Workforce Diversity as a Driver of Employee Performance: Perspectives from Institutions of Higher Education

Umme Ara¹, Sarika Sushil²

¹Research Scholar, Department of Commerce CMP Degree College, University of Allahabad. ²Assistant Professor, Department of Commerce, CMP Degree College, University of Allahabad.

Abstract

The study analyzes the role of workforce diversity in shaping employee performance. within higher education settings, emphasizing gender diversity (GD), age diversity (AD), and experience diversity (ED). The research is grounded on a quantitative approach, utilizing a standardized survey that was given to administrative and academic staff in higher education institutions in Allahabad. The study employed regression analysis to analyse the association among considered diversity variables and employee performance (EP). The findings reveal that all three aspects of diversity dimensions significantly influence employee performance, with the regression model yielding the equation EP = 1.885 + 1.840 GD + 1.291 AD + 2.348 ED. This suggests that gender diversity, age diversity, and experience diversity positively contribute to enhancing employee performance, with experience diversity having the most substantial effect. The findings underscore the significance of cultivating a workforce with diversity to improve organisational outcomes in the higher education sector. This study contributes to the growing corpus of research on workforce diversity and the influence it has on for employee performance, providing insightful information to institutional leaders and legislators who want to establish inclusive and productive workplaces.

Key Words: Workforce diversity, Employee performance, Gender diversity, Age diversity

Corresponding Author: Umme Ara, Research Scholar, Department of Commerce CMP Degree College, University of Allahabad, Allahabad, India. Email: Ummeara02@gmail.com,

How to cite this article: Ara U., Sushil S., (2024) Workforce Diversity as a Driver of Employee Performance: Perspectives from Institutions of Higher Education, Commerce Research Review 2(1) 26-35. DOI: https://doi.org/10.21844/crr.v2i01.1119
Source of support: Nil
Conflict of Interest: None

Received: 15-10-2024; Accepted: 10-12-2024; Published: 20-12-2024

Introduction

The increase in workforce diversity is attributable to several political, social, and economic causes. It refers to the disparities in people's professional experience, educational backgrounds, and skill sets inside an organisation. Additionally, it encompasses variations in individual, societal, and population-based characteristics. When members of a community or institution possess diverse backgrounds, including those related to age, gender, race, ethnicity, immigration, and education, this is known as a diverse workforce. Every modern workplace and organisation now has to accommodate diversity. Organisations, which were before known for their uniformity, are transforming to become more inclusive and diverse in their makeup of employees, staff, and administrators. This change originates from the the profound realisation that diversity cultivates thriving intellectual environment where ideas bloom and the pursuit of knowledge transcends traditional bounds, going beyond a simple reaction to societal expectations. Erasmus (2007). Stated When diversity in the workforce is managed well, employees perform better because the firm can



take advantage of the abilities, and competencies of its workforce. Organisations that perceive diversity as an investment in their core strategy, in contrast to an expense, stand to gain far more significantly compared to those that do not (Brown, 2008). According to Choi (2007), Diversity flourishes when individuals within an organisation can value and comprehend one another, while also leveraging their collective experiences, skills, and perspectives to promote synergistic success. Saxena (2014) concluded that diversity in the workforce Diversity can be advantageous for any organisation, but it also poses difficulties because of people's strong religious, caste, and other convictions. But when properly handled, this diversity could increase output Guillaume et al. (2015). emphasised that diversity is a "double-edged" sword as ineffective workforce diversity management results in the emergence of distinct groups, which may cause misunderstandings, interpersonal conflict, and conflicts over authority. Van Knippenberg and Van Ginkel (2021) highlighted to harness the synergistic benefits of diversity, team processes must be designed to reduce negative interpersonal conflicts arising from member differences and to promote the elaboration of team information. Many contemporary organisations face challenges because they are unable to effectively unite a varied workforce to operate cohesively as a team, especially in relation to handling multiple aspects of decision-making processes. These conversations highlight Insights into show workforce diversity impacts employee performance. Understanding workforce diversity can help current managers assess how employee performance is impacted by diverse variables, including age, gender, ethnicity, and educational background. Additionally, these discussions emphasize the significance of training, visibility, and a methodical approach to fundamental objectives. In the framework of this research explores the impact of workforce diversity on employees effectiveness are being examined of higher education organisations.

