



**SCHOOL OF GRADUATE STUDIES**

**EFFECT OF WORKFORCE DIVERSITY ON ORGANIZATIONAL  
PERFORMANCE: COMPARATIVE STUDY ON TSEDEY AND GIRAR  
SPRING WATER S.C**

**BY**

**ALEMAYEHU GEBREMARIAM**

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WOLKITE, ETHIOPIA**

**Wolkite University**  
**School of Graduate Studies**

**Effect of Workforce Diversity on Organizational Performance: Comparative Study on  
Tsedey and Girar Spring Water S.C**

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Administration (MBA)**

**Alemayehu G/Mariam**

**Advisor: Abas Mohammed (Ph.D)**

**May, 2025**  
**Wolkite, Ethiopia**

## **DECLARATION**

I hereby declare that this MBA thesis entitled “*Effect of Workforce Diversity on Organizational Performance: Comparative Study on Tsedey and Girar Spring Water S.C*” is my original work and has not been presented for a degree in any other university, and all sources of material used for this thesis have been duly acknowledged.

Name: **Alemayehu G/Mariam**

Signature: \_\_\_\_\_

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I hereby certify that I have read and evaluated this Thesis entitled “*Effect of Workforce Diversity on Organizational Performance: Comparative Study on Tsedey and Girar Spring Water S.C*” prepared under my guidance by *Alemayehu G/Mariam*, I recommend that the Thesis shall be submitted as fulfilling the requirements for the award of Master of Business Administration Degree.

**Abas Mohammed (PhD)**

\_\_\_\_\_

Advisor

Signature

\_\_\_\_\_


Date

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**EXAMINERS, THESIS SUBMISSION APPROVAL SHEET**

As members of the Board of Examiners of the Master of Business Administration Thesis open defense examination, we have read and evaluated this Thesis entitled “*Effect of Workforce Diversity on Organizational Performance: Comparative Study on Tsedey and Girar Spring Water S.C*” prepared by **Alemayehu G/Mariam** and examined the candidate. We hereby certify that; the thesis is accepted for fulfilling the requirements for the award of the degree of Master of Business Administration.

1. <b><u>Moges Addisu (PhD)</u></b>		<u>21/05/2025</u>
Name of external examiner	Signature	Date
2. <b><u>Tamiru Yihun (PhD)</u></b>	_____	_____
Name of Internal examiner	Signature	Date
3. <b><u>Samuel Gemechu</u></b>	_____	_____
Name of chairman	Signature	Date

Final approval and acceptance of the Thesis is contingent upon the submission of its final copy to the Council of Postgraduate Program (CPGS) through the candidate's department or school graduate committee (DGC or SGC)

4. _____	_____	_____
Name of School of graduate studies	Signature	Date

## **ACRONYMS**

**ANOVA** - Analysis of variance

**S.C.** – Share Company

**SMEs** – Small and Medium Enterprises

**HRM** – Human Resource Management

**CEO** – Chief Executive Officer

**ICT** – Information and Communication Technology

**R&D** – Research and Development

**HR** – Human Resources

**GDP** – Gross Domestic Product

**UN** – United Nations

**OECD** – Organization for Economic Co-operation and Development

**CSR** – Corporate Social Responsibility

**UPS** – Uninterruptible Power Supply

**ISO** – International Organization for Standardization

**GEN** – Gender

**EBG** – Ethnic Background

**EDU** – Education Level

**EWP** – Employee Work Performance

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## **Abstract**

*This study examines the effect of Workforce Diversity on Organizational Performance: by Comparing Tsedey and Girar Spring Water S.C. as a case study. With the growing recognition of diversity's impact on business outcomes, this research explores how variables such as gender, age, ethnic background, education level, and cultural diversity influence key organizational outcomes, including productivity, innovation, and employee satisfaction. A quantitative approach was employed, with data collected from employees across various departments through questionnaires. The study found that workforce diversity positively affects organizational performance, enhancing innovation and employee satisfaction while improving productivity in both companies. However, the impact of diversity on performance was also found to be influenced by how diversity is managed within the company. The study highlights the importance of effective diversity management practices to fully leverage the benefits of a diverse workforce. The findings contribute to a deeper understanding of workforce diversity in Ethiopia's water bottling industry and provide valuable insights for companies aiming to enhance performance through diversity strategies. At Girar, education and cultural fit were key predictors of performance, while gender had no significant effect, but ethnic background influenced performance negatively, suggesting a need for a more inclusive environment. At Tsedey, age, especially among older employees, negatively impacted performance, and gender disparities were observed, with male employees performing better, indicating potential gender biases. Both companies were found to benefit from a strong cultural fit, which enhanced performance, and both could improve by addressing issues of gender equality, cultural sensitivity, and support for older employees. To enhance employee performance, both companies should adopt data-driven, tailored strategies—such as continuous performance audits, targeted training, diversity initiatives, and cultural alignment—while addressing specific workforce dynamics (e.g., education at Girar, age at Tsedey) to foster an inclusive and productive work environment.*

**Keywords:** *Workforce Diversity, Organizational Performance, Innovation, Diversity Management.*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

In an era characterized by rapid technological advancements and unprecedented levels of global connectivity, organizations across industries are grappling with the complexities of operating in increasingly diverse and dynamic environments (Kirby & Richards, 2000). This shifting landscape has compelled businesses and educational institutions alike to rethink traditional approaches and adopt innovative strategies to effectively meet the evolving needs and expectations of their diverse customer base and stakeholders (Srivastava, 2012).

At the heart of this transformative process lies the recognition that organizational success is intrinsically linked to the ability to harness and leverage the diverse skills, perspectives, and experiences of their workforce (Schuler, 1992). As the workforce becomes more heterogeneous, encompassing individuals from different genders, age groups, ethnic backgrounds, and educational levels, organizations are faced with the imperative to embrace and harness this diversity as a source of competitive advantage (Robbins, 2009).

The notion of workforce diversity extends beyond mere demographic categorization; it encompasses a broad spectrum of attributes and characteristics that shape individuals' identities and experiences in the workplace (Algahtani, 2013). Scholars and practitioners alike have underscored the critical importance of managing diversity effectively, not only to foster inclusivity and equity but also to drive organizational performance and innovation (Roberson et al., 2007).

Indeed, leaders and managers are increasingly recognizing diversity as a strategic asset that can fuel organizational growth, enhance customer service, and foster a culture of creativity and innovation (Sungjoo, 2010). However, reaping the benefits of diversity requires more than passive acknowledgment of differences; it demands proactive policies and practices aimed at creating an environment where all employees feel valued, respected, and empowered to contribute their unique perspectives and talents (Roberson et al., 2007).

Failure to address diversity-related challenges can have far-reaching implications, ranging from increased turnover rates and communication breakdowns to diminished productivity and tarnished organizational reputation (Roberson et al., 2007). As such, the effective management of workforce diversity emerges as a strategic imperative for organizations seeking to thrive in today's competitive business landscape.

Against this backdrop, this study seeks to delve deeper into the relationship between workforce diversity and organizational performance, with a specific focus on the manufacturing sector. By examining the impact of gender, ethnic, age, educational, and cultural diversity on organizational effectiveness, the research aims to provide valuable insights into the factors shaping success in this context.

Through a comparative analysis of two manufacturing companies, Tsedey and Girar Spring Water S.C., this study endeavors to uncover best practices and critical success factors that can inform future decision-making and policy development in the realm of workforce diversity management. Moreover, the findings of this research are expected to offer practical guidance for organizations seeking to navigate the complexities of diversity and achieve sustainable growth and competitiveness in an increasingly diverse and dynamic business environment.

The decision to conduct research on this title and in this case study area is initiated by a recognition of the importance of workforce diversity. Understanding the critical role that workforce diversity plays in organizational success prompts a desire to delve deeper into its impact on performance. This recognition underscores the significance of exploring how organizations in the manufacturing sector, such as Tsedey and Girar Spring Water S.C., navigate the complexities of workforce diversity and its implications for their effectiveness. By focusing on this aspect, the research aims to contribute valuable insights and practical recommendations to guide decision-making and policy development in organizations striving to harness the benefits of diversity for sustainable growth and competitiveness.

## **1.2. Statement of the Problem**

Workforce diversity trends were first identified in the mid-1980s and they were proclaimed as an opportunity for organizations to become more creative, to reach previously untapped markets and talents, and in general to achieve and maintain a competitive advantage (Roberson, 2007).

Erasmus (2007) contended that, diversity management and workforce diversity are a forced integration that creates conflict and uncertainty in the workforce as leadership is not skilled in the discipline of diversity management and its principles. As a result, managers do not know how to effectively practice diversity management, and what factors contribute to effective diversity management and task that can deal with diversity related issues in the work place.

Even though companies train employees upon hire, conduct ethics test, online training and targeted anti-harassment training, employees still make decisions to break the rules with their behavior when it comes to diversity (Victoria and Mary, 2010).

According to Dahm (2003), diversity within the workplace can evoke an array of emotions as, some view diversity as something to be dealt rather than a tool to be used to improve the organization. Even though, many will agree that the results of a diversity-conscious organization add value to the organization, yet research evaluating diversity for the sake of developing training interventions does not exist (Dahm, 2003). Hilary and Elaine (2000) suggested that organizations should embrace diversity in their workforce and work towards achieving it by creating a culture where difference can thrive, rather than working simply for representatives and assimilation.

For instance, CIMB group's chief executive officer Datuk Nazir Razak reported in The Star Online that Malaysia needs to build on its diversity and its strength and review the affirmative action policy created under the New Economic Policy. However, according to an article in The Star online, most of the Malaysian companies are not doing enough in retaining women professionals by creating conducive working environment. Based on a report from a Ranstad (2010) World of Work, many women in their 30's were choosing to leave their workplace to find balance between work life and their home life (Lee, 2011).

Most attention on diversity management focused on the organizational decision maker who is biased against certain groups and who allows these biases to influence how he or she treats employee. Moreover, they become embodied in organizational policies and practices that systematically disadvantage some employees (Loriann and Carol, 2007).

As an extension, employee diversity does not necessarily boost creativity, market share, or competitive advantage. In fact, research suggests that left un-managed, employee diversity is more likely to damage morale, increase turnover, and cause significant communication problems and conflict within the organization (Loriann et, al., 2007).

Decades of research on the effects of diversity within teams and small groups indicate that diversity can have negative effects, as well as positives ones (Kochan et al., 2003). Moreover, they elaborated that the lack of evidence linking workforce diversity to organizational performance may be that the relationship between diversity and the bottom line is more complex than is implied by the popular discussion.

The practical gap identified in this study arises from the observation that despite the recognition of workforce diversity's potential benefits, many organizations struggle with its implementation and management. Specifically, there is a lack of effective diversity management practices that can navigate the complexities and challenges diversity brings, leading to unfulfilled potential in organizational performance. This is especially relevant in the context of Ethiopian companies, like Tsedey and Girara Spring Water S.C., where

cultural, ethnic, gender, age, and educational diversities present unique opportunities and challenges. The study aims to bridge this gap by exploring how these diversities affect organizational performance and by proposing practical diversity management (DM) strategies tailored to the Ethiopian context.

In terms of the literature gap, while there is extensive research on workforce diversity and its impact on organizational performance, there is a scarcity of empirical studies that focus specifically on the Ethiopian context. Moreover, existing studies often do not comprehensively address the combined effect of gender diversity, ethnic diversity, age diversity, educational diversity, and cultural diversity on organizational performance. This research intends to fill this gap by providing empirical evidence from Ethiopian companies and by developing a nuanced understanding of how different aspects of workforce diversity collectively influence organizational performance.

What makes this research unique compared to others is the comprehensive approach to studying workforce diversity, focusing on a wider range of diversity dimensions within the specific socio-economic and cultural context of Ethiopia. By comparing two companies within the same industry but potentially employing different diversity management practices, this study not only contributes to the academic literature but also provides practical insights for businesses operating in similar contexts.

Therefore, this study focuses on the relationship among Gender diversity, ethnic diversity, age diversity, educational diversity, and cultural diversity background towards organizational performance by comparison in Tsedey and Girara Spring Water S.C.

Thus, this study aims to fill the perceived gaps in empirical studies on the area of Ethiopian context on effect of workforce diversity on organizational performance area focuses on the researched companies and propose a definition of diversity and model of DM that can be applicable to related context.

### **1.3. Research Questions:**

The research questions of this study are:

- What is the current practice of workforce diversity in the two organizations comparatively?
- What is the effect of workforce diversity elements on the two organizations performance?
- Which source of diversity element (Gender, ethnic, age, educational, and cultural) have greater influence over organizational performance comparatively?

## **1.4. Objectives of the study**

### **1.4.1. General Objective**

The general purpose of this study is to examine the effect of workforce diversity towards organizational performance by taking a comparative approach.

### **1.4.2. Specific Objectives**

The specific objectives of this study are:

- To assess current practice of workforce diversity in the two organizations.
- To examine the effect of workforce diversity elements on organizational performance of the two organizations.
- To investigate the most influential workforce diversity elements on organizational performance.

## **1.5. Significance of the study**

Workforce diversity is very much interrelated with HR Management in any sector to fascinate and recruit the best people from a group of diverse workforces. Motivated by this view, the researcher targets to fill the gap on workforce diversity practices in Ethiopia with a particular reference to the case study companies as well as to contribute to the enrichment of the body of knowledge on workforce diversity effect on organizational performance.

The study on diversity management in the manufacturing industry in Ethiopia can benefit the Human Resource Manager, top management, and future researchers and scholars. The Human Resource Manager can use the findings to review the employment policies and develop diversity and inclusion initiatives. The top management can use the findings to understand the importance of diversity and develop policies and practices that promote diversity and inclusion. Future researchers and scholars can use the findings to gain new insights into the challenges and opportunities of managing diversity in the workplace and develop new theories and models of diversity management.

## **1.6. Scope of the Study**

The geographical scope of the study is limited to these two companies, allowing for a focused analysis of their diversity management practices and organizational outcomes. Various dimensions of workforce diversity were explored, including gender, ethnicity, age, education, and culture. Organizational performance was assessed using key metrics such as financial indicators, employee satisfaction, productivity, innovation, and customer satisfaction. A comparative analysis was conducted to identify similarities and differences in diversity management strategies between the two companies. The methodological scope of the study

employed a mixed-methods approach, incorporating both quantitative data collected through structured questionnaires and qualitative insights gathered from document reviews. The study considers a specific time frame, focusing on recent years (2020–2024) while also reviewing historical trends to provide context and better understand the evolution of diversity practices over time.

### **1.7. Organization of the Paper**

The paper contains five chapters. The first chapter deals with the introduction which includes background of the study, statement of the problem, objectives of the study (general & specific) then the significance of the study, the scope of the study, limitation of the study, organization of the study. The second chapter deals with review of related literature. The third chapter deals with materials and methodologies used in the research to interpret the results. The fourth chapter deals with the presentation, analysis and interpretation of the research. Finally, the last and the fifth chapter include conclusion and recommendation of the research.

### **1.8. Definition of Key Terms**

**Workforce Diversity:** Refers to the presence of differences among employees in an organization based on characteristics such as gender, age, ethnicity, education level, cultural background, and other individual attributes. In this study, workforce diversity is assessed in terms of demographic, educational, and cultural diversity.

**Organizational Performance:** The extent to which an organization achieves its objectives efficiently and effectively. It is measured through indicators such as employee satisfaction, productivity, innovation, customer satisfaction, and financial performance.

**Gender Diversity:** The equitable representation and participation of all genders in the workforce. This study considers gender balance and inclusivity in the workplace.

**Ethnic Diversity:** The inclusion of individuals from different ethnic and cultural backgrounds within an organization. It highlights the variety of cultural identities that employees bring to the workplace.

**Age Diversity:** The representation of different age groups within the organization. It acknowledges generational differences and their potential influence on team dynamics and performance.

**Educational Diversity:** The variation in employees' levels and fields of education. This aspect reflects the range of knowledge, skills, and academic backgrounds present in the workforce.

**Cultural Diversity:** Differences in beliefs, values, norms, and practices based on cultural background. Cultural diversity can influence communication styles, decision-making, and team collaboration.

**Comparative Study:** A research methodology that involves the systematic comparison of two or more entities. In this study, Tsedey and Girar Spring Water S.C. are compared based on their workforce diversity management and corresponding organizational performance.

**Diversity Management:** The strategic approach organizations take to promote and manage diversity in the workplace. It includes policies, practices, and initiatives aimed at creating an inclusive work environment.

## CHAPTER TWO

### 2. REVIEW OF RELATED LITERATURE

#### 2.1. Different Views of Diversity

In the context of workplace diversity, scholars have provided various conceptualizations to describe the array of individual differences and similarities present in organizational settings. Erasmus (2007) defines diversity as the collection of individual differences and commonalities within the workplace. In line with this, Grobler (2002) and Erasmus (2008) assert that while individuals vary in numerous ways, they also share certain environmental and biological characteristics. Cilliers (2007) further expands on this by suggesting that diversity reflects the presence of individuals with subjective identities, shaped by both inborn (primary) and learned (secondary) attributes. These identities, which vary across age, ethnicity, gender, race, and other factors, significantly influence behavior at the individual, group, and organizational levels, shaping power dynamics, subgroup affiliations, and intergroup relations.

Erasmus (2007) further distinguishes between primary characteristics, which are inborn attributes such as age, ethnicity, gender, and race, and secondary characteristics, which evolve over time and include factors like skill level, education, religion, and life experiences. These characteristics influence how individuals perceive their environment and interpret the world. The primary characteristics are particularly impactful in terms of how individuals approach and interact with others in the workplace, while secondary characteristics reflect more mutable attributes shaped by experiences and learning.

Despite the agreement on the importance of demographic differences, scholars diverge in their conceptualization of diversity. According to Erasmus (2007), diversity can be viewed through three distinct perspectives: narrow, broad, and balanced views.

**Narrow View:** Advocates of a narrow perspective on diversity, as seen in the work of Cross, Katz et al. (1994), contend that the concept of diversity should be restricted to specific cultural categories, particularly race and gender. This view emphasizes the importance of observable characteristics and their impact on organizational outcomes. Proponents argue that focusing on these primary attributes simplifies the understanding of diversity and its implications for organizational behavior.

**Broad View:** In contrast, scholars such as Jackson et al. (2003) argue for a broad definition of diversity, which encompasses a wide range of differences beyond just race, gender, or age. This view recognizes that diversity also includes factors such as cognitive style, personality,

organizational function, values, and experiences. According to this perspective, individuals bring multiple identities to the workplace, shaped not only by their demographic characteristics but also by their educational background, skills, attitudes, and life experiences. Therefore, diversity in the workplace cannot be fully understood without considering the complex interactions between these various dimensions.

**Balanced View:** The balanced view seeks to integrate elements of both the narrow and broad perspectives. It recognizes the importance of both demographic and non-demographic factors in shaping workplace dynamics and emphasizes the need to address the interactions between these factors.

The complexity and political nature of diversity are also noted by Janssens, Sels, and van den Brande (2003), who highlight that diversity is a contentious and multifaceted phenomenon. Nkomo (1995) stresses that diversity should not be narrowly defined based on race, ethnicity, and gender alone, as it overlooks other critical factors such as organizational roles, cognitive orientations, and abilities. Michaéla et al. (2003) argue that a narrow view fails to account for the interactions between different dimensions of diversity, which are essential for understanding the full scope of diversity's impact on the workplace.

