

## Impact of Workforce Diversity on Employee Performance: An Empirical Assessment of Sugar Mill, Meerut, Uttar Pradesh

Savita Pal<sup>1\*</sup>, Mukesh Kumar Jain<sup>2</sup>

<sup>1,2</sup>Faculty of Commerce, M.M.H College, Ghaziabad, Uttar Pradesh, India  
E-mail: pal.savita@gmail.com<sup>1</sup>, mkj.1962@gmail.com<sup>2</sup>

### Abstract

Generational diversity among the workforce has been accepted as one of the intended capabilities to add to the organization's productivity in today's competitive world. The main objective behind conducting this study is to know the significant impact of the diversity of the workforce in the sugar industry in Meerut. Different dimensions relate to the diversity of the workforce in an organization such as age, education, workforce experience, the religion of employees and the last variable is organizational tenure which was measured as an independent variable, and performance of employees, which consider as the dependent variable. For this study, random sampling was used, and data were collected personally from 500 respondents working in Sugar Mills in Meerut. In addition, structure Equation Modeling was used to know the impact among different variables used to measure employee performance. The study results conclude that there is a positive impact on the performance of employees of different dimensions of workforce diversity such as age, educational status, religion, employee experience except for organizational tenure.

**Key Words:** Sugar Mill, Employee Performance, Workforce Diversity.

### PAPER/ARTICLE INFO

RECEIVED ON: 01/04/2021

ACCEPTED ON: 22/05/2021

Reference to this paper should be made as follows:

Pal, Savita, Jain, Mukesh Kumar, (2021), "Impact of Workforce Diversity on Employee Performance: An Empirical Assessment of Sugar Mill, Meerut, Uttar Pradesh", *Int. J. of Trade and Commerce-IIARTC*, Vol. 10, No. 1, pp: 210-219

\*Corresponding Author

DOI: 10.46333/ijtc/10/1/19

## **1. Introduction**

In the prevailing organizational setup, generational diversity within the organization has emerged as an exciting topic for academicians and researchers. Organizations have observed the developing fashion of generational diversity that is a first-rate mission to the agencies in the overall scenario. As the millennial, technology is touchy to the job market, the opportunities for significant change and innovation in organizations for the employers to acquaint themselves with current control techniques. However, incorporating the new technology of personnel with-inside the administrative center may be challenging for the employer. To manipulate this state of affairs, the agencies expand the variety of age in their personnel who work as a set for expert company culture.

There are variations in opinions, behavior styles, concerns, etc., among the multigenerational personnel. Multigenerational personnel has the most important implications for the organizations, and the control must supply significance to the various abilities to perform productivity. It makes multigenerational diversity a more significant challenge in the current workplace and rewriting the workplace rules. In recent times all four generations are working together in various organizations. It makes generational diversity a more significant challenge for an organization. It is almost impossible in the present organizational context that the organizations can have a completely homogenous organization without any variety. We know that India is known for its diversity at the societal level and the professional level.

Workforce Diversity in the workforce increased between the 1980s and 1990s. Various studies have discussed how the difference in the generations impacts the communication styles, thinking and use of technology, etc., in organizations. The older generations are more comfortable using traditional means of communication, prefer interacting face to face, and enjoy power and authority. Middle-age employees prefer striking a balance between professional and personal life; they prefer emails over phone calls and dislike long meetings at frequent intervals. In contrast, younger generation employees believe in team working and communicating with short and instant messages. Companies have recognized the importance of multigenerational diversity and have started taking proactive measures to overcome the problems arising out of multigenerational conflicts.

## **2. Literature Review**

A literature review offers the muse and body of reference for the look at that allows the crucial subjects to be underpinned with dependable perspectives and statements. To conceptually understand the generational differences, the characteristics of the generational cohort represent the shared experiences by each generation of individuals.

### **2.1. Employee Performance**

Odhiambo, F. H (2014) explains that employee performance is a practical release of work for which an individual is hired. Zhuwao (2017) defined an employee's performance as a winning of tasks by a particular individual. In contrast, Krishnan, Gowrishankar, and Kanagaraj (2017) identified that individuals utilize resources efficiently and effectively in changing environments.

