

# The Effects of Workforce Diversity on Employee Performance at an Oil and Gas Company

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## Abstract

The purpose of this study is to investigate the relationship between workforce diversity and employee performance. Workforce diversity is defined by age, gender and educational background. The study utilized a mixed methods approach where a self-developed questionnaire was used to collect quantitative data and personal interviews were used to collect qualitative data. A self-developed questionnaire with fourteen items was administered to fifty five participants where on thirty six responded. The questionnaire was followed with ten randomly selected interviews. The study found that age and gender has a direct relationship with employee performance.

## Keywords

Diversity, Employee Performance, Human Resource Development

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## 1. Introduction

Workforce diversity refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background [1]. The managements of any organization should analyze the factors affect their employee's performance to increase it. However, they need to set and apply policies to ensure this diversity will success.

This study aims to enhance the main goal of Human Resource Development Departments (HRDD) which is improve the employee's performance within and organization, by identify the factors that affect it. Also, it provide insight understanding of the diversity in workforce and how it affect their performance at the company. Moreover, this research is to find the relation between gender, age, education background and the employee performance.

## 2. Research Context and Background

This research was conducted to explore the relation between workforce diversity and employee performance.

### *Hypothesis*

In this research the independents variables are gender, age, and education background, while employee performance is the dependent variable. Consequently the hypothesis is that there are significant relationships between the variables.

- H<sub>1</sub>: There is significant relationship between gender and employees performance.
- H<sub>2</sub>: There is significant relationship between age and employees performance.
- H<sub>3</sub>: There is significant relationship between education

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background and employees performance.

### 3. Literature Review

Large companies employ different types of employees of diverse age, gender, education, and ethnicities, this diversity can lead to differences in their perception, interests, ideas, and attitudes. If this diversity is controlled it can become a source of development; otherwise it may create hostilities [2]. The authors [3] stated that the incompatibility between co-workers lead to conflicts. Successful managers should be aware of these conflicts between the employees otherwise, it will escalate to personal, and emotional problems on the long run which will affect the organizational culture and employees moral, which will lead to lost in performance [4].

The role of Human Resource Development HRD became to enhance these competences to increase the performance. However, [5], [6] argued that HRD practices in workforce diversity associated positively and negatively with problem solving skills, creativity, and cooperation.

In third world countries workforce gender diversity is increasing rapidly which creates gender diversity issues and this trend is likely to continue. Women are stereotyped in Saudi organizations as result of different reasons due to social and/or customs and traditions, and the suitable work environment is not available. According to statistics from the Central Department of Statistics and Information [7], Saudi women occupy only 13 percent of private and public positions occupied by nationals even with 51 percent of Saudi graduates. [8] stated since 1992, women's participation rate in the Saudi Labor force has nearly tripled, from 5.4 percent to 14.4 percent. (The labor force, or the economically active population, includes people who are currently employed and those seeking employment.) The majority of women are working in the field of education, in both teaching and administrative positions. However, organizations can justified these issue by hiring male employees will result better performance and commitments. [9], [10]. However [11], [12], [13], [14] stated that the gender diversity could affect the employees performance earthier positively or negatively.

Saudization program is an official national policy of the Kingdom of Saudi Arabia, to replace of foreign workers with Saudi nationals in the private sector. However, the Saudization focuses on different goals, which are, 1) Increasing employment for Saudi nationals. 2) Reducing and reversing over-reliance on foreign workers. 3) Recapturing and reinvesting income which otherwise would have flowed overseas. [15]. As result of this program Saudi women start joining the companies and organization in private sector.

On the other hand, [16] stated that gender diversity will not increase the outcomes, motivation, commitment, and talent development, unless the organizations have a strategy, culture, and environment ready to embrace diversity. Indeed gender diversity in the workplace will not be effective unless the organizations management identify and managed any issues related to this diversity. [17].

In organizations employees categorize themselves naturally based on their personalities according to social identity and self-categorization theory [18], [19], which can lead to discrimination and emotional issues between age groups. Moreover, [20] stated that this categorization can negatively affect productivity in presence of what they called a "Generation Gap". While [21] argued that diversity within one group will provide range of different viewpoints, thoughts, knowledge, skills, and capabilities.

Managements of any organization utilize the diversity in educational background to motivate and encourage the employees to work effectively with others to achieve the goals of the company [22] since [23] stated that the employees will be more productive depending on their level of education. That's why [24] claimed that countries have high number of workers with different education levels will maintain the high wages for all of them. While "in functional expertise, dissimilarity in educational background seems to have a positive impact on team performance because it fosters a broader range of cognitive skills" [25].

Finally, workforce diversity within the organization will educate the employees to respect others differences which will bring a high value of the company and increase the competitiveness among the employees. However, management should create fair and safe work environments. As [26], [27] stated managing the diversity is very essential by issuing policies to guarantee the equal opportunities, and maintaining their skills to increase competitiveness among employees and keep the organization also competitive in the world marketplace.