In practice, managing diversity in organizations becomes increasingly challenging as the concept expands to include not only demographic differences but also personal, cognitive, and organizational variables. Scholars like Herring and Henderson (2011) and Wheeler (2003) assert that diversity encompasses all forms of individual differences, including personal, demographic, and organizational distinctions. McGrath et al. (1995) developed a widely used framework for understanding workforce diversity, categorizing it into five clusters: demographic characteristics (e.g., age, gender, ethnicity, physical status, religion, education), task-related knowledge and skills, personal and cognitive styles, and organizational status (e.g., professional domain, hierarchical position, departmental affiliation, and seniority).

The concept of diversity in the workplace is multifaceted and complex. Scholars have approached it from various perspectives, with some focusing on demographic characteristics, others on broader conceptualizations that encompass a wider array of individual differences. Effective diversity management requires recognizing both the inborn and learned attributes individuals bring to the workplace, as well as understanding the intricate interactions between these dimensions.

## **2.2. Workplace Diversity**

Workplace diversity encompasses the variety of differences among individuals in an organization, impacting various aspects such as acceptance, work performance, satisfaction, and career progression. According to Stockdale and Crosby (2004), diversity in the workplace refers to the differences that shape how people are perceived and treated in terms of their roles and advancement opportunities within an organization. Robbins (2001) further highlights that workplace diversity presents a significant challenge for organizations, which must adjust to the dynamic needs of a diverse workforce. Diversity is not simply about acknowledging differences but is fundamentally about creating an inclusive environment where all individuals, regardless of their backgrounds, can collaborate to achieve optimal organizational functioning. The growing complexity of workplace diversity is an increasingly undeniable reality, and organizations must learn to navigate and manage this diversity effectively to maintain success (Kamps & Engelbrecht, 2011).

The impact of workplace diversity extends beyond individual differences, directly influencing group behaviors and organizational dynamics. Differences in age, gender, race, and other demographic factors contribute to the formation of in-groups and out-groups, where individuals identify with certain subgroups while feeling excluded from others. This division often leads to the development of stereotypes, status expectations, and differing values or cognitive styles. As Brown, Knoese, and Stewart (2009) argue, these factors create intermediary variables that influence interpersonal relationships, task performance, and role dynamics within an organization. These variables may affect how employees collaborate, communicate, and contribute to the overall organizational goals.

Despite the substantial amount of research on managing workplace diversity, Hostager and De Meuse (2002) point out that little attention has been given to concrete measures of diversity within organizations. The dimensions of diversity, such as demographic characteristics, cognitive styles, values, and experiences, play critical roles in influencing how individuals interact with one another and the organization as a whole. These dimensions shape organizational culture, influence interpersonal interactions, and dictate how inclusive or exclusive a work environment feels. Diversity, therefore, must be understood not just as the presence of different people, but as a fundamental element that affects the very structure and functioning of the organization.

Workplace diversity plays a significant role in determining employee job satisfaction, particularly through its impact on perceived equity and fairness. Factors like performance

appraisals, salary fluctuations, and career mobility are often influenced by how equitably employees perceive the system to be. Disparities in how individuals are treated based on race, gender, or other characteristics can lead to perceptions of unfairness, affecting employees' attitudes, engagement, and overall satisfaction with their jobs. The experience of perceived inequity often results in frustration, disengagement, and even turnover.

Moreover, when organizations fail to effectively manage diversity and address equity concerns, employees may perceive the organization's practices as biased or discriminatory. These perceptions may manifest in various forms, such as overt discrimination based on race, gender, or disability, which can significantly harm the organizational climate. Discriminatory practices—whether intentional or unintentional—undermine trust in the organization, erode employee morale, and hinder the organization's ability to retain a diverse workforce. This disruption of the organizational diversity climate can lead to decreased performance, higher turnover, and a less cohesive workplace culture.

Furthermore, the failure to address inequities in workplace practices often results in disciplinary actions or terminations that are perceived as unjust or ineffective. If employees feel that the disciplinary processes are biased or that their concerns are not being taken seriously, they may lose trust in the organization's commitment to fairness and equality. This perception of unfair treatment disrupts the equity balance and can create a toxic work environment, where individuals feel undervalued or mistreated. As a result, organizations must ensure that their diversity management practices are comprehensive, transparent, and genuinely inclusive in order to foster an environment where all employees feel respected, valued, and able to succeed.

The dimensions of workplace diversity are vast and multi-faceted, influencing not only interpersonal relationships but also organizational policies, practices, and overall functionality. As workplace diversity continues to grow in complexity, organizations must prioritize managing diversity effectively to ensure that all employees are treated equitably and given the opportunity to thrive. This requires not only addressing demographic differences but also acknowledging the broader dimensions of diversity, including cognitive, emotional, and experiential factors, that contribute to the richness and complexity of the modern workforce. Ultimately, an organization that embraces diversity and fosters an inclusive environment will be better positioned to achieve long-term success, drive innovation, and enhance employee satisfaction and performance.

### **2.3. Managing Diversity**

Organizational efforts and investments in the intentional management of diversity have been steadily growing as companies recognize the significant advantages that a diverse workforce can offer. The concept of diversity management has become a key focus for organizations aiming to adapt to the changing demographic landscape and to capitalize on the rich variety of perspectives, experiences, and cultural backgrounds that individuals bring to the workplace. As noted by Herdman and McMillan-Capehart (2010), diversity management refers to the deliberate strategies organizations adopt to ensure that people from diverse group affiliations are not only represented within the organization but also fully integrated into its culture and decision-making processes.

Cox (1994) defines diversity management as the extent to which organizations reflect the diversity found within society, particularly in terms of cultural, ethnic, gender, and other group affiliations. The goal of diversity management is to create an inclusive environment where these varied perspectives can be effectively utilized to drive organizational success. By acknowledging and embracing diversity, organizations can expand the range of viewpoints that inform their policies and strategies, fostering innovation and creativity. In this sense, diversity management is not just a social or ethical concern but also a strategic approach to improving organizational performance and gaining a competitive advantage in the marketplace (Kirby & Richards, 2000).

Diversity initiatives typically involve several key strategies aimed at promoting the representation and inclusion of underrepresented groups. These initiatives often focus on recruitment and promotion practices, ensuring that individuals from diverse backgrounds have equal opportunities to enter and advance within the organization. Beyond recruitment, diversity management also includes the development of mechanisms to tap into the latent potential of all employees by creating opportunities for their perspectives to influence organizational decisions and shape the company's policies and practices. This can include a range of activities, such as mentorship programs, leadership development initiatives, and the establishment of inclusive organizational cultures that actively promote diversity at all levels of the organization.

As businesses become more global and culturally diverse, the need to manage workplace diversity effectively has become even more critical. Organizations are increasingly acknowledging that a diverse workforce brings a broader array of skills, experiences, and cognitive approaches that can enhance problem-solving capabilities and drive innovation.

Moreover, fostering an inclusive environment where employees from all backgrounds feel valued can improve employee satisfaction, reduce turnover, and enhance overall productivity. As such, diversity management has become a vital component of corporate social responsibility and is seen as an integral part of an organization's long-term sustainability and success.

In addition to its direct impact on organizational performance, diversity management also plays a role in shaping corporate reputation and public perception. Organizations that are known for actively promoting diversity and inclusion tend to attract top talent from a wide variety of backgrounds, positioning themselves as employers of choice in competitive labor markets. By demonstrating a commitment to diversity, organizations can also build stronger relationships with customers and stakeholders, who increasingly value inclusivity and social responsibility.

Furthermore, the effective management of diversity requires organizations to adopt a holistic approach that goes beyond recruitment to address issues related to organizational culture, leadership, and employee engagement. It involves creating policies and practices that ensure equitable treatment for all employees, regardless of their background, and providing the necessary support to help diverse talent thrive within the organization. This can include flexible work arrangements, diversity training programs, and opportunities for employees to connect and collaborate across cultural and demographic boundaries.

Ultimately, the successful management of diversity is not just about creating a workforce that mirrors societal diversity but about cultivating an environment in which all individuals, regardless of their background, feel empowered to contribute, share their perspectives, and develop professionally. Organizations that embrace this inclusive approach are better positioned to adapt to changing market conditions, foster a more innovative and collaborative work culture, and enhance their reputation as forward-thinking, socially responsible entities. As such, diversity management is now recognized not only as a moral imperative but also as a strategic driver of organizational success in an increasingly interconnected and diverse world.

## **2.4. Theoretical Consideration**

Diversity initiatives are increasingly seen as crucial in fostering inclusive organizational environments where employees from different backgrounds can thrive. The effective management of diversity involves balancing the individual needs of employees with the broader goals of the organization while managing potential conflicts and uncertainties arising

from workforce diversity. As Uys (2003) and Brooks (2007) point out, there are several critical strategies that organizations must implement to manage diversity effectively. These strategies focus on ensuring that diversity is not just an abstract goal, but a key element of organizational success that is actively integrated into both the culture and operational systems of the organization.

One of the most fundamental steps in managing diversity is ensuring management accountability. Managers who are responsible for hiring, training, and promoting employees must be held accountable for their ability to create and sustain a diverse workforce. In many organizations, this means aligning managerial performance with diversity goals, such that a manager's success or failure in promoting diversity can directly impact their career progression, including promotions and pay raises. By linking managerial performance with diversity outcomes, organizations signal the importance of diversity and incentivize managers to prioritize it in their decision-making processes. This approach not only holds managers accountable but also reinforces diversity as an organizational priority.

Another essential strategy for successful diversity management is the need for organizations to re-examine their structure, culture, and management systems. This involves taking a critical look at recruitment practices, performance appraisals, promotion criteria, and career development programs to ensure they are free from biases that could inadvertently hinder the representation of diverse groups. Organizations need to reflect on whether their systems reinforce existing disparities and take steps to remove any barriers that may limit opportunities for employees from underrepresented backgrounds. This self-reflection is key to creating a more equitable environment where diversity is not just encouraged but actively facilitated at every level of the organization.

In addition to systemic changes, organizations must also pay close attention to diversity statistics. Regularly monitoring and analyzing the demographic composition of the workforce can help identify areas where certain groups may be underrepresented or where there may be disparities in career progression. By tracking diversity metrics, organizations can ensure that their diversity goals are being met and take corrective action if necessary. This data-driven approach allows organizations to make informed decisions about recruitment, training, and other diversity-related initiatives, and it helps them hold themselves accountable for their diversity commitments. Moreover, having clear diversity statistics enables organizations to communicate their diversity achievements and areas for improvement to stakeholders, creating transparency and trust.

Providing comprehensive training programs is also vital in ensuring that diversity is effectively managed within an organization. Training helps employees understand the significance of diversity, the challenges that diverse employees may face, and the behaviors that support an inclusive workplace. These programs should cover a range of topics, including unconscious bias, cultural competency, and inclusive communication practices. By educating staff on these issues, organizations can create a workplace culture where employees are better equipped to navigate diversity-related challenges, and where the value of diverse perspectives is recognized and celebrated. Ongoing training also helps organizations stay current with best practices in diversity and inclusion, fostering continuous improvement in this area.

Finally, organizations must invest in mentoring programs as a means of supporting and retaining diverse talent. Mentoring provides an avenue for employees from underrepresented groups to receive guidance and support from experienced colleagues, helping them navigate the challenges of career advancement. Through mentoring, employees can gain insights into organizational expectations, access professional development opportunities, and build networks that are essential for career growth. Moreover, mentoring programs serve to communicate the organization's commitment to diversity and inclusion by ensuring that employees from all backgrounds have the resources and opportunities they need to succeed. These programs can also help address concerns related to promotions and career progression, ensuring that all employees have equal access to opportunities for advancement.

Together, these strategies form a comprehensive approach to diversity management, one that acknowledges the complexities of diverse workforces and takes proactive steps to address them. Organizations that effectively manage diversity are more likely to benefit from a range of positive outcomes, including improved innovation, higher employee satisfaction, better retention rates, and enhanced organizational performance. By ensuring accountability, revising structural systems, monitoring progress, providing ongoing training, and supporting employees through mentoring, organizations can create an inclusive environment where diversity is not just a goal but a driving force behind organizational success. These efforts reflect a growing recognition that diversity is not merely a demographic characteristic but a strategic asset that, when managed well, can significantly enhance organizational competitiveness and sustainability.

## **2.5. Benefits of Managing Workforce Diversity**

Organizations that actively embrace workforce diversity can tap into a vast array of resources and solutions that enable them to better navigate challenges in various domains such as service delivery, sourcing, resource allocation, and customer engagement. Employees from diverse backgrounds bring a wealth of distinct skills, experiences, and perspectives, which collectively provide a comprehensive toolkit for the organization to adapt more efficiently to the evolving and often unpredictable demands of the market (Brooks, 2007). This diversity fosters an environment in which creative solutions emerge, allowing the organization to address challenges in innovative ways and deliver more effective results.

A diverse workforce enhances an organization's capacity to operate on a global scale by broadening its understanding of international markets, consumer behaviors, and cultural nuances. Employees who bring multilingual capabilities, regional knowledge, and cultural sensitivities contribute to a more inclusive and adaptable service model, helping the organization meet the needs of diverse consumer bases across different geographical regions. This global competency enables companies to connect with a wider range of customers and deliver products and services that are more aligned with the needs and preferences of a global clientele.

Furthermore, when employees feel valued and comfortable sharing their unique perspectives, it creates a dynamic environment where differing viewpoints are not only accepted but actively encouraged. This openness fosters innovation and ensures that the organization has access to a broader pool of ideas, which can be leveraged to shape business strategies, enhance operational processes, and improve customer satisfaction. Organizations that champion diversity create a culture where employees are empowered to express themselves fully, which not only increases their job satisfaction but also motivates them to contribute their best work.

This inclusive culture plays a pivotal role in driving organizational performance. As employees are inspired to reach their full potential, they are more likely to engage with their work and demonstrate higher levels of productivity, creativity, and collaboration. These enhanced employee outcomes directly contribute to the organization's bottom line, boosting profitability, return on investment, and long-term sustainability (De Meuse, 2002). Moreover, organizations that prioritize diversity are better positioned to attract top talent from a wider pool of candidates, providing them with a competitive advantage in an increasingly

globalized and diverse talent market. In this way, workforce diversity not only supports the organization's operational success but also strengthens its position in the broader market.

### **2.5.1. Six Diversity Perspectives that Benefit a Diverse Workforce:**

In their seminal work, Cox and Blake (1991) identified several key business advantages that organizations can gain from embracing a diverse workforce. Their research highlights how diversity, when effectively managed, can serve as a strategic asset, contributing to organizational success and providing a competitive edge. By integrating a variety of perspectives, skills, and backgrounds into the workforce, organizations can enhance problem-solving capabilities, foster innovation, and improve overall efficiency. These benefits are not just limited to workplace culture but extend to tangible business outcomes such as cost savings, improved market positioning, and increased employee satisfaction. The following six diversity perspectives outline how organizations can leverage diversity to drive performance and achieve long-term success.

#### **Cost Argument**

The cost argument for diversity management posits that organizations can gain a significant cost advantage by effectively managing a diverse workforce. Cox and Blake (1991) suggest that diversity management contributes to improved organizational performance by fostering a workforce that reflects a wide range of experiences, backgrounds, and skills, which enhances innovation, decision-making, and problem-solving capabilities. This, in turn, leads to higher productivity, operational efficiencies, and a stronger competitive position within the industry. However, diversity in the workplace presents challenges, particularly if the organizational culture does not promote inclusion. Employees from minority groups—such as women, ethnic minorities, or individuals with disabilities—may feel excluded in environments that do not support diversity, leading to negative outcomes like decreased morale, disengagement, and diminished job satisfaction. These issues can significantly undermine organizational effectiveness.

The cost argument highlights that failing to implement and sustain diversity initiatives can lead to substantial financial burdens for organizations. One of the most direct costs is decreased profitability. Employees who feel excluded or undervalued are less likely to be productive, which can lead to lower performance levels. Moreover, a lack of inclusivity can stifle creativity and innovation, both essential for business success in competitive markets. The resulting stagnation can significantly affect the organization's ability to stay competitive,

ultimately impacting profitability. Another significant cost is increased labor turnover. When employees, particularly those from minority groups, feel their needs and perspectives are not valued, they are more likely to leave the organization for a more inclusive and supportive environment. High turnover rates lead to direct costs associated with recruitment, hiring, and training new employees. Additionally, turnover disrupts team continuity, creating inefficiencies and delays in meeting business objectives.

Increased absenteeism is also a cost associated with poor diversity management. Employees who feel marginalized or disconnected from their organization may experience lower job satisfaction, leading to higher levels of absenteeism. The stress associated with exclusion can also contribute to mental health issues, resulting in employees taking more sick days. This absenteeism disrupts the workflow and incurs additional costs in terms of lost productivity, temporary replacements, or overtime pay to cover the absent employees. As demographic diversity increases, the cost of integration also rises. If an organization does not have the systems in place to support effective diversity management, integrating workers from diverse backgrounds becomes more challenging and inefficient. Poor integration can lead to communication barriers, misunderstandings, and conflicts, all of which require additional resources to address. Failure to manage integration effectively may also reinforce stereotypes and biases, worsening the divide among different employee groups.

Lastly, inefficiencies in team dynamics can arise if diversity is not properly managed. Diverse teams, without the proper organizational support, may struggle with collaboration, as individuals from different backgrounds often have varying communication styles, work practices, and approaches to problem-solving. This lack of cohesion can lead to suboptimal performance and slower decision-making, further hindering the organization's ability to execute strategies and meet objectives in a timely and cost-effective manner.

In conclusion, the cost argument for diversity management emphasizes that while initial investments in training, policy development, and resources are required, the long-term advantages vastly surpass the costs associated with neglecting diversity. Organizations that make diversity a strategic priority are poised to reap significant benefits in the form of reduced turnover, higher profitability, enhanced productivity, and improved employee engagement. By fostering an inclusive environment, organizations create a workplace where employees feel valued, respected, and supported, leading to increased job satisfaction, motivation, and overall performance. As employees are more likely to remain with an organization that embraces diversity, this leads to lower turnover rates, which in turn reduces the high costs associated with recruitment, training, and onboarding new talent.

Moreover, a diverse workforce enables organizations to harness a broader range of perspectives, ideas, and experiences, enhancing creativity and problem-solving capabilities. This innovation can be a key driver of profitability, as organizations are better equipped to address evolving market demands and customer needs. By improving collaboration among individuals with different backgrounds, organizations can increase operational efficiencies and adapt more quickly to changes in the business environment, ultimately maintaining a competitive edge in their respective industries.

On the contrary, organizations that fail to prioritize diversity management may face several substantial costs. A lack of diversity can result in higher turnover rates as employees, particularly those from minority or underrepresented groups, may leave the organization in search of more inclusive environments. The financial burden of turnover—ranging from recruitment and training costs to disruptions in team dynamics and productivity—can be significant. In addition, organizations that fail to support diversity are likely to experience increased absenteeism, as employees may become disengaged or demotivated in a non-inclusive workplace. This absenteeism can disrupt operations, resulting in lost productivity and additional costs to manage staffing gaps.