Review of Existing Literature

Workforce diversity.

Workplace diversity encompasses the various characteristics that differentiate employees from one another or make them feel distinct from their co-workers. These characteristics may encompass elements like gender, age, educational background and professional experience. The notion of diversity in the workplace recognises and values these individual differences among staff members. (*Guillaume et al., 2017*). Studies on diversity have demonstrated that it encompasses multiple aspects and is prevalent in contemporary workplaces, even though people initially may associate workforce diversity while workforce diversity is commonly linked to ethnic and racial variety, encompassing employees from different nationalities and racial groups (Singh et al., 2013). For instance, workplace diversity is Growing increasingly in terms of age (younger vs. older), gender (more women in the Executive ranks), and Individuals representing various functional specializations and responsibilities collaborate to achieve common objectives). Diversity in workforce operations in the human resources industry boosts employee and organisational efficiency, according to *Emiko and Eunmi (2009)*.

Gender Diversity

Gender diversity in the workplace is the equitable representation of both sexes. The idea has been around for a long time and in different civilizations. Within organisations, gender-related inequalities are often reinforced and justified by biases and preconceptions that correlate positive traits with men, thereby granting them a higher position (*Leonard & Devine, 2003*). According to *Wood (1987*), mixed-gender





groups outperformed same-gender groups in performance. According to a study done in Kenya's banking industry by *Kyalo (2015)*, employee performance had a high correlation with gender diversity. The resource-based view was used by *McMillan-Capehart (2003)* and *Frink et al (2003)* Research on how gender diversity affects organisational effectiveness has produced conflicting findings. when looking into the result of gender diversity on employee performance as a collective group, researchers have found no significant effects in predominantly female samples. Conversely, in samples with a majority of male participants, negative effects have been observed. (*Pelled, 1997*). According to *Gupta (2013)*, an organisation's performance is negatively impacted by a higher degree of gender diversity, but a moderate amount of gender diversity boosts competitive advantage. *Woolley et al. (2010)* emphasized that gender matters: women are more socially perceptive than men, as more female-led teams attain more equality in participation. However advantages of raising the percentage of women tend to plateau after a while. (*Woolley et al., 2015*). When it comes to problem solving, all-male and all-woman teams are equally ineffective. Therefore, considering the ongoing disparity between genders in research, women provide promise for improving scientific collaboration's collective Intelligence that is undeveloped and yet to be realised.

Age Diversity

Age diversity refers to the array of ages among employees is being used to characterize an organization's workforce composition. Companies often fail to effectively utilize the expertise and abilities of senior employees in terms of age as a result of misconception about their well-being and capacity to adopt contemporary technology and changes (Riach, 2009). A range of studies has highlighted that age Diversity in the workplace has advantages Coupled with disadvantages. One drawback of having a wide age range among employees is that it can lead to communication difficulties and interpersonal conflicts (*Timmerman*, 2000). A firm might be capable of Identify people of various age groups in the workplace. The way the organisation handles the ageing population in every way has come to be seen as a common factor. Odhiambo (2014). Revealed a favorable connection between employee performance and an increase in age diversity in the Kenyan education sector. Age diversity is more beneficial to schools that focus on inventive tasks than it is to those that prioritize routine chores. According to Gelner and Stephen (2009), Employee Productivity may suffer due to age diversity in the workplace, as People across various age demographics often hold distinct values and have different preferences. Elderly workers favour occupations with significant content and bring mature problem-solving abilities notwithstanding the observation that youngsters are frequently perceived as more adaptable and receptive to new ideas (Boumans et al., 2011). It is advised to close the generational divide in the workplace to develop a strong and successful business a more inclusive (Hayslip et al., 1996) and effective workplace can result from resolving discriminatory practices and valuing the distinct contributions of both younger and older work.

