Elfenbein (2007) shows that teams with too many individuals seeking for high status do not collaborate well since their attempt to gain status disrupts information sharing. According to

Owoyemi, Elegbede, Gbajumo- Sheriff (2011), the emphasis on the benefits of workplace diversity will improve interaction and interrelations between the workforces. The ability to harness the human resources aimed at achieving organizational performance is a key element to the effective management of employees. That is, identifying what can enhance good attitude, commitment and positive behaviors of diverse group at work. By applying diversity management, employers can gain value from diversity and by tapping into each employee's strengths. This on a long term will reduce labor turnover of younger employees and get them more committed Baer et al. (2007) study founded diversity dimension is positively related to performance. It is also indicated that educational diverse well as tenure diverse teams outperform teams that are less diverse. A mixture of managers and employees with different education background as well as of experienced managers and managers who just entered the industry seems to be an optimal combination to generate superior performance. The research also stand on the point that teams consisting of members that differ with respect to their tenure know different set of people, have different technical skills and have a different perspective on the Organization's culture and history. This will provide employee with broader range of contacts and knowledge and thus improving decision quality and individual performance. Based on this reason, it would be expected that tenure homogenous teams perform better.

Demonstrating how diversity ties directly to the organization's business strategy provides a foundation for linking the diversity initiative to organizational outcomes. Richard (2000), found a positive relationship between racial diversity and firm performance in organizations pursuing a growth strategy. This finding supports the argument that a diverse workforce offers several benefits to organizations entering new markets such as, the added insight and cultural sensitivity that women and minorities provide (Cox, 1994). Research also suggests that diversity efforts can support and contribute to an organizational growth strategy and reinforces the importance of linking diversity initiatives directly to the business strategy. Richard (2000) study also supported the fact that diversity has a positive impact on firm performance. So, it is important to clearly articulate how diversity supports the business strategy of the organization.

Competition for the best talent requires organizations to reach out and embrace an increasingly diverse labor pool. Secondly, a global economy requires that organizations have a diverse workforce so that they can effectively deal with an increasingly diverse customer base. Thus, a diverse workforce can lead to an increased market share, whereas lack of diversity in the workforce can lead to a shrinking market share. Demographic diversity also

unleashes creativity, innovation, and improved group problem solving, which in turn enhances the competitiveness and the level of performance in an organization. In a multicultural society, attempting to increase workforce diversity is simply the right and ethical thing to do as corporate citizens, regardless of the economic implications.

Clearly it is important for any organization to implement diversity management, especially for multinational companies because performance can be evaluated by the customers and stakeholders. Michele, Jayne, Dipboye (2004) pointed out that the increasing attention given to diversity management reflects the inevitable consequence of a global economy and demographic changes. Therefore by achieving a diverse workforce, it can effectively manage to yield huge benefits for an organization.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

From the correlation analysis the result shows that the beta () value is significant for all hypotheses (H_1, H_2, H_3 and H_4) which show positive relationship between the workforce diversity and performance of the employees. The relationship between employee performance and gender group, age group, ethnicity group, educational background is small, but definite relationship i.e.(R=0.293,0.397,0.346 and 0.365 respectively with p< 0.01).

The regression analysis shows that, the R_2 figure of the four independent variables is 0.211. These also mean that independent variables (gender, age, ethnicity and educational background) can explain only 21.1% of the variation in dependent variable (employee performance). However, it still leaves 78.9% (100% - 21.1%) unexplained in this research. In other words, there are other additional variables that are important in explaining employee performance that have not been considered in this research.

5.2 Conclusions

Successful organizations are becoming more adaptable, resilient, quick to change directions, and customer centered. These organizations are hiring more diverse workforce to withstand global challenges & to face extensive competition. The diverse workforce is providing a challenge to the organizations. It is very important to know the impact of workforce diversity on organizational performance. This paper was undertaken to identify the of workforce diversity on employee performance in Total Ethiopia S.C by taking several independent variables. The theoretical framework has been developed based on the problem statement of the study and by reviewing the literature on workforce diversity & performance link. The data was collected through questionnaires. 80 questionnaires were distributed to different staff of Total Ethiopia S.C. SPSS 20.0 version was used to analyze the correlation and regression among these variables.

Based on the results showed, the overall effects of workforce diversity (gender, age, ethnicity and education background) towards employee performance in Total Ethiopia S.C is significant. The objectives of the research are fulfilled with the results acceptance for all independent variable. Since the workforce diversity is becomes one of the most popular ways to evaluate employee performance in an organization in recent years, the research tends to provide the evidence to support future research related to this field.

5.3 Recommendations

The study recommends the following set of actions;-

- First to enhance leverage of the existing diversity, a philosophy be established on diversity that would most of the human resources activities with regard to the differences as existing among its employees .
- Secondly, the top management must emphasize diversity in planning, operations and in the top management activities.
- The top management should undergo some training on how to leverage on diversity of its workforce. To enhance proper management of diversity, the company must move from its current moderate position, and include diversity in its strategic plan, as resources for organizational effectiveness.
- It is recommended that company managements must use good strategies to effectively manage workforce diversity and collaborative research efforts should be done to ascertain the contextual variables that moderate workforce diversity to produce positive performance outcomes.