## **2.2. Workforce Diversity**

Childs Jr (2005) Reveal that workforce diversity is a degree of consistency among employees in an organization which is limited to some specific factors such as age, class, gender, race, sexual orientation, educational status, moral beliefs, and various interests (Choi & Rainey, 2010).

### **2.2.1. Concept of Diversity- Theoretical Model**

According to the author(s), it is adverse replication dimension of diversity. He explains these dimensions into three categories. Sartorius, Merino, and Carmichael (2011)

**Table-1: Dimension of Diversity Among Workforce**

Primary	Secondary	Tertiary
<b>Race</b>	Religion	Beliefs
<b>Ethnicity</b>	Educational Background	Assumptions
<b>Gender</b>	Sexual Orientation Perceptions	Sexual Orientation Perceptions
<b>Age</b>	Thinking Style	Attitudes
<b>Disability</b>	Geographical Origin	Feelings
	Marital status	Values
	Political Orientation	Group Norms

Above table 1.1 shows various factors of workforce diversity related to age, educational status, work experience, attitude, and organizational tenure, which is used to explain the impact of diversity on employee performance. According to previous research studies above dimensions have shown a great significance on employee performance Elsaid (, 2012) Zhuwao (2017).

### **2.2.2. Age Diversity**

According to Kunze, Boehm, and Bruch (2013), Age diversity among employees explains the difference in composition of employees in an organization. Therefore, age diversity is an essential part of various organizations.

### **2.2.3. Educational Background Diversity**

Pretty et al. (2009) revealed the diversity of education, which positively impacts employee performance. In various organizations, educational variety is implemented to motivate and encourage employees to work effectively with other groups so that organizational goals are to be achieved on time. (Lieu et al., 2011).

### **2.2.4. Religious Diversity**

Religious diversity is another factor that shows significant differences in religious beliefs and practices (Watson, Johnson, & Zgourides, 2002). According to Hicks (2002), the differences in cultural characteristics were analytical of team scores, which can be interpreted as the gain of having different religious views for team problem-solving resulted in increased team performance after the teams learned how to utilize these differences to their benefit.

### **2.2.5. Work Experience Diversity**

Carr, Pearson, Vest, and Boyar (2006) defined the number of years spent on a particular job. Employee Work experience diversity shows the differences in skills, abilities, and knowledge through which one gains specific line in their career.

### **2.2.6. Organizational Tenure Diversity**

Keller, 2006; Kerr & Jermier (1978) reveals that less diversity related to organizational tenure leads to no more minor leadership transformation, but it is advantageous from participative leadership. Thompson & Vecchio,(2009). Sharing of work with a team helps improve the performance of employees with less diverse organizational tenure. Van Knippenberg & Schippers, (2007) Different perspectives related to experiences among employees may cause various problems related to communication and interpersonal conflicts.

## **3. Objective of the Study**

The study will answer the following questions:

- Impact of workforce diversity on employee performance.
- Impact of the diversity of age on employee performance.
- To know the impact of educational diversity on employee performance.
- To identify the impact of religious diversity on employee performance.
- To know the impact of the work experience diversity on employee performance.
- To identify the impact of organizational diversity on employee performance.

## **4. Research Design**

The Research Design is a subject matter used by the researcher at a vast scale. A master plan for a blueprint for doing the research activity in a sequence or research activity in a specific research task. A quantitative Research Design was undertaken for this study, and along with that, the exploratory Research Design was also undertaken. Quantitative Research Design was launched for this study as the main design.

Quantitative Research Design is all about the quantification of the relationship between the independent variable and dependent variable. Its focus is on measuring the causal relationship by taking statistical tools such as correlation, descriptive statistics, relative frequencies, the difference between the means, linear and straightforward regression to gain additional insights before an approach can be developed.

After a broad literature review, five hypotheses have been formulated to cover the study's crux. These were based on previous research studies done by various researchers. First, researchers revealed that an increase in the diversity of age of employees has a significant impact on employee performance (Zhuwao, 2017).