Furthermore, neglecting diversity initiatives may lead to inefficiencies in teamwork and decision-making, as diverse teams require careful management to foster collaboration. Without proper support and integration, misunderstandings, conflicts, and communication barriers may arise, hindering organizational performance and delaying key business initiatives. These inefficiencies can also undermine the organization's ability to respond to competitive pressures, which ultimately impacts its ability to grow and succeed.

In light of these factors, it is clear that diversity management is not merely a moral or social responsibility but a critical financial and operational necessity for modern organizations. Embracing diversity as a core element of organizational strategy not only promotes a positive and inclusive workplace culture but also delivers tangible financial returns by improving profitability, reducing turnover, and enhancing overall business performance. As the business landscape continues to evolve and become more diverse, organizations that fail to recognize and capitalize on the benefits of diversity may find themselves at a distinct disadvantage, struggling to keep up with more forward-thinking competitors. Therefore, organizations must view diversity management as a vital component of their long-term success and sustainability.

### **Resource Acquisition**

The resource acquisition argument for diversity emphasizes the strategic value of tapping into a broad range of perspectives, talents, and experiences by fully integrating diverse employees into organizational initiatives. By actively managing diversity and promoting inclusive practices, organizations can not only improve their internal performance but also gain a significant competitive advantage in the marketplace. A diverse workforce brings with it a variety of skills, ideas, and approaches that can help an organization address challenges more creatively and effectively, enabling it to better achieve its business goals.

Organizations that make a deliberate effort to include underrepresented groups, such as women and minorities, can unlock valuable resources by creating an environment where all employees feel welcomed and empowered. This inclusivity fosters higher employee engagement, motivation, and satisfaction, which in turn leads to greater retention rates and lower turnover. A workforce that feels supported and valued is less likely to leave the organization, reducing the high costs associated with recruitment, hiring, and training new employees. Furthermore, by retaining experienced staff and building a diverse talent pool, companies can enhance their overall productivity and efficiency, leading to better performance and a higher return on investment.

Focusing on diversity also enables organizations to understand and meet the needs of a more varied consumer base. As global markets become increasingly diverse, organizations that can leverage the cultural insights and perspectives of a diverse workforce are better positioned to develop products and services that resonate with a wider range of customers. The ability to address the specific preferences, behaviors, and needs of diverse consumer groups can help organizations maintain relevance, improve customer loyalty, and expand their market share. In this way, a diverse workforce is not just an internal asset but also a key resource for driving business growth and success.

Moreover, organizations that prioritize diversity and inclusion are more likely to build a positive reputation in the marketplace, particularly as prospective employers. By fostering a diverse and inclusive environment, organizations position themselves as attractive places to work for women, ethnic minorities, and other underrepresented groups. This not only helps attract top talent but also signals the organization's commitment to fairness and equal opportunity, which can enhance its brand image and overall reputation. As the labor market continues to evolve and the composition of the workforce shifts, organizations that have made diversity a priority are more likely to have access to the best personnel and remain competitive in a rapidly changing business environment.

As the global workforce continues to diversify and minority groups become a larger part of the labor pool, the importance of diversity initiatives will only increase. Organizations that fail to recognize and embrace this trend may find themselves at a disadvantage in attracting and retaining top talent. In contrast, those that actively manage and leverage diversity will be better positioned for long-term success, with improved organizational performance, increased market competency, and enhanced competitiveness. By fostering an inclusive workplace and effectively utilizing the resources provided by a diverse workforce, organizations can drive innovation, maintain a strong competitive edge, and achieve sustainable growth in the future.

### **System Flexibility**

System flexibility refers to the ability of an organization to adapt its systems, processes, and strategies to meet the individual needs of its employees while maintaining the overall efficiency and effectiveness of the workplace. It emphasizes managing a diverse workforce in a way that encourages flexibility in how employees are assigned roles, tasks, and responsibilities, ensuring that their unique skills, strengths, and perspectives are utilized in the most effective manner. This allows organizations to tailor their approaches to fit the specific needs and capabilities of their employees, which in turn leads to improved performance and productivity.

By clustering diverse individuals together, organizations can leverage the varied perspectives that arise from differences in background, experience, and worldview. When employees from diverse groups collaborate, they bring different points of view to discussions, fostering creative problem-solving and generating more flexible solutions. This diversity of thought enables teams to approach challenges from multiple angles and develop innovative strategies that might not have emerged from a more homogenous group. As a result, organizations are better equipped to offer a wider range of solutions and ideas, which can improve service offerings and give clients more options to choose from.

System flexibility also refers to how adaptable the organization's overall work systems are in responding to changing circumstances. By creating a work environment that is less rigid and more fluid, organizations can more easily adjust to market shifts, technological advancements, and other external factors that require rapid responses. This agility allows companies to react quickly to changes in the business environment, such as customer demands, competitive pressures, or regulatory changes, without being bogged down by bureaucratic processes or outdated systems. As the business landscape becomes increasingly volatile and unpredictable, organizations that are more flexible and responsive are better positioned to remain competitive and achieve long-term success.

The increased fluidity within an organization leads to faster decision-making and improved organizational responsiveness. In a diverse workplace, employees can draw on a variety of experiences and insights, allowing the organization to react more effectively and at a lower cost to external challenges. For example, a more diverse and flexible team may be able to identify emerging market trends earlier or respond more creatively to customer feedback. This capability can lead to improved market share, stronger customer relationships, and enhanced operational efficiency. In turn, organizations that embrace system flexibility and diversity are able to continuously evolve and adapt, positioning themselves for sustained growth and success in an increasingly dynamic world.

Overall, system flexibility is a crucial element of managing diversity in the workplace, as it not only enhances the efficiency and effectiveness of organizational processes but also fosters a culture of inclusivity and adaptability. By embracing diverse perspectives and providing employees with the tools and freedom to contribute their unique skills, organizations can create a more responsive, innovative, and successful work environment. This dynamic approach to management enables companies to meet the evolving needs of their clients while maintaining a competitive edge in the market.

### **Marketing Argument**

The marketing argument for workforce diversity is grounded in the strategic value that a diverse employee base brings to an organization's ability to engage with a wide array of consumer segments, both domestically and globally. As markets become more interconnected and consumer preferences evolve in increasingly complex ways, organizations that embrace diversity within their workforce are better positioned to understand and address the needs of a global customer base. The presence of employees with varying cultural backgrounds, ethnicities, and nationalities offers a wealth of insights that help organizations tailor their products, services, and marketing strategies to resonate with diverse consumers across different regions, backgrounds, and social contexts.

In today's globalized economy, having employees who represent a broad range of cultural perspectives can significantly enhance a company's ability to craft marketing campaigns that are both relevant and inclusive. Consumers, particularly in multinational and multicultural markets, expect companies to understand their specific needs, values, and cultural influences. Companies that integrate this awareness into their marketing efforts are more likely to build stronger connections with their customers, creating brand loyalty and long-term success. A diverse workforce brings the cultural intelligence needed to develop nuanced marketing

strategies that are sensitive to the various customs, beliefs, and preferences that exist across different markets.

For international organizations, the benefits of diversity extend beyond merely addressing cultural differences. Employees with roots in various countries or regions contribute not only to a more culturally sensitive marketing approach but also to a deeper understanding of local market dynamics. This allows companies to refine their offerings, distribution channels, and messaging to align more closely with local tastes and expectations. Additionally, a workforce that reflects global diversity can assist in navigating complex regulatory environments and cultural sensitivities, which are increasingly important when doing business across borders.

In domestic markets, the marketing argument for diversity is just as significant. As populations become more diverse, it is crucial for businesses to recognize and cater to the preferences of different demographic groups within their own country. A workforce that mirrors the nation's demographic composition is better able to understand and respond to the needs of various ethnic, racial, and socio-economic groups. By tapping into this internal diversity, organizations can create marketing messages and campaigns that are more inclusive and representative of all communities, ultimately increasing their reach and appeal.

Moreover, as the consumer base diversifies, companies that fail to diversify their workforce risk becoming disconnected from emerging consumer segments. By not reflecting the varied perspectives and experiences of their customers, such companies may struggle to engage effectively with new markets or even alienate existing customers. This disconnect can result in missed opportunities for growth, as well as difficulties in maintaining competitive advantage. Companies that neglect diversity in their workforce may also face reputational challenges, as consumers increasingly prioritize brands that demonstrate inclusivity and social responsibility.

In summary, the marketing argument for workforce diversity highlights the critical role that diverse perspectives play in shaping an organization's marketing strategies. A diverse workforce provides essential insights into the needs and preferences of a broad consumer base, which in turn allows companies to create more relevant, effective, and inclusive marketing campaigns. As global markets continue to evolve, organizations that prioritize diversity within their teams will be better equipped to meet the demands of a dynamic and diverse customer landscape, ensuring long-term business success and relevance. Embracing diversity is not just a social imperative, but a key driver of marketing innovation and organizational competitiveness.

### **Creativity Argument**

The creativity argument for workforce diversity posits that a diverse workforce fosters greater innovation and creativity by bringing together a wide range of perspectives, ideas, and experiences. When individuals from different cultural, racial, gender, and social backgrounds collaborate, they approach problems and challenges from unique angles, leading to a more dynamic and creative problem-solving process. The variety of viewpoints and thought processes can spark new ideas, challenge conventional wisdom, and encourage creative thinking that might not emerge in a more homogeneous work environment. In this way, diversity becomes a catalyst for the generation of fresh ideas and innovative solutions that can give organizations a competitive edge in the marketplace.

Diversity also plays a key role in reducing the tendency toward groupthink—an outcome where individuals within a homogeneous group may conform to prevailing ideas and avoid voicing dissenting opinions. In a more diverse group, however, members are more likely to challenge assumptions and propose alternative solutions, leading to better decision-making and a more thorough exploration of possible solutions. This diversity of thought and perspective can be particularly valuable in industries or fields that rely heavily on innovation, such as technology, marketing, product development, and design.

Moreover, promoting creativity through diversity can help organizations better adapt to changing market demands and consumer expectations. As consumer markets become more globalized and diverse, organizations that draw from a wide pool of ideas and insights are better equipped to create products, services, and experiences that resonate with diverse consumer groups. By tapping into the creative potential of a diverse workforce, companies can ensure that their offerings reflect a broad range of tastes, preferences, and cultural influences, leading to products and marketing strategies that are more inclusive and appealing to a larger audience.

From an operational perspective, the creativity argument for diversity also includes tangible benefits in terms of cost savings. Organizations that encourage diversity are likely to see reductions in workplace conflict, as employees from diverse backgrounds are more likely to bring fresh approaches to resolving challenges and collaborating effectively. Additionally, by fostering an inclusive and creative work environment, organizations can reduce the risk of costly legal disputes, such as employment tribunals, that may arise from discriminatory practices or inequality in the workplace. When organizations comply with equality legislation and embrace diversity as part of their core values, they not only avoid potential legal and financial repercussions but also enhance their overall reputation as fair and inclusive

employers. This can lead to greater employee satisfaction, higher retention rates, and a more positive public image, further contributing to the organization's long-term success.

In summary, the creativity argument emphasizes the value of diversity in driving innovation and creative problem-solving. By embracing a variety of perspectives, organizations can improve their ability to generate new ideas, challenge existing norms, and adapt to changing consumer needs. Furthermore, diversity in the workplace can lead to cost savings, improved legal compliance, and enhanced organizational reputation, all of which contribute to a stronger and more competitive business. In an increasingly dynamic and competitive global market, fostering creativity through diversity is a strategic advantage that organizations cannot afford to overlook.

### **Problem-Solving Argument**

The problem-solving argument for workforce diversity highlights the potential for improved decision-making and problem-solving capabilities that arise from having a heterogeneous group of individuals within an organization. Diversity, in this context, refers not only to visible characteristics such as race, gender, or age, but also to diverse cognitive styles, life experiences, educational backgrounds, and perspectives. When people from various backgrounds collaborate, they bring a wider range of ideas, insights, and approaches to the table, leading to a more thorough and comprehensive analysis of issues and challenges.

Heterogeneity within teams enhances critical thinking and promotes more robust discussions, as individuals challenge each other's assumptions and introduce different viewpoints. This process encourages a deeper exploration of problems, with diverse team members often asking questions and offering solutions that others might not have considered. The result is a more nuanced understanding of the issue at hand, which can lead to more effective and well-rounded decisions. In situations where complex or high-stakes decisions need to be made, a diverse team can mitigate the risks of narrow thinking and avoid potential blind spots that might arise in more homogenous groups.

Moreover, diversity can improve creativity in problem-solving by allowing team members to leverage their varied experiences and knowledge bases. For example, employees from different cultural backgrounds may bring distinct perspectives on consumer behavior, market trends, or regional challenges, which can provide valuable insights into how to approach a problem or develop a solution. Similarly, individuals with different professional experiences—such as engineers working with marketing professionals—can contribute unique problem-solving approaches, resulting in innovative solutions that might not emerge in a less diverse group.

From a business perspective, this diverse problem-solving approach leads to better outcomes for the organization. By having a team that can draw from a wide range of perspectives and solutions, companies are more likely to identify effective strategies and anticipate challenges before they arise. This ability to address problems proactively and creatively can give organizations a competitive advantage, as they are better equipped to navigate changing market conditions, anticipate customer needs, and respond to unforeseen issues.

Additionally, organizations that encourage diversity in problem-solving can benefit from improved adaptability and resilience. Teams that have learned to work with diverse viewpoints are often more flexible and open to change, as they have developed the skills to navigate and integrate differences effectively. This adaptability becomes increasingly important in today's fast-paced and volatile business environment, where organizations must quickly respond to new challenges, opportunities, and disruptions.

In conclusion, the problem-solving argument for diversity underscores the value of having diverse perspectives in decision-making processes. By fostering a heterogeneous environment, organizations can improve their ability to solve problems more creatively, make better decisions, and anticipate challenges with greater accuracy. Diversity not only enhances the depth and breadth of problem-solving capabilities but also contributes to the organization's overall success by enabling it to adapt to change and maintain a competitive edge in the marketplace.

## **2.6. Challenges of Workforce Diversity**

According to Greenberg (2004) the major challenges are communication, resistance to change, and implementation of diversity in the workplace. D'Netto and Sohal (1999) cite challenges from workforce diversity as meeting diversity challenges requires a strategic human resource plan that includes a number of different strategies to enhance diversity and promote the productivity and effectiveness. It also compels human resource managers to solicit a trainable population, check required skills and competencies against the job, market jobs sufficiently ahead of needs, and extend the workforce boundaries to include the nationals of other countries. It brings with it the need for re-examining Human resource practices from top to bottom need to be re-examined to cope with the new strengths and challenges of diversity, so better approaches can be created by management to recruit new talent, retain them, and manage them more effectively (Denton, 1992).

Robinson et al. (1994) also cite that human resource managers are faced with the challenge of convincing their senior management that diversity programs are beneficial to the

organization. Some organizational leaders are concerned that implementing diversity initiatives is too expensive, upsets productivity and causes disruption in the workplace. Prejudice and hostile work environments also pose internal stumbling blocks to managing workforce diversity effectively. An important barrier that affects full integration of ethnic employees is the issue of poor communication or lack of it by failure to overcome the various barriers to communication (Loden and Rosener, 1991).

According to Morrison (1992) managing diversity involves leveraging and using the cultural differences in people's skills, ideas and creativity to contribute to a common goal, and doing it in a way that gives the organization a competitive edge.

Workforce diversity, while offering numerous benefits, also presents significant challenges for organizations. As Greenberg (2004) outlines, the major challenges of managing diversity in the workplace include communication barriers, resistance to change, and the difficulties associated with effectively implementing diversity initiatives. These challenges require organizations to develop strategies that not only address the issues that arise but also leverage the diversity to enhance organizational performance.

One of the primary challenges is effective communication. A diverse workforce inevitably brings together individuals from various backgrounds, each with their own unique communication styles, languages, and cultural norms. These differences can lead to misunderstandings, misinterpretations, and conflict within teams, affecting productivity and cohesion. To mitigate these issues, organizations must prioritize the development of communication strategies that are inclusive and ensure that all employees can effectively express themselves and understand one another. Failure to address these communication barriers can result in inefficiencies and a fragmented organizational culture.

Resistance to change is another significant challenge faced by organizations when implementing diversity initiatives. As D'Netto and Sohal (1999) note, diversity requires a fundamental shift in organizational attitudes, policies, and practices, which can be met with resistance, particularly from individuals who are accustomed to a more homogenous environment. Employees and managers alike may feel threatened by diversity, perceiving it as a challenge to the status quo or a source of disruption. Overcoming this resistance requires leadership commitment, clear communication, and the establishment of diversity policies that emphasize the long-term benefits to both individuals and the organization as a whole. Organizations that fail to create a supportive and inclusive environment risk the failure of their diversity initiatives.

The implementation of diversity strategies also demands careful planning and foresight. As D'Netto and Sohal (1999) point out, a strategic human resource plan must be developed to meet the challenges of workforce diversity. This plan should include initiatives to recruit a diverse and trainable population, assess the skills and competencies required for various positions, and ensure that recruitment efforts are aligned with the evolving needs of the organization. It may also require expanding the workforce boundaries to include candidates from diverse geographical and cultural backgrounds. However, this process can be complicated by external factors such as cultural biases, which can hinder the integration of minority groups, as noted by Robinson et al. (1994). For instance, some organizational leaders may be concerned that diversity programs are too costly, disrupt productivity, or create tensions among employees.

Another barrier to effective diversity management is the internal resistance that can arise from prejudice or a hostile work environment. Prejudices based on race, gender, or cultural differences can lead to negative attitudes, discriminatory behavior, and a lack of support for diversity initiatives. In some cases, these biases are subtle and may not be immediately apparent, but they can manifest in the form of microaggressions or exclusionary practices. Overcoming these barriers requires proactive training and awareness programs, as well as clear policies that promote inclusivity and address discriminatory behavior.

Furthermore, the challenge of convincing senior management of the value of diversity programs cannot be understated. As noted by Robinson et al. (1994), human resource managers often face skepticism from top leadership regarding the financial and operational benefits of diversity initiatives. The perception that diversity programs are expensive or difficult to measure in terms of return on investment can impede the adoption of such programs. Therefore, it is essential for HR professionals to present compelling data and case studies that demonstrate the positive impact of diversity on organizational performance, employee satisfaction, and market competitiveness.

In addition to these challenges, organizations must also focus on creating an inclusive environment where employees from diverse backgrounds feel valued and supported. Morrison (1992) emphasizes that managing diversity involves not just acknowledging differences but also leveraging those differences to achieve a common goal. This requires an organizational culture that encourages collaboration, innovation, and mutual respect, and where diversity is seen as a strategic asset that can contribute to a competitive edge in the marketplace.

Ultimately, while the challenges of workforce diversity are significant, they can be addressed through thoughtful planning, strong leadership, and a commitment to fostering an inclusive workplace culture. Organizations that successfully navigate these challenges can reap the benefits of a diverse workforce, including enhanced creativity, improved problem-solving, and a stronger competitive position in the market.

Mfene (2010) highlights three key challenges that organizations often face when managing workforce diversity, each of which can create significant barriers to achieving an inclusive, high-performing workplace. These challenges—lower group cohesiveness, communication problems, and mistrust and tension—are interrelated and can greatly affect team dynamics, employee morale, and overall organizational success.