5.4 Limitation of the study

This research does not consider the other dimensions of diversity like physical ability, sexual orientation, marital status, geographic location & religious affiliation, due to this, the number of independent variables is another limitation of the research

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Dear Respondents:-

My name is Assefa Admasu; I am attending my second degree in Master of Business Administration (MBA) program at St Mary University. I would like to express my sincere appreciation and deepest thanks in advance for your generous time, frank and prompt responses.

Objective;

The purpose of the study in general and this questionnaire in particular is to investigate and solicit your feedback on **"The Effects of Workforce Diversity towards Employees' performance in Total Ethiopia S.C"** for the partial fulfillment of academic requirements of M.A. degree in Business Administration and to gain practical knowledge on the topic under investigation.

General Guideline:

Please put a tick **"~** "mark for those questions that are followed by choices. As an important input to the study, your frank response is greatly appreciated.

Your valuable support in responding to the questions raised is of paramount importance to the success of the study. Hence, I kindly request you to fill the questionnaire carefully and to the best of your knowledge.

Confidentiality

I want to assure you that this research is only for academic purpose authorized by the St. Mary's University, MBA program Coordination office and the result will not be presented for other purposes. Thus, *all your response will be kept confidential.*

Contact Address

If you have any query, please do not hesitate to contact me and I am available as per your convenience via: -

Tel; 0911-93-01-97, E-mail; aquire4@yahoo.com or assefa.admasu@total.com.et)

Section A: Respondent Demographic Profile

[ ] Male [ ] Female

2. **Age :** [ ] 20-29 years old [ ] 30-39 years old [ ] 40-49 years old [ ] 50 years old and above

3. **Nationality: [ ]** Ethiopian [ ] French [ ] Djiboutian [ ] Others

4. **Educational Level: [ ]** Diploma [ ] Degree [ ] Master [ ] PhD

5. **Work Experience: [ ]** **[ ]** **[ ]**

 [ ]

6. **Position in the organization**

[ ] IT Specialist

[ ] Department Manager [ ]
Division Manager

[ ] Accountant
[ ] Stock Controller

[ ] Territory Manager

[ ] Others, Please Specify, _____

[ ] Civil /Mechanical Engineer [ ]
Lubricant Engineer
[ ] Customer Service Representative

Based on your dispositions, please indicate the most appropriate opinion/response with the scale below.

The company prefers to hire male workers compared with women because they are perceived to have better performance and ability to manage their jobs.					
2. I see value in gender-diversity initiatives and also I believe that the company does a good job of attracting and hiring women employees.					
3. Fair treatment (the same compensation, benefits and opportunities, based on their skill) is given to all employees, whether they are male or female.					
Opportunities for growth and advancement exist for women employees in our company.					
A career development that includes women is encouraged within our company.					
The company's training and development program is developed to meet the criteria/requirements performed by male and female employees.					
Women are involved in the company's decision making as much as men.					
The performance criteria for success are expected to be higher for men than for women.					
I am positive about gender diversity in this workplace.					

10. The company provides me with equal opportunities for training and career development regardless of my age, so as to enhance my performance.

11. My team leaders include all members at different ages in problem solving and decision making.

12. Age differences in work groups might affect the performance of employees.

13. At work, I experience lack of bonding with people of different age group.

14. I am positive about age diversity in this workplace.

15. The company does a good job of attracting and hiring minorities.					
16. Opportunities for growth and advancement exist for minorities in our company.					
17. The organization concerns about the employee's customs, cultures, and values.					
18. Different languages that are used to communicate do not create problem among employees.					
19. At work, I developed low self-esteem due to my ethnicity.					
20. The ethnicity differences in educational background do not affect employee performance.					
21. The team leader includes all members of different ethnicity in problem solving and decision making.					
22. I am positive about ethnicity diversity in this workplace.					

23. The recruitment plan of the company is based on the educational background of the employees.				
24. The organization provides paid study leave to employees who need supplementary education.				
25. Opportunities for growth and advancement exist for employees who have lower qualification in education.				
26. The difference in education background does not encourage conflict.				
27. At work, I experience lack of confidence due to my educational background.				
28. The team leader includes all members at different education level in problem solving and decision making.				
29. The company gives equal treatment when it comes to the diversity of educational background.				

30. I enjoy my tasks and the divisions work approach.					
31. I am committed to the mission and direction of my company.					
32. I am motivated to complete the task assigned to me.					
33. I co-operate well with my colleagues of different ethnicity, educational background age and gender					
34. I believe Opposite gender can perform well and I enjoy working with them.					
35. My performance level affects my salary level.					
36. I am satisfied with my current salary level.					
37. I am given the chance to try my own method of doing the job.					
38. By learning more skills through courses/training, I can improve my task performance.					
39. Good employee performance is important for the future growth of my company.					

APPENDICES

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Abdurazak Mohamed (PhD).** All sources of materials used for the thesis have been duly acknowledged. I further confirm that thesis has not been submitted in part or in full to any other higher learning institution for the purpose of earning any degree.

  Assefa Admasu

       Name   Signature

St. Mary's University, Addis Ababa   **November, 2014**

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a university advisor.

_____   _____

Advisor   Signature

St. Mary's University, Addis Ababa   **November, 2014**