# Workforce Diversity and the Performance of Telecommunication Firms: The Interactive Effect of Employee Engagement (A Conceptual Framework)

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## Abstract

*This concept paper examines the way various elements of workforce diversity namely; age, gender, work experience and culture can significantly influence the performance of organizations with specific reference to telecommunication firms in Kenya. Workforce diversity has evolved to be a moral, social, and economic factor as well as a legal responsibility of employers. The value of diversity at the workplace is also becoming a key business consideration of most organizations. Close and continuous attention to the issues of workforce diversity is important because it can be a major source of competitive advantage. It can also be a source of organizational conflict leading to poor employee relations and low employee engagement. Workforce diversity issues may also adversely affect an organization's public reputation, competitiveness and can significantly threaten the bottom line. The paper further seeks to examine as to whether employee engagement moderates the relationship between workforce diversity and organizational performance. Based on the review of literature, this article develops a conceptual model that explains how an integration of various workforce diversity elements may influence the performance of organizations.*

**Key Words:** Workforce diversity, Employee engagement, Organizational performance

## *1.1 Introduction*

In the past twenty years, the growing diverse work force in organizations has led scholars to pay increased attention to the issue of workforce diversity (Gupta, 2013). The recognition of workforce diversity as a source of competitive advantage has become a reality in organizations today and has generated an enormous amount of interest over the recent years among business leaders, governments and within the civil society (Kochan, Ely, Joshi & Thomas, 2002).

Childs, (2005) argues that any business that intends to be successful must have a borderless view of the workforce by ensuring that workforce diversity is part of its day to day business conduct. Today's workforce is getting more and more heterogeneous due to the effects of globalization (Kurtulus, 2012). When workforce diversity is not managed properly, there will be a potential for higher voluntary employee turnover, difficulty in communication and destructive interpersonal conflicts (Elsaid, 2012). The reverse leads to a more engaged workforce and subsequently improved organizational performance.

Organizations devote resources to diversity initiatives because they believe it is a business imperative and good for the bottom line (Jayne & Dipboye, 2004). ( Konrad, 2003) has also stated that a global economy would require organizations have to attract and retain a diverse workforce so that they can effectively deal with an increasingly diverse customer base leading to increased market share. Firms are seeing the need to hire a workforce that reflects today's diverse society and a major competitive factor for organizations is to attracting and retaining the best available human resource talent in the context of current workforce demographic trends ( Prietto , Phipps , & Osiri , 2009). If firms use their diverse human resource in the right way, then it will be very profitable for them because human diversity increases the flow of new, creative and innovative ideas (Afzal, Mahmood, & Sajid, 2013). According to (Richard, Barnet, Dwyer & Chandwick , 2007), diversity is more conducive to performance in the service industry where firm members come into contact with customers who prefer to be served and interact with similar others, than in manufacturing industry. Diverse workforce ensures a high level of performance and productivity for human and intellectual capital and provides business organizations a competitive advantage in their expanded markets (Okoro & Washington, 2012). Organizations will only be successful to the extent that they are able to embrace and encourage workforce diversity, (Gupta, 2013). Workplace diversity can also generate conflicts between employees. This conflict occurs due to differences of perception, ideas, behaviors, interest, attitudes, religious and political differences and unjustified distribution of resources, (Elsaid, 2012).

### 1.1.1 The Concept of Workforce Diversity

After three decades of talking about diversity in the workplace, there is still considerable debate and confusion over what actually constitutes workforce diversity, (Simons & Rowland,2011). Workforce diversity is generally viewed as acknowledging, understanding, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual practice, and public assistance status. Diversity refers to a mosaic of people who bring a variety of backgrounds, perspectives, values, and benefits as assets to the groups and organizations with which they interact (Otike, Messah , & Mwaleka, 2010 ). Mulkeen,(2008) describes workplace diversity as all the differences that exist within people with respect to age, gender, sexual orientation, education, cultural background, religion, and work experience. Valuing diversity is a key component of effective people management, which can improve workplace productivity (Black & Enterprise, (2001). Dessler, (2011) defines diversity as the variety or multiplicity of demographic features that characterize a company's workforce, particularly in terms of race, sex, culture, national origin, handicap, age, and religion.