One of the primary challenges in managing diversity is lower group cohesiveness. Diverse teams, particularly those with varying cultural, ethnic, or language backgrounds, often struggle to form the same strong, unified bonds that homogenous groups naturally develop. In groups where members share similar experiences, values, or communication styles, a sense of familiarity and trust is easier to establish. However, in diverse teams, these shared experiences are often absent, which can lead to feelings of isolation or exclusion among team members. The lack of common ground can prevent the formation of a strong team identity, which is essential for promoting cooperation, coordination, and mutual support. Without cohesiveness, team members may fail to collaborate effectively, which can hinder the team's ability to meet goals or complete tasks efficiently. Furthermore, team members may experience frustration or disengagement due to a perceived lack of belonging, leading to decreased job satisfaction, lower motivation, and even higher turnover rates. Ultimately, the absence of cohesion in a diverse team can result in a negative impact on the organization's overall performance and its ability to foster a productive and harmonious work environment.

The second challenge, communication problems, is closely tied to differences in language, communication styles, and cultural norms. In a diverse workplace, employees may have varying interpretations of the same message, and what is considered polite or professional in one culture may be viewed differently in another. These differences can lead to misunderstandings, misinterpretations, and even conflicts. For example, an individual from a high-context communication culture, where much of the meaning is implied or understood through non-verbal cues, may struggle to understand someone from a low-context culture, where communication tends to be more direct and explicit. Such communication barriers can result in inefficiencies, errors, and delays, as employees may not be able to express their ideas clearly or may misinterpret the messages being conveyed to them. In turn, this can create a

ripple effect across the organization, impacting decision-making, project timelines, and even customer service. Employees may become frustrated or disengaged if they feel that their ideas or concerns are not being understood or respected, which can lead to a decrease in overall productivity and job satisfaction.

The third challenge identified by Mfene is mistrust and tension, which often arises from differences in values, beliefs, and cultural norms. People are naturally inclined to trust others who share similar perspectives, and they may feel discomfort or skepticism toward individuals whose beliefs or values differ significantly from their own. In a diverse workforce, employees may experience tension if they perceive their colleagues as holding opposing views or if they feel that their own beliefs are not respected or valued. This can lead to interpersonal conflicts, a lack of cooperation, and even hostility within the team. Mistrust can undermine teamwork and collaboration, as employees may be less willing to engage openly with those they do not feel comfortable with. This not only impacts group dynamics but can also affect the organization's ability to foster an inclusive and innovative environment. When employees feel disconnected or distrustful of their colleagues, they may become less likely to share ideas, take initiative, or contribute to the team's success. The result is often reduced engagement, a decline in morale, and lower overall productivity. Furthermore, if not addressed, mistrust can lead to employee turnover, with employees seeking workplaces where they feel more accepted and valued.

These three challenges—lower group cohesiveness, communication problems, and mistrust—are often interconnected. The lack of cohesiveness in a team can exacerbate communication issues, as team members may struggle to collaborate effectively due to their inability to understand or trust each other. Similarly, poor communication can intensify feelings of mistrust, as employees may feel that they are not being heard or that their ideas are being misinterpreted. Over time, these challenges can create a negative work environment where diversity is seen as a hindrance rather than a benefit, leading to disengagement, poor performance, and even employee attrition.

To overcome these challenges, organizations must adopt proactive diversity management strategies that go beyond just recruiting diverse talent. Effective diversity management requires intentional efforts to foster an inclusive culture where all employees, regardless of background, feel valued and respected. Some approaches to overcoming these challenges include team-building and cohesion initiatives, communication training, inclusive leadership and mentorship programs, and regular feedback and open dialogue. Organizations can facilitate team-building activities that encourage employees to learn about one another's

cultures, backgrounds, and perspectives. This helps build common ground and fosters a sense of unity among diverse team members. Providing training on effective communication, cultural awareness, and conflict resolution can help employees navigate differences in communication styles and reduce misunderstandings. Leadership plays a critical role in addressing mistrust and tension within diverse teams. Leaders should actively promote inclusion by demonstrating respect for diversity and creating opportunities for all employees to engage with each other. Mentorship programs can also provide guidance and support for employees from underrepresented groups, helping them feel more connected and valued within the organization. Regular feedback from employees can help identify potential issues before they escalate and ensure that diversity initiatives are having the desired impact.

While managing workforce diversity presents a number of challenges, the benefits of a diverse workforce far outweigh these obstacles. By addressing issues such as lower group cohesiveness, communication barriers, and mistrust, organizations can foster a more inclusive, collaborative, and productive work environment. Ultimately, the key to successful diversity management lies in recognizing the complexities of a diverse workforce and taking proactive steps to create an atmosphere where all employees can thrive. This not only leads to improved organizational performance but also positions the company as a leader in fostering innovation, creativity, and long-term success.

## **2.7. Performance**

Employee performance is a multifaceted concept that refers to the execution of job duties and the degree to which an individual fulfills the responsibilities assigned to them in the workplace. It encompasses the effectiveness, efficiency, and quality with which an employee completes their tasks and contributes to the organization's overall goals. According to Rue and Byars (1993), performance can be understood as how well an employee meets the expectations of their role, with an emphasis on achieving positive outcomes for both themselves and the organization. Cascio (2006) expands on this definition by describing performance as the effectiveness with which someone performs their job, focusing on the methods and processes by which they achieve results.

In today's organizational landscape, performance management is intricately linked to diversity management (DM), as organizations seek to align their diversity and inclusion goals with their strategic objectives. A key component of this integration is ensuring that diversity initiatives are not only implemented but also measured and evaluated through performance management systems. This approach connects diversity goals to the broader organizational

performance strategy, ensuring that diversity and inclusion efforts contribute to the organization's success.

To ensure that diversity management is effectively integrated into performance management, organizations often hold managers accountable for promoting diversity, equity, and inclusion within their teams. As Kreitz (2007) suggests, one effective strategy is to link managers' performance appraisals, promotions, and compensation to the progress of diversity initiatives. This creates an incentive for leaders to prioritize diversity goals, ensure equitable practices, and foster inclusive work environments. By embedding these objectives into the performance management framework, organizations can drive both individual and organizational success. Ultimately, aligning diversity management with performance management fosters an environment where all employees—regardless of their background—can thrive. This integration enhances job satisfaction, boosts productivity, and helps organizations adapt to the needs of a diverse workforce. When diversity initiatives are prioritized and measured through performance systems, organizations can ensure long-term growth, improve team collaboration, and create a workplace culture that values and respects the contributions of all individuals.

To enhance the effectiveness of performance appraisal practices in the context of diversity, several best practices have been identified. These practices aim to create a fair, inclusive, and transparent process that supports both individual and organizational growth. One essential step is to ensure that employees are not discriminated against in the allocation of workloads and performance evaluations. Every employee, regardless of their background or identity, should be given equal opportunities to succeed, with their contributions evaluated based on merit, not bias. This ensures fairness in workload distribution and fosters a more inclusive environment.

Another crucial practice is the incorporation of self-assessment and 360-degree feedback mechanisms. Self-assessment allows employees to reflect on their performance, highlighting areas of personal growth, while 360-degree feedback offers a holistic view of their contributions by gathering insights from peers, subordinates, and managers. This balanced approach helps improve the accuracy and fairness of performance evaluations, particularly in the areas of diversity and equity.

Effective coaching and feedback mechanisms should also be an integral part of the performance evaluation process. Performance evaluations should not be limited to a one-time review but should include ongoing coaching and constructive feedback. This helps employees

understand their strengths and areas for improvement, particularly in diversity-related competencies, and fosters a growth mindset.

Clear guidelines for performance evaluation are another important step. Employees and managers must be well-informed about the criteria and expectations for performance assessments. These guidelines should prioritize diversity and inclusion as key factors in the evaluation process, ensuring fairness and consistency in how employees' contributions are measured.

Training managers on effective evaluation practices is equally important. Managers should be equipped with the knowledge and tools to conduct performance evaluations in a fair, unbiased, and inclusive manner. Training should focus on reducing unconscious bias, enhancing diversity competencies, and ensuring that evaluations are based on objective criteria rather than subjective perceptions.

Lastly, employees should have the right to appeal or file complaints about unfair evaluation practices. Providing a transparent grievance process is essential to maintaining trust in the system. This mechanism ensures that employees can address concerns about bias or discrimination, contributing to a more equitable and accountable performance appraisal system.

By implementing these practices, organizations can create a performance appraisal system that is not only fair and effective but also supports a diverse and inclusive workplace where all employees are given the opportunity to thrive.

## 2.8. Relationship between Workforce Diversity and Performance

According to Fernandez (1993) argues that good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance. This is because managing diversity involves leveraging and using the cultural differences in people's skills, ideas and creativity to contribute to a common goal, and doing it in a way that gives the organization a competitive edge. Hayles and Mendez (1997) add that even recent studies have shown a strong correlation between good diversity practices and profits.

## **2.9. Empirical Literature Review**

Workforce diversity has become an essential element in modern organizations, influencing various aspects of organizational behavior, performance, and overall productivity. In recent years, businesses worldwide have embraced diverse workforces, recognizing that diverse teams bring unique perspectives, skills, and experiences that can enhance decision-making, problem-solving, and innovation. As organizations strive to remain competitive and achieve

high performance, understanding the impact of workforce diversity on organizational outcomes has garnered significant attention from both academics and practitioners.

This empirical study aims to examine the effect of workforce diversity on organizational performance, focusing specifically on Tsedey and Girar Spring Water S.C., a prominent player in the beverage industry. The company, located in the Central Ethiopia region, has experienced rapid growth and is known for its commitment to quality products and customer satisfaction. However, as Tsedey and Girar Spring Water S.C. continues to expand, it is essential to assess how workforce diversity influences various performance metrics, including productivity, efficiency, employee satisfaction, and organizational profitability.

The study is guided by the premise that diverse workforces—encompassing differences in gender, age, ethnicity, education, and experience—can have both positive and negative impacts on organizational performance. While diversity is often associated with enhanced creativity and innovation, challenges such as communication barriers, cultural differences, and workplace conflicts may also arise. Therefore, this research seeks to provide valuable insights into how Tsedey and Girar Spring Water S.C. manages diversity within its workforce and the subsequent effects on its operational success.

Through an empirical approach, the study analyzes quantitative data collected from employees at Tsedey and Girar Spring Water S.C. using surveys. By focusing on the relationship between workforce diversity and organizational performance, this research contributes to the broader understanding of how companies can leverage diversity as a strategic asset to improve overall business performance and achieve sustainable growth.

Workplace diversity has also been found to be positively related to innovation. A study of 2,000 organizations in the United Kingdom found that companies with more diverse workforces had higher levels of innovation (Thomas & Ely, 1996). The study found that companies with more diversity in terms of gender, race, and ethnicity were more likely to develop new products and services, and to bring those products and services to market faster. Another study of 399 high-technology firms found that companies with more diverse workforces had higher levels of patent grants (Horwitz & Horwitz, 2005). The study found that companies with more diversity in terms of gender, race, and ethnicity were more likely to file for and receive patents for new inventions.

The relationship between workforce diversity and organizational outcomes has been a significant area of research in organizational behavior, with various studies exploring how diversity—across dimensions such as gender, age, ethnicity, and other demographic factors—impacts organizational performance. Numerous studies conducted in developed countries

have found that workforce diversity can enhance organizational performance, particularly in areas such as innovation, creativity, and problem-solving. For instance, Cox and Blake (1991) suggested that diverse teams bring a variety of perspectives, which can lead to enhanced creativity and innovation, providing a competitive advantage. Similarly, Horwitz and Horwitz (2007) argued that diversity in terms of skills and experiences enhances decision-making and flexibility in organizations. Furthermore, Page (2007), in his work *The Difference*, found that diverse groups often outperform homogeneous ones in solving complex problems, which leads to improved productivity. The argument is that diverse teams approach problems from multiple perspectives, resulting in more creative and effective solutions.

However, despite the potential advantages, the literature also points out several challenges that can arise from workforce diversity. Stahl et al. (2010) found that while diversity may enhance innovation, it can also lead to communication difficulties, misunderstandings, and interpersonal conflicts, especially when employees have vastly different cultural norms. Similarly, Jehn et al. (1999) highlighted that diversity can increase social tension and reduce team cohesion, particularly when differences are not well managed. Research by Thomas and Ely (1996) on diversity initiatives also found that despite efforts to embrace diversity, discrimination and bias remain in some organizations, which undermines the potential benefits of a diverse workforce. In particular, organizations that fail to create inclusive cultures may experience lower employee satisfaction, higher turnover rates, and a diminished sense of belonging, all of which negatively affect performance. Additionally, McKay et al. (2009) suggested that while workforce diversity can boost creativity and problem-solving, it may also have a negative impact on employee satisfaction, particularly if employees feel excluded or undervalued, which ultimately affects organizational performance.

While these studies provide valuable insights into the effects of workforce diversity on organizational performance, there is comparatively less research on this topic in the context of developing countries. This gap is particularly critical, as organizational dynamics, cultural settings, and management practices in developing countries differ significantly from those in developed nations. In Ethiopia, for example, research on workforce diversity is relatively limited, with a focus primarily on gender diversity or ethnic inclusivity, but without a comprehensive examination of broader diversity factors. Tsegaye (2016), in a study on Ethiopian companies, found that while many organizations are beginning to recognize the importance of diversity, comprehensive diversity management strategies, especially related to ethnicity and gender, are often lacking. The study emphasized that organizational culture and

societal norms play a significant role in shaping how diversity is perceived and managed, which can hinder the effectiveness of diversity initiatives.

Another important gap in the existing literature is the lack of exploration of how diversity interacts with other organizational factors such as leadership style, communication practices, and organizational policies. Most studies have focused on the direct effects of diversity without examining how it interacts with these other factors to influence organizational outcomes. For example, in the case of Tsedey and Girar Spring Water S.C., it would be valuable to explore how workforce diversity interacts with leadership and communication practices to influence overall organizational performance.

In conclusion, while the existing literature offers valuable insights into the potential benefits and challenges of workforce diversity, significant gaps remain, particularly in the context of developing countries and SMEs. More research is needed to understand the impact of diversity in industries like beverage production and distribution, and how diversity can be effectively managed to enhance organizational performance. Studies focusing on the Ethiopian context, and specifically on SMEs like Tsedey and Girar Spring Water S.C., could provide critical insights into how diversity can be leveraged to achieve better organizational outcomes.

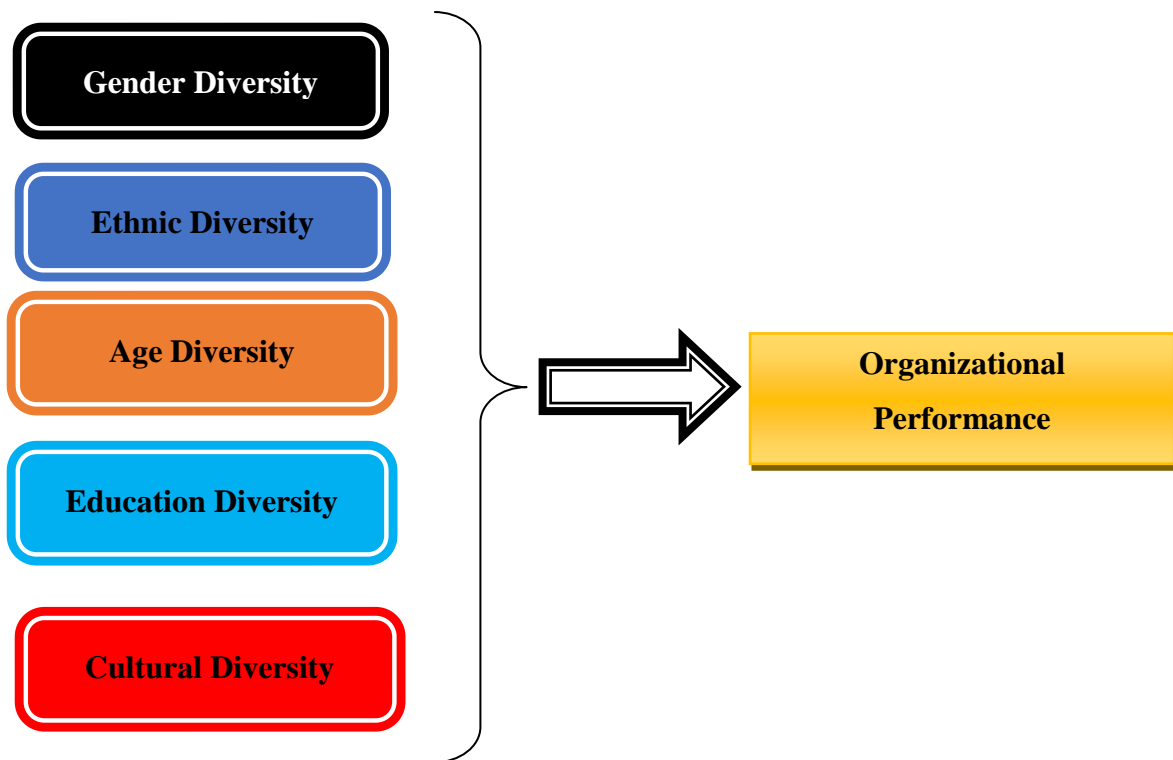
Workplace diversity has also been found to be positively related to employee engagement. A study of 2,000 organizations in the United Kingdom found that companies with more diverse workforces had higher levels of employee engagement (Thomas & Ely, 1996). The study found that employees in companies with more diversity were more likely to be satisfied with their jobs, committed to their organizations, and likely to stay with their organizations.

Another study of 250 organizations in the United States found that companies with more diverse workforces had higher levels of employee engagement (Carter, et al., 2008). The study found that employees in companies with more diversity were more likely to be engaged in their work, feel valued by their organizations, and believe that their work makes a difference.

## **2.10. Conceptual Frame work**

From the journals refers, the researcher realizes that the three variable of workforce diversity is very important in affecting employee performance so the researcher came out with a framework as stated below. The study consists independent variables of ethnicity, gender, and education and the dependent variable of employee performance. These relationships are represented in Figure 2.4. Below.

Figure 2.1:- Conceptual Framework



Independent Variables

Dependent Variables

Source: Abdallah Mwatumwa (2015)

## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter outlines the methods of research, provided guidance to implementation of the research towards the realization of the objectives. Having considered the underpinning theories, and the research questions, this section describes the background to this study from the methodological point of view. The following section covered; research design, population, sampling technique instruments, sampling frame, sample size and, data collection procedures, questionnaire design, data processing and analysis finally ethical consideration of the researcher.

#### **3.2. Research Approach**

This research employed a mixed-methods approach, combining quantitative and qualitative methodologies to achieve a comprehensive understanding of the research questions.

The quantitative approach involves the collection of numerical data to analyze the relationship between workforce diversity elements and organizational performance indicators. Surveys was administered to employees and managers in both organizations to gather quantitative data on workforce diversity perceptions and organizational performance metrics. Statistical analysis techniques, such as correlation analysis and regression analysis, was utilized to identify any significant relationships between workforce diversity and organizational performance variables.

