

## **Effect of Workplace Diversity on Employees' Performance in Allama Iqbal Open University**

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### **Abstract**

The current study explored the possible effect of workplace diversity on employees' performance in Allama Iqbal Open University. The purpose of this study was to assess the effects of workplace diversity on the performance of employees. The sample of study comprised of 105 Head of departments and 545 regular (BPS-2 to15), contractual, daily wagers and laborers employees working in AIOU main campus as well as regional campuses. Stratified random sampling scheme was applied to select the participants. Data was collected through questionnaire. Pearson correlation test and Regression Analysis test was applied to extract the results. The results revealed that age diversify; gender diversity and ethnicity diversity have negative relationship on the performance of the employees. Experience diversity has positive effect on employees' performance.

**Keywords:** Age diversity, gender diversity, ethnic diversity, experience diversity, Individual work employees' performance, Allama Iqbal Open University<sup>1</sup>(AIOU)

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## **Introduction**

Cultural differences are experienced as essential, natural, and joyful enabling the organization to enjoy diversity. Diversity in population and workplace is unavoidable fact and no manager can afford to ignore it in the organizational life. Organization always strives to attain and maintain best human talent. Individuals enter in the organization with unique characteristics and they perceived the world through these diverse attributes. Demographic composition of the Pakistan's population is dramatically changed in last two decades. Rural population migrated to urban sites in search of job. They belong to different socio-cultural background. These demographic changes present a new set of challenges for the management particularly in public sector organizations. In case organization ignores the management of workplace diversity, it will eliminate trust, mutual understanding, co-operation and respect amongst employees which adversely affect employees' performance.

Organization always strives to enhance the productivity of its worker by valuing and appreciating their diverse contribution toward achievement of goals. Diversity may be referred as admitting, appreciating, understanding, recognizing, valuing, and enjoying divergence among worker (Kreitz, 2008). Workplace diversity states specific similarities and differences of the employees. It consists of age, working environment, gender, perceptions, ethnicity, marital status, region, work experience, sexual alignment, income, nationality with each other, which support to organizational essential values (Bassett, 2005). Constructive and destructive impact of diversity connected with the performance of worker in any enterprise. Miliken and Martins (1996) are proponents of positive outcomes of workplace diversity like broader perspectives. While Alserhan, Forstenlechner & Al-Nakeeb, 2010 state detrimental effect because of problem of group consistency. Thus, the combined effects of the use of diversity in workgroup are not well defined.

## **Rationale of the Study**

Valuing diversity provides distinct advantages to organization and ignoring diversity has specific costs. Generally, managers, from any ethnic background, are ill prepared to manage multicultural differences. How can manager prepare their organization to accommodate diversity in workplace is big challenge? University is hub of diverse cultural and facing the challenge of management of employees belongs to different segment of the society. These employees are different in term of age; gender ethnicity and experience. Employees perceived the organization

through these characteristics which have ongoing impact of their performance. The present study explored the effect of diversity on employees' performance.

### **Statement of the Problem**

Allama Iqbal Open University (AIOU) was first distance learning institution, established in 1974. The core objectives of the university are to offer the easy access and affordable education to the people at their door steps. To achieve these objectives university established network of regional campuses (44 Regional offices) in all over the country and appointed 1066 regular employees (BPS-2 to BPS-15) and 1059 daily wagers & labors and 52 contract employees. These employees belonging to different age group, gender, ethnicity and have distinct experience in AIOU. Major concern for every organization including Allama Iqbal Open University (AIOU) as an organization is to improve the productivity of its employee's. Therefore, to meliorate the performance of employees it is crucial to understanding the phenomenon of workplace diversity and its probable impact on the performance of workers.

### **Objectives**

- i. To determine effects of workplace diversity on the performance of AIOU employees.

### **Research Questions**

- i. What is the level of diversity in AIOU employees?
- ii. What is correlation between age and performance of AIOU employees?
- iii. Is relationship existed between gender and performance of AIOU employees?
- iv. What is association between ethnicity and performance of AIOU employees?
- v. How experience relates with the performance of AIOU employees?

### **Review of Literature**

#### **i. Gender Diversity**

The term gender was introduced in 1970 in place of sex to define traits of women and men (Unger, 1979). Gender refers to one self-identity i.e. how much a person associates himself or herself with

masculine or the feminine as prescribed by the society. Similarly, some expectations are linked with male or female due to their inborn tendencies, natural affiliation, beliefs about which type of behavior, attitude, cognitive skill or interest attracts one sex than the other. These gender differences influence the approach in which individual react in workplace. Sometime gender diversity adversely affects the behaviors like discrimination, prejudice and stereotyping. Eventually such attitude negatively influences the efficiency at workplace.

