**Impact of Workforce Diversity on Organizational Performance**

**Department of Commerce**

**Jinnah University for Women**

**Nida Azam**

**Nudrat Waheed (Supervisor)**

**Abstract**

*This research provides the relationship between different types of diversity and Organizational Performance. Different variables were chosen after reading the literature review. The aim of conducting this research was to determine the relationship between Diversity and Organizational Performance. Data was collected through primary source i.e. with the help of questionnaires. They were administered online and employees who filled them were at managerial positions and above. SPSS was exploited to test the hypotheses. Results shows both impact on Organizational Performance. All the hypotheses were rejected showing a positive relationship between various types of Diversity & Organizational Performance.*

***Key words:*** *Diversity, Organizational Performance, Relationship*

**Introduction**

With the earlier years, organizations take workforce diversity seriously otherwise there was no acceptance to add a new hire which is of some other race etc. organizations are hiring a diversified workforce not to avoid immense fine against Equal Employment Opportunity (EEO) but to attract, retain, motivate and satisfy stockholders. There are so many definitions of workforce diversity; one cannot define it in a single sentence. Workforce diversity simply means difference or variety in the workforce. It can be a difference with aspect to age, gender, education, culture, geographic location, ethnicity, race, religion and many more. According to Thomas (1995), diversity does not necessarily mean just about differences but also about similarities as well. Google truly support and encourage diversity. They also have increased the ratio of diversity and take several initiatives to enhance the diversity ratio.

Bank of New Zealand (BNZ) believes that diversity is an element which helps meliorate the organizational performance as well as create competitive advantage for the organization. Now, the question is that how can diversity create a competitive advantage? The simple answer is when the organizations support the diversity and helps the managers or leaders to change their organizational culture this motives the employee morale to work efficiently individually and in the team or group. They would perform better than before, serve better, and communicate in a finer way in team, with their customers and within the organization.

Bank of New Zealand (BNZ) believed that we should work on the following points:

1. First, we should have a thorough knowledge of our organization
2. We should audit the organization internally to explore what our people have a mindset

3. When you listen to your people/ employee this will change their mindset that this organization respect our voices and make us involve in the meetings
4. We should try to set smart goals for our team
5. The goals of the team should be aligned to the strategic goals of the organization.
6. We should know why the leader is important in teams and organization.
7. How to set and arrange a comfortable environment among team members
8. As the changes occur due to technological change we should revised the job descriptions also
9. We should redefine the specific objectives of units.
10. After setting the objectives the direct supervisor should give targets to each team.

Bank of New Zealand (BNZ) had accepted that the women are working with the same pace along with men. They should have equal rights and opportunities in order to balance gender diversity. They have same capabilities, qualifications, knowledge and skills. We should not underestimate the females. Many research studies have been made to explore the purchasing trend of the consumers. One research revealed that as a consumer, approximately 80% of the female consumers make spending decisions of their family. Bank of New Zealand (BNZ) also told us that there is a new concept that women are the key drivers of the market and economy. In the light of Harvard Business Review, this journal exhibited that women have the capability to make the market growth of China and India twice. Another research disclosed that in Australia about 90 cents have been spent by females for their grocery, appliances, and other household items every day. Goldman Sachs is a financial institution which proclaimed that women drive the economy and termed as "Womenomics". They are the type of people which can be the primary source to uplift the economies of Us, Australia, and Japan.

Diversity and racism are the two poles of a body. They are apart from each other in every aspect. Racism leads to the decline in a firm's performance. Organizations with racial diversity are less likely to accept by their employees. Racism may hinder employee performance because it directly affects their job roles, on the job attitude and seems less supportive to their colleagues. Organizational Citizenship Behavior (OCB) is the behavior adopted by the employees to support, guide, and advise their colleagues. But bundles of research studies reveal that where racial diversity prevails always result negatively. Diversity not only impacts in an organization but industries as well as the whole economy of a country.

## Problem Statement

With the rapid increase of changes occur in the modern world the organizational culture is also getting changed with a fast pace. Like in the same way, changes occur in the workforce which is varied from previous years which we called diversification in the workforce or a diversified workforce. Now, it is very important to analyze the consequences of a diversified workforce.

There is a common saying that diversification in workforce affects the employee performance. In this research paper, it is going to discover whether it impacts the organizational performance or not.