Jones & George (2011), assert that diversity is differences among people in age, gender, race, ethnicity, religion, sexual orientation, socioeconomic background, and capabilities/disabilities. Currently, the case of diversity is enjoying high profile in organizational debate partly due to changes in workforce demographics (Armstrong & Mkamwa, 2010). Gupta, (2013) argues that overall workforce diversity enhances better decision making, higher creativity, innovation, and greater competitive advantage. Armstrong, (2006) states that managing diversity is about ensuring that all people maximize their potential and their contribution to the organization. Wentling & Palmarivas, (2000) defines workforce diversity as including cultural factors such as race, gender, age, color, physical ability, ethnicity etc. The broader definition of diversity may include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance, and economic status (Wentling & Palmarivas, 2000). The term diversity is used to illustrate how individuals differ by gender, ethnicity, age, physical abilities, lifestyle, and religion. Workplace diversity incorporates the meaning of diversity within a workplace setting. (Elsaid, 2012).

Today, organizations are embracing a more inclusive definition of diversity that recognizes a spectrum of differences that influence how employees approach work, interact with each other or derive satisfaction from work, (Daft, Kendrick & Natalia, 2010). Okoro et tal, (2012) state that recruitment, management and maintenance of a diverse workforce ensures that the right combination of skills and competencies are available in an organization. Demographic diversity refers to the degree to which a business unit (e.g a work group or organization is heterogeneous with respect to demographic attributes such as age, sex & tenure (Sungjoo, & Rainy, 2009). Social cultural diversity on the other hand refers to attributes such as race, ethnicity, religion, HIV Status, or sexual orientation. Workforce diversity has evolved from a focus on legally protected human attributes such as race, gender and age to a much broader definition that includes the entire spectrum of human differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, sex and sexual orientation (Jayne & Dipboye, 2004).

### 1.1.2 The Concept of Organizational Performance

The concept of "scientific management' by Fredric Taylor in the early twentieth century laid the foundation for the modern concept of organizational performance. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). It is one of the most important variables in the field of management research today. Although the concept of organizational performance is very common in academic literature, its definition is not yet a universally accepted concept. (Gavrea, Ilies & Stegerean, 2011).

Richard et al, (2006) view organizational performance as encompassing three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.), (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance (e.g. shareholder return), customer service, social responsibility, internal business processes & employee stewardship. (Richard et al, 2009).

Daft, (2000) defines organizational performance as the organization's ability to attain its goals by using resources in an efficient and effective manner; effectiveness being the degree to which the organization achieves a stated goal, and efficiency being the amount of resources used to achieve an organizational goal. (Allen, Dawson, Wheatley & White, 2007) noted that, when defining firm performance, it is important to consider a wide range or variety of organizational performance measures which include quality, productivity, market share, profitability, return on equity, customer base and overall firm performance. The term performance was sometimes confused with productivity. Ricardo, (2001) explains that there is a difference between performance and productivity. Productivity being a ratio depicting the volume of work completed in a given amount of time. Performance being a broader indicator that could include productivity as well as quality, consistency and other factors. (Waiganjo, Mukulu & Kahiri, 2012) note that organizational performance may be measured in terms of its multiple objectives of profitability, employee satisfaction, productivity, growth among many other objectives. Advocates of the balanced score card performance management system have proposed a broader performance measurement approach that recognizes both the financial and non-financial measures including sales, profitability, return on investments, market share, customer base, product quality, innovation and company attractiveness.

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility, & employee stewardship. Khan & Khan, (2011) asserts that organizational performance depends on various factors including the contributions of human resource capital. This is because human resource in an organization plays an important role in the growth and organizational performance. (Abu-Jarad, Yusuf & Nikbil, 2010) noted that although many studies have found that different organizations tend to emphasize on different objectives, literature suggests that financial profitability and growth are the most common measures of organizational performance.

