

A STUDY ON INTERCONNECTION BETWEEN PERFORMANCE AND ETHNIC DIVERSITY IN AN ORGANISATION

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Abstract: *Ethnic diversity within an organisation has a major impact on the employee performances. Therefore, this overall affects employee motivation and their productivity. Therefore, this workplace diversification affects the profitability of the company. Furthermore, it has been seen that employees are segregated as per their age and gender. Therefore, this overall affects their mental well-being. In this research study, the researcher has performed study on about 22 participants. The researcher surveys managers in order to understand the impact of ethnic diversity on employee performance. Furthermore, the researcher has selected employees randomly from various organisations like retail and telecommunication industry. The researcher has used 5% significance level in order to understand the impact of gender diversification on organisational performance. The P-value has found to be about 0.997372. Moreover, the value of X^2 is not significant at $p < 0.05$ and the null hypothesis is rejected. The researcher accepts the alternative hypothesis in this research study. Therefore, it can be said that ethnic diversity affects employee performance and business activities. Henceforth, it can be said that workplace diversification affects the business performance.*

Key Words: *Employee performance, ethnic diversity, workplace diversification, business performance and employee relationship*

1. INTRODUCTION:

Public sectors are ethnically diverse and therefore government agencies have made many attempts in order to manage these workplace diversities. Henceforth, it has also been seen that these workplace diversities have a huge impact on the performance rate of the employees. Therefore, this overall affects the profitability of the companies. The following research project will detail the requirements of ethnic diversification within workplace and its impact on employee performance. Furthermore, the issues related to this diversification will also be detailed in this research project.

2. OBJECTIVES:

The primary objectives of this current research study are to understand the interconnection between employee performance and ethnic diversity. Furthermore, this research study has other secondary objectives that are listed as below-

- To identify the ethnic diversities and its impact on employee performance
- To critically assess the various factors affecting ethnic diversity within an organisation
- To critically evaluate the impact of ethnic diversity on business performance
- To recommend ways to flexible ethnic diversity in an organisation to improve its performance.

3. HYPOTHESIS:

The current research study would deal with the ethnic diversity and its impact on business performance. Furthermore, organisational performance and ethnic diversity are the two variables that will be elaborated in this current research study. The hypotheses are formulated as following-

H0: There is no significant relationship between business performance and ethnic diversity

H1: There is a significant relationship between business performance and ethnic diversity

In this case,

H0 is null hypothesis while H1 is an alternative hypothesis.

4. LIMITATION OF THE STUDY:

One of the main limitations of the researcher is time constraints. The researcher did not get enough time to conduct the study. Furthermore, restriction of the geographical area is another limitation that affects the research

study. In this case, the researcher needs to confine this study within India and therefore, a limited amount of data and information has been provided in this study. Furthermore, in order to identify the relationship between organisational performance and ethnic diversity, it is essential to collect information and data from various companies. However, the researcher was not able to obtain information from small-scale and large-scale companies. Henceforth, in future, the researcher needs to include various other parameters in order to understand the impact of ethnic diversity on organisational performance.

5. REVIEW OF LITERATURE:

Introduction- Workplace diversity has a major impact on the business performance and this overall affects the productivity of the company. It has been seen that most of the Indian firms do not involve experienced workers based on false assumptions that these employees would be expensive. Furthermore, the managers of these organisations believe that these old employees are prone to health-related problems and therefore, they could not perform well. Therefore, the following unit will discuss the various ethnic diversities that are prevalent within an organisation and its impact on performance.

Various ethnic diversities that are prevalent within workplace- It has been seen that mixed gender groups could perform better than same gender group. However, majority of the firms believe that women could not perform better. Therefore, this gender diversity affects the performance rate of the employeesⁱ. Furthermore, it has also been seen that those firms having male dominance perform less than those organisations include both the genderⁱⁱ. Homogeneous gender groups could not perform better than heterogeneous gender management people could and this shows the both gender of people are significant within an organisationⁱⁱⁱ. Furthermore, age is another factor that most of the organisations have^{iv}. It has been seen that older age group of people with high skills and experience are not appointed and therefore, this affects the overall productivity of the companies^v. Older aged group of employees are thought to be weak and unable to work properly and therefore, tasks are not allocated to them. They are compared with younger generation group of employees and therefore, this affects their motivation power^{vi}. Majority of these firms believe that younger generation has more potency to older aged group of people^{vii}. They could work better and therefore, this influences the performance rate of older group of people^{viii}.