## Research Question

1. Is there a significant relationship between workforce diversity and organizational performance?

2. How does it impact the whole organizational performance? Does it impact positive or negative?
3. Which type of diversity has a strong impact on organizational performance with respect to its profitability?
4. Does diversity create conflicts between team members? If yes, does it hinder the productivity of the organization?
5. Is a diversified workforce the reason of producing pressure and stress in the organization?
6. Is it true that diversity always bring innovations and creativity?
7. Does diversity create miscommunication?

## Research Objective

The basic objective of this study is to determine the impact of workforce diversity on overall Organizational Performance. Further, it also discovers which kind of diversification has a significant effect on the firm's overall performance.
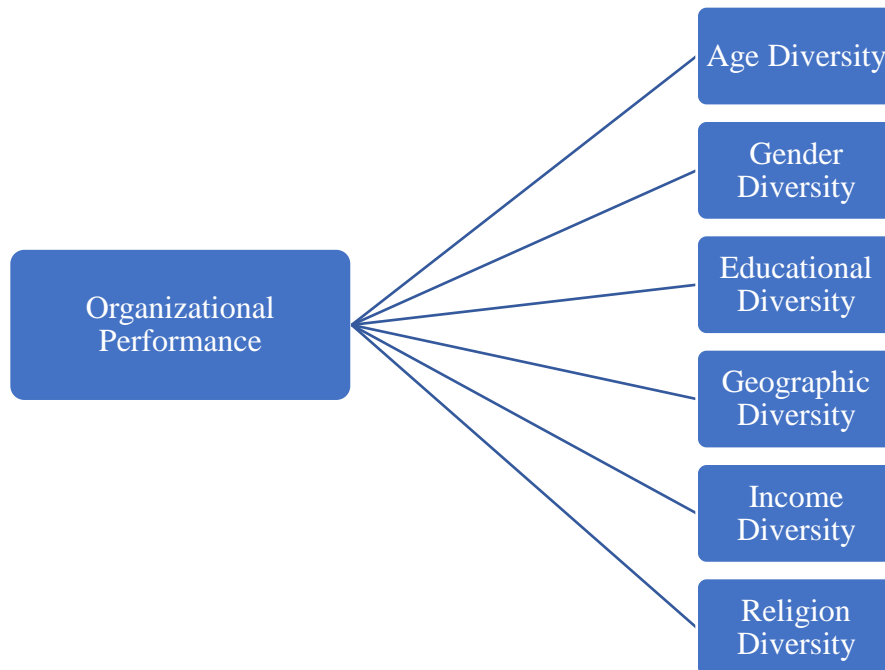
## Scope of the Study

The study is about Workforce Diversity and exploring the impact on overall Organizational Performance. The chosen variables are Age Diversity, Gender Diversity, Educational Diversity, Geographical Diversity, Income Diversity, and Religion Diversity. These all are Independent Variables and Organizational Performance is the Dependent Variable. This study covers every type of industry which benefits all of them. It benefits Industrialists, Managers, Employees, Institutes and Students as well. This research also tells why companies acquire different groups of people how it impacts.

## Significance of the Study

This study has a much-broadened scope which is useful for many purposes. The reason behind this is that it not only covers one type of Industry but all the industries working presently which has diversification in their workforce. Almost all the industries have a diversified workforce so, it is important for all types of industries because it identifies why a diversified workforce has an impact over all organizational performance. This research also tells why companies acquire different groups of people how it impacts.

## Schematic diagram

```
                                            ┌─────────────────┐
                                            │   Age Diversity │
                                            └─────────────────┘
                                            ┌─────────────────┐
                                            │     Gender      │
                                            │    Diversity    │
                                            └─────────────────┘
                                            ┌─────────────────┐
┌─────────────────┐                         │   Educational   │
│  Organizational │                         │    Diversity    │
│   Performance   │◄────────────────────────└─────────────────┘
└─────────────────┘                         ┌─────────────────┐
                                            │   Geographic    │
                                            │    Diversity    │
                                            └─────────────────┘
                                            ┌─────────────────┐
                                            │     Income      │
                                            │    Diversity    │
                                            └─────────────────┘
                                            ┌─────────────────┐
                                            │    Religion     │
                                            │    Diversity    │
                                            └─────────────────┘
```

## Theoretical Framework

The dependent variable is the organizational performance which is of the primary concern of the research. There is huge quantity of factors affecting workforce diversity which ultimately influence organizational performance which are the dependent variables namely, Age Diversity, Gender Diversity, Educational Diversity, Religion Diversity, Cultural diversity and Racial Diversity.