Richard et al, (2009) explains that organizational performance comprises of the actual output or results of an organization as measured against its intended outputs (goals & objectives). Kunze, (2013), has defined organizational performance as consisting of both organizational and operational dimensions of performance. Operational performance being measured in terms of employee productivity (ratio of sales/to number of employees) as well as employee retention and fluctuation. Research on performance has gone through many phases in the last 30 years. Initially, they were focused mostly on financial indicators but with time, the complexity of the performance measurement system increased by using both financial and non financial indicators ( Gavrea et al, 2011). Many actions taken by firms do not seem to affect their financial performance much which has led scholars to widen the definition of firm performance to include corporate social performance (Brammer & Millington, 2008; David, Bloom & Hillman, 2007).

### 1.1.3 The Concept of Employee Engagement

Employee engagement is a psychological state that enables employees to present themselves physically, cognitively and emotionally during the role performance (Khan, 1990). Several organizational variables like organizational support have been considered as predictors of employee engagement (Saks, 2006; Rich, Lipine & Crawford, 2010). Employees' level of comfort at an organization is higher when perceived or real diversity is higher. This is due to the perception of care that is felt among employees. As a result, these perceptions contribute to long term success of an organization as the employees choose to remain loyal and engaged with the organization with decreased turnover intentions (McKay, Avery, & Morris, 2008). Previous empirical research suggest that organizations that embrace multiculturalism and a policy of inclusion of all individuals will experience less absenteeism due to greater attitudinal attachment or engagement of employees. (Cox & Blake 1991; Ivancevich & Gilbert, 2001). Skalsky & McCarthy, (2009) have argued that workforce diversity can have a major impact on employee engagement within an organization. In their two studies, Sangeeta & Harter, (2014) found that employee engagement and gender diversity independently predicted financial performance and additive effect of both is larger than the independent effect of each on business –unit performance.

## 2.1 Theoretical Review of Literature

### 2.1.1 Blau's Theory of Heterogeneity

Blau, (1977) argued in his theory of heterogeneity that firms with different levels of cultural diversity experience dissimilar dynamics and organizational outcomes. Within culturally homogeneous groups, members will tend to communicate with one another more often and in a greater variety of ways resulting in in-group attachments and shared perceptions. This enhances group cohesion and subsequent organizational outcomes. An important but ignored topic of study in the research on group diversity is the basis for work group formation. According to (Blau, 1977), many organizational groups, such as functional departments, may be experiencing greater gender and culture diversity as the increasing diversity of the workforce brings a more diverse set of workers to organizations. However, the inflow of diverse workers does not necessarily mean that all organizational groups will assemble in a diverse way Blau's, (1977) discussion of group heterogeneity and social structure may be instructive. On the one hand, Blau asserts that similarities on one nominal parameter (e.g., race) will promote social associations. On the other hand, he maintains that people will associate not only with members of their own groups but also with members of other groups.

### 2.1.2 Social Categorization Theory

Social-categorization theory, by (Turner, 1987) suggests that people belong to many different social groups (e.g nation, employer, or school). It predicts that individuals sort themselves into identity groups based upon salient characteristics and that they act in concert with their categories and favour contexts that affirm group identity (Hogg & Terry, 2000). In consequence, dissimilar individuals are less likely to collaborate with one another compared to similar individuals. In this way, social categorization may disrupt elaboration of task-relevant information because of possible biases towards in-group members and negative biases towards out-group members. (Knippenberg, Kleef & De-Dreu, 2007). This is a theory of the self, group processes, and social cognition (Turner et al., 1987) which emerged from research on social identity theory. It is concerned with variation in self-categorization (in the level, content, and meaning of self-categories. It focuses on the distinction between personal and social identity. Social-categorization theory seeks to show how the emergent, higher-order processes of group behavior can be explained in terms of a shift in self-perception from self-categorization in terms of personal identity to self-categorization in terms of social identity.