The hypothesis was developed as under to know the impact of workplace diversity on employee performance

- H1.** There is a significant impact of age diversity on employee performance.
- H2.** There is a significant impact of education diversity on employee performance.
- H3.** There is a significant impact of religious diversity on employee performance
- H4.** There is a significant impact on work experience diversity on employee performance.
- H5.** There is a significant impact of organizational tenure diversity on employee performance.

## 5. Data Collection

The data were collected from 5 different sugar mills situated in and around Meerut city. Purposive and snowball sampling was utilized for this study. The 100 samples data was collected from Mawana sugar work, Mawana, Meerut. Moreover, 100 sample data was collected from the Naglamal sugar complex situated at Naglamal village, Meerut.

Additionally, 100 were collected from UP state sugar Corporation Limited, situated at Maliana, Meerut. Further, the 100 samples were collected from UP state sugar Corporation Limited, located at Mohiuddinpur. Lastly, the additional 100 samples were collected from Bajaj Hindustan Limited Kinoni situated at Meerut. Thus, the sample sizes of 500 were undertaken for this study drawn from the five different sugar mills in District Meerut.

## 6. Data Analysis and Results

### 6.1. Demographic Profiles (Gender, Age and Education)

This study aims to understand the demographic profile of the employees working in the different sugar mills in and around Meerut city. The findings of this study indicated that the gender was classified into only one category male. The frequency for males was found to be 479 admit constituted 95.8 percent in the study population, and female's frequency was found to be 21 (for petty jobs and clerical works). The female employees contributed 4.2 percent towards respondents of the study population. (Table-2)

Further, as per the study's objective, not understand the demographic profile of employees; the age was analyzed across the different categories to understand the demography of employees in terms of diversity in ages. Suppose findings of this study indicated that from 18 years to 28 years, the total number of employees is 111, constituting 22.22% of the study population. Moreover, the age group of 28 to 38 years indicated the frequency of 93, and it comprised 18.6% of the study population as the respondents; in addition to this, the age group of 38 years to 48 years indicated the frequency of 109, which constituted 21.8 percent total population of the study.

Lastly, the group of 58 to 68 years of age indicated 95 in terms of frequency and constituted 19% towards a study population. So, the diversity in the ages from 18 years to 68 years, the maximum number of responses recorded in the age diversity of 18 to 28 years which is 131 followed by the variety of 38 years to 48 years as 109 followed by 58 years to 68 years. Therefore, the minimum number of recorded responses was in the group of 48 years to 58 years as 92 frequencies. (Table-3) It shows that most of the participants graduated (38.8%) and most uneducated, which account for 22.8%. The rest of the unemployed individuals working in mills are 10th and 12th, which had an 18.8 and 19.6 percent respectively. (Table-4)

**Table-2: Demographic Profiles-Gender**

Gender		
	Frequency	Percent
Male	479	95.8
Female	21	4.2

**Table-3: Demographic Profiles-Age**

Diversity of Age in the Sugar Mill		
Diversity of generation	Frequency	Percent
18-28 Years	111	22.2
28-38 Years	93	18.6
38-48 Years	109	21.8
48-58 Years	92	18.4
58-68 Years	95	19.0

**Table-4: Demographic Profiles- Education**

Education		
	Frequency	Percent
Uneducated	114	22.8
Till 10 <sup>th</sup>	94	18.8
Till 12 <sup>th</sup>	98	19.6
Graduate and above	194	38.8

**6.2. Impact of the Workforce Diversity on Employee Performance**

Before doing the correlation and regression analysis, it was essential to assess the measurement model. Validity tests were analyzed under this. Factor analysis technique was used to test the validity of the questions in the questionnaire statistically. The result of the K.M.O. and Bartlett's Test was 0.890. It was higher than 0.6, and it indicated that the sampling of this study was adequate.