Impact of ethnic diversity on employee performance- It has been seen that workplace diversity have a definite impact on the employee performances. Many employees are subjected to age as well as gender biasness^{ix}. They are restricted from performing within the workplace and therefore, they become vulnerable^x. Aged employees are prevented from performing within workplace as they are stereotyped for not performing well^{xi}. Therefore, this overall affects the productivity of these companies. Furthermore, women are allowed to perform in workplace since they are considered to be weak^{xii}. Therefore, employee performance gets impacted due to ethnic diversities that are prevalent within this workplace^{xiii}. Henceforth, employees should not be subjected to nay diversification as they get affected. Their mental well-being gets impacted and this overall affects their performance rate^{xiv}. These employees fail to perform better and this reduces workplace profitability^{xv}.

Factors affecting ethnic diversity within workplace-

Profit is one of the main factors within any workplace and in case any organisation fails to work properly then ethnic diversification occurs. Furthermore, it has been seen that organisational norms are different and they are mostly based on the structure of the organisation^{xvi}. There are some organisations where disabled people cannot work and therefore, this creates task diversification^{xvii}. Furthermore, these disabled people are not allowed to work within the workplace fearing that it might affect the productivity of the employees^{xviii}. Moreover, there are organisations that are male dominant and therefore, this again affects the employee motivation. It is essential to remove workplace diversification and provide equal opportunities to every employee^{xix}. Employees should not allowed to work irrespective of their physical disabilities. Moreover, task delegation should be done based on skills and experience of the employees^{xx}. Therefore, workplace diversification should not be done under any circumstances as this might affect the employee motivation and their performances.

6. RESEARCH METHODOLOGY:

In the research study, the researcher has collected data and information from about 22 managers and these employees were selected randomly from various organisations. Furthermore, the researcher has taken information using inferential as well as descriptive analysis. Moreover, Standard deviations have been used in order to carry out this research study. Finally, chi-square test has been performed in order to evaluate data regarding the relationship between performance and ethnic diversity. 5% significance level has been analysed by the researcher in order to conclude regarding the relationship and impact of ethnic diversity on employee performance.

7. RESULT:

Categories	Classification	Number of respondents	Percentage %
Age	18-25 years	12	55
	25-30 years	6	27
	30-45 years	3	13
	45-50 years	1	5
	50 and above	0	
Sex	Female	12	55
	Male	10	45
Managers	Telecommunication	12	55
	Retail	10	45
Total		22	100

Table 1: Description of the respondents

(Source: Created by the researcher)

It has been seen from the above-mentioned table that the participants that has been chosen by the researcher within 18 to 25 years of age. Moreover, about 27% of participants belong to an age group of 25 to 30 years. About 13% of participants fall in the age group of about 30 and 45 years. While only 5% of participants fall within the age group of 45 and 50 years. It has been seen that about 45% of respondents are female while only 55% of participants are male. The researcher has chosen managers from retail as well as telecommunication industry. The managers have been chosen as they could better convey information regarding the relationship between ethnic diversity and employee performance. These managers will be able to provide more authentic data and information regarding the impact of this ethnic diversity on workplace environment. Employees are highly affected due to this workplace diversification and therefore, these managers have been surveyed to analyze the results.

Number of participants/Details on public relations effects	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	frequency
A. Hierarchical structure and its contribution on employee relationship	1	1	1	1	0	1	1	1	0	1	1	1	1	0	1	1	1	0	1	1	1	1	18
B. Collaborative culture and its impact on employee performance	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	1	0	1	1	1	20
C. Firms could enhance profitability by improving organisational culture	1	1	1	0	1	1	0	1	1	1	0	1	1	1	0	1	1	0	1	1	1	0	16
D. Globalisation and its impact on organisational structure and culture	0	1	1	1	0	1	1	1	1	0	1	1	1	0	1	1	1	0	1	1	1	1	17
E. Employee relationship in Indian organisation is not cost effective	1	0	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	1	1	1	1	1	20
F. Impact of organisational culture on employee behaviours and their performance rate	1	1	1	1	1	1	1	1	1	0	1	1	1	1	0	1	1	0	1	1	0	1	18
	5/6	5/6	6/6	5/6	4/6	6/6	5/6	6/6	5/6	4/6	5/6	5/6	6/6	4/6	4/6	6/6	5/6	2/6	5/6	6/6	5/6	5/6	

Table 2: Frequency table

(Source: Created by the researcher)

Hypothesis testing

In this research study, the researcher has used chi-square test in order to understand the relationship between ethnic diversity and performance of the employees. Furthermore, null hypothesis means that there occurs no significant relationship between ethnic diversity and employee performance. While alternative hypothesis means that, there occurs a significant relationship between employee performance and ethnic diversity within an organisation.