Age is the amount of time period of an individual who has come into existence form the day of his/her birth. Age diversity is the diversity which refers to have personnel pertaining to different age groups in the organization. Age diversity brings a lot of different and unique characteristics because it influences the communication, learning and working style which affects the overall organizational performance. (Cekada Tracey L., 2012)

Gender is the state of being and differentiating male and female individuals. Gender diversity means workforce consisting of both males and females in an organization. Women are now taking interest in working in the organizations.

Education is the process of gaining, receiving or acquiring knowledge, information, skills, ideas, concepts, manners, attitude, and habits.

Geographic location is basically a place or an area on Earth which has been defined or stated by longitude and latitude.

Income is defined by the amount of money an individual earns against his/her services or from his/her business.

Religion is the system of beliefs, values, feeling and religious practices of an individual.

Culture refers to the common beliefs customs, traditions, norms, patterns, lifestyle etc. in a time and place.

## Literature Review

A lot of literature has been done by many researchers and scholars on diversification, diversified workforce and diversification management. Organizations are known to have fair behavior towards their personnel but they treat their employees differently. These differences occur when organizations behave with their workforce differently based on personal relationships and demographics such as race, gender, religion, color not on their job performance and skills. This leaves a negative impact on employee productivity and simultaneously on the overall organizational performance. In the late 1960s, several movements were started to remove discrimination and an issue was raised from that time on diversity management (DM). From that time studies have been changed from traditional human resource to strategic human resource. Studies revealed that it had an impact on organizational performance. To manage anything planning is obviously required. Here, in this case, diversity also needs planning to manage it. Proper systematic approach should be applied to manage it effectively. It should be aligned to the strategic goals of the organization. It means the diversity management and the strategic goals should be linked together. It must reflect a picture that exhibits good performance indicator. (Besler S., Sezerel H.)

Cultural diversity is the source of generating, attracting and retaining key talent for any firm. She has researched about the cultural diversity, its related issues, importance and implications in an Indian context. She quoted that impact of cultural diversity on competitive behavior and said that team based assignments are important element in the company's long-term practices for which one should know have the detailed information about the relationship between cultural diversity and team based assignments. The reason behind that is the fear that it harms the effectiveness of team based assignments. This would aid in decision making of various issues because a multicultural organization has a good understanding on how to serve external clients dispersed at different locations than a non-multicultural organization. A multicultural organization has the capacity to resolve issues effectively. They can adapt to change more as compared to a non-multicultural organization because they have greater flexibility. As we know that there are two faces of coin so there are disadvantages/demerits. The conflict created between them is of intense level and to resolve the conflict requires high cost and time. (Kulkarni S.)

Another article was reviewed for the research study. Maingi and Makori had written this article. They both have researched about the effects of workforce diversity on employee performance at Kenya School of Government (KSG) as the research area. They defined workforce diversity as the degree to which employees differ from various aspects such as education, culture, age, color etc. Basically, they discovered the impact of workforce diversity on employee performance in KSG. There are various forms of diversity but specifically, they found the influence of ethnicity and educational level on performance. They also said that the diversified workforce affects organizational performance and it has been a long debate from the last five years. They measured all the levels of employees and took a sample of 80 employees. The decision-making theory stated that homogenous group are less likely to perform high as compared to diverse group. In fact, they have greater number of KSAs (knowledge, skills and abilities) and are compensated with benefits as per their performance ability. So, they also get more resources, tools and materials. Further, the

diverse group has the compatibility to outperform as compared to the other which has similar characteristics and demographics. They had also proved that the educational level impacts the employee performance because they have an immense level of creativity. The second variable is ethnic diversity. The theory of standpoint suggested that subordinate's experiences different treatment from dominant and non-dominant positions. This theory suggested the experiences of subordinates they faced in their lives. This also stated that they come with different experiences and abilities that help in solving the current situations. In that study, it was mentioned that diversity in teamwork hinders group performance because different cultural background sometimes created conflicts and issues but their leader encourages them to solve their conflicts as well. But to solve their severe issues is not a piece of cake; it needs a lot efforts and time. They discovered at Kenya School of Government (KSG) that the productivity and employee performance reduced from 73% to 65% in the years 2012-2013 and 2013-2014 respectively. They recommended to remedying the problem that KSG should change their HR practices like they should work on the training of their personnel as well as eliminating biasness and favoritism at workplace. (Maingi J. and Makori M.)