### 2.1.3 Similarity/ Attraction Theory

Byrne's, (1970) theory of effect and attraction assumes that one's evaluation of another is the result of reinforcement associated with the other. Similarity/attraction theory posits that people like and are attracted to others who are similar, rather than dissimilar, to themselves; "birds of a feather," the adage goes, "flock together." Social scientific research has provided considerable support for tenets of the theory since the mid-1900s. The theory provides a parsimonious explanatory and predictive framework for examining how and why people are attracted to and influenced by others in their social worlds. In addition to people's inclinations to be attracted to those who share similar attitudes, people are also attracted to others who manifest personality characteristics that are similar to their own. (Byrne, 1971).Various researchers from a variety of fields such as marketing, political science, social psychology, and sociology have supported the assumptions of similarity/attraction theory.

In addition, interactions that may be perceived to be discriminatory on the basis of religion, ethnicity, age, and gender may lead to harmful and negative effects on team cohesiveness (Triana, Garcia & Colella, 2010). The argument is that people of similar religious background, ethnicity, age group, and gender may tend to prefer to work together due to their common characteristics thus enhancing group cohesiveness and performance.

### 2.1.4 Resource Based View Theory

Resource Based View (RBV) Theory views organizations as consisting of a variety of resources generally including four categories viz; physical capital, financial capital, human capital, and corporate capital, (Barney & Clark, 2007). The attributes of resources held by firms can contribute and determine their level of performance (Yang & Konrad, 2013). Resources that allow a firm to implement its strategies are viewed as valuable and can be a source of competitive parity Barney & Clark D, (2007). Resources that are viewed as valuable and rare can be a source of competitive advantage. Those that are valuable, rare, and inimitable can be a source of sustained competitive advantage (Barney & Clark, 2007). Moreover, to achieve a sustained competitive advantage, a firm needs to have the ability to fully exploit the potential and stock of its valuable, rare, and inimitable resources. Such ability and potential often resides in the diverse characteristics of its workforce.

Barney (1986, 1991) summarized four empirical indicators of the potential of firm resources to generate sustained competitive advantage in a VRIN model signifying V=Valuable, R=Rare, I=Imperfectly Imitable and N=(Non) – Substitutability. The resource-based view (RBV) as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile, Peteraf, (1995). Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort. Barney, (1991). If these conditions hold, the bundle of resources can sustain the firm's above average returns. The VRIO and VRIN model also constitutes a part of RBV. Considering diversity as resources to organizations can therefore be supported by the resource based view theory.

### 2.1.5 Strategic Choice Theory

Strategic-choice theorists argue that top executives make decisions that influence organizational outcomes and performance. (Roberson & Park, 2007) stated that low to moderate levels of leader racial diversity may weaken strategic decision making through decreased communication and increased conflict among organizational leaders, thus negatively influencing firm performance. Effective strategic choice requires the exercise of power and that organizational actors possess the discretion to act in their own free will. Thus, CEOs are assumed to have substantial leeway in shaping their organizations (Finkelstein & Hambrick, 1996). The argument that demographic diversity is assumed to be associated with cognitive abilities that expand a team’s informational resources and enhances its problem solving capacity was advanced by (Dutton & Duncan, 1987). Thus, within the context of top management teams, diversity broadens the range of cognitive perspectives needed to recognize strategic opportunities and consider various strategic choices or alternatives (Wiersma & Bartel 1992). Strategic choice theory could therefore support the principles and tenets of integrating workforce diversity in all levels of an organization for optimum results.

## *3.1 The Conceptual Framework*

Mugenda and Mugenda, (2003) describes a conceptual framework as a hypothesized model identifying the concepts under study and their relationship. The purpose of the conceptual framework is to help the reader to see the proposed relationships at a glance. The study constructs in this paper are described and diagrammatically illustrated in the framework below:-

### 3.1.1 The independent variables

The conceptual framework of this paper illustrates the four dimensions/elements of workforce diversity namely; age, gender, work experience, and culture herein referred as the independent variables as they relate with organizational performance which is the dependent variable.