Experience Diversity

Experiential diversity refers to the range of professional capabilities and depth of work experience employees bring to an organisation. It encompasses various skill levels within the workforce, enhancing problem-solving abilities, creativity, and innovation by incorporating perspectives from newcomers to seasoned professionals. This diversity can introduce new ideas and enable groups to make decisions in novel ways, resulting in more adaptable teams composed of employees from different industries, roles, or



experience levels. (Jayawardana & Priyashantha, 2019). In the professional environment, work experience diversity encompasses the varied occupational backgrounds, skills, and expertise that individuals bring to enhance discussions and foster innovation. This diversity of professional experiences contributes to stimulating creative thinking within the workplace. This variety, which spans several professions and sectors, improves flexibility, creativity, and problem-solving skills. Businesses that value variety in work experience get the benefits of a well-rounded skill set that enhances overall success and company performance. According to *Huckman and Staats (2011)* a team that has a diverse range of experiences may be better able to adapt to changing tasks. When members of a varied team contribute together, they could find innovative ways to combine and apply their various skill sets. Additionally, team members may be better able to describe and come up with creative solutions to issues (*Prahalad and Bettis 1986*). Precisely map current difficulties to experiences if they have a more wide range of individual experiences (*Gavetti et al. 2005*).

Employee Performance

Employee performance is another crucial concept in this study. Shrestha (2013) and 2016 (2016) define performance as the execution of a duty, the application of a recognisable action, or the triumph of an accomplishment. *Rue and Byars (1993)* characterize Performance of employees as the efficient and effective execution of one's duties to achieve positive results. It represents the extent to which a worker meets job requirements. Metrics such as productivity, efficiency, job quality, and performance evaluation are used to measure it *(Kyalo & Gachunga, 2015)*. Regarding the administration of human resources, some have proposed that in order to enhance employee and organisational performance, workforce diversity strategies must be implemented effectively. *(Adler, 1986)*. Employee diversity is expected to positively influence worker morale, serving as both an internal and external motivator, moreover promoting collaboration among employees, considering company's success directly affects individual performance. This research explores the idea that workers have made strides in managing workforce diversity through practice. The study suggests that a diverse workforce, considering factors factors including age, gender, and previous work experience will lead to improved employee performance.

Problem Statement

India's economic growth is significantly influenced by higher education sector, which plays a vital role in nurturing innovation, entrepreneurship and indispensable reasoning capabilities for global competitiveness. The diverse landscape of higher education contributes to a wide range of perspectives, enhancing academic discussions and driving societal advancement. Universities foster environments conducive to creativity by promoting diversity among students, faculty, and curricula, leading to innovative research and development. Furthermore, exposure to diverse educational experiences equips graduates with the skills to thrive in multicultural work settings, encouraging collaboration and adaptability. A dynamic and inclusive higher education sector is thus crucial in moulding a resilient, equitable, and vibrant Indian economy. Consequently, it is imperative to examine the extent of diversity within higher education. Diversity can be categorized on various grounds, such as surface-level and deep-level diversity. This study primarily focuses on diversity regarding age, gender, and tenure.



Research Methodology

Regarding this particular study, a structured survey was developed incorporating factors such as age, gender, experience, and contextual performance. The study conducted by Pradhan and Jena (2016) utilised the performance scale to evaluate employee performance. The questionnaire was distributed electronically and made accessible to participating institutions in the Prayagraj region, allowing numerous higher education institutions to provide their input.

From the total responses, 125 attempts in one measure, 168 trials in another, and 68 attempts in a third test were collected, resulting in 293 valid surveys following the removal of those exhibiting lacking entries. To test the hypotheses related to workforce diversity (considering age, gender, and experience) multiple linear regression analysis was used to evaluate organisational performance. Using SPSS methodology. This analysis aimed to identify potential performance correlates, thereby illuminating the correlation between performance and diversity, particularly within the framework of higher education institutions.

Participants

For this study, web-based questionnaires were distributed to numerous institutions of higher learning in Prayagraj for the data collection. The questionnaires employed using a Likert scale with five points responses, options offering participants options covering the spectrum from absolute disagreement to absolute agreement. This approach allowed respondents to assess the degree of alignment with each statement presented. The table below provides an explanation of the rate of responses.

Gender	Percentage	Type of job	Percentage	
Male	75.0	Academic	82.5.0	
Female	25.0	Non-Academic	17.5	
Age	Percentage	Year of Experience	Percentage	
20-30	22.5	Below 5	14.2	
31-40	20.8	6-10	29.2	
41-50	27.5	11-15	20.0	
Above 50	29.2	16-20	20.0	
	•	Above 20	16.7	

Table 1 Survey Response Ratio

The initial data collection yielded 311 responses. However, 18 submissions were disregarded because of insufficient data, hence the ultimate sample of 293 valid responses for statistical examination. By focusing solely on complete responses, the researchers aimed to enhance the study's validity and prevent the inclusion of inaccurate data in the analysis.