## Research Methodology

### Introduction

Research methodology tells about how the researcher will collect data necessary for the research.

This research paper will be going to use primary as well as secondary data for data collection.

### Research Strategy

This study will be conducted by using quantitative approach, through the use of questionnaires as well as by observing and analyzing relevant information about the companies from the internet.

### Hypothesis

**Age Diversity**

$H_1$= There is a significant negative relationship between age diversity and organizational performance.

**Gender Diversity**

$H_2$= There is a significant negative relationship between gender diversity and organizational performance.

**Educational Diversity**

$H_3$= There is a significant negative relationship between educational diversity and organizational performance.

**Geographic Diversity**

$H_4$= There is a significant negative relationship between geographic diversity and organizational performance.

**Income Diversity**

$H_5$= There is a significant negative relationship between income diversity and organizational performance.

**Religion Diversity**

$H_6$= There is a significant negative relationship between religion diversity and organizational performance.

### Research Design and Data Collection

The research design of the study is to measure the end results of the research quantitatively. The basic purpose of research design is to analyze the relationship between variables. It primarily depicts what kind of strategy the researcher is using. This research is using the quantitative approach to explore the impact of diversified workforce on organizational performance.

Data collection refers to the process of gathering information. The data collection technique using in this research is through questionnaire. Questionnaires would be filled by both manually and online. Online questionnaires provide ease to make it possible the filling the questionnaires at large. The information will be collected based on the defined variables and then it will be entered in to the software application to assess the results.

### Sampling

Sampling refers to the technique which is used to analyze the data in terms of magnitude. No specified sample was taken because data was collected generally.

### Data Analysis

Data analysis is the critical step in conducting research study. With the help of inferential statistics tools, data analysis will be done to analyze the data collected from the questionnaires. When the questionnaires will be administered the collected data will be inserted on the Statistical Package for the Social Sciences (SPSS). SPSS is software which will ease in analyzing the collected data.

### Limitations

In conducting the research, some unavoidable constraints have been confronted. First, in the data collection the respondents sometimes get biased or sometimes they provided the false opinions. Second, is the time bound, the research is conducted by a commerce student, has a limited time consisting is of only six months to do research. Third, huge amount of money is required in conducting a research which was impossible to arrange. Finally, networks with the industrialists are very important for this type of research which was not as strong as required. Another limitation was that due to some reasons I have added two variables in the geographic diversity i.e. cultural diversity and racial diversity.

### Primary Data

In conducting the research, primary data was collected that is quantitative in nature, was used to find out the ultimate results. Primary data was collected to find out how much people think there is a relationship between all the independent variables (age diversity, gender diversity, education diversity, geographic diversity, income diversity, religion diversity) and the dependent variable (organizational performance). Questionnaires helps in gathering information in a greater quantity. In gathering data from a large group of people prevents measuring inaccurate results.

## Data Analysis

Analyzing data is not a piece of cake. It's the most crucial and difficult step of the whole study. To analyze data, there are some methods, approaches and formulas to get to know the answers of the research questions. It also helps in finding the relationship between the dependent and independent variables. Now a day, statistical tools are applied with the help of a software i.e. SPSS. SPSS stands for Statistical Package for the Social Sciences which helps in analyzing the data collected through questionnaires. This software showed the results when different formulas and tests are applied into it.

ANOVA was also applied to test the hypotheses whether it was accepted or rejected. Regression and correlation analysis were applied to analyze the data. REGRESSION ANALYSIS was applied to check and estimate the association and link between variables. CORRELATION ANALYSIS was applied to find out the relationship between variables in magnitude i.e. estimating relationship in terms of amount.

## Interpretations of Output

**Regression**

| Model Summary | | |
|---|---|---|
| **Model** | **R** | **R Square** |
| 1 | .206[a] | .042 |

## Interpretation of Regression

Model Summary has two important values that is R and R Square.