Observed (O)	Expected (E)	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
5	6	-1	1	0.167
5	6	-1	1	0.167
6	6	0	0	0
5	6	-1	1	0.167
4	6	-2	4	0.667
6	6	0	0	0
5	6	-1	1	0.167
6	6	0	0	0
5	6	-1	1	0.167
4	6	-2	4	0.667
5	6	-1	1	0.167
5	6	-1	1	0.167
6	6	0	0	0
4	6	-2	4	0.667
4	6	-2	4	0.667
6	6	0	0	0
5	6	-1	1	0.167
2	6	-4	16	2.667
5	6	-1	1	0.167
6	6	0	1	0.167
5	6	-1	1	0.167
5	6	-1	1	0.167
				7.339

Table 3: Test for Chi-square
 (Source: Created by the researcher)

The value of X²= 7.339

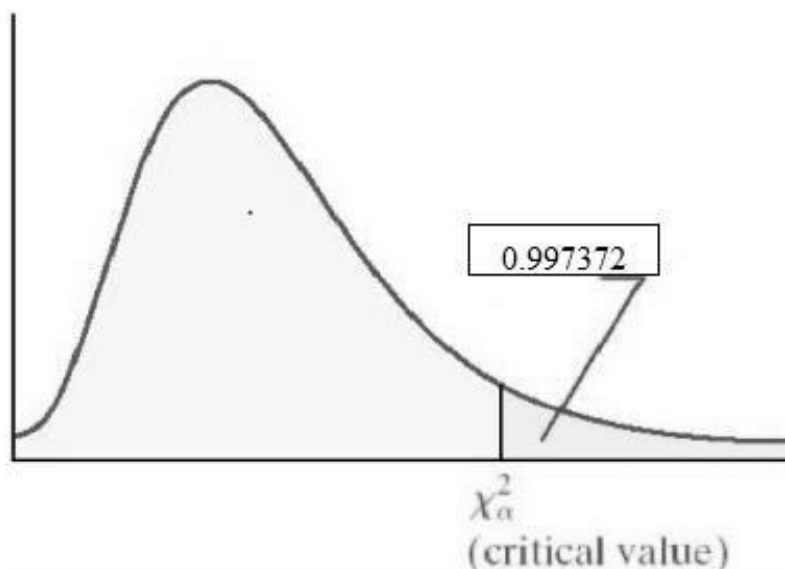


Figure 1: Chi-Square graph
 (Source: Created by the researcher)

Number of respondents= 22
 Therefore, degrees of freedom= 22-1 = 21
 Henceforth, the P-value is = 0.997372

8. DISCUSSION:

It has been seen that the value of P in this research study is about 0.997372 and therefore, this value is not significant (p<0.05). Furthermore, in this research study, the researcher rejects null hypothesis while accepts

alternative hypothesis. Therefore, it could be said that ethnic diversity within an organization has a definite impact on the business performance.

1) It can be said that ethnic diversity affects the business and employee performance. Therefore, this overall affects the performance rate of the employees. Furthermore, many employees are segregated due to their gender and therefore, this affects the employee performance.

2) Diversity within workplace affects employee performance. Moreover, it has also been seen that this reduction in employee performance overall affects the profitability of the employees. Therefore, it is essential that employees should not be subjected to any diversification within their work premises. Furthermore, gender diversification within workplace affects the mental well-being of employees. Therefore, this overall affects their productivity.

9. CONCLUSION:

Henceforth, it can be said that ethnic diversity affects the performance rate of the employees. Furthermore, this also affects the employee motivation and therefore, they fail to perform properly. Gender biases are quite common within an organisation and therefore, this overall affects their productivity. Henceforth, it can be said that employees should not be subjected to any workplace diversification as this affects their productivity.

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APPENDICES:

Appendices

Appendix 1:

1. Do you agree that recruitment of an employee should not be age biased?

Options	Total respondent	Response
Yes (1)	22	
No (0)	22	

2. Do you think your organisation can increase their profitability by mitigating age barriers among employees?

Options	Total respondent	Response
Yes (1)	22	
No (0)	22	

3. Do you think ethnic diversity affects employee motivation?

Options	Total respondent	Response
Yes (1)	22	
No (0)	22	

4. Does your hierarchical structure recruit employee's irrespective ethnic diversity?

Options	Total respondent	Response
Yes (1)	22	
No (0)	22	

5. Does ethnic diversity in organisation contribute in employee engagement?

Options	Total respondent	Response
Yes (1)	22	
No (0)	22	

6. Do you think ethnic diversity has impact on employee performance?

Options	Total respondent	Response
Yes (1)	22	
No (0)	22	