### 3.1.2 The dependent variable

The dependent variable is organizational performance. The paper seeks to show how the variations in organizational performance may be explained by the aforementioned independent variables. For the purpose of this paper, organizational performance described in objective terms like growth in sales and profits, customer subscriptions, and technological innovations using the balanced score card approach. The use of this approach provides a comprehensive & holistic view of a firm's performance. (Kaplan & Norton, 1996). Objective measures of performance allow a broader range of organizations to be compared with a single study (Allen, Dawson, Wheatley, & White, 2008).

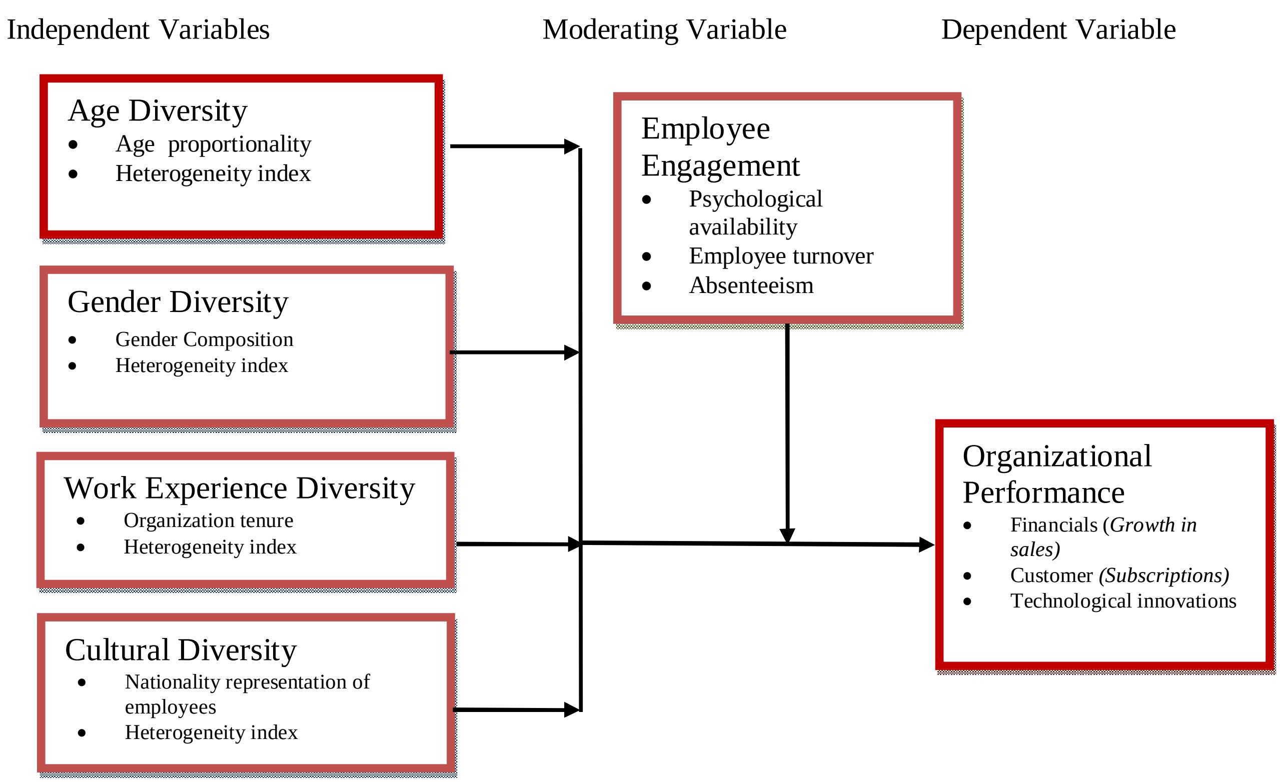
### 3.1.3 The Moderating Variable

It is conceptualized that the independent variables do not directly affect the dependent variable but have an influence on employee engagement which further influences the dependent variable. The level of employee engagement is the variable that is likely to be influenced by the way various diversity elements are entrenched within the organizations. This may be indicated by rates of employee turnover and absenteeism. The level of employee engagement may further influence the employees' productivity as an organizational outcome as well as other aspects of organizational performance.