**R Square is 0.042 i.e. 4.2%**

The value of R Square is 0.042 i.e. 4.2% which indicates that the variability in Organizational Prices can be explained by the independent variables and the remaining 95.8% can be explained by other determinants.

| ANOVA | | | | | |
|---|---|---|---|---|---|
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| Regression | 10.116 | 6 | 1.686 | .754 | .608[b] |
| Residual | 228.221 | 102 | 2.237 | | |
| Total | 238.337 | 108 | | | |

| Coefficients | | | | | | | |
|---|---|---|---|---|---|---|---|
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | Collinearity Statistics | |
| | B | Std. Error | Beta | | | Tolerance | VIF |
| (Constant) | 3.090 | 2.241 | | 1.379 | .171 | | |
| Age Diversity | -.384 | .277 | -.136 | -1.390 | .168 | .977 | 1.024 |
| Gender Diversity | -.024 | .092 | -.026 | -.259 | .796 | .948 | 1.055 |
| Educational Diversity | .007 | .196 | .004 | .038 | .970 | .972 | 1.029 |
| Geographic Diversity | .057 | .110 | .052 | .524 | .601 | .943 | 1.061 |
| Income Diversity | .336 | .290 | .114 | 1.158 | .249 | .977 | 1.023 |
| Religion Diversity | .278 | .338 | .082 | .821 | .413 | .933 | 1.071 |

## Interpretation of Sig. Value

### Hypothesis Testing

The first Null Hypothesis is accepted and Alternate Hypothesis is rejected because Sig. Value is greater than 0.05

Ho= There is not a significant negative relationship between age diversity and organizational performance.

**This null hypothesis is accepted because 0. 168 > 0.05**

The second Null Hypothesis is also accepted while Alternate Hypothesis is rejected because Sig. Value is greater than 0.05

Ho= There is not a significant negative relationship between gender diversity and organizational performance.

**This hypothesis is accepted because 0.796 > 0.05**

The third Null Hypothesis is also accepted while Alternate Hypothesis is *rejected* because Sig. Value is greater than 0.05

Ho= There is not a significant negative relationship between educational diversity and organizational performance.

**This hypothesis is accepted because 0.970 > 0.05**

The fourth Null Hypothesis is also accepted while Alternate Hypothesis is rejected because Sig. Value is greater than 0.05

Ho= There is not a significant positive relationship between geographic diversity and organizational performance.

**This hypothesis is accepted because 0.601 > 0.05**

The fifth Null Hypothesis is also accepted while Alternate Hypothesis is rejected because Sig. Value is greater than 0.05

Ho= There is not a significant negative relationship between income diversity and organizational performance.

**This hypothesis is rejected because 0.249 > 0.05**

The sixth Null Hypothesis is also accepted while Alternate Hypothesis is rejected because Sig. Value is greater than 0.05

Ho= There is not a significant negative relationship between religion diversity and organizational performance.

**This hypothesis is accepted because 0.413 > 0.05**

*Result shows all the six Alternate Hypotheses are rejected while Null Hypotheses are accepted.*

## Interpretation of VIF

Collinearity Statistics contains VIF which indicates multicollinearity between variables. Here, in this Research Study, all the VIF values are less than 10. If values are less than 10 it means there is no multicollinearity between variables.

VIF value of Age Diversity is 1.024 which is less than 10. These is no multicollinearity between variables.

VIF value of Gender Diversity is 1.055 which is less than 10. These is no multicollinearity between variables.

VIF value of Educational Diversity is 1.029 which is less than 10. These is no multicollinearity between variables.

VIF value of Geographic Diversity is 1.061 which is less than 10. These is no multicollinearity between variables.

VIF value of Income Diversity is 1.023 which is less than 10. These is no multicollinearity between variables.

VIF value of Religion Diversity is 1.071 which is less than 10. These is no multicollinearity between variables.

## Regression Equation

$$y = a + b_1X_1 + b_2X_2 + b_3X_3 + €$$

$$y = 3.090 - 0.384\beta_1 - 0.024\beta_2 + 0.007\beta_3 + 0.057\beta_4 + 0.336\beta_5 + 0.278\beta_6 + €$$

Here,

y=   Organizational Performance

$\beta_1$= Age Diversity

$\beta_2$= Gender Diversity

$\beta_3$= Educational Diversity

$\beta_4$= Geographic Diversity

$\beta_5$= Income Diversity

$\beta_6$= Religion Diversity

€ = Error Term

**Interpretation of Constant**

3.090 is constant whereas remaining values indicate impact on y i.e. Organizational Performance. Organizational Performance is the dependent variable while remaining variables are the independent variables which are clearly mentioned earlier in the first chapter.

$$-0.384\beta_1 -0.024\beta_2 + 0.007\beta_3 + 0.057\beta_4 + 0.336\beta_5 + 0.278\beta_6$$
*These are the values which showcase impact on Organizational Performance.*

**Interpretation for β1= Age Diversity**

-0.384β1 means that if all variables held constant then Organizational Performance will be decreased by 0.384

Age Diversity has an Inverse Relationship with Organizational Performance. If Age Diversity decreases Organizational Performance will be increased.