Analysis Tools

Statistical measures for summarizing data, including the average and standard deviation (S.D.), are used for





data analysis. Additionally, the study uses a multiple regression model to probe the out-turn of workforce diversity on employee performance.

As follows, the model is: $EP = \beta_0 + \beta_1(GD) + \beta_2(AD) + \beta_3(ED) + \varepsilon$

Where:

- EP represents employee performance (dependent variable),
- · β_0 is the constant term, or intercept
- GD refers to gender diversity,
- · AD refers to age diversity,
- ED refers to education diversity,
- · $\beta_1, \beta_2, \beta_3$ are each independent variable's coefficients,
- \cdot ϵ is the residuals, or error term.

Statistical Assessment and Outcomes

Basic Statistical Summary

Variables	No. of items	Mean	S.D.	Reliability
Gender Diversity	5	13.17	3.85	.819
Age Diversity	5	14.92	1.530	.882
Experience Diversity	5	18.5	2.919	.785
Employee Performance	5	21.92	3.092	.965

Table 2 Measures of Central Tendency, Variability, and Reliability

The average score of 13.17 suggests that employees believe gender diversity enhances their work performance. In the higher education sector, staff members recognize the significance of managing gender diversity to optimize their output. A mean score of 14.92 indicates that workers acknowledge the presence of age diversity within their organisations. The presence of a wide spectrum of age groups in the workforce gives older workers the chance to learn more about contemporary technologies. Since younger employees frequently bring new insights and skill in modern tools and digital breakthroughs, this intergenerational mix encourages knowledge-sharing and collaboration. Consequently, older workers gain from being exposed to new advancements, which helps them adjust to changing workplace technologies and stay competitive in the fast-paced workplace of today. With an average of 18.54, employees confirm the existence of experience diversity in their workplaces, assuming that effective utilisation of varied experience levels boosts performance. The high mean score of 21.9 demonstrates that employees attribute their elevated performance to the presence of workforce diversity in their organisations.

Description of Model

This research utilises a linear regression approach to look into the association between diversity in the workplace and employee performance (EP) within higher education settings. The analytical framework





aims to measure how different aspects of diversity—namely, gender diversity (GD), age diversity (AD), and educational background diversity (ED)—influence employee performance, shedding light on their contributions to an organisation's effectiveness. A multiple linear regression model has been put forth to evaluate the relationship between employee performance and workforce diversity for this study. The model is provided as follows:

 $EP = \beta_0 + \beta_1(GD) + \beta_2(AD) + \beta_3(ED) + \varepsilon$, as illustrated in the table below.

Table 3: Outline of Linear Regression Analysis

Model	Correlation Coefficient (R)	Determination Coefficient R2	Std. Error of R2	Estimate
1	.874	.765	.762	5.3490829146

The coefficient determination, or R-squared number, quantifies the extent to which independent variables (gender, age, and experience) determine the cause of the dependent variable's fluctuation dependent variable (employee performance). In this study, the R-squared value of 0.765 indicates that these three diversity factors account for 76.5% of the fluctuations in the criterion variable. Consequently, the remaining 23.5% of variability can be attributed to factors outside these three variables.

Model	Sum of Squares	df	Mean	F	Sig.
Regression	26780.879	3	8926.960	311.993	28.613
Residual	8240.454	288	28.613		
Total	35021.333	291			

 Table 4 : Analysis of Variance (ANOVA)

This research utilizes analysis of variance to assess the model's appropriateness for the dataset. The results reveal a p-value of 0.000, which is below the significance level of 1 percent. Indicating that the statistical model effectively predicts how the three independent variables (gender, age and experience diversity) affect employee performance in thein the domain of higher education. Additionally, the calculated F-value (765.981) exceeds the F-critical value (2.63), this additionally validates that the model can effectively predict the impact of predictor variables on criterion variables

Table 5 : Model Summary of Coefficients of the Regression

Model	Unstandardized Coefficients			Standardized Coefficients		
	В	Std. Error	Beta	t	Sig	
(constant)	1.885	.953		1.978	.049	
AD	1.291	.110	.341	11.766	.000	
GD	1.840	.107	.494	17.188	.000	
EP	2.348	.108	.632	21.737	.000	