The qualitative approach involves the collection of non-numerical data to gain deeper insights into the social processes and interrelations underlying workforce diversity and organizational performance. Thematic analysis was employed to identify recurring themes, patterns, and narratives within the qualitative data, providing rich, contextualized insights into the dynamics of workforce diversity and its influence on organizational performance.

By integrating both quantitative and qualitative approaches, this research aims to provide a holistic understanding of the complex relationship between workforce diversity and organizational performance in Tsedey and Girar Spring Water S.C.

#### **3.3. Research Design**

The research design for this study was a comparative cross-sectional Descriptive and explanatory research design. This design allowed for the examination of workforce diversity and its impact on organizational performance in Tsedey and Girar Spring Water S.C. by

comparing key diversity elements and performance indicators between the two organizations at a specific point in time.

### **3.3. Target Population**

Population refers to the entire group of people, events, or things that the researcher wishes to investigate (Sekaran, 2003). The companies under study are manufacturing companies located in Gurage Zone. Therefore, the target population for this research was 115 employees found at the two manufacturing companies and employees that work as marketing and sales for the distribution of bottled water. Focusing on workers in marketing and sales for bottled water distribution is crucial as these roles directly impact revenue generation and market competitiveness. Their interactions with diverse customer bases also highlight the importance of diversity in communication and market penetration strategies. This focus allows for a comparative analysis of diversity management practices within key functional areas, enhancing insights into its impact on organizational performance. Generally, the population of the study are employees of both Tsedey and Girar Spring Water S.C.

### **3.4. Sample Size Determination**

The study selects its sample from the entire employee base of the chosen companies to achieve a thorough examination of the workforce. When the total number of employees is fewer than 100, the researcher includes the entire population in the sample. This method ensures that every employee has an equal opportunity to participate, thereby supporting a representative and impartial assessment of the organization.

By involving all employees, the study seeks to reflect the full range of viewpoints, experiences, and attributes within the companies. This comprehensive approach enhances the understanding of workforce dynamics and enables the researcher to make well-founded generalizations about the employee population.

Additionally, in smaller organizations, using the full workforce as the sample not only guarantees inclusive representation but also streamlines the data collection process. With fewer participants, data can be gathered more quickly and efficiently, reducing the effort and resources needed for sampling and recruitment.

### **3.5. Procedure for Data Gathering**

The data gathering process was a quantitative research process. The primary and secondary sources were used to gather relevant data. The primary data was collected using survey questionnaires with employees of Tsedey and Girar Spring Water S.C. with subject matter. Secondary data was also collected from HRM office, publications, books, journal articles,

companies' yearly magazine and online materials from the web. For this study, the research instrument that was used is self-administered questionnaire. Self-administered questionnaire required respondent to take the responsibility to read and answer the questions.

### **3.6. Data Processing**

Data processing involves a set of programs designed to organize and manipulate large volumes of numeric data, transforming it into valuable information. The process comprises several essential steps, including data checking, editing, coding, transcribing, and cleaning. Initially, questionnaires are meticulously reviewed to detect problems and assess question appropriateness through pilot tests, ensuring necessary corrections before the actual survey. Subsequently, collected data undergoes scrutiny to identify errors made by either the researcher or respondents. The data editing process ensues to guarantee accuracy, completeness, and consistency of the provided information. Data coding assigns specific numerical values to survey questions, facilitating computerized analysis. Coded data is then inputted into software like SPSS or STATA for analysis. Regarding the analysis approach, it is imperative to specify both descriptive and causal methods to be employed.

Analyzing and presenting quantitative data involves summarizing numerical information through descriptive and inferential statistics, visualizing patterns and trends using charts and graphs, and interpreting statistical findings to draw conclusions. On the other hand, qualitative data analysis entails coding and categorizing textual or visual data to identify themes and patterns, presenting findings through narratives or thematic summaries, and interpreting qualitative insights within the context of the research question. Combining both quantitative and qualitative data allows for a comprehensive understanding of the research topic, with mixed-methods approaches facilitating triangulation and complementarity between different data sources. Integration of findings from both data types enriches the analysis, providing a nuanced perspective and contributing to theory development or practical implications in the research field.

### **3.7. Model Specification**

The proposed research model was formulated based on the identified independent and dependent variables. It investigates their relationship using the multiple linear regression method. Gender diversity, ethnic diversity, age diversity, educational diversity, and cultural diversity are considered as independent variables, while organizational performance is the dependent variable.

To investigate the relation between the independent and dependent variables, a multi-regression analysis model specification was designed as follows:

$$PERF = B0 + (B1 * Gender\ diversity) + (B2 * Ethnic\ diversity) + (B3 * Age\ diversity) + (B4 * Educational\ diversity) + (B5 * Cultural\ diversity)$$

Where:

- PERF represents Organizational Performance.
- Gender diversity represents the diversity in gender representation.
- Ethnic diversity represents the diversity in ethnicity.
- Age diversity represents the diversity in age distribution.
- Educational diversity represents the diversity in educational backgrounds.
- Cultural diversity represents the diversity in cultural backgrounds.
- B0 is the constant term.
- B1, B2, B3, B4, and B5 are coefficients of predictors.

### **3.8. Ethical Considerations**

The participants in this study were selected with full consent and informed to respond for questionnaires with confidence and understanding the purpose of the thesis, and the researcher assured that as he will keep the information confidential and the data was used only for academic purpose.

## **CHAPTER FOUR**

### **4. DATA ANALYSIS AND INTERPRETATION**

#### **4.1. Introduction**

This chapter presents and discusses the results obtained from reliability analysis of the data collection instruments and describes the study participants based on demographics data. Then the respondent's demographic profile and descriptive analysis is used to summarize basic features of the quantitative data collected and finally inferential analysis is used to infer from sample data to the whole population are discussed at length in this chapter. The statistical analyses presented in this thesis were done using SPSS V.25 and Microsoft Excel.

#### **4.2. Data Analysis and Presentation of Findings**

##### **4.2.1. Response Rate**

In this comparative study, a total of 115 questionnaires were distributed to respondents from Girar Spring Water S.C. and Tsedey Spring Water S.C. Of these, 49 questionnaires were distributed to Girar Spring Water S.C., and 44 were successfully collected, resulting in a response rate of 89.80%. Similarly, 66 questionnaires were distributed to Tsedey Spring Water S.C., with 56 usable responses returned, yielding a response rate of 86.15%.

For Tsedey Spring Water S.C., 9 questionnaires were excluded for the following reasons: 5 respondents did not complete the Likert scale section, and 4 respondents reported having worked at the company for less than three months, which disqualified them based on the study's inclusion criteria. These exclusions were necessary to ensure data reliability, as short-tenured employees might lack sufficient knowledge of the company.

Overall, the combined response rates reflect a high level of engagement from respondents across both companies, facilitating meaningful comparisons in this study.

##### **4.2.2. Demographic Characteristics**

Demographic information shows the characteristics of the elements in the sample size: As such the researcher sought to establish the general information of the respondents which forms the basis under the interpretations was made. This section provides a detailed analysis of the demographic composition of the study participants, encompassing various aspects such as sex distribution, age distribution, educational qualification, marital status, job position, and hospital type. Through the presentation of comprehensive tables, the section aims to offer clear insights into the diverse demographic characteristics of the surveyed population, laying the groundwork for a deeper understanding of the research findings.

## Girar Spring Water

The demographic profile of the respondents at Girar Spring Water indicates that the majority were male, accounting for 72.7% (32 out of 44), while females constituted 27.3% (12 out of 44). This reflects a gender imbalance within the organization, with a predominance of male employees. Regarding marital status, 47.7% of the respondents were single, 36.4% were married, and the remaining 15.9% were divorced. This distribution suggests that nearly half of the workforce is not married, which may have implications for work-life balance considerations and job mobility.

Table 4.1:- Girar Spring Water Demographics Information

		Frequency	Percent
Sex Distribution	Male	32	72.7
	Female	12	27.3
	Total	44	100.0
Marital Status	Single	21	47.7
	Married	16	36.4
	Divorce	7	15.9
	Total	44	100.0
Age Distribution	20-30	13	29.5
	31-40	19	43.2
	41-50	11	25.0
	51-60	1	2.3
	Total	44	100.0
Year of Experience	0 to 5 years'	21	47.7
	6 to 10 years'	20	45.5
	11 to 15 years'	3	6.8
	Total	44	100.0
Educational Qualification	Diploma	11	25.0
	(BA/B.Sc./B.Ed.) Degree	30	68.2
	MA/MSc. Degree	3	6.8
	Total	44	100.0

Source: Survey Output from STATA data, 2024

In terms of age distribution, the largest age group was between 31 and 40 years, comprising 43.2% of the respondents. This was followed by the 20–30 age group at 29.5%, the 41–50

age group at 25.0%, and a minimal representation (2.3%) from the 51–60 age group. This suggests a relatively young workforce, with a strong presence of mid-career professionals. Concerning work experience, 47.7% of the respondents had between 0 to 5 years of experience, closely followed by those with 6 to 10 years of experience at 45.5%. Only 6.8% had 11 to 15 years of experience, indicating that most employees are either in the early or intermediate stages of their careers.

In terms of educational qualifications, the majority of the respondents, 68.2%, held a bachelor's degree (BA/BSc/BEd), while 25.0% had a diploma, and 6.8% had attained a master's degree (MA/MSc). This indicates that the workforce is largely composed of individuals with undergraduate-level education, with a modest proportion of highly educated professionals. The overall demographic data suggests that Girar Spring Water employs a relatively young, moderately experienced, and well-educated workforce, predominantly male and single, which may influence organizational culture and employee expectations.

### **Tsedey Spring Water**

As presented in Table 4.2, the demographic profile of respondents at Tsedey Spring Water shows a male-dominated workforce, with males comprising 66.1% (37 out of 56) and females representing 33.9% (19 out of 56). Regarding marital status, half of the respondents (50.0%) were married, followed by 26.8% single, 21.4% divorced, and 1.8% widowed. This distribution suggests that most employees have family responsibilities, which may influence their workplace priorities and job stability.

In terms of age distribution, the largest group of respondents (57.1%) were between 31 and 40 years of age, followed by those aged 20–30, who made up 41.1% of the sample. Only one respondent (1.8%) was aged 41–50, indicating a relatively young and mid-career workforce. This trend reflects a dynamic employee base likely to be in their peak productive years.

Regarding years of experience, 46.4% of respondents had 0 to 5 years of work experience, 32.1% had 6 to 10 years, 17.9% had 11 to 15 years, and only 3.6% had more than 15 years of experience. This implies that the majority of employees are relatively new or in the early stages of their careers, which may necessitate continuous professional development programs to build institutional knowledge and capacity.

Educational qualification data shows that nearly half of the respondents (48.2%) possessed a master's degree (MA/MSc), 23.2% held a bachelor's degree (BA/BSc/BEd), and 28.6% held a diploma. The high proportion of postgraduate degree holders indicates a well-educated workforce, which may enhance the organization's performance, innovation, and problem-solving capabilities.

Overall, the demographic profile of Tsedey Spring Water employees suggests a youthful, well-educated, and moderately experienced workforce, with a relatively balanced marital and gender composition. These characteristics could play a crucial role in shaping the organizational culture, employee engagement, and overall performance of the company.

Table 4.2:- Tsedey Spring Water Demographics Information

		Frequency	Percent
Sex Distribution	Male	37	66.1
	Female	19	33.9
	Total	56	100.0
Marital Status	Single	15	26.8
	Married	28	50.0
	Divorce	12	21.4
	Widowed	1	1.8
	Total	56	100.0
Age Distribution	20-30	23	41.1
	31-40	32	57.1
	41-50	1	1.8
	Total	56	100.0
Year of Experience	0 to 5 year's	26	46.4
	6 to 10 year's	18	32.1
	11 to 15 year's	10	17.9
	Over 15 years	2	3.6
	Total	56	100.0
Educational Qualification	Diploma	16	28.6
	(BA/B.Sc./B.Ed.) Degree	13	23.2
	MA/MSc. Degree	27	48.2
	Total	56	100.0

Source: Survey Output from STATA data, 2024

### 4.3. Descriptive Statistics

#### 4.3.1. Attribute on Ethnic Background

Ethnic background, as a component of workforce diversity, can significantly impact various organizational outcomes, particularly employee work performance. The influence of ethnic

background on performance is shaped by several factors, including social identity, cultural differences, communication styles, biases, and management strategies. According to Social Identity Theory (SIT) by Tajfel and Turner (1979), individuals categorize themselves into social groups based on characteristics like ethnicity, which forms their social identity. This can create an "ingroup" (shared ethnic background) and "outgroup" (different ethnic background) dynamic that influences workplace interactions and performance. Employees who identify with their ethnic ingroup tend to experience positive interactions and higher performance within that group. However, ingroup favoritism and outgroup discrimination can also emerge, potentially reducing collaboration and hindering performance. Van Knippenberg et al. (2004) suggest that while diversity can enhance creativity and problem-solving by allowing the exchange of diverse ideas, it can also create conflict and lower performance if ingroup biases and outgroup discrimination persist.

Ethnic background often correlates with distinct cultural norms, values, and communication styles. Hofstede's Cultural Dimensions Theory (1980) posits that cultural differences shape behaviors such as decision-making, conflict resolution, and leadership styles. For example, employees from collectivist cultures, common among certain ethnic groups in Asia, Africa, or Latin America, tend to emphasize group harmony and collective goals, which can influence teamwork and collaboration. In contrast, individualistic cultures, often associated with European or North American ethnic backgrounds, prioritize personal achievement, which may encourage competition and independent performance. Research by Earley (1997) highlights that these cultural differences can lead to misunderstandings and inefficiencies in diverse teams, potentially affecting performance. However, when managed effectively through cultural awareness and inclusion initiatives, these differences can enhance creativity and performance.

The composition of teams and the management of ethnic diversity within teams can also affect overall work performance. Cox and Blake (1991) argue that diverse teams can outperform homogeneous teams in tasks requiring creativity and innovation due to the variety of perspectives brought by employees from different ethnic backgrounds. However, the benefits of ethnic diversity are not guaranteed. Mannix and Neale (2005) found that ethnic diversity can only enhance performance when teams manage conflicts and ensure equitable participation from all ethnic groups. Teams that fail to address ethnic tensions or biases may experience lower cohesion and communication barriers, impairing their performance.

Ethnic background also plays a role in the perception of work performance due to biases, discrimination, and stereotyping. Implicit Bias Theory, as discussed by Greenwald and Banaji

(1995), explains that individuals may unconsciously associate certain ethnic groups with specific traits or abilities, leading to preferential treatment of ingroup members and marginalization of outgroup members. Kaiser et al. (2013) found that ethnic minorities may face lower expectations and fewer opportunities for advancement, which can hinder their motivation and work performance. Discriminatory practices, whether overt or subtle, in performance evaluations and promotions can result in lower job satisfaction, increased turnover intentions, and ultimately reduced work performance.

The impact of ethnic background on work performance is also influenced by the organizational culture. Inclusive organizations that value ethnic diversity and actively work to eliminate biases tend to foster environments that enhance employee performance. Shore et al. (2011) found that when employees perceive their organization as inclusive and fair, they exhibit higher levels of commitment, job satisfaction, and work performance. Hassan et al. (2019) assert that organizations embracing diversity and promoting inclusivity see more engaged, innovative, and productive employees. Inclusion serves as a catalyst for leveraging the unique strengths employees from diverse ethnic backgrounds bring to the workplace, thus enhancing organizational performance.

Moreover, ethnic background influences work motivation, which is closely linked to performance. According to Deci and Ryan's Self-Determination Theory (1985), intrinsic motivation is a critical driver of high performance. Ethnic background shapes individual values and motivations, particularly in collectivist cultures, where employees may be motivated by the need to contribute to the wellbeing of their family or community. Spector et al. (2004) found that employees from different ethnic backgrounds often have varying motivators, which influence their work approach and performance. For instance, employees from cultures with high power distance may accept hierarchical structures and perform tasks according to directives, while those from low power distance cultures may prefer autonomy, influencing how they approach tasks and contribute to team success.

Finally, ethnic background can affect organizational commitment, which in turn influences work performance. Allen et al. (2003) argue that employees who feel a sense of belonging and acceptance within their organization are more likely to exhibit commitment, which translates into higher performance. Conversely, employees who feel marginalized due to their ethnic background may experience lower organizational commitment, leading to disengagement and reduced performance. Chatman and O'Reilly (2004) found that employees who share a strong cultural fit with the organization's values and practices tend to perform

better. On the other hand, ethnic misfit or perceived discrimination can lead to reduced morale and lower productivity.

In conclusion, ethnic background influences employee work performance through several mechanisms, including social identity, cultural differences, biases, and inclusive practices. While ethnic diversity can foster creativity and innovation, the potential for discrimination, communication barriers, and team conflicts must be carefully managed. Organizations that promote an inclusive environment and address ethnic biases can leverage the strengths of a diverse workforce, ultimately enhancing work performance. Through the application of theories such as Social Identity Theory, Cultural Dimensions Theory, and Implicit Bias Theory, it is evident that ethnic background has both positive and negative implications for employee performance, depending on how diversity is managed within the workplace.

Table 4.3:-Attribute on Ethnic Background of Girar Spring Water S.C

	N	Mean	Std. Deviation
Girar Spring Water S.C attracts and hires employees from all ethnic background	44	2.4545	1.17046
Opportunities for growth and advancement exist for all ethnic groups	44	1.5455	.50369
The ethnic diversity in our team promoted free flow of information between ethnic groups	44	2.0909	1.11685
Different languages used to communicate create problems among employee.	44	3.1591	1.34585
The ethnic diversity in our team helped to expedite the completion of our task on time	44	2.9773	1.43848
The ethnic differences in work groups do not encourage conflict.	44	1.1818	.49522
I am positive about ethnic diversity at the Girar Spring Water S.C.	44	2.7955	1.42371
		2.3149	1.0706

Source: Survey Output from STATA data, 2024

The descriptive statistics presented in Table 4.3 provide insights into employees' perceptions regarding ethnic diversity at Girar Spring Water S.C. The first attribute, "Girar Spring Water S.C. attracts and hires employees from all ethnic backgrounds," has a mean score of 2.45 and

a standard deviation of 1.17, indicating a slightly negative perception toward inclusivity in hiring practices. The kurtosis value of -1.479 suggests a relatively flat distribution compared to the normal curve, indicating variability in responses.

The second attribute, "Opportunities for growth and advancement exist for all ethnic groups," has a mean of 1.55 with a standard deviation of 0.50, indicating a strong agreement that opportunities are not equitable across ethnic groups. The kurtosis value of -2.060 highlights an extremely flat distribution, suggesting most responses were concentrated near the lower end of the Likert scale, reflecting a strong consensus.

For the third attribute, "The ethnic diversity in our team promotes free flow of information between ethnic groups," the mean score is 2.09 with a standard deviation of 1.12, reflecting a neutral to slightly negative sentiment. The kurtosis of -0.922 suggests a relatively normal but flat distribution, signifying moderate variability in perceptions.

The fourth attribute, "Different languages used to communicate create problems among employees," has a mean of 3.16 and a standard deviation of 1.35, implying that communication barriers due to linguistic diversity are moderately prevalent. The kurtosis value of -1.072 indicates a flat distribution with varied responses.