### 3.1.4 Extraneous Variables

Although the focus of this paper is to establish the effects of workforce diversity on organizational performance, a set of extraneous variables that are not related to the purpose of the study may affect the dependent variable. It is recognized that these factors are likely to influence the relationship between the dependent and the independent variables. These factors include but are not limited to; Firm Size, Firm Age, and Marketing Strategy among others. These extraneous variables would be factored as the error term ***e*** of the regression model in a research situation**.**

**Figure 1.1: The conceptual model**




## *4.1 Empirical Review of Literature*

### 4.1.1 Workforce Diversity and Organizational Performance

It has been researched and proposed that maintaining a pro-diversity work environment can effectively provide a firm with a strong competitive advantage (Clarke & Iles, 2000). Given the age of globalization and knowledge economy, business organizations will be successful only to the extent that they are able to embrace and encourage diversity by ensuring that their workplace is significantly diverse and that their diverse workforce is respected, appreciated and valued (Okoro & Washington, 2012).The underlying premise is that heterogeneous groups are more likely to be creative, productive, or effective in attainment of organizational goals as opposed to homogeneous groups (Milken & Martins, 1996). The demographic changes occurring in most countries present an urgent challenge for many organizations (Kunze et al, 2013). These changes imply that organizations that had a largely homogeneous workforce with respect to age have to consider a pressing question and concerns on the consequences of age diversity on the company's overall performance. For organizations to make informed decisions, regarding the use of scarce resources to improve performance, they must be able to compare the effects of different potential initiatives. Currently, the case of diversity is enjoying high profile in organizational debate partly due to changes in workforce demographics (Armstrong, Flood, Liu, Guthrie & Mkamwa, 2010).

Since 1996, American corporations are learning how to leverage on cultural diversity for enhanced competitive advantage. They view workforce diversity as one of the initiatives for increasing organizational effectiveness (Kotchan, Ely, Joshi, & Thomas, (2002). Jones et al, (2011) explains that the diversity of organizational members can be a source of competitive advantage helping an organization provide customers with better goods and services. Redman & Wilkinson,(2006) also affirmed that effective diversity management contributes to best use of human resource; flexible workforce to aid re – structuring; workforce representative of the local community; improved corporate image with potential employees and customers; attracting ethical investors; managers can integrate equality into corporate objectives and new business ideas from a diverse workforce. (Nishii, Gotte & Raver, 2007) found that the demographic diversity of senior management teams is positively associated with demographic diversity of work forces at large and those forms that adopted diversity initiatives outperformed those that did not. Diversity recognizes the fact that the human race is characterized by differences in gender, ethnic origin, age, religion, lifestyle, and physical abilities. (Simons & Rowland, 2011) argue that diversity and diverse interpretation of viewpoints into organizations are pertinent in a world of shifting demographic patterns and work practices.

### 4.1.2 Age diversity:

Unlike other forms of equality such as race and gender, age discrimination as a policy issue has only began to emerge over the past twenty years (Riach , 2009). Duncan, (2003) has argued that the business case for age diversity may also be used to stake claim against recruiting older workers, on account of higher employment costs. Diversity scholars have argued that age-diverse workforces display a host of different knowledge, values, and preferences. Their perspectives, including their mental models are different.( Richard & Shelor, 2002). Thus as a team, they have a larger pool of knowledge and a larger problem solving toolbox leading to improved firm performnce (Gelner & Veen , 2013). (Wiersema & Bantel, 1992) have observed that younger managers are more likely to have attended school in a more diverse environment, or worked with minority groups at some point during their careers.