The regression model's equation can be derived from the aforementioned findings:

EP = 1.885 + 1.840 GD + 1.291 AD + 2.348 ED

The analysis reveals that when AD, GD, and ED are zero, employee performance in the higher education sector has a baseline value of 1.885, as indicated by the intercept (α). This value is deemed statistically significant as indicated by the p-value below .05. Additionally, the study demonstrates that each unit increase in gender diversity correlates with a 1.840 rise in employee performance, all other factors constant. This relationship is significant, exhibiting a p-value of 0.000. Similarly, one additional unit increase in age diversity is associated with an enhancement in the performance of employee, while a unit increase in experience diversity corresponds to a 2.348 enhancement in employee performance within higher education. There is statistical significance in both of these associations, with p-values of 0.00. Based on these results, the implication is that experience diversity has the strongest impact on employee performance, accompanied by gender and age diversity in the higher education sector.

Summary

Study examines how employee performance in Prayagraj's higher education sector is influenced by workforce diversity. The research considers and examined diversity aspects including gender, age, and experience. Findings showed that all three diversity factors positively influenced employee performance, with experience diversity showing a particularly significant impact. The results demonstrated that most employees supported non-discriminatory hiring practices across gender, age groups, and experience levels, advocating to provide equitable opportunity for career advancement for women. These results are consistent with earlier research by Eagly and Wood (1991) and the research suggests that employees value gender equity partnerships and are willing to collaborate with colleagues of the opposite gender, provided work is conducted professionally and efficiently. Additionally, analysis found a pronouncedly favorable association between diversity of age and employee performance, corroborating according to Barrington and Troske (2001). Higher education institutions in Prayagraj employ individuals of various ages, and employees reported feeling comfortable working with both older and younger colleagues, as it enhances their productivity. The findings suggest that diversity concerning gender and age, and experience significantly influences employee performance. Rather than creating tension, this diversity improves overall success as employees bring their unique skills and experiences to the organisation Algahtani (2013). Consequently, companies should prioritize diversity management to boost employee performance and facilitate the achievement of organisational objectives.

Implication

In both theoretical and practical contexts, this research makes ample contributions. Theoretically, it contributes to the corpus of information currently available on workforce diversity, and employee performance thus setting grounds for a more rigorous forthcoming studies in this field. The study, therefore, builds on the previous literature to deepen the understanding of performance effects of a diverse work environment, which in turn enhances the understanding of diversity and its place in the organisational framework. From a practice point of view, the study also offers real world application of workforce diversity on employee performance. The knowledge gained in the course the analysis can guide in the formulation of



specific measures that would assist organisations in managing and harnessing diversity in an effective manner. Such measures will uplift business performance and competitiveness in the prevailing circumstances of rapidly changing environments, and assist organisations in nurturing diversity which will in turn contribute to innovation and productivity. Furthermore, the practical aspects of the insights gained from the study, would also assist legislators and managers design diversity policies that work.

Research Limitations

This investigation has encountered several common academic research challenges. Access to crucial scholarly publications is hindered by financial restrictions, causing delays as researchers seek alternative sources. Time constraints necessitated a cross-sectional study design, and the methodology was quantitative. This research is concentrated on evaluating the consequences of workforce diversity on each worker's performance individually as opposed to team level outcomes.

Prospects For Future Inquiry

Owing to temporal limitations, this research utilised a cross-sectional approach. These explanations require formal testing in future longitudinal studies to provide more robust insights. Financial limitations restrict access to research publications, prompting a recommendation for the higher education sector to allocate funds for future studies, potentially improving access to dissemination channels. As an exploratory and pragmatic study, the quantitative methods utilised for measurement intention may have excluded valuable perspectives on how a diverse workforce affects worker performance. Lastly, this research focused on individual employees, and Future research ought to examine how workforce diversity impacts performance at the team level.

References

Aldag, R. J., & Brief, A. P. (1975). Age and reactions to task characteristics. Industrial Gerontology, 2, 223-229.

Algahtani, A. (2013). Diversity in the Corporate Setting. *International Journal of Business and Social Science*, 4(14) - , 53 57.