The fifth attribute, "The ethnic diversity in our team helped to expedite the completion of our tasks on time," reports a mean of 2.98 and a standard deviation of 1.44, showing a neutral to slightly positive view. The kurtosis value of -1.087 reflects a flat distribution, demonstrating diverse opinions among employees.

Regarding the sixth attribute, "The ethnic differences in work groups do not encourage conflict," the mean is 1.18 with a standard deviation of 0.49, suggesting strong agreement that ethnic differences contribute to conflict within workgroups. The kurtosis value of 7.312 indicates a highly peaked distribution, emphasizing strong consensus among respondents.

Finally, the seventh attribute, "I am positive about ethnic diversity at the Girar Spring Water S.C.," has a mean score of 2.80 with a standard deviation of 1.42, reflecting a moderately positive attitude toward ethnic diversity. The kurtosis value of -1.048 suggests a flat distribution, pointing to diverse perceptions.

The analysis reveals a mix of perceptions regarding ethnic diversity at Girar Spring Water S.C. While employees express concerns about equitable growth opportunities and conflict arising from ethnic differences, there are neutral or moderately positive views on the benefits of diversity in task completion and communication challenges. These findings suggest areas for improvement in promoting inclusivity and addressing barriers to effective diversity management.

The descriptive statistics for Table 4.4 summarize employees' perceptions of ethnic diversity at Tse dey Spring Water S.C. across seven attributes. The responses, gathered from 56 participants, reflect varying attitudes toward diversity-related issues in the organization.

Table 4.4:-Attribute on Ethnic Background of Tse dey Spring Water S.C

	N	Mean	Std. Deviation
Tse dey Spring Water S.C attracts and hires employees from all ethnic background	56	2.0536	1.11876
Opportunities for growth and advancement exist for all ethnic groups	56	3.2321	1.34828
The ethnic diversity in our team promoted free flow of information between ethnic groups	56	2.9643	1.42656
Different languages used to communicate create problems among employee.	56	1.1607	.45833
The ethnic diversity in our team helped to expedite the completion of our task on time	56	2.6964	1.30620
The ethnic differences in work groups do not encourage conflict.	56	2.1250	1.30819
I am positive about ethnic diversity at the Tse dey Spring Water S.C.	56	2.8036	1.31315
		2.4336	1.161053

Source: Survey Output from STATA data, 2024

The attribute "Tse dey Spring Water S.C. attracts and hires employees from all ethnic backgrounds" has a mean score of 2.05 and a standard deviation of 1.12. This indicates that employees generally perceive inclusivity in hiring as slightly negative. The kurtosis of -0.884 suggests a flatter than normal distribution, showing diverse opinions.

The attribute "Opportunities for growth and advancement exist for all ethnic groups" has a mean of 3.23, with a higher standard deviation of 1.35, indicating a moderate agreement that such opportunities are present but with varied responses. The kurtosis value of -1.202 reflects a flat distribution, pointing to significant variability in opinions.

For the statement, "The ethnic diversity in our team promoted free flow of information between ethnic groups," the mean score is 2.96, with a standard deviation of 1.43, suggesting

a neutral to slightly positive sentiment. The kurtosis of -1.084 implies a relatively flat response pattern.

The attribute "Different languages used to communicate create problems among employees" reports a low mean of 1.16, with a standard deviation of 0.46, indicating strong disagreement that language diversity is problematic. The kurtosis of 8.503 reveals a highly peaked distribution, showing strong consensus among employees.

The statement "The ethnic diversity in our team helped to expedite the completion of our tasks on time" has a mean of 2.70 and a standard deviation of 1.31, reflecting a neutral to slightly positive sentiment toward the benefits of diversity in task completion. The kurtosis of -0.650 indicates a slightly flat distribution.

For the attribute "The ethnic differences in work groups do not encourage conflict," the mean score is 2.13 with a standard deviation of 1.31, suggesting a neutral view on whether diversity contributes to conflict. The kurtosis value of 0.141 indicates a near-normal distribution.

Lastly, the statement "I am positive about ethnic diversity at the Tsedey Spring Water S.C." has a mean score of 2.80 and a standard deviation of 1.31, showing a moderately positive attitude toward ethnic diversity. The kurtosis of -0.830 reflects a flat response distribution, highlighting diverse perspectives.

In conclusion, the responses illustrate a generally neutral to slightly positive perception of ethnic diversity at Tsedey Spring Water S.C., with consensus on certain aspects such as language not being a significant barrier but varied opinions on others, including growth opportunities and the benefits of diversity in teamwork. These findings suggest areas for further exploration to enhance inclusivity and leverage diversity more effectively.

The analysis of the two datasets provides a comparative overview of perceptions of ethnic diversity at Girar Spring Water S.C. and Tsedey Spring Water S.C. At Girar, employees expressed moderately negative views on inclusivity in hiring, with a mean score of 2.45. Similarly, there was a perception of inequity in growth opportunities (mean = 1.55), reflecting dissatisfaction. In contrast, employees at Tsedey rated hiring practices slightly more positively (mean = 2.05), while their perception of growth opportunities (mean = 3.23) suggested agreement that opportunities are available to all ethnic groups, though responses showed significant variability.

At both companies, the role of ethnic diversity in promoting information flow and facilitating teamwork elicited mixed reactions. Girar's mean scores for these attributes were neutral to slightly negative, with variability in opinions. Tsedey exhibited slightly more positive responses for these attributes, with mean scores of 2.96 and 2.70, respectively. This indicates

a somewhat more optimistic view of diversity's role in team performance and communication, though the wide range of responses suggests room for improvement at both organizations.

A striking contrast between the two companies lies in the impact of language diversity. At Girar, employees moderately agreed that language differences created communication problems (mean = 3.16), while Tsedey employees strongly disagreed with this notion (mean = 1.16). This reflects a significant divergence in how language diversity is managed or perceived, with Tsedey demonstrating stronger consensus and more effective integration of linguistic diversity.

In terms of overall sentiment, employees at both companies had moderately positive attitudes toward ethnic diversity, with mean scores of 2.80 at both Girar and Tsedey. However, Girar employees viewed ethnic differences as a source of conflict (mean = 1.18), while Tsedey employees held a neutral stance (mean = 2.13). These findings suggest that while both organizations have made progress in fostering ethnic diversity, Tsedey has a slightly more favorable environment overall, with less conflict and fewer perceived barriers due to linguistic diversity.

#### **4.3.2. Attribute on Gender**

Gender, as a key attribute of workforce diversity, significantly influences employee work performance through various mechanisms, including societal roles, stereotypes, biases, organizational culture, and leadership dynamics. Social Role Theory, proposed by Eagly (1987), suggests that gender differences in behavior and performance arise from the social roles and expectations placed on individuals based on their gender. Society often expects men to exhibit assertiveness, independence, and task-oriented behavior, while women are typically socialized to be nurturing, cooperative, and supportive. These gendered social roles can shape how men and women perform in the workplace and how their performance is perceived. In many organizational settings, employees who align with these traditional gender roles are often seen as more competent, which can lead to more favorable performance evaluations. However, when employees do not conform to these gender expectations, such as women in leadership roles exhibiting assertiveness, they may face criticism or judgment that can negatively impact their performance. Heilman (2001) found that women in leadership positions often face higher scrutiny because their behavior does not align with traditional gender stereotypes of leadership, which can affect their work performance.

Stereotype threat, as discussed by Steele and Aronson (1995), is another crucial factor influencing work performance based on gender. Stereotype threat occurs when individuals are aware of the negative stereotypes about their gender and fear confirming these stereotypes, which can hinder their ability to perform at their best. For women, the stereotype that they are less competent in male-dominated fields, such as science and technology, can undermine their confidence and performance. Studies, such as those by Davies et al. (2002), have shown that women under stereotype threat tend to perform worse in academic or professional settings because the anxiety of confirming negative stereotypes distracts them and reduces their cognitive abilities, leading to lower work performance.

Gender biases and discrimination also play a significant role in shaping the work performance of men and women. Implicit Bias Theory, as outlined by Greenwald and Banaji (1995), suggests that individuals hold unconscious biases that influence their perceptions and behaviors towards others based on their gender. These biases can affect how men and women are treated in the workplace, particularly in terms of career advancement opportunities, job assignments, and performance evaluations. Correll et al. (2007) found that women are often evaluated more harshly than men for displaying behaviors such as assertiveness or ambition, which are considered desirable traits in leadership roles. This bias can negatively affect women's performance evaluations and limit their career growth. Conversely, men who display similar traits may be perceived as competent and assertive, reinforcing the gendered double standard.

The organizational culture and climate also significantly impact how gender influences work performance. An inclusive work environment that values diversity and actively addresses gender inequality can promote better work performance for all employees, regardless of gender. Shore et al. (2011) found that employees who perceive their workplace as inclusive and free from gender biases tend to report higher job satisfaction, stronger organizational commitment, and better overall performance. In contrast, organizations that fail to address gender inequality or that foster a male-dominated culture may create environments where women feel marginalized, leading to lower performance and reduced engagement. Organizational policies that support gender equality, such as equal pay, mentorship programs, and family-friendly practices, can foster an inclusive culture that enhances performance for employees of all genders.

Leadership styles, influenced by gender, can also affect work performance. Eagly and Johnson (1990) explored how male and female leaders tend to adopt different leadership styles, with women more likely to engage in transformational leadership, which emphasizes

collaboration, motivation, and support for team development. On the other hand, male leaders are often associated with transactional leadership, focusing on task completion, structure, and performance monitoring. Studies, such as those by Bass and Avolio (1994), show that transformational leadership tends to lead to higher employee satisfaction, motivation, and performance, especially in environments where employees are motivated by intrinsic factors. Women, who are often more likely to adopt this style, can, therefore, contribute positively to the work performance of their teams. However, if women in leadership positions are criticized for being too supportive or nurturing, as their gender roles may suggest, their leadership effectiveness may be undermined, impacting both their performance and that of their team.

The intersectionality of gender with other factors, such as race, ethnicity, and class, further complicates how gender influences work performance. Crenshaw (1989) introduced the concept of intersectionality, which highlights how various forms of identity, such as gender and race, intersect and influence experiences in the workplace. Women of color, for example, may experience compounded discrimination and biases based on both their gender and ethnicity, which can hinder their performance. Catalyst (2020) found that women of color are less likely to be promoted or receive the same opportunities as their white counterparts, impacting their performance and career progression. Addressing gender performance issues requires acknowledging these intersecting identities and ensuring that workplace policies and practices are inclusive of all gendered experiences.

In conclusion, gender influences employee work performance through various mechanisms, including gender roles, stereotypes, biases, organizational culture, and leadership styles. Traditional gender expectations can shape how employees are perceived and evaluated, and women, in particular, often face greater challenges when they deviate from these expectations, especially in leadership roles. Stereotype threat, implicit biases, and organizational cultures that fail to address gender inequality can all negatively affect women's work performance. However, organizations that foster inclusive environments and support gender equality are more likely to see enhanced work performance from all employees, regardless of gender. Gender diversity, when properly managed, can lead to more innovative and effective organizational outcomes, benefiting both employees and the organization as a whole.

For the statement "At Girar Spring Water S.C. fair treatment is given to all employees, whether male or female," the mean score is 2.84, indicating a generally neutral response, with a high standard deviation of 1.61 reflecting significant variation in opinions. The kurtosis of -

1.553 suggests that responses were more spread out, leaning towards a slightly more negative view of fairness. Regarding "The transformational leadership style of the female employee contributed to the success of the team," the mean score of 2.95 and kurtosis of -0.090 suggest that employees view the leadership style of female employees as moderately positive, with some variability in the responses.

The statement "Gender diverse teams showed better problem solving and decision-making skills than gender homogeneous teams" has a mean of 2.34, indicating a neutral to slightly negative perception of the benefits of gender diversity in problem-solving. The kurtosis value of -0.318 suggests a fairly uniform distribution of responses. "A career development that includes women is encouraged at the Girar Spring Water S.C." has the lowest mean score of 1.41, indicating strong disagreement with the availability of career development opportunities for women, with a kurtosis of 0.311, reflecting a somewhat normal distribution.

On "Training and development programs are structured to meet the criteria/requirement of male and female gender," the mean score of 2.95 and a very high kurtosis of 6.607 indicate strong consensus on the adequacy of gender-specific training, though the distribution is notably peaked, suggesting that most responses were concentrated around the neutral or slightly positive end. The attribute "Gender diverse teams achieved targets due to good relationships and effective communication" received a mean of 2.27, showing a neutral to slightly negative view, with a kurtosis of -0.883 indicating some spread in responses. Finally, the statement "I am positive about gender diversity at the Girar Spring Water S.C." received a mean score of 3.27, suggesting general positivity toward gender diversity, with a kurtosis of -0.859, indicating a moderately varied response.

In summary, the perceptions of gender diversity at Girar Spring Water S.C. are mixed. While employees show moderate agreement on the positive impact of gender diversity, especially in leadership and team dynamics, there is significant concern regarding career development opportunities for women and perceived fairness in treatment. The responses indicate areas where the company may need to improve, particularly in supporting gender-inclusive career development and ensuring fair treatment for all genders in the workplace.

The descriptive statistics in Table 4.5 provide insights into the perceptions of gender diversity at Girar Spring Water S.C., based on nine different attributes, as reported by 44 employees. The analysis covers a range of aspects, including gender equality in recruitment, career development, team dynamics, and leadership contributions.

The first attribute, "Employees are not discriminated during hiring and recruitment process on gender basis," has a mean of 2.02, suggesting a slightly negative perception of gender

neutrality in hiring. The kurtosis value of 0.903 reflects a moderately peaked distribution of responses, indicating some variability in perceptions. The second attribute, "Girar Spring Water S.C. does a good job of attracting and hiring women," received a mean score of 3.05, suggesting a neutral to positive view on the organization's efforts to hire women, with a relatively flat response distribution (kurtosis of -0.984).

For the statement "At Girar Spring Water S.C. fair treatment is given to all employees, whether male or female," the mean score is 2.84, indicating a generally neutral response, with a high standard deviation of 1.61 reflecting significant variation in opinions. The kurtosis of -1.553 suggests that responses were more spread out, leaning towards a slightly more negative view of fairness. Regarding "The transformational leadership style of the female employee contributed to the success of the team," the mean score of 2.95 and kurtosis of -0.090 suggest that employees view the leadership style of female employees as moderately positive, with some variability in the responses.

Table 4.5:- Attribute on Gender for Girar Spring Water S.C

	N	Mean	Std. Deviation
Employees are not discriminated during hiring and recruitment process on gender basis	44	2.0227	1.28477
Girar Spring Water S.C does a good job of attracting and hiring women	44	3.0455	1.29318
At Girar Spring Water S.C fair treatment is given to all employees whether male or female.	44	2.8409	1.61307
The transformational leadership style of the female employee contributed to the success of the team.	44	2.9545	1.03327
Gender diverse team showed better problem solving and decision-making skills than gender homogenies teams.	44	2.3409	1.42964
A career development that includes women is encouraged at the Girar Spring Water S.C.	44	1.4091	.58342
Training and development program is structured to meet the criteria/ requirement of male and female gender.	44	2.9545	.68044
Gender diverse teams achieved target due to the good relationship and effective communication	44	2.2727	1.66166
I am positive about gender diversity at the Girar Spring	44	3.2727	1.22690

Water S.C.			
		2.5681	1.20070

Source: Survey Output from STATA data, 2024

The statement "Gender diverse teams showed better problem solving and decision-making skills than gender homogeneous teams" has a mean of 2.34, indicating a neutral to slightly negative perception of the benefits of gender diversity in problem-solving. The kurtosis value of -0.318 suggests a fairly uniform distribution of responses. "A career development that includes women is encouraged at the Girar Spring Water S.C." has the lowest mean score of 1.41, indicating strong disagreement with the availability of career development opportunities for women, with a kurtosis of 0.311, reflecting a somewhat normal distribution.

On "Training and development programs are structured to meet the criteria/requirement of male and female gender," the mean score of 2.95 and a very high kurtosis of 6.607 indicate strong consensus on the adequacy of gender-specific training, though the distribution is notably peaked, suggesting that most responses were concentrated around the neutral or slightly positive end. The attribute "Gender diverse teams achieved targets due to good relationships and effective communication" received a mean of 2.27, showing a neutral to slightly negative view, with a kurtosis of -0.883 indicating some spread in responses. Finally, the statement "I am positive about gender diversity at the Girar Spring Water S.C." received a mean score of 3.27, suggesting general positivity toward gender diversity, with a kurtosis of -0.859, indicating a moderately varied response.

In summary, the perceptions of gender diversity at Girar Spring Water S.C. are mixed. While employees show moderate agreement on the positive impact of gender diversity, especially in leadership and team dynamics, there is significant concern regarding career development opportunities for women and perceived fairness in treatment. The responses indicate areas where the company may need to improve, particularly in supporting gender-inclusive career development and ensuring fair treatment for all genders in the workplace.

The descriptive statistics in Table 4.6 reflect employees' perceptions of gender diversity at Tsedey Spring Water S.C., based on nine attributes related to gender equality in hiring, leadership, career development, and team dynamics. These responses were gathered from 56 employees.

The statement "Employees are not discriminated during hiring and recruitment process on gender basis" has a mean of 2.75, indicating a slightly positive view, though not strongly agreeing with gender-neutral hiring. The kurtosis of -1.543 suggests a somewhat flat

distribution of responses, indicating diversity in perceptions. "Tsedey Spring Water S.C. does a good job of attracting and hiring women" received a mean of 2.96, reflecting a neutral to positive perception of the company's efforts in hiring women, with a slight negative skew in the distribution (kurtosis of -0.202).

The attribute "At Tsedey Spring Water S.C., fair treatment is given to all employees, whether male or female" scored a mean of 2.41, suggesting a slightly negative view regarding fairness in treatment, with a kurtosis of -0.684 indicating some variation in the responses. On the statement "The transformational leadership style of the female employee contributed to the success of the team," the mean score of 1.39 suggests strong disagreement with the idea that female leadership has had a notable impact on team success, with kurtosis of 0.218 indicating a moderate peak in responses.

Table 4.6:-Attribute on Gender for Tsedey Spring Water S.C

	N	Mean	Std. Deviation
Employees are not discriminated during hiring and recruitment process on gender basis	56	2.7500	1.63207
Tsedey Spring Water S.C does a good job of attracting and hiring women	56	2.9643	1.06112
At Tsedey Spring Water S.C fair treatment is given to all employees whether male or female.	56	2.4107	1.47435
The transformational leadership style of the female employee contributed to the success of the team.	56	1.3929	.56177
Gender diverse team showed better problem solving and decision-making skills than gender homogenies teams.	56	3.0357	.80824
A career development that includes women is encouraged at the Tsedey Spring Water S.C.	56	2.2857	1.64830
Training and development program is structured to meet the criteria/ requirement of male and female gender.	56	3.2500	1.31079
Gender diverse teams achieved target due to the good relationship and effective communication	56	3.3750	1.35596
I am positive about gender diversity at the Tsedey Spring Water S.C.	56	1.4464	.89279
		2.5456	1.19393

Source: Survey Output from STATA data, 2024

The perception of gender diversity in problem-solving was more positive, as reflected by a mean score of 3.04 for the statement "Gender diverse teams showed better problem solving and decision-making skills than gender homogeneous teams," with a kurtosis of 3.631 indicating a highly peaked distribution, suggesting that most respondents agreed with this view. The attribute "A career development that includes women is encouraged at Tsedey Spring Water S.C." received a mean of 2.29, which indicates some dissatisfaction with the availability of career development opportunities for women, supported by a kurtosis of -0.880, reflecting variability in responses.