Singh & Vinnicombe (2004) asserted that it is a matter of concern, as the ability, skills and talent of women are not fully recognized and hence remained under-utilized. Usually firms preferred male over to female on the basis of perception that male could perform better on managerial positions. Carr-Ruffino (2003), opined that workforce diversity in the organization become redundant due to mismanagement of the gender issues. Similarly, Kochan, Bezukova, and Thomas (2002); stated that to enhance the overall efficiency of the enterprise it is necessary to involve female at all levels. Connel (2002) avowed that gender diversity is positively correlates with the performance of workers. But on the other hand, Williams and O'Reilly (1998) proposed that gender heterogeneity is source of curtailment in overall team performance. McMillan-Capehart (2003) asserted that gender heterogeneity provides competitive advantages to the firms.

#### **ii. Age Diversity**

Age stereotypes exist for older as well as young workers and are both positive and negative. Kunze, F. (2009) organizations are facing the challenge of age diversity because it is natural that individuals inclined towards their own groups at the cost of other groups. He further maintained that if employee's age is set significant criteria for distinction, other age groups feel insecure and sense of emotional instability and discrimination developed inside the institutions. Gelner (2009) summarized that diversity in age group may adversely influence the efficiency of workers because of difference in belief, values and preferences of distinct age groups. Generally, generation gaps are source of low productivity, clashes and conflicts. Each generation believed that its strengths are matchless and therefore no needs to worry about disparities come forward because of generations gaps (Rowe, 2010).

#### **iii. Ethnic Diversity**

Sayers (2012) vowed those individuals who enjoy common culture, tradition, customs, routine practice, costumes, beliefs, and values are

generally known as ethnicity. Makokolo (2005), define ethnicity like tribal grouping enjoying common history of origination and develop sense of common fate. Timmermans, Ostergaard, & Kristinsson (2011) concluded that ethnicity may be considered as substitute or alternate for cultural background. The differences in the ethnicity can be brought innovative and creative performance among the members. Pitts (2010) argued that institutions are becoming more divers on racial viewpoint, therefore logically it is very important to study how various ethnic groups behave at workplace. Ethnicity is two edge sword having advantages and disadvantages (Opstal, 2009). Kiglai (2006) asserted that clashes because of traditions may affect quality, outcome and earnings of the organization. Dahlin, Weingart & Hinds (2005) advocated that conflicts, clashes and collision emerged due to ethnic diversity and social categorization. Benschop (2001) maintained that inequity is drawback of the ethnic diversity. Moreover, Van Esbroek (2008) summarized that management of diverse workforce is imperative to protect institutional benefits and eliminate the weakness of the ethnicity diversity that might have adverse effect of employees' performance.

#### **iv. Experience Diversity**

Workplace experience is referred as knowledge, proficiency and capabilities of a worker acquired during professional journey in a specific discipline (Carr et al, 2006). Pinder (2014) asserted that experienced employees in any business are responsible for generating organizational income rather than production. Hiring of an employee having suffice knowledge, understanding the job requirements, targets and challenges associated with the jobs, is a key to success (Morgan, 2015). Research conducted by World Bank Group (2012) unfold that experienced employees drive the effectiveness of the institution because they had undertaken a number of trainings that eventually effect the performance of individuals. Experience of employees shows his/her seriousness, consistency, improvement in professional knowledge that eventually affects the performance of organization.

#### **v. Review of Theoretical Model**

Theoretical model of term diversity advocates three different theoretical frameworks. Firstly, social categorization which explains the classification of people based on social traits as age, gender, ethnicity generating stereotype on the basis of these variations. Social identity theory (Tajfel, 1982) stated that one's self concept is derived from being members of specific social groups, particularly those groups who

perceive themselves higher on the basis of some social traits. Secondly, similarity/attraction theory contemplated that resemblance on characteristic like age ethnicity race or beliefs enhances mutual enticement and charm (Bersheid & Walster, 1978). Third theory is information and decision making explain the influence of sharing of information on work team (Wittenbaum & Stasser, 1996). Social categorization and similarity attraction theory forecast adverse influence like decline within group communications, decrease satisfaction and commitment and enhanced turnover. While form the information and decision making aspects positive effect of diversity are assumed because of more diverse workforce are expected to process information differently since they bring, as team members, diverse opinions which in turn lead to extra creativity and enhanced performance.

**vi. Proposed Conceptual Framework**

The explanations embedded in the Social identity theory guide the researcher to understand how employees’ workplace diversity as age, gender, ethnicity, and experience affect the performance of the employees.