**Table-5: Validity Statistics Related to the Study**

K.M.O. and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.890
Bartlett's Test of Sphericity	Approx. Chi-Square	1224.430
	Df	105
	Sig.	.000

Workforce diversity on the employee performance was measured by undertaking all the variables of the workforce diversity as- age diversity, gender diversity, organizational tenure diversity, educational background diversity, work experience diversity, religious diversity. The structural equation model was analyzed by taking the causal theoretical relationship of workforce diversity on employee performance. This study indicated that age diversity explained the variance of 42.7 %, and it is significantly related to the P value less than 0.05. The p-value stated the value of 0.003. The standardized estimate indicated 42.7% and also significant if it shows explicitly that age diversity is positively related to achieving employee performance. Further, it means that there is a proper mix of an employee from all the age groups in the organization and employee from all the age group are involved in decision making, and problem-solving processes and lastly the

employee with different age group are healthy Bond there is no problem of differences in other age groups.

Further, the gender diversity was analyzed about the employee performance, and the results of the standardized estimates under the structural equation model in the measurement of the Pathways of workforce diversity on employee performance indicated a positive impact of 59.2 % on employee performance the gender diversity. The meaning that can be drawn from the positive effects of gender diversity on employee performance is that there is a proper mix of males and females in the Organisation, there is no gender bias during the performance appraisal process, and male and female employees are treated in the fair and equal matter. Therefore, there is no critical issue on the path of gender bias in terms of measurement of the performance and reward given to the Employees.

Further, the organizational tenure diversity was measured in terms of employee performance causal relationship. It was found that the estimated value was 21.9 percent in terms of the cause and effect relationship. But the organizational diversity is not significantly related to employee performance. It specifically means most of the employees have been working the Organisation for the last five years. Therefore, there is no proper promotion. There is no adequate increment based on merit. It is based on seniority. Further, it is indicated that they also can get well with seniors; otherwise, there is no promotion sometimes based on merit increment is also not on the base of married sometime but not always.

In addition to the measurement of the causal relationship of the workforce diversity on the employee performance in the line of the analysis further, the educational background diversity was analyzed in terms of the causal relationship with employee performance it was found that the educational background diversity is positively related with reply performance and it is also significant. The value of the educational background diversity with employee performance in terms of a standardized coefficients beta indicated an impact of 33.4% from education background diversity towards Eve performance. The p-value stated that it is less than 0.05 with p-value = 0.015. the educational background diversity, which is indicating in the standardized beta of 33.4 % it simply means that their employees with a different educational background in the Organisation who provide support to the Organisation and Organisation also provide support to the employee to upgrade their qualifications and skills by sponsoring degree courses in Diploma and also working with employees with a different education background in organization help employees to increase the performance from their experience and taken from the educational background with considerable knowledge.

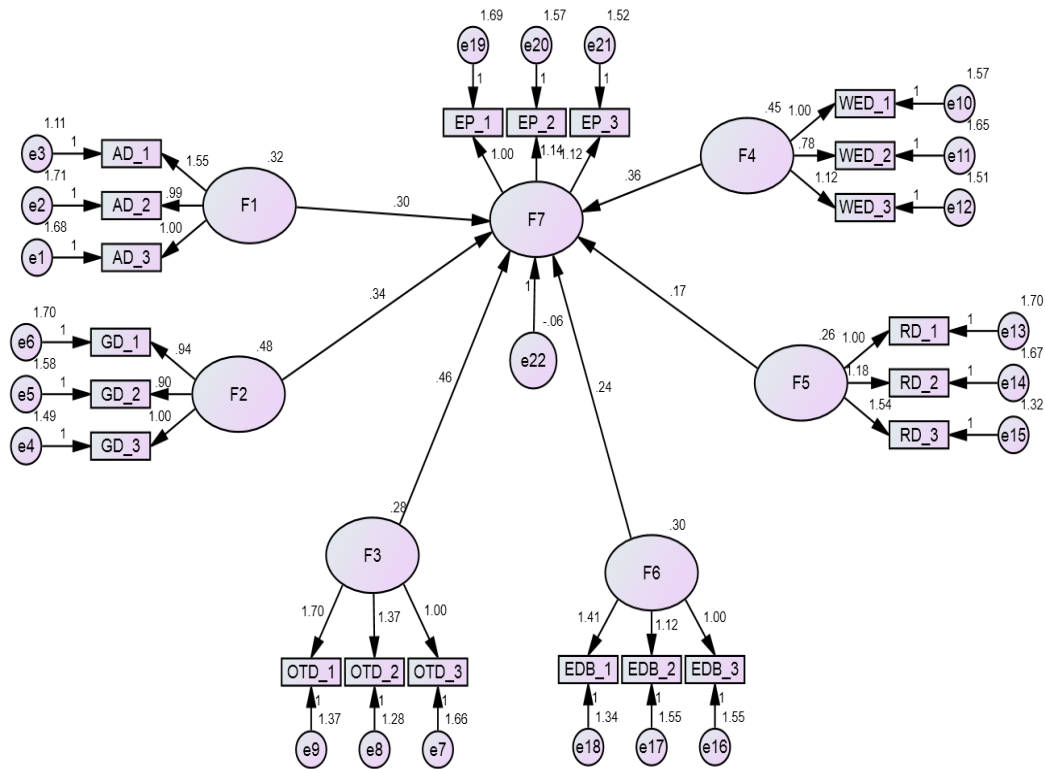
**Table-6: Pathways of Workforce Diversity on Employee Performance**