On "Training and development programs are structured to meet the criteria/requirement of male and female gender," the mean score of 3.25 and a kurtosis of -0.986 indicate a positive view of gender-inclusive training, though with some spread in the responses. The statement "Gender diverse teams achieved targets due to good relationships and effective communication" garnered a mean of 3.38, suggesting a strong agreement with the idea that gender diversity positively affects team performance and communication, with kurtosis of -1.184 showing a fairly normal distribution of responses. Finally, the attribute "I am positive about gender diversity at the Tsedey Spring Water S.C." received a mean score of 1.45, indicating strong agreement with the positive impact of gender diversity in the company, with an exceptionally high kurtosis of 7.650, indicating a very peaked distribution of responses, meaning most employees strongly agreed.

In summary, employees at Tsedey Spring Water S.C. generally hold a positive perception of gender diversity, particularly when it comes to aspects such as team communication, problem-solving, and the availability of gender-inclusive training. The mean scores for attributes like "Gender diverse teams showed better problem-solving and decision-making skills" (3.04) and "Gender diverse teams achieved targets due to good relationships and effective communication" (3.38) reflect a strong belief in the positive impact of gender diversity on team dynamics and performance. Additionally, Tsedey's training and development programs appear to be viewed favorably, with a mean of 3.25 for the statement that training is structured to meet the needs of both male and female employees. This indicates a commitment to ensuring that all employees have equal access to opportunities for skill development, which is a positive sign of the company's efforts in fostering an inclusive environment.

In contrast, while Girar Spring Water S.C. also shows some positive perceptions of gender diversity, the overall sentiment is slightly less favorable compared to Tsedey. Girar's mean

scores for similar attributes, such as "Gender diverse teams showed better problem-solving and decision-making skills" (2.34) and "Gender diverse teams achieved targets due to good relationships and effective communication" (2.27), suggest that employees are less convinced of the direct benefits of gender diversity on team performance and communication. Additionally, the responses regarding the transformational leadership of female employees at Girar, with a mean of 2.95, indicate a more neutral or slightly positive view compared to Tsedey, where the mean for the same attribute is significantly lower (1.39), reflecting stronger disagreement with the idea that female leadership has contributed notably to team success.

Both organizations face concerns regarding gender equality in hiring and career development. Tsedey's mean score for "A career development that includes women is encouraged" (2.29) is also slightly better than Girar's (1.41), but still suggests that both companies have room for improvement in providing equal opportunities for women to advance. Furthermore, while both companies have relatively positive views on the fairness of gender treatment, Tsedey's score of 2.41 on "fair treatment" is slightly more negative than Girar's score of 2.84, indicating that employees at Tsedey feel somewhat less confident about gender equality in treatment. Despite these concerns, Tsedey's overall sentiment toward gender diversity is more positive, with a stronger emphasis on fostering inclusive practices.

In terms of gender-inclusive policies, Tsedey is seen as making more significant efforts to create an inclusive environment, especially in terms of training and team dynamics. This is reflected in the higher scores for attributes like the availability of gender-neutral training and the positive impact of gender diversity on team success. On the other hand, while Girar shows similar intentions, their results suggest that there are still notable challenges in terms of providing equal opportunities for women and promoting the benefits of gender diversity at all levels within the organization. Overall, Tsedey appears to be viewed more favorably than Girar in terms of gender inclusivity, but both organizations have areas that require further development to improve gender equality and inclusiveness in the workplace.

#### **4.3.3. Attribute on Educational Background**

Educational background plays a significant role in shaping employee work performance by influencing knowledge acquisition, cognitive skills, problem-solving abilities, and the capacity to adapt to new challenges. One of the foundational theories explaining the link between education and work performance is Human Capital Theory, proposed by Becker (1964). This theory asserts that education acts as an investment in human capital, improving

individuals' skills, knowledge, and productivity. Employees with higher levels of education, such as advanced degrees or specialized certifications, tend to possess more specialized knowledge and technical expertise. This enhanced knowledge allows them to perform tasks more efficiently and contribute to innovation within the organization. For instance, individuals with higher education backgrounds may be better equipped to handle complex problems, make informed decisions, and develop strategies that can give organizations a competitive edge. Mincer (1974) extended this concept by emphasizing that increased educational attainment correlates with higher productivity and improved job performance, as education enhances cognitive abilities that contribute to job success.

The Cognitive Ability Theory provides additional insight into how educational background influences work performance. This theory suggests that education is directly related to the development of cognitive abilities, such as memory, reasoning, and analytical thinking. Employees who have received more formal education tend to develop stronger cognitive skills, which can help them process information more efficiently, adapt to new situations, and perform tasks with greater accuracy and speed. Research by Schmidt and Hunter (1998) found that cognitive ability, which is often enhanced through education, is a strong predictor of job performance across various industries. Employees with higher cognitive ability are more likely to excel in tasks that require complex problem-solving, multitasking, and critical thinking, thus improving overall work performance.

Educational background also influences work performance by shaping the learning and adaptability of employees in dynamic work environments. According to Kolb's (1984) Experiential Learning Theory, individuals with diverse educational experiences are better able to learn from their surroundings and apply acquired knowledge in real-world contexts. Employees who have been exposed to varied educational systems or fields of study may bring a broader perspective to their work, allowing them to approach problems creatively and adapt to changing circumstances more effectively. This adaptability is particularly valuable in industries that require continuous learning and innovation. In contrast, employees with limited educational opportunities may struggle to keep up with new developments or adapt to new technologies, potentially limiting their performance.

Moreover, educational background can impact work performance through its influence on motivation and self-efficacy. According to Bandura's (1997) Self-Efficacy Theory, individuals with higher levels of education often develop greater confidence in their abilities to complete tasks successfully. This sense of self-efficacy can lead to higher motivation and, consequently, improved performance. Employees who believe in their capacity to perform

well are more likely to take on challenging tasks, persist through setbacks, and maintain a high level of effort, which positively affects their work performance. Additionally, individuals with higher educational qualifications may feel more competent and prepared for their roles, leading to greater job satisfaction and engagement, which are key drivers of performance.

However, the relationship between education and work performance is not always straightforward. While a higher level of education can equip employees with the necessary skills and knowledge, the type of education and its relevance to the job also plays a crucial role. Lepper and Greene (1975) argue that intrinsic motivation, which can be influenced by the alignment of education with job roles, is a critical factor in determining performance. If an employee’s education is closely related to the tasks they perform, they are more likely to be motivated and engaged in their work, leading to better performance outcomes. On the other hand, employees who feel that their educational background does not align with their job responsibilities may experience frustration or disengagement, which can negatively affect their performance.

In conclusion, educational background significantly influences employee work performance through various mechanisms such as enhanced cognitive abilities, problem-solving skills, motivation, and adaptability. Theories such as Human Capital Theory, Cognitive Ability Theory, and Experiential Learning Theory provide valuable insights into how education impacts employee productivity and job success. While higher education typically leads to better work performance, the alignment of education with job tasks and the development of intrinsic motivation are also critical factors that determine the extent of this influence. Organizations that recognize the importance of education and provide opportunities for continuous learning are likely to see improved employee performance, as employees with strong educational foundations tend to excel in complex and dynamic work environments.

Table 4.7 presents descriptive statistics for attributes related to the educational background of employees at Girar Spring Water S.C., highlighting various aspects such as recruitment, educational opportunities, and the influence of education on employee growth and team dynamics.

Table 4.7:-Attribute on Educational Background for Girar Spring Water S.C

	N	Mean	Std. Deviation
The recruitment plan of the Girar Spring Water S.C is based on	44	3.5227	1.37229

the educational background of applicants.			
Girar Spring Water S.C provides paid study leave to employees who further their education.	44	1.4091	.81606
At the Girar Spring Water S.C, opportunities for growth and advancement exist for employees who have low educational qualifications.	44	2.5909	1.24486
At the Girar Spring Water S.C differences in educational background do not bring conflict among employee.	44	2.2500	1.25984
As an employee of Girar Spring Water S.C, I experience lack of confidence due to my educational background.	44	2.5682	1.31887
Girar Spring Water S.C gives equal treatment when it comes to educational background.	44	2.5909	1.24486
		2.4886	1.20946

Source: Survey Output from STATA data, 2024

The first attribute, "The recruitment plan of the Girar Spring Water S.C is based on the educational background of applicants," received a mean score of 3.52, indicating a moderate agreement with the statement that recruitment decisions are influenced by educational qualifications. The kurtosis value of -1.141 suggests a slightly flat distribution of responses, indicating some variability in how strongly employees agree or disagree with this view.

In terms of support for employees' further education, the statement "Girar Spring Water S.C provides paid study leave to employees who further their education" had a mean of 1.41, which reflects strong disagreement with the idea that the company supports further education through paid study leave. The kurtosis value of 8.075 indicates a highly peaked distribution, showing that most respondents were in strong disagreement with this statement, suggesting a lack of significant support for educational advancement within the company.

The statement "At the Girar Spring Water S.C, opportunities for growth and advancement exist for employees who have low educational qualifications" scored a mean of 2.59, indicating a neutral to slightly negative view on the availability of advancement opportunities for employees with lower educational qualifications. The kurtosis of -0.263 suggests a fairly balanced distribution of responses, with no extreme views, indicating that employees hold varied opinions on the matter.

Regarding educational background and team dynamics, the statement "At the Girar Spring Water S.C differences in educational background do not bring conflict among employees"

had a mean of 2.25, suggesting a neutral view that educational differences do not contribute significantly to conflict. The kurtosis value of 0.240 indicates a slightly peaked distribution, implying that there was some consistency in responses, but a degree of variation remains in how employees perceive educational differences in the workplace.

Finally, the statement "As an employee of Girar Spring Water S.C, I experience lack of confidence due to my educational background" received a mean score of 2.57, suggesting a mild disagreement with the idea that employees feel a lack of confidence due to their educational background. The kurtosis of -0.484 suggests a somewhat moderate distribution of responses, indicating that while employees do not overwhelmingly feel a lack of confidence, there is a notable portion who may experience such feelings due to their educational qualifications.

In summary, the descriptive statistics for Girar Spring Water S.C. indicate that the company is perceived to base its recruitment to some extent on educational qualifications. However, there is a significant lack of support for employees seeking further education, as reflected in the strong disagreement with the availability of paid study leave. Opportunities for growth for those with lower educational qualifications are viewed neutrally, and educational differences do not appear to be a major source of conflict. Nevertheless, there is a slight indication that some employees may feel a lack of confidence due to their educational background, although the overall sentiment is not strongly negative. These findings suggest that while educational background plays a role in recruitment and opportunities, there may be room for improvement in providing support for educational advancement and fostering confidence among employees with lower qualifications.

Table 4.8:- Attribute on Educational Background for Tsedey Spring Water S.C

	N	Mean	Std. Deviation
The recruitment plan of the Tsedey Spring Water S.C is based on the educational background of applicants.	56	2.6250	1.18418
Tsedey Spring Water S.C provides paid study leave to employees who further their education.	56	2.2500	1.22474
At the Tsedey Spring Water S.C, opportunities for growth and advancement exist for employees who have low educational qualifications.	56	2.5893	1.31808
At the Tsedey Spring Water S.C differences in	56	3.2500	1.60963

educational background do not bring conflict among employee.			
As an employee of Tsedey Spring Water S.C, I experience lack of confidence due to my educational background.	56	3.1071	1.23109
Tsedey Spring Water S.C gives equal treatment when it comes to educational background.	56	2.7321	1.68944
		2.7589	1.37619

Source: Survey Output from STATA data, 2024

Table 4.8 presents descriptive statistics for the educational background-related attributes at Tsedey Spring Water S.C. It reflects employee perceptions about recruitment, educational support, growth opportunities, and the impact of educational differences in the workplace.

The first attribute, "The recruitment plan of the Tsedey Spring Water S.C is based on the educational background of applicants," received a mean score of 2.63, indicating a mild agreement that the recruitment plan is somewhat influenced by applicants' educational qualifications. The kurtosis value of -0.088 suggests a nearly normal distribution of responses, indicating moderate variability in the responses of employees.

In terms of support for further education, the statement "Tsedey Spring Water S.C provides paid study leave to employees who further their education" had a mean of 2.25, reflecting a neutral to slightly negative view. This suggests that employees generally do not perceive a strong presence of paid study leave for educational advancement. The kurtosis value of 0.358 indicates a relatively uniform distribution of responses, with a slight tendency towards agreement but no extreme views.

The statement "At the Tsedey Spring Water S.C, opportunities for growth and advancement exist for employees who have low educational qualifications" scored a mean of 2.59, suggesting that employees feel moderately neutral or slightly negative about the availability of growth opportunities for individuals with lower educational qualifications. The kurtosis value of -0.543 shows a distribution with some degree of variability in responses, implying that employees hold mixed opinions on the matter.

Regarding the impact of educational background on team dynamics, "At the Tsedey Spring Water S.C differences in educational background do not bring conflict among employees" received a mean score of 3.25, indicating that employees generally disagree with the idea that educational differences lead to conflict in the workplace. The kurtosis value of -1.539

suggests a relatively peaked distribution, indicating consensus among respondents that educational background does not result in significant conflict within the teams.

The statement "As an employee of Tsedey Spring Water S.C, I experience lack of confidence due to my educational background" had a mean of 3.11, indicating a neutral to slightly disagreeing sentiment, meaning employees generally do not experience a lack of confidence due to their educational background. The kurtosis of -0.971 reflects moderate variability in responses, suggesting that while most employees do not feel a lack of confidence, there is a segment who may experience this due to their qualifications.

Finally, "Tsedey Spring Water S.C gives equal treatment when it comes to educational background" received a mean of 2.73, indicating mild agreement that employees are treated equally regardless of their educational qualifications. The kurtosis value of -1.551 shows a peaked distribution, suggesting some consistency in the response pattern but with variability in the strength of agreement.

In summary, employees at both Tsedey Spring Water S.C. and Girar Spring Water S.C. share similar perceptions regarding the influence of educational background on recruitment, though there are notable differences in their views on opportunities for career growth and educational support. At Tsedey Spring Water S.C., employees generally perceive that the recruitment process is influenced by educational background, with a moderate level of agreement on this point. This is similar to the perception at Girar Spring Water S.C., where a higher mean score was recorded, indicating that the company places greater emphasis on educational qualifications in its recruitment process. However, concerns regarding opportunities for career advancement for employees with lower educational qualifications are prevalent at both organizations. Employees at Tsedey Spring Water S.C. feel that growth opportunities for those with lower qualifications are limited, a sentiment that is also echoed at Girar, though to a lesser extent.

The support for further education, particularly paid study leave, appears to be another area of concern for both companies. Employees at Tsedey Spring Water S.C. express disappointment with the lack of paid study leave, which is similarly a significant issue at Girar Spring Water S.C. where a low mean score was recorded for the availability of paid study leave. Both organizations show similar trends in the lack of strong support for employees seeking to advance their education, though the gap is slightly more pronounced at Tsedey. Nevertheless, while both companies report that employees do not feel a lack of confidence due to their educational background, the employees at Tsedey Spring Water S.C. are more positive about the overall impact of educational background on confidence in their roles compared to their

counterparts at Girar, where educational background seems to have a more noticeable impact on employee confidence.

When it comes to the impact of educational differences on organizational conflict, both companies report a minimal effect. Tsedey Spring Water S.C. employees feel that educational differences do not lead to significant conflict, as indicated by their higher mean scores in this area. Similarly, employees at Girar Spring Water S.C. also perceive that educational differences do not cause major conflict, but the scores suggest a slightly more positive view of the harmonious workplace environment at Tsedey. The perception of equal treatment based on education is more favorable at Tsedey Spring Water S.C., where employees report a higher level of agreement that they are treated equally regardless of their educational background. In contrast, while employees at Girar report a somewhat similar view, the scores indicate that they may not feel as strongly about equal treatment based on education.

In conclusion, both Tsedey Spring Water S.C. and Girar Spring Water S.C. show strengths and weaknesses in terms of how educational background influences recruitment, growth opportunities, and the work environment. However, Tsedey Spring Water S.C. stands out in terms of fostering a more inclusive and supportive environment with respect to educational differences, as employees report more positive outcomes in terms of confidence, conflict, and equal treatment. On the other hand, Girar Spring Water S.C. appears to place a slightly stronger emphasis on educational qualifications in recruitment but faces similar challenges in supporting further education and career growth for employees with lower educational qualifications. Both companies could benefit from strengthening their support for employees' educational advancement and ensuring more equitable growth opportunities across all levels of education.

#### **4.3.4. Attribute on Cultural Diversity**

The survey results provide insights into the state of cultural diversity at Girar Spring Water S.C., revealing strengths and areas for improvement across various attributes. The overall responses highlight a mixed perception of the company's approach to fostering inclusivity, leveraging diversity, and addressing cultural differences within its workforce.

Respondents moderately agreed that the company encourages the representation and involvement of various cultural backgrounds, with a mean score of 2.98 and a low standard deviation of 0.73. This suggests that while efforts are being made to promote diversity, they may not yet be robust or consistent enough to achieve widespread satisfaction among

employees. The kurtosis value of 4.50 indicates a distribution skewed towards agreement, suggesting that a subset of respondents strongly perceive positive efforts in this area.

The role of cultural diversity in driving creativity and innovation received a mean score of 2.64, reflecting slightly less agreement among employees. The standard deviation of 1.73 indicates significant variability in responses, suggesting that some employees may not see clear evidence of diversity contributing to innovation in their teams. This aligns with broader organizational challenges where diversity can be a double-edged sword, enhancing creativity but also requiring strong leadership and cohesion to avoid conflict.

Respect and value for cultural differences among employees yielded a mean score of 2.89, indicating moderate agreement. However, the variability in responses, with a standard deviation of 1.40, highlights the presence of differing experiences among employees. This is a critical area, as fostering mutual respect is foundational for a harmonious and productive work environment. At the same time, cultural misunderstandings were noted as a recurring challenge, with this attribute receiving the highest mean score of 3.39. The relatively low standard deviation of 1.30 suggests that these conflicts are a common concern across the workforce.

One of the most notable findings was the lack of cultural awareness and sensitivity training sessions, which scored the lowest mean at 1.52 and had a standard deviation of 0.90. This suggests that the company has made minimal or no effort to formally educate employees on cultural inclusivity and sensitivity. The peaked kurtosis value of 3.95 further underscores the consensus among respondents regarding this deficiency. Such training sessions are essential for addressing implicit biases, reducing workplace conflict, and building an inclusive organizational culture.

The impact of cultural diversity on serving a global customer base scored moderately, with a mean of 2.68 and a standard deviation of 1.39. This indicates that while some employees see diversity as an asset for catering to diverse customer needs, others may not yet perceive its full potential. Finally, when asked if their cultural background was adequately represented and respected at the company, respondents gave a mean score of 2.02, reflecting low agreement. The standard deviation of 1.28 highlights variability in these perceptions, suggesting that not all cultural groups feel equally represented or valued.