### 4. Research Question

Manpower diversity is a great challenge for directors. At each company, there are big differences among employees and there is no one method that can be the best to treat them all. Hence comes the study questions

The relation between the workforce diversity variables and employee performance;

- a. Is there a relation between gender and employee performance?
- b. Is there a relationship between age and employee performance?

- c. Is there a relationship between background education and employee performance?

## 5. Conceptual Framework

Based on pervious literature review the researcher became with the below framework shows the effect of the three variables on employee performance.

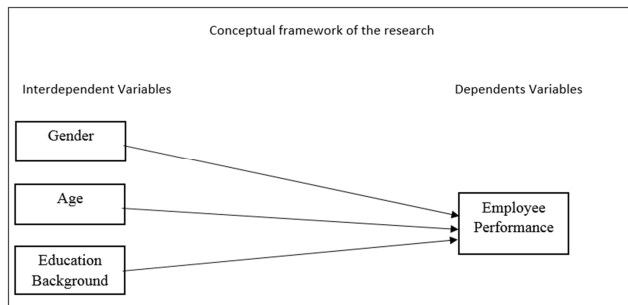


Figure 1. Conceptual Framework.

## 6. Research Design

This research utilized mixed methods quantitative and qualitative. A questionnaire was distributed online by using Google forms, and randomly selected participants were interviewed.

## 7. Participants & Methodology

Informal interviews were conducted with ten employees selected randomly to check their perception toward diversity. The interview took three to five minutes. The interviews started by asking the employee some background information about their age, education level and work experiences, The second part of the interview was about practical subjects in the company related different variables in workforce diversity. The last part is about the employee performance and satisfaction.

Moreover, a questionnaire was developed based on a previous studies. The developed questionnaire was distributed to employees. They were given time to answer the questions about their opinions at the company. In the questionnaire, the questions were a 5 likers scale, start from strongly disagree to strongly agree. The questionnaire had three basic parts: demographic information, gender issues questions, age issues questions, education background issues questions, finally employee performance and satisfaction. Finally, the total of 55 questionnaires were sent through emails to the employees. 36 of them were returned. The questionnaire had a total of 14 questions.

## 8. Findings

In the distributed survey the employees need to answer specific questions about their demographic information which including age, gender, work experience in years, and educational background level below shows an analysis of the participant's characteristics.

Table 1 below shows the age of respondents, age ranged between 24 to 41 years and the mean is 32. While their work experience is between 1 to 18 years and the mean is 9 years which indicate the high number of young employees with the organization.

Table 1. Respondents age and experience.

	Mean	SD	Minimum	Maximum
age	31.750	4.7652	24.0	41.0
experience	8.944	5.1322	1.0	18.0

Table 2 shows age distribution of respondents, the majority of respondents are male (61%), while female 39%. In other words from 36 respondents 22 of them are male while the remaining 14 are female.

Table 2. Respondents Gender.

Gender	N	%
F	14	38.9
M	22	61.1
Total	36	100.0

Table 3 shows the educational level of respondents. The majority of respondents are bachelor degree holder 50% or 18 respondents. Followed by high school 30.6% or 11 respondents, and 19.4 or 7 respondents are diploma holder.

Table 3. Respondents Education.

Education	N	%
Bachelor	18	50.0
Diploma	7	19.4
High school	11	30.6
Total	36	100.0

In this part of measurement of central tendencies is used to find the mean for the questions. A total of 14 question being asked using a likert scale with 1 strongly disagree, 2 disagree, 3 neutral, 4 agree, and 5 strongly agree.

Table 4 shows the percentage, and mean of responses for each question covering organizations performance towards females. 50% of the respondents agreed that they feel the company does a good job for attracting and hiring Saudi women. While the minority 11.1% disagreed. The majority of respondents 58.3% and 19.4 agreed and strongly agreed that opportunities for growth and advancement for women while 2.8% disagreed. Regarding the question, the organization's training and development program is developed to meet the criteria of the male and female gender there is 33.3% of

respondents agreed and 19.4 strongly agreed, while 25% of them neither agreed nor disagreed. Finally, 52.8% of respondents agreed that the performance criteria for success are expected to be higher for man than women while 16.7% are disagreed.

“Opportunity for growth and advancement exist for women

in our organization” question is the highest mean = 3.91 followed by “The organization does a good job of attracting and hiring women” with mean = 3.67. While “The organizations training and development program is developed to meet the requirements of male and female” has the lowest mean 3.5.

**Table 4.** Organizations practices and gender.

Seq.	Question	1	2	3	4	5	Mean
01	The organization does a good job of attracting and hiring women	0.0%	11.1%	25.0%	50.0%	13.9%	3.67
02	Opportunity for growth and advancement exist for women in our organization.	0.0%	2.8%	19.4%	58.3%	19.4%	3.94
03	The organizations training and development program is developed to meet the requirements of male and female.	0.0%	22.2%	25.0%	33.3%	19.4%	3.50
04	The performance criteria for success are expected to be higher for men than for women.	0.0%	16.7%	22.2%	52.8%	8.3%	3.53

The percentage, mean of responses for each question for age on performance are shown in below table 44.4% are agreed the team leader include all members at different ages in problem solving and making decision. While same percentage 44.4% disagreed. However, the majority 52.8% of respondents feels that the age differences in work group might cause conflict and 16.7% disagreed.