**Interpretation for β2= Gender Diversity**

-0.024 means that if all variables held constant then Organizational Performance will be decreased by 0.024

Income Diversity has an Inverse Relationship with Organizational Performance. If Income Diversity decreases Organizational Performance will be increased.

*These both negative values indicate that Age Diversity and Gender Diversity have a negative impact on the Organizational Performance. These variables also have an inverse relationship with dependent variable i.e. Organizational Performance.*

**Interpretation for β3= Educational Diversity**

0.007 means that if all variables held constant then Organizational Performance will be increased by 0.007

**Interpretation for β4= Geographic Diversity**

0.057 means that if all variables held constant then Organizational Performance will be increased by 0.057

### Interpretation for β5= Income Diversity

0.336 means that if all variables held constant then Organizational Performance will be increased by 0.336

### Interpretation for β6= Religion Diversity

0.278 means that if all variables held constant then Organizational Performance will be increased by 0.278

*These four variables (Educational Diversity, Geographic Diversity, Income Diversity and Religion Diversity) indicate positive values of Beta which means they have a positive impact on Organizational Performance. These variables also have a direct relationship with dependent variable i.e. Organizational Performance. Direct Relationship means if one thing is increasing another one is also increasing.*

### Interpretation of € = Error Term
Error is an obvious element for human, machines and software as well. Error Term is mentioned in Regression Equation which has a purpose of representing some disturbance in the relationship between dependent and independent variables.

## Descriptive Statistics

| DESCRIPTIVE STATISTICS | | | | |
|---|---|---|---|---|
| **Variables** | **Minimum** | **Maximum** | **Mean** | **Std. Deviation** |
| **Organizational Performance** | 1.75 | 14.50 | 4.0739 | 1.44830 |
| **Age diversity** | 2.25 | 4.75 | 3.7348 | .52387 |
| **Gender diversity** | 2.25 | 13.50 | 3.7675 | 1.57614 |
| **Educational diversity** | 1.50 | 8.50 | 3.4565 | .72794 |
| **Geographic diversity** | 2.20 | 14.00 | 3.6339 | 1.34013 |
| **Income diversity** | 2.25 | 5.00 | 3.7065 | .49144 |
| **Religion diversity** | 2.50 | 4.75 | 3.7168 | .45868 |

**Interpretation of Descriptive Statistics**

Here, Organizational Performance is the dependent variable and all the others are independent variables. The minimum value of Organizational Performance is 1.75, maximum value is 14.50, mean is 4.0739 and standard deviation is 1.44830. The minimum value of Age Diversity is 2.25, maximum value is 4.75, mean is 3.37348 and standard deviation is 0.52387. The minimum value of Gender Diversity is 2.25, maximum value is 13.50, mean is 3.7675 and standard deviation is 1.57614.

The minimum value of Educational Diversity is 1.50, maximum value is 8.50, mean is 3.4565 and standard deviation is 0.72794. The minimum value of Geographic Diversity is 2.20, maximum value is 14.00, mean is 3.6339 and standard deviation is 1.34013. The minimum value of Income Diversity is 2.25, maximum value is 5.00, mean is 3.7065 and standard deviation is 0.49144. The minimum value of Religion Diversity is 2.50, maximum value is 4.75, mean is 3.76168 and standard deviation is 0.458688.