Medical, psychological and economic research has also shown that employees of different age groups differ in skills, attitudes and abilities and that these differing characteristics have different effects on productivity (Gelner & Veen , 2013).. Young employees are considered to be more flexible and can portray an attitude of more change readiness as opposed to older employees. Old employees can also be considered as reservoirs of knowledge carrying the institutional memory of an organization thus enabling effective transfer of skill. Moreover, succession planning becomes more effective in age diverse organizations. Innovation has become one of the key strategies of the firm for gaining competitive advantage, expanding market share, and increasing overall firm performance ( Hitt, Hoskisson & Kim, 1997; Franko, 1989). Age- diverse workforces display a host of different knowledge, values, perspectives, interpretations, and preferences that are prerequisites for innovation (Richard & Shelor, 2002; Page, 2007). Moreover, younger managers are more likely to have greater learning capabilities, are more recently educated, and thus are more likely to be more risk-taking, flexible, and innovative. A combination of young and old cohorts of workers with different knowledge pools can therefore increase innovation as compared to having homogeneous workers (Gelner & Veen 2013).

### 4.1.3 Gender Diversity

The increase in gender diversity at the workplace has attracted the attention of both researchers and practitioners and a particular question that arise is whether gender composition in an organizations' workforce will affect individual, group or organizational level performance (Gupta, 2013). Due to rapid environmental changes, many countries are changing to accommodate the increasing diverse workforce in their organizations, (Elsaid, 2012). Several researchers investigating workforce diversity have found that gender diversity in the boardroom can positively affect firm performance (Carter, Simkins & Simpson 2003,). However, other studies have reported contrary findings of a negative relationship between women in boards and firm performance (Dwyer, Richard & Chandwick, 2003) while (Dimovski & Brooks, 2006) reported no direct relationship between gender diversity and firm performance. Several researchers have argued that high levels of gender diversity are a source of competitive advantage. Based on literature, we argue that a well balanced gender composition of employees may help create synergy leading to positive organization outcomes. Gender diversity is associated with resources that can provide a firm with a sustained competitive advantage. These resources include market insight, creativity, innovation and improved problem solving capabilities ( Nkomo & Cox, 1993). Men's and Women's differences may provide insights into the different needs of male and female customers. Researchers have further argued that men and women may also have different cognitive abilities. A combination of different cognitive abilities in a gender diverse team may enhance overall team cohesion, creativity, and innovation leading to improved organizational performance.

### 4.1.4 Work Experience Diversity

Avolio, Waldman & McDaniel, (1990), noted that work experience was a better predictor of performance than age. A breakdown of jobs into five occupational groupings revealed a moderating effect for occupational type. Findings also showed that age and experience exhibit nonlinear relationships with performance. Experienced workers generally are viewed as dependable, loyal, and dedicated. They are also viewed as having a strong work ethic, solid performance record, due to possessing years of working related experience. Work experience can also have a positive effect on ones value system, problem solving capabilities, emotional intelligence, leading to improved individual productivity and overall organizational performance. (Avolio, et al, 1990). Two studies have shown that the length of work experience is positively related to work performance. Such experience involves the development of well practiced work skills (McDaniel, Schdmit & Hunter, 1988; Schmidt, Hunter & Outerbridge, 1986). Avolio, Waldman & McDaniel, (1990) have also argued that experienced workers can make faster work related decisions, resolve problems quickly, which lead to a more satisfied customers and increased market share. Avolio, Waldman & McDaniel, (1990) have further argued that as employees continue to serve in their organizations, they are likely to gain more expertise due to their exposure relating to different work environment. They can therefore handle work challenges with more confidence and make faster decisions relating to customer complaints.