Pathways of workforce diversity on employee performance			Estimate	P	Decision
Employee performance (F 7)	<---	Age Diversity (F1)	.427	.003	SIG
Employee performance (F 7)	<---	Gender Diversity (F4)	.592	***	SIG



Employee performance (F 7)	<---	Organizational Tenure Diversity (F5)	.219	.088	INSIG
Employee performance (F 7)	<---	Educational Background Diversity (F6)	.334	.015	SIG
Employee performance (F 7)	<---	Work Experience Diversity (F3)	.603	***	SIG
Employee performance (F 7)	<---	Religion Diversity (F2)	.582	***	SIG

Figure-1: Structural Equation Modelling For Workforce Diversity



In addition to this, the work experience diversity was also analyzed with the employee performance of different sugar mills. The work experience diversity explained variance of 60.3 percent with a significant P value less than 0.05. And from this specific analysis, the meaning of



work experience diversity can be drawn as the inference that there is a proper mix for fresher's and experienced employees in the Organisation. There is no generational gap. There are no issues that lead to the conflict between the employees in newer and professional people. On the contrary, working with pressure middle level experience in highly experienced employees help employees increased their performance inside the Organisation.

Lastly, religious diversity was also analyzed in terms of the causal relationship with the employee performance inside the sugar mill. It was found that there is a positive relationship between religious diversity and employee performance with a standardized beta value of 50.8 percent. It means that religion is not considered during the performance appraisal and employees are treated equally a respective of their religion and working with employees from different religions does not make any difference in terms of the diverse group and working with employees in other faith helps me increase my performance as there is no discrimination based on the religion indicated by the employees of varying sugar mills.

## **7. Conclusion**

The main idea behind this study is to identify the significant impact of the diversity of the workforce on the performance of employees at the operational level. There are various dimensions of workforce diversity, such as age, educational status, variety of religion, and employees' experience, which positively impacted employee performance. But the diversity of organizational tenure, which shown an insignificant impact on employee performance. But our study was limited to a sugar mill situated in Meerut. Hence more research studies will be conducted to take other industries as a sample. Furthermore, further researchers should take other independent variables that contribute positive results to the employee's performance.

## **REFERENCES**

- [1] Carr, J. C., Pearson, A. W., Vest, M. J., & Boyar, S. L. (2006), "Prior occupational experience, anticipatory socialization, and employee retention." *Journal of Management*, 32(3): 343-359.
- [2] Childs Jr, J. (2005), "Managing workforce diversity at I.B.M.: A global H.R. topic that has arrived." *Human Resource Management*, 44(1): 73-77.
- [3] Choi, S., & Rainey, H. G. (2010), "Managing diversity in U.S. federal agencies: Effects of diversity and diversity management on employee perceptions of organizational performance." *Public Administration Review*, 70(1): 109-121.
- [4] Christian, J., Porter, L. W., & Moffitt, G. (2006), "Workplace diversity and group relations: An overview." *Group Processes & Intergroup Relations*, 9(4): 459-466.
- [5] Dokko, G., Wilk, S. L., & Rothbard, N. P. (2009), "Unpacking prior experience: How career history affects job performance." *Organization Science*, 20(1): 51-68.
- [6] Elsaid, A. M. (2012), "The Effects of Cross-Cultural Workforce Diversity on Employee Performance in Egyptian Pharmaceutical Organizations." *Business and Management Research*.
- [7] Frouke M. de Poel, et al. (2014), "Leadership and Organizational Tenure Diversity as Determinants of Project Team Effectiveness." *Group & Organization Management*, 552-559
- [8] Green, T. K. (2003), "Discrimination in workplace dynamics: Toward a structural account of disparate treatment theory." *Harv. CR-CLL Rev.*, 38, 91.