| Correlations | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Organizational Performance | Age Diversity | Gender Diversity | Educational Diversity | Geographic Diversity | Income Diversity | Religion Diversity |
| **Organizational Performance** | Pearson Correlation | 1 | -.132 | -.036 | .030 | .020 | .117 | .085 |
| | Sig. (2-tailed) | | .159 | .705 | .749 | s.834 | .213 | .372 |
| | N | 115 | 115 | 114 | 115 | 112 | 115 | 113 |
| **Age Diversity** | Pearson Correlation | -.132 | 1 | -.089 | -.052 | .084 | -.035 | -.056 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Sig. (2-tailed) | .159 | | .346 | .581 | .379 | .714 | .557 |
| | N | 115 | 115 | 114 | 115 | 112 | 115 | 113 |
| **Gender Diversity** | Pearson Correlation | -.036 | -.089 | 1 | -.037 | -.109 | -.037 | -.150 |
| | Sig. (2-tailed) | .705 | .346 | | .693 | .255 | .693 | .114 |
| | N | 114 | 114 | 114 | 114 | 111 | 114 | 112 |
| **Educational Diversity** | Pearson Correlation | .030 | -.052 | -.037 | 1 | .050 | -.007 | .117 |
| | Sig. (2-tailed) | .749 | .581 | .693 | | .598 | .942 | .216 |
| | N | 115 | 115 | 114 | 115 | 112 | 115 | 113 |
| **Geographic Diversity** | Pearson Correlation | .020 | .084 | -.109 | .050 | 1 | -.132 | -.116 |
| | Sig. (2-tailed) | .834 | .379 | .255 | .598 | | .165 | .226 |
| | N | 112 | 112 | 111 | 112 | 112 | 112 | 110 |
| **Income Diversity** | Pearson Correlation | .117 | -.035 | -.037 | -.007 | -.132 | 1 | .045 |
| | Sig. (2-tailed) | .213 | .714 | .693 | .942 | .165 | | .638 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | N | 115 | 115 | 114 | 115 | 112 | 115 | 113 |
| **Religion Diversity** | Pearson Correlation | .085 | -.056 | -.150 | .117 | -.116 | .045 | 1 |
| | Sig. (2-tailed) | .372 | .557 | .114 | .216 | .226 | .638 | |
| | N | 113 | 113 | 112 | 113 | 110 | 113 | 113 |

## Interpretation of Correlation of Organizational Performance and Age Diversity

There is an inverse relationship between Organizational Performance and Age Diversity. -0.132 indicates that if an organization has higher level of Age Diversity, then Organizational Performance will be lower.

## Interpretation of Correlation of Organizational Performance and Gender Diversity

There is an inverse relationship between Organizational Performance and Gender Diversity. -0.036 indicates that if an organization has higher level of Gender Diversity, then Organizational Performance will be lower.

## Interpretation of Correlation of Organizational Performance and Educational Diversity

There is an inverse relationship between Organizational Performance and Gender Diversity. 0.030 indicates that if an organization has higher level of Educational Diversity, then Organizational Performance will also be high.

## Interpretation of Correlation of Organizational Performance and Geographic Diversity

There is an inverse relationship between Organizational Performance and Educational Diversity. 0.020 indicates that if an organization has higher level of Educational Diversity, then Organizational Performance will also be high.

**Interpretation of Correlation of Organizational Performance and Income Diversity**

There is an inverse relationship between Organizational Performance and Income Diversity. 0.117 indicates that if an organization has higher level of Income Diversity, then Organizational Performance will also be high.

**Interpretation of Correlation of Organizational Performance and Religion Diversity**

There is an inverse relationship between Organizational Performance and Religion Diversity. 0.085 indicates that if an organization has higher level of Religion Diversity, then Organizational Performance will also be high.

## CONCLUSION AND RECOMMENDATIONS

The basic objective of this study was to determine the impact of workforce diversity on Organizational Performance financially as well as non-financially. Further, it also discovers which kind of diversification has a significant effect on the firm's financial performance.

As the results have proven that there is a relationship between all taken variables of Diversity and Organizational Performance. Some varieties of diversity have negative relationship with Organizational Performance while others have a significant positive relationship with Organizational Performance.

Hypotheses testing has shown that there is an impact of Workforce Diversity on Organizational Performance. This Organizational Performance is impacted financially and non-financially.

All the hypotheses are accepted so I cannot state which kind of diversity has a strong relationship with Organizational Performance. Gender Diversity has a negative impact on Organizational Performance so it is concluded that conflicts arise and miscommunication have a negative impact on Organizational Performance. Simultaneously, innovative ideas are the source of diversity.

Age Diversity and Gender Diversity have a *significant negative impact* on overall Organizational Performance. Educational, Geographic, Income and Religion Diversity have a *significant positive impact* on overall Organizational Performance. All the hypotheses created were accepted and indicated the impact of Diversity on the Organizational Performance.