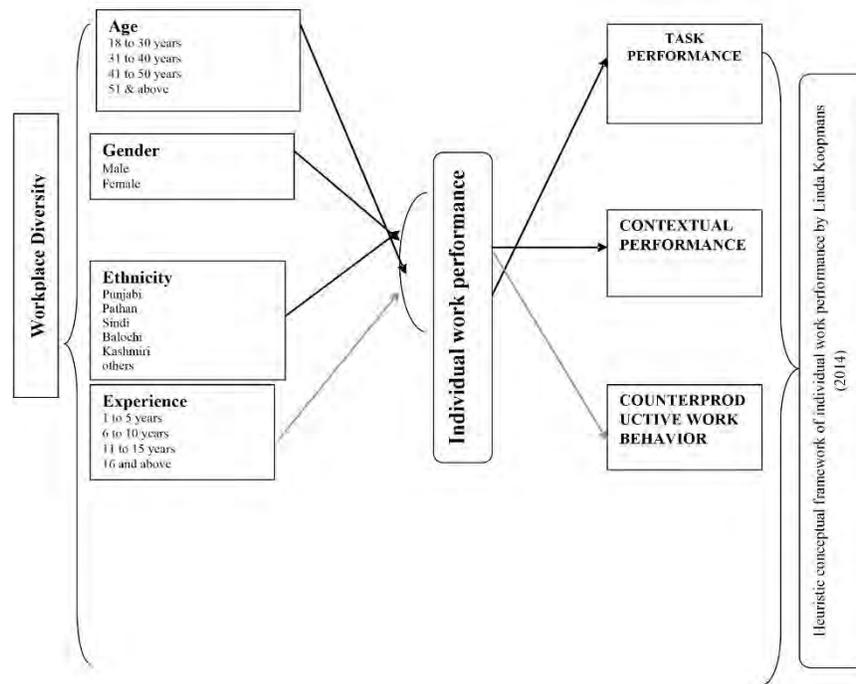


Figure 1: Conceptual Frameworks

## Methodology

Primary and secondary data was collected during the conduct of study. However, preliminary importance was given to primary data. It was collected through a questionnaire which was adopted and used in number of studies. Respondents were asked to rate their opinion on 5 point Likert Scale on prescribed format.

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Disagree</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

## Population & Sample Size

Total target population of the study is 2282 including 105 head of departments in main campus and regional heads. Subsequently 612 respondents were selected as sample of the study by applying stratified proportionate random sampling technique.

## Validity and Reliability of the Instrument

Prior to administrating the survey instrument, Cronbach Alpha (CA) coefficient was applied to work out the internal consistency and reliability of the measuring instrument.

Table 1

### Scale Reliability

<b>S. #</b>	<b>Category</b>	<b>Number items</b>	<b>of CA Value</b>
1	Diversity	19	0.841
2	Employees Performance	18	0.726

Table 1 presents the CA value that is higher to the recommended level (i.e. 0.60) of internal consistency (Sekaran, 2003; Creswell, 2012).

## Results and Discussions

To analyze the numerical data descriptive and inferential statistics was applied with the help of SPSS software. Inferential statistics was used like correlation analysis and regression.

Table 2

*Respondents' Profiles distribution of Workplace Diversity (Age Group, Gender, Ethnicity and Experience (n=545))*

Respondents' Profiles	Items	Frequency	Percent
Age groups	18-30	125	22.9
	31-40	253	46.4
	41-50	105	19.3
	51 & above	62	11.4
Gender	Male	490	89.9
	Female	55	10.1
Ethnicity	Pathan	56	10.3
	Punjabi	409	75.0
	Sindhi	31	5.7
	Balochi	5	.9
	Kashmiri	22	4.0
	Other	22	4.0
Work Experiences	1 to 5 years	103	18.9
	6-10 years	129	23.7
	11-15 years	155	28.4
	16 & above	158	29.0

Table 2 portrays that the majority (n = 253, 46 per cent) pertained to the age group of 31-40 years, followed by 125 (22.9 per cent) from the age group of 18-30 years, 105 (19.3 percent) were from the age group of 41-50 years and 62 (11.4 percent) from age group 51 & above.

Moreover, out of 545 respondents, 490 (89.9 percent) comprised of male participants, whereas 55 (11.1 percent) female employees participated in the study. Similarly, table 2 showed that out of 545 respondents, 56 (10.3 percent) were Pathan, 409 respondents were Punjabi (75 percent), 31 respondents were Sindi (5.7 percent), 9 respondents were Balochi (0.9 percent), 22 respondents (4 percent) were Kashmiri and 22 (4 percent) respondents were belongs to other ethnicities. Likewise, the results of demographic study indicated that out of 545 respondents 103 (18.9 percent) had 1-5 years' job experience, while 129 (23.7) respondents had 6-10 years' job experience, whereas 155 respondents (28.4 percent) had 11 -15 years' job experience followed by 158 participants (29 percent) had 16 years & above experience.