- [9] Hicks, D. A. (2002), "Spiritual and religious diversity in the workplace: Implications for leadership." *The leadership quarterly*, 13(4): 379-396.
- [10] Jones, E. A. (2016), "Preparing Dislocated Workers in Delaware for a Career Readiness Credential." *Wilmington University (Delaware)*.
- [11] Kotur, B. R., & Anbazhagan, S. (2014), "Education and work-experience-influence on the performance." *Journal of Business and Management*, 16(5): 104-110.
- [12] Kunze, F., Boehm, S., & Bruch, H. (2013), "Organizational performance consequences of age diversity: Inspecting the role of diversity-friendly H.R. policies and top managers' negative age stereotypes." *Journal of Management Studies*, 50(3): 413-442.
- [13] Leonard, J. S., Levine, D. I., & Joshi, A. (2004), "Do birds of a feather shop together? The effects on the performance of employees' similarity with one another and with customers." *Journal of Organizational Behaviour*, 25(6): 731-754.
- [14] Lieu, T. A., et al. (2011), "Comparative effectiveness research in lung diseases and sleep disorders: recommendations from the National Heart, Lung, and Blood Institute workshop." *American journal of respiratory and critical care medicine*, 184(7): 848-856.
- [15] Mazur, B. (2010), "Cultural diversity in organizational theory and practice." *Journal of intercultural management*, 2(2): 5-15.
- [16] McLeod, P. L., Lobel, S. A., & Cox Jr, T. H. (1996), "Ethnic diversity and creativity in small groups." *Small group research*, 27(2): 248-264.
- [17] Njogu, I. W. (2017), "Effect of Employees' Work Experience on Performance within Hotel Industry: A Case of Amber Hotel, Kenya." *United States International University Africa*.
- [18] Odhiambo, F. H. (2014), "Strategy-Culture Relationship at the University of Washington Global Assistance Program Kenya." *Unpublished M.B.A. Project*. University of Nairobi, Nairobi.
- [19] Pretty, J., Adams, B., Berkes, F., De Athayde, S. F., Dudley, N., Hunn, E., Robbins, P. (2009), "The intersections of biological diversity and cultural diversity: towards integration." *Conservation and Society*, 7(2): 100.
- [20] Saeed, R., Mussawar, S., Lodhi, R. N., Iqbal, A., Nayab, H. H., & Yaseen, S. (2013), "Factors affecting the performance of employees at the workplace in the banking sector of Pakistan." *Middle-East Journal of Scientific Research*, 17(9): 1200-1208.
- [21] Sangeeta (2015), "Employee Motivation and Retention through Training and Development" *International Journal of Trade & Commerce-IIARTC*, 4(1): 106-114.
- [22] Sartorius, K., Merino, A., & Carmichael, T. (2011), "Human resource management and cultural diversity: a case study in Mozambique." *The International Journal of Human Resource Management*, 22(9): 1963-1985.
- [23] Shore, L. M., et al. (2009), "Diversity in organizations: Where are we now and where are we going?" *Human Resource Management Review*, 19(2): 117-133.
- [24] Srivastava, E., & Agarwal, N. (2012), "The emerging challenges in H.R.M." *International journal of scientific & technology research*, 1(6): 46-48.
- [25] Watson, W. E., Johnson, L., & Zgourides, G. D. (2002), "The influence of ethnic diversity on leadership, group process, and performance: An examination of learning teams." *International Journal of Intercultural Relations*, 26(1): 1-16.