**Table 5.** Organizations practices and age.

Seq.	Question	1	2	3	4	5	Mean
05	My team leader include all members at different ages in problem solving and making decision.	0.0%	44.4%	11.2%	44.4%	0.0%	3.00
06	The age differences in work group might cause conflict	0.0%	16.7%	22.2%	52.8%	8.3%	3.53

The percentage and mean responses for each question for education background on employee performance are shown in table 6. The majority of the respondents 58.3% agreed that opportunities for growth and advancement exist at within the organization for employees who have lower qualification in education. While the lowest percentage 8.3% employees disagreed. 77.8% of the employees agreed that they experiences lack of confidence due to my education background. While no one of the respondents disagreed.

However, 69.4% of the employees agreed that organization provides equal treatment when to come to the diversity of education background

“The organization gives equal treatment when to come to the diversity of education background” is the item with highest mean = 4.14. While “opportunities for growth and advancement exist for employees who have lower qualification in education “and “at work I experiences lack of confidence due to my education background” has same mean = 3.94.

**Table 6.** Organizations practices and educational background.

Seq.	Question	1	2	3	4	5	Mean
07	Opportunities for growth and advancement exist for employees who have lower qualification in education.	0.0%	8.3%	11.1%	58.3%	22.2%	3.94
08	At work I experiences lack of confidence due to my education background	0.0%	0.0%	13.9%	77.8%	8.3%	3.94
09	The organization gives equal treatment when to come to the diversity of education background.	0.0%	5.6%	0.0%	69.4%	25.0%	4.14

The percentage, and mean of responses for each question of employee perceptions on commitment organizational practices are presented in table 7. 44% of employee are committed to mission and direction of the organization while 7.44% disagreed. 52.8% of the employees agreed that the opposite gender can perform well and they enjoy working with them. 22.2% nether agreed nor disagreed, while 16.7%

disagreed. 63.9% of respondent agreed and strongly agreed that their performance level affected their salaries. Where 11.1% disagreed. The majority 58.4% of the respondents agreed that they can improve their performance by learning new skills through courses training, and 2.8 disagreed. Finally, 77.8 of the employees agreed that they have given a chance to try their own method in doing their job.

**Table 7.** Respondents perception of performance and organization practices.

Seq.	Question	1	2	3	4	5	Mean
10	I am committed to mission and direction of my organization.	0.0%	44.4%	11.1%	44.4%	0.0%	3.00
11	Opposite gender can perform well and I enjoy working with them	0.0%	16.7%	22.2%	52.8%	8.3%	3.53
12	My performance level affect my salary level	0.0%	11.1%	25.0%	50.0%	13.9%	3.67
13	By learning more skills through courses/ training, I can improve my performance.	0.0%	2.8%	19.4%	58.3%	19.4%	3.94
14	I am given the chance to try my own method of doing the job.	0.0%	0.0%	13.9%	77.8%	8.3%	3.94

From the below table we can conclude that there is a highly significant positive relation between the gender and the age with the performance; while there is no relation between the education factor and the employee performance.

**Table 8.** Correlation for Gender, Age, Education.

		Gender	Age	Education
Performance	Pearson Correlation	0.797**	0.801**	-0.102
	Sig. (2-tailed)	0.000	0.000	0.554
	N	36	36	36

## 9. Conclusion

The findings were summarized in order of the research questions of the study. However, the data showed that workforce diversity in age, and gender related positively with employee performance. Organization's HRD should focus on diversity management and keep it in their development strategies in order to be locally and globally competitive, since global economy requires from each company to empower their employees to be more creative, innovative, problem solvers.

## Appendix

Work Diversity and Employee Performance. Is a self-developed questionnaire, the questions used a 5 Likert scale. The questionnaire contains three basic parts: demographic information, gender issues questions, age issues questions, education background issues questions, finally employee performance and satisfaction.

### Work diversity and employee performance

<b>Gender:</b>	<b>Age:</b>
<b>Education Level:</b>	<b>Work Experience:</b>

Seq.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
01	The organization does a good job of attracting and hiring women					
02	Opportunity for growth and advancement exist for women in our organization.					
03	The organizations training and development program is developed to meet the requirements of male and female.					
04	The performance criteria for success are expected to be higher for men than for women.					
05	My team leader include all members at different ages in problem solving and making decision.					
06	The age differences in work group might cause conflict					
07	Opportunities for growth and advancement exist for employees who have lower qualification in education.					
08	At work I experiences lack of confidence due to my education background					
09	The organization gives equal treatment when to come to the diversity of education back ground.					
10	I am committed to mission and direction of my organization.					
11	Opposite gender can perform well and I enjoy working with them					
12	My performance level affect my salary level					
13	By learning more skills through courses/ training, I can improve my performance.					
14	I am given the chance to try my own method of doing the job.					

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