We should take some serious steps to manage Workforce Diversity as it is enhancing rapidly. Diversity Management Officers who are responsible for managing diversified workforce should pay them equally without any discrimination. The Salary and Compensation Plans should be same for all the employees of an organization.

The environment and top management should be equally supportive for both male and female employees. Otherwise, the Organizational Performance can be declined if this type of discrimination occurs.

Training and Development is a very important function of Human Resource Management. Performance Management System should be applied effectively with the proper strategic planning. It should be aligned with the Organizational Goals and the appraisal process should be equal for the working force.

Generally, top management and other personnel supports employees who are financially strong and have a good background. But, as we have seen that higher the income diversity higher will be Organizational Performance. So, companies should induct both kinds of candidates. They should not consider their financial background and things alike. Like in the same way, Religion Diversity has an identical case with Organizational Performance. We should hire people from diverse religious background.

When Geographic Diversity comes in discussion it includes various kinds of people who have different cultures, traditions, tastes, color, language, caste, etc. When these kinds of people are inducted in an organization there will be a positive impact on Organizational Performance. Creative and innovative ideas flourish Organizational Performance. For example, People from different areas comes with various thinking and knowledge and culture. Their ideas and plans can help developed marketing plans and ads. This can improve marketing department and enhances the quality of online ads, TV Commercials and Printed ads.

- Proper documentation is required when there is a huge diversity in an organization.
- Non- discriminated systems should be implemented to retain people.
- A well-qualified officer should be inducted to manage diversified workforce effectively and efficiently.
- Open communication should be prevailed between top management and other employees. This will have helped minimizing confusions and misunderstandings.
- A good mentor helps in establishing friendly relationships between work teams.
- Cultural change is mostly resisted by the employees so, counseling by the mentor helped the organizations to increase their performance.
- Employees should be given a chance to involve them in decision making

## REFERENCES

Henry Ongori and J. Evans Agolla, (2007). *Critical review of literature on workforce diversity*. African Journal of Business Management pp. 072-076, July 2007

Data retrieved about Diversity at Google from website, https://diversity.google/

*Diversity delivers a distinct competitive advantage*. New Zealand (NZ), Diversity

M. Simons Starlene and N. Rowland, (2011). *Diversity and its Impact on Organizational Performance: The Influence of Diversity Constructions on Expectations and Outcomes*.Kimberly Journal of Technology Management & Innovation

Besler Senem and Sezerel Hakan, (2012). *Strategic Diversity Management Initiatives: A Descriptive Study*. Procedia - Social and Behavioral Sciences 58 (2012) 624 – 633

Kulkarni Shilpa, (2012). *A study on cultural diversity management for Indian organizations.* Procedia - Social and Behavioral Sciences 37 (2012) 267 – 276

J. Maingi and M. Makori, (2015, July). *Effect of Workforce Diversity on Employee Performance in Kenya: A Case of Kenya School of Government.* The Strategic Journal of and Change Management, Vol. 2 (59), pp 343-364

Gilbert Jacqueline, Ann Stead Bette Ann Stead and M. Ivancevich John, *Diversity Management: A New Organizational Paradigm.* Journal of Business Ethics: Vol. 21, No. 1 (Aug, 1999), pp. 61-76

Dike, Priscilla (2013). *The Impact of Workplace Diversity on Organizations*

S. MWATUMWA ABDALLAH, Dr. Kingi William, 3Dr. Hussein Mohamed, Dr. Ibua Mary, Dr. Omido Karim, (2016). E*ffect of Workforce Diversity on Employee Work Performance: A Study of the County Government of Mombasa.* International Journal of Management and Commerce Innovations

A. Erolin Alexander, (2016). *Diversity in an Organization: A Case Study of how Diversity is addressed in a Multi-National Organization.* Education Doctoral Dissertations in Organization Development. 47.

J. Milliken Frances and L. Martins Luis, (1996). *Searching for Common Threads: Understanding the Multiple Effects of Diversity in Organizational Groups*. *The Academy of Management Review*: Vol. 21, No. 2 (Apr. 1996), pp. 402-433

Alghazo Ali and M. Al Shaiban Hamad, (July 2016). *The Effects of Workforce Diversity on Employee Performance at an Oil and Gas Company.* American Journal of Business and Society.  Vol. 1, No. 3, pp. 148-153