Barrington, L., & Troske, K. (2001). Workforce diversity and productivity: An analysis of employer-employee matched data. *Strategic Management Journal*, *10*, 107-124.

Buccigrossi, J. & Robinson, M. (2003). Age: At issue in the American workplace, wetware, Inc. Rochester, NY.

Cremer, J. (1986). Cooperation in on going organisations. The Quarterly Journal of Economics, 101(1), 33-50.

De Dreu, C.K.W. and West, M.A. (2001), "Minority dissent and team innovation: the importance of participation in decision making", *Journal of Applied Psychology*, *86*(6), 1191-1201.

Eagly, A., & Wood, W. (1991). Explaining sex differences in social behavior: A metaanalytic perspective. *Personality and social psychology bulletin*, *17*(3), 306-315.

Ely, R. (2004), "A field study of group diversity, participation in diversity education programs, and performance", *Journal of Organisational Behavior*, *25*(6), 755-780.



Friedan, B. (2013). The feminine mystique. New York: W.W. Norton & Co. (Original work published 1963).

Jayawardana, H., & Priyashantha, K. G. (2019). The Impact of Workforce Diversity on Employee Performance.

Riach, K. (2009). Managing 'difference': Understanding age diversity in practice. *Human Resource Management Journal*, *19*(3), 319–335. https://doi.org/10.1111/j.1748-8583.2009.00096.x

Timmerman, T. A. (2000). Racial Diversity, Age Diversity, Interdependence, and Team Performance. *Small Group Research*, *31*(5), 592–606. https://doi.org/10.1177/104649640003100505

Mehra, R. (1997). Women, empowerment, and economic development. *The ANNALS of the American Academy of Political and Social Science*, *554*(1), 136–149. https://doi.org/10.1177/0002716297554001009

Mehrabian, A., & Blum, J. S. (1996). Temperament and personality as functions of age. *International Journal of Aging and Human Development*, *42*, 252-269.

Nielsen, M. W., Alegria, S., Börjeson, L., Etzkowitz, H., Falk-Krzesinski, H. J., Joshi, A., Leahey, E., Smith-Doerr, L., Woolley, A. W., & Schiebinger, L. (2017). Gender diversity leads to better science. *Proceedings of the National Academy of Sciences of the United States of America*, *114*(8), 1740–1742.https://doi.org/10.1073/pnas.1700616114

O'Reilly, C., Williams, K. and Barsade, S. (1997), "Group demography and innovation: does diversity help?", in Mannix, E. and Neale, M. (Eds), Research in the Management of Groups and Teams, Vol. 1, JAI, Greenwich, CT, 183-207.

Paynter, J. L. (2004). The motivational profiles of teachers: teachers' preferences for extrinsic, intrinsic, and moral motivators. Dissertation. Baltimore, MD: The Johns Hopkins University

Riach, K. (2009). Managing 'difference': Understanding age diversity in practice. *Human Resource Management Journal*, *19*(3), 319–335. https://doi.org/10.1111/j.1748-8583.2009.00096.x

Segrave, Kerry (2001). Age Discrimination by Employers. Jefferson, North Carolina, and London, England: McFarland & Company, Inc., Publishers.

Timmerman, T. A. (2000). Racial Diversity, Age Diversity, Interdependence, and Team Performance. *Small Group Research*, *31*(5), 592–606.https://doi.org/10.1177/104649640003100505

United Nations. (1995, January 1). *Human Development Report 1995*. Human Development Reports. https://hdr.undp.org/content/human-development-report-1995

Uschi Backes-Gellner, & Stephan Veen. (2013). Positive effects of ageing and age diversity in innovative companies

Woolley, A. W., Aggarwal, I., & Malone, T. W. (2015). Collective intelligence and group performance. *Current Directions in Psychological Science*, *24*(6), 420–424. https://doi.org/10.1177/0963721415599543

Woolley, A. W., Chabris, C. F., Pentland, A., Hashmi, N., & Malone, T. W. (2010). Evidence for a collective intelligence factor in the performance of human groups. *Science*, *330*(6004), 686–688. https://doi.org/10.1126/science.1193147

Wright, J. D., & Hamilton, R. F. (1978). Work satisfaction and age: Some evidence for the 'job change' hypothesis. *Social Forces, 56,* 1140-1158.