Table 3

*Pearson correlation analysis (n=545)*

Variable		Employees performance
Age diversity	Pearson Correlation	-.066
	Sig. (2-tailed)	.122
Gender diversity	Pearson Correlation	-.030
	Sig. (2-tailed)	.488
Ethnicity diversity	Pearson Correlation	-.070
	Sig. (2-tailed)	.105
Experience diversity	Pearson Correlation	.106*
	Sig. (2-tailed)	.013

### **Pearson Correlation Analysis**

Table 3 reflected the correlation analysis. It shows that age diversity, gender diversity and ethnicity diversity have negative relationship with employees' performance. However, experience diversity has positive effect on employees' performance.

### **Regression Analysis**

To know about the effect of workplace diversity on employee performance, multiple regressions analysis was applied with 95% confidence interval as per following model:

Table 4

*Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.133 <sup>a</sup>	.018	.010	6.2623

a. Predictors: (Constant), Expdiv, Ethdiv, GenDiv, Agediv

Table 4 shows the value of R Square (0.018) and R (0.133) hence a weak relationship was found between independent variables and dependent variable having standard error of 6.2623 (Table-3). Moreover, table 4 further presents that employee's performance at AIOU is about 1.8 % depend upon age, gender, ethnicity and experience diversity.

Table 5

*ANOVA<sup>a</sup>*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	380.869	4	95.217	2.428	.047 <sup>b</sup>
	Residual	21177.468	540	39.218		
	Total	21558.338	544			

a. Dependent Variable: performancediv

b. Predictors: (Constant), Expdiv, Ethdiv, GenDiv, Agediv

Table 5 presents that F value of the test for the data is 2.428. Whereas p-value is .047 which is slightly lower than the alpha value 0.05. In additions, Table-5 shows very weak influence of the independent variable on the dependent variable and the model applied could not able to anticipate the dependent variable.

Table 6  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	56.223	3.516		15.990	.000
	Agediv	-.088	.116	-.044	-.762	.447
	GenDiv	.002	.132	.001	.013	.990
	Ethdiv	-.125	.145	-.047	-.866	.387
	Expdiv	.463	.185	.109	2.506	.013

a. Dependent Variable: performance diversity

Table 6 shows regression coefficients that to what extent depend variable varies with independent variable, in case, all other variables are considered constant. Moreover, beta co-efficient intimated that age diversity (beta= -.088,  $t=-.762$ ,  $P=.447$ ) has negative effect on employee's performance. Likewise, gender diversity (beta= .022,  $t=.013$ ,  $P=.990$ ) and ethnic diversity (beta=-.125  $t=-.866$ ,  $P=.387$ ) have also negative effect on employee's performance. However, Experience diversity (beta=.463,  $t=2.506$ ,  $P=.013$ ) slightly positive effect on employee's performance at AIOU.

## Conclusion

The study explored different aspects of diversity has different relationship with the performance like age, gender; ethnicity diversity has negative while experience has positive impact on the employees' performance. These findings are in line with the study of Eugene et al. (2011) at the Malaysian, Kyalo (2013) Kenya, Elsaid (2012) in Egyptia and Zhuwao (2017) in higher education institution in South Africa. Similarly, Gallego, I., Garcia, I. M., & Rodriguez, L. (2010) conducted a survey and revealed the institutions that embraced higher gender and ethnic diversity, does not out perform with the organizations having lower levels ethnic and gender diversity. Unlike, age, gender and ethnicity diversity, experience diversity has positive effect on the performance of employees. The results of the study congruence with

Gordon & Fitzgibbons (1982) where relationship between workplace experience and job performance was found positive during study of 162 machine operators. Similarly, Giniger, Dispenzieri, and Eisenberg (1983) found positive relationship between work experience and job performance. The study further explored that employees' performance can be meliorated by valuing their differences, recognizing and admiring their efforts. AIOU management should be educated about the importance of diversity and its probable effect on performance. Moreover, administration of AIOU should shuffle experienced employees to other departments to train fresh employees and their knowledge could be utilized for the benefits of the organization. It is further suggested that steps should be initiated to get benefits of experienced employees like on job training sessions may also be arranged where experienced employee share their knowledge with young employees.

### **Recommendations for the future study**

The current study was conducted on subordinate staff but there is opportunity to study the effect of workplace diversity on the performance of officer's/faculty members. Additional factors of diversity may also be explored apart from workplace diversity and its impact on organizational efficiency. This study was conducted at AIOU and its regional offices all over the country. Future research may be carried out at provincial level universities to understand the phenomena of diversity in the context of Pakistani culture and its possible effect on the performance of employees.

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