### 4.1.5 Cultural Diversity

Differences in cultural characteristics can predict team scores which can further be interpreted as an advantage of having ethnically different views for a team, resulting in increased problem solving and team performance. Many private firms have also manifested this kind of diversity, although a good number- especially the multi nationals and those that have adopted professionalism as a value hire purely on merit ( Zgourides & Watson, 2002). While there have been a significant number of studies that have explored the effect of diversity at individual and group level, there is little theoretical guidance and a scarcity of empirical findings concerning the potentially beneficial impact of firm-level cultural diversity on organizational outcomes (Richard et al, 2007). Researchers have observed that diversity on a cultural context can influence organizational synergies, innovativeness, and effectiveness in implementation of technological programmes (Gomez-Mejia & Palich, 2015). Cultural diversity can further influence interpersonal dynamics within an organization. Interpersonal barriers rooted in cultural differences may impede the flow of information on a corporate wide basis. Cultural norms and practices may further influence the manner in which human resource programmes are implemented (Gomez-Mejia & Palich, 2015).

### 4.1.6 Employee engagement

Various researchers have suggested that employee engagement levels, must be considered in order to fully understand the complex workforce diversity-performance relationship (Carter, D'Souza, Simkins, & Simpson, 2007; Horwitz, 2005; Kochan et al., 2003; Pelled, 1996 ). Employee engagement is a psychological state that enables employees to present themselves physically, cognitively and emotionally during the role performance(Khan, 1990). Kahn's (1990) psychological presence model proposes that intergroup relations affect the psychological context atwork, thus influencing personal engagement of employees. Several organizational variables like organizational support have been considered as predictors of employee engagement (Saks, 2006; Rich, Lipine & Crawford, 2010). A multicultural environment is more likely to engender workgroup cohesion and organizational commitment or engagement. . Ivancevich & Gilbert (2001), also found that minority and majority groups will experience greater attachment with their organizations if a greater degree of workforce diversity exists. Indeed, more employee attachment to an organization is explicit in organizations that espouse multiculturalism. (Ivancevich M & Gilbert A, 2001). Milliken and Martins (1996) have further argued that diversity can affect an organization's functioning through various types of mediating variables.

### 4.1.7 Multidimensional Aspects of Workforce Diversity on Firm Performance

Reviewed literature supports simple dynamics of an interactive effect of multidimensional aspects of workforce diversity on firm performance. The dynamics are a demonstration of how each diversity element could influence and make a contribution to firm performance. The relevance of each diversity element to firm performance however depends on industry of the firm, firm strategy, geographical location, global orientation, economy, legal and political environment under which the firm operates

## 5.1 Summary and Concluding Remarks

Many diversity scholars have argued that, diversity facilitates organizational performance when it is managed in constructive and integrative ways. In this age of technology, young employees can be more creative, learn faster and can drive innovation in an organization as compared with older employees leading to high organization performance more so in the area of technological innovations. Due to their different way of socialization and exposure, they can easily embrace change that drives innovation and organizational performance. Age of employees may also influence their level of commitment and engagement with the organization. Certain employees approaching their retirement age may unconsciously begin to disengage with the organizations they work for as they begin to prepare for their retirement. They may constantly absent themselves from work or report late to work. Old employees may also spend more time seeing doctors due to age related illnesses as opposed to younger employees. This in essence could affect their individual contributions on their work performance and subsequently may affect the overall performance of the organization.

Moreover, our view is that different gender of employees are endowed with different capabilities that can work together to promote positive organizational outcomes. Different gender in work teams can also be a source of harmonious relations and favorable attitudes within an organization. This can further work to promote contribution of different viewpoints and ideas thus enhancing team performance. Gender differences in an organization have in the past been viewed only on their face value of an employee being either a male or a female without much consideration of their strengths, weaknesses or other inherent capabilities. We also view experienced workers as being more aware of the organization and well versed with the operational environment thus being able to identify and manage business risk more effectively. A combination of employees drawn from diverse cultures could also bring to organization diverse experiences, attitudes, perspectives, approaches to work and different levels of commitment to work, thus influencing the overall performance of their organizations. Where there are perceived level of discrimination on the basis of culture, team performance may be adversely affected. It may further influence their level of engagement with the organization and subsequently the level of organizational performance.

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