Table 4.9:-Attribute on Cultural Diversity for Girar Spring Water S.C

	N	Mean	Std. Deviation

Girar Spring Water S.C encourages the representation and involvement of various cultural backgrounds in the workplace.	44	2.9773	.73100
Cultural diversity within teams leads to more creative and innovative solutions.	44	2.6364	1.72655
Employees respect and value the cultural differences among their colleagues.	44	2.8864	1.40126
Cultural misunderstandings frequently lead to conflicts within teams.	44	3.3864	1.29787
The company organizes cultural awareness and sensitivity training sessions.	44	1.5227	.90190
Cultural diversity has improved the company's ability to serve a global customer base.	44	2.6818	1.39389
I feel my cultural background is adequately represented and respected at Girar Spring Water S.C.	44	2.0227	1.28477
		2.5876	1.24817

Source: Survey Output from STATA data, 2024

In conclusion, while Girar Spring Water S.C. demonstrates some level of cultural diversity in its workforce, the findings highlight key areas needing attention. Initiatives such as organizing regular cultural awareness and sensitivity training, fostering respect for cultural differences, and addressing cultural conflicts are essential for creating a more inclusive and effective workplace. Furthermore, enhancing representation and leveraging cultural diversity for innovation and global customer service could strengthen the company's competitive edge. Implementing these measures could ensure that cultural diversity becomes a driving force for organizational success rather than a source of challenges.

Table 4.10:- Attribute on Cultural Diversity for Tsedey Spring Water S.C

	N	Mean	Std. Deviation
Tsedey Spring Water S.C encourages the representation and involvement of various cultural backgrounds in the workplace.	56	3.1786	1.29484
Cultural diversity within teams leads to more creative and innovative solutions.	56	2.8214	1.75921

Employees respect and value the cultural differences among their colleagues.	56	2.6786	1.65262
Cultural misunderstandings frequently lead to conflicts within teams.	56	3.5893	1.42417
The company organizes cultural awareness and sensitivity training sessions.	56	3.3214	1.25201
Cultural diversity has improved the company's ability to serve a global customer base.	56	1.5536	1.04307
I feel my cultural background is adequately represented and respected at Tsedey Spring Water S.C.	56	2.9286	1.34647
		2.8673	1.39605

Source: Survey Output from STATA data, 2024

The survey results highlight employee perspectives on cultural diversity at Tsedey Spring Water S.C., offering insights into the organization's inclusivity efforts and challenges. The responses reveal moderate satisfaction with cultural diversity practices, with notable variability across different attributes.

Respondents moderately agreed that Tsedey Spring Water S.C. encourages the representation and involvement of various cultural backgrounds, with a mean score of 3.18 and a standard error of 0.17. The standard deviation of 1.29 indicates a degree of variability, while the kurtosis value of -0.99 suggests a relatively flat distribution, indicating diverse opinions among employees.

The perception of cultural diversity fostering creativity and innovation within teams received a mean score of 2.82 and a higher standard deviation of 1.76. This suggests slightly lower agreement and a wide range of opinions, with a kurtosis value of -1.75 reflecting a flatter distribution. Similarly, the respect and value for cultural differences among colleagues scored a mean of 2.68 with a standard deviation of 1.65, indicating moderate agreement but with significant variability in responses.

Cultural misunderstandings and their impact on team conflicts emerged as a critical concern, scoring the highest mean of 3.59. The standard deviation of 1.42 indicates noticeable variability in employee experiences, while a kurtosis value of -1.00 suggests a relatively flat distribution. This finding highlights the need for effective conflict resolution mechanisms to address cultural misunderstandings.

The organization's efforts to provide cultural awareness and sensitivity training were rated relatively high, with a mean score of 3.32 and a standard deviation of 1.25. Despite this, the kurtosis value of -0.93 suggests that opinions are somewhat evenly spread, reflecting room for improvement in these initiatives.

Interestingly, the impact of cultural diversity on serving a global customer base received the lowest mean score of 1.55, with a standard deviation of 1.04. This highlights a significant gap in leveraging diversity for global customer relations. The high kurtosis value of 4.52 indicates a peaked distribution, suggesting that a majority of respondents agreed with this concern.

Finally, the representation and respect for individual cultural backgrounds were moderately acknowledged, with a mean score of 2.93 and a standard deviation of 1.35. The kurtosis value of -0.96 suggests relatively normal distribution, with a balance of agreement and disagreement.

In summary, while Tsedey Spring Water S.C. shows moderate efforts in promoting cultural diversity, key areas such as leveraging diversity for global operations, managing cultural conflicts, and fostering creativity require attention. Strengthening training initiatives and enhancing mechanisms to respect and represent diverse cultural backgrounds can further improve inclusivity and organizational effectiveness. These efforts are critical for fostering a cohesive workplace and maximizing the benefits of cultural diversity.

#### **4.3.5. Attribute on Age Diversity**

Age diversity in the workplace refers to the inclusion of employees from various age groups, encompassing different generations with unique perspectives, experiences, and skills. This attribute has garnered significant attention due to its implications for organizational performance. Age diversity can enhance workplace innovation, decision-making, and team dynamics but may also lead to challenges if generational differences are not effectively managed. Several theories and empirical studies provide insights into the relationship between age diversity and work performance.

One foundational theory is Life-Cycle Theory of Work Behavior (Super, 1957), which suggests that individuals' work preferences, motivations, and productivity evolve throughout their career stages. Younger employees may bring enthusiasm, technological savvy, and openness to change, while older employees often contribute with their experience, deep knowledge, and stability. Age-diverse teams can leverage these complementary strengths, improving problem-solving and decision-making. However, the life-cycle theory also

highlights potential generational clashes, such as differing work styles or communication preferences, which may impede collaboration and performance.

Socioemotional Selectivity Theory (Carstensen, 1991) provides additional insights by focusing on how individuals' goals and behaviors change with age. According to this theory, younger employees prioritize knowledge acquisition and future-oriented goals, while older employees tend to value meaningful relationships and short-term objectives. This divergence in priorities can lead to intergenerational learning and mentoring opportunities within organizations. For example, younger employees may benefit from the wisdom and guidance of their older colleagues, while older employees can stay updated on emerging trends and technologies through interactions with younger team members.

Diversity Dynamics Theory (Milliken & Martins, 1996) explores how demographic diversity, including age, impacts group performance. This theory emphasizes that diversity can be a double-edged sword: while it enhances creativity and innovation by fostering diverse perspectives, it may also increase the potential for conflict, miscommunication, and decreased cohesion. Age-diverse teams need strong leadership and effective communication strategies to maximize their strengths and minimize potential downsides.

From a psychological perspective, Role Theory (Biddle, 1979) helps explain how age diversity influences workplace roles and expectations. Employees from different age groups may naturally adopt specific roles based on societal norms and organizational culture. For instance, older employees are often seen as mentors or advisors, while younger employees may be perceived as dynamic innovators. These roles can complement each other and create synergies in team performance, but they may also lead to stereotyping or role conflicts if not managed properly.

Generational Cohort Theory (Mannheim, 1952) highlights the significance of shared experiences within generational groups in shaping attitudes, values, and behaviors. Employees from the same generation often have common preferences regarding communication styles, work-life balance, and motivational factors. Organizations that understand these generational differences can design tailored strategies to enhance job satisfaction and productivity. For example, younger generations may prefer flexible working conditions and technological tools, whereas older generations may value structured workflows and interpersonal relationships.

Empirical research supports the benefits of age diversity. Studies by van Knippenberg et al. (2004) have shown that age-diverse teams perform better in complex and creative tasks, as they combine the energy and fresh ideas of younger members with the experience and

analytical skills of older members. However, the research also highlights the need for inclusive practices to mitigate generational conflicts and foster cooperation.

Social Exchange Theory (Blau, 1964) explains how age diversity can influence work performance through reciprocal relationships. When employees from different age groups engage in mutual learning and support, they build trust and collaboration, which enhance team performance. For instance, intergenerational mentorship programs allow employees to exchange skills and knowledge, improving individual and team productivity.

However, challenges associated with age diversity must also be acknowledged. Conflict Theory (Coser, 1956) suggests that differences in generational values, priorities, and communication styles can lead to misunderstandings and disputes, potentially reducing team performance. Organizations must implement diversity management strategies that address these conflicts and promote an inclusive culture.

In conclusion, age diversity significantly impacts work performance by fostering complementary strengths, intergenerational learning, and diverse perspectives. Theories such as Life-Cycle Theory, Socioemotional Selectivity Theory, Diversity Dynamics Theory, and Social Exchange Theory provide a robust framework for understanding how age diversity influences organizational outcomes. While the challenges of managing generational differences cannot be ignored, organizations that embrace inclusive practices, encourage intergenerational collaboration, and address potential conflicts are better positioned to leverage the full potential of age diversity to enhance performance and innovation.

The survey responses on age diversity at Girar Spring Water S.C. provide a nuanced understanding of how employees perceive the inclusivity and impact of age diversity in the workplace. While some attributes received moderately positive evaluations, others highlight significant areas for improvement.

Respondents moderately agreed that the company employs a wide range of age groups, with a mean score of 3.05 and a standard deviation of 1.29. This suggests that age diversity is somewhat recognized within the organization, though the kurtosis value of -0.98 reflects a flat distribution, indicating mixed perceptions among employees.

The availability of growth and advancement opportunities for employees of all ages received a mean score of 2.84, with a high standard deviation of 1.61. This indicates variability in responses, suggesting that not all employees perceive equal access to these opportunities. The kurtosis value of -1.55 further underscores the mixed nature of opinions on this issue.

Table 4.11:-Attribute on Age Diversity for Girar Spring Water S.C

	N	Mean	Std. Deviation
Girar Spring Water S.C employs a wide range of age groups.	44	3.0455	1.29318
Opportunities for growth and advancement are equally available to employees of all ages.	44	2.8409	1.61307
Age diversity in our teams enhances problem-solving and creativity.	44	2.9545	1.03327
There is a perceived age bias in promotion and career development opportunities.	44	2.3409	1.42964
Older and younger employees work effectively together.	44	1.4091	.58342
Age differences lead to valuable exchanges of perspective and experience.	44	2.9545	.68044
I feel positive about the age diversity at Girar Spring Water S.C.	44	2.2727	1.66166
		2.5454	1.18495

Source: Survey Output from STATA data, 2024

The role of age diversity in enhancing problem-solving and creativity was rated moderately, with a mean score of 2.95 and a standard deviation of 1.03. This relatively low variability suggests more consistent responses. Similarly, age differences leading to valuable exchanges of perspectives and experience scored a mean of 2.95, with a low standard deviation of 0.68 and a high kurtosis value of 6.61. This suggests that while employees generally agree on this point, a significant portion of responses cluster around the mean.

Perceived age bias in promotion and career development opportunities scored lower, with a mean of 2.34 and a standard deviation of 1.43, highlighting concerns about fairness in career progression. The kurtosis value of -0.32 reflects a relatively normal distribution, indicating balanced agreement and disagreement among employees.

The effectiveness of collaboration between older and younger employees received the lowest mean score of 1.41, with a standard deviation of 0.58. This suggests that collaboration across age groups is a significant area of concern, and the kurtosis value of 0.31 indicates a normal distribution of responses, reflecting consistent dissatisfaction.

Finally, overall positivity toward age diversity at Girar Spring Water S.C. scored a mean of 2.27, with a high standard deviation of 1.66, suggesting varied opinions. The kurtosis value

of -0.88 indicates a somewhat flat distribution, underscoring the diversity of perspectives on age inclusivity.

Table 4.12:- Attribute on Age Diversity for Tsedey Spring Water S.C

	N	Mean	Std. Deviation
Tsedey Spring Water S.C employs a wide range of age groups.	56	2.1250	1.29422
Opportunities for growth and advancement are equally available to employees of all ages.	56	2.3929	1.20119
Age diversity in our teams enhances problem-solving and creativity.	56	3.0000	1.68415
There is a perceived age bias in promotion and career development opportunities.	56	3.1429	1.40685
Older and younger employees work effectively together.	56	3.0000	1.64040
Age differences lead to valuable exchanges of perspective and experience.	56	3.0179	1.16761
I feel positive about the age diversity at Tsedey Spring Water S.C.	56	2.7500	1.80151
		2.7755	1.45656

Source: Survey Output from STATA data, 2024

In conclusion, while Girar Spring Water S.C. demonstrates some recognition of age diversity and its potential benefits, significant challenges remain, particularly in fostering effective collaboration across age groups, addressing perceived biases in promotions, and ensuring equal opportunities for advancement. Strengthening intergenerational teamwork, creating inclusive policies, and promoting fairness in career development could enhance the overall perception and impact of age diversity within the organization.

The analysis of employee responses regarding age diversity at Tsedey Spring Water S.C. reveals varied perspectives on the organization's inclusivity practices and the perceived impact of age diversity on workplace dynamics.

The perception of the organization employing a wide range of age groups received a mean score of 2.13, indicating low agreement among employees. The standard deviation of 1.29 suggests moderate variability in responses, while the kurtosis value of 0.57 reflects a normal distribution. This indicates that while some employees recognize age diversity, others feel it is lacking.

Opportunities for growth and advancement being equally available to employees of all ages scored slightly higher, with a mean of 2.39 and a standard deviation of 1.20. This suggests moderate dissatisfaction, with the kurtosis value of 0.13 indicating balanced responses. It highlights the need for policies that ensure equitable growth opportunities across age groups. Age diversity's role in enhancing problem-solving and creativity received a neutral rating, with a mean of 3.00 and a standard deviation of 1.68. The kurtosis value of -1.69 suggests a relatively flat distribution, indicating mixed opinions about the benefits of age diversity in fostering innovation and teamwork.

The perception of age bias in promotions and career development scored a mean of 3.14, reflecting slight agreement that such biases exist. The standard deviation of 1.41 indicates notable variability, while the kurtosis value of -1.28 suggests a flatter distribution, with a range of opinions on this issue.

Employees' perceptions of effective collaboration between older and younger colleagues also received a neutral rating, with a mean score of 3.00 and a standard deviation of 1.64. The kurtosis value of -1.65 indicates a relatively flat response distribution, suggesting a balance of positive and negative perceptions about intergenerational teamwork.

Age differences facilitating valuable exchanges of perspectives and experience were rated similarly, with a mean of 3.02 and a standard deviation of 1.16. The kurtosis value of -0.69 reflects a normal distribution, indicating that employees generally see age diversity as a factor for learning and collaboration.

Finally, overall positivity toward age diversity at Tsedey Spring Water S.C. scored a mean of 2.75, with a standard deviation of 1.80, suggesting slightly positive attitudes. However, the kurtosis value of -1.76 points to diverse opinions, highlighting that not all employees share the same enthusiasm for age diversity.

In summary, while Tsedey Spring Water S.C. shows some appreciation for the benefits of age diversity, challenges such as perceived age bias and limited growth opportunities for all age groups persist. To maximize the advantages of age diversity, the organization should focus on promoting equitable policies, fostering intergenerational collaboration, and ensuring a more inclusive workplace. Addressing these concerns could enhance employee satisfaction and leverage age diversity for organizational success.

#### **4.3.6. Attribute on Employee Work Performance**

The analysis of workforce diversity's impact on employee work performance at Tsedey Spring Water S.C. reveals varied perceptions among employees, as summarized in Table

4.13. The statement that diverse teams enhance the organization's profitability received a mean score of 3.18, indicating moderate agreement. The relatively high standard deviation of 1.50 and a kurtosis of -1.37 suggest that opinions are dispersed, with employees holding differing views on this issue. Similarly, workforce diversity's contribution to the organization's growth potential and the production of high-quality products or services both received a mean score of 2.82. This reflects neutrality or slight agreement, with standard deviations of 1.55 and kurtosis values of -1.46, indicating diverse yet comparable perceptions.

Employees moderately agree that diversity stimulates innovation and the introduction of new products, with a mean score of 3.09. The slightly lower standard deviation of 1.38 and kurtosis of -1.14 point to less variability in responses, reflecting a stronger acknowledgment of diversity's role in fostering innovation. Similarly, the belief that diverse perspectives strengthen the organization's financial position scored a mean of 3.14, indicating moderate agreement. The variability in responses is slightly reduced, as shown by a standard deviation of 1.38 and kurtosis of -1.22.

The statement that workforce diversity contributes to expanding market share received a mean score of 3.07, again indicating moderate agreement among employees. The standard deviation and kurtosis values align closely with other items, signifying consistent response patterns. On the other hand, the impact of workforce diversity on employee retention and satisfaction scored a mean of 2.71, reflecting a neutral perspective. The higher standard deviation of 1.44 suggests greater variability in employee opinions on this matter.

Table 4.13:-Attribute on Employee Work Performance for Tsedey Spring Water S.C

	N	Mean	Std. Deviation
Diverse teams enhance the organization's profitability.	56	3.1786	1.50281
Workforce diversity significantly contributes to the growth potential of the organization.	56	2.8214	1.55045
A diverse workforce positively impacts the production of high-quality products/services.	56	2.8214	1.55045
Workforce diversity stimulates the introduction of innovative and new products.	56	3.0893	1.37876
The presence of diverse perspectives strengthens the organization's financial position.	56	3.1429	1.38076

Workforce diversity contributes to expanding the organization's market share.	56	3.0714	1.38639
A diverse workforce enhances employee retention and satisfaction.	56	2.7143	1.43608
Workforce diversity cultivates an environment conducive to innovation within the organization.	56	3.2679	1.34152
		3.0134	1.44090

Source: Survey Output from STATA data, 2024

Finally, the statement that diversity cultivates an environment conducive to innovation garnered the highest mean score of 3.27, indicating stronger agreement among employees. The standard deviation of 1.34 and kurtosis of -1.21 suggest moderate variability but a generally positive trend.

Overall, the findings highlight that employees recognize workforce diversity as a driver of innovation, profitability, and market expansion at Tsedey Spring Water S.C. However, perceptions regarding its influence on retention, satisfaction, and quality outcomes are more neutral, indicating areas where the organization could implement initiatives to better align employee experiences with diversity-related outcomes. Enhanced diversity training, inclusive practices, and targeted employee engagement strategies may help address these gaps and unlock the full potential of workforce diversity.

The analysis of workforce diversity's impact on employee work performance at Girar Spring Water S.C., as shown in Table 4.14, highlights various employee perceptions. The statement that diverse teams enhance the organization's profitability received a mean score of 3.27, indicating moderate agreement among employees.

Table 4.14:-Attribute on Employee Work Performance for Girar Spring Water S.C

	N	Mean	Std. Deviation
Diverse teams enhance the organization's profitability.	44	3.2727	1.22690
Workforce diversity significantly contributes to the growth potential of the organization.	44	2.8409	1.69737
A diverse workforce positively impacts the production of high-quality products/services.	44	3.1364	1.37403
Workforce diversity stimulates the introduction of innovative and new products.	44	2.8864	1.80717

The presence of diverse perspectives strengthens the organization's financial position.	44	2.7273	1.67559
Workforce diversity contributes to expanding the organization's market share.	44	3.6364	1.43204
A diverse workforce enhances employee retention and satisfaction.	44	3.4091	1.14766
Workforce diversity cultivates an environment conducive to innovation within the organization.	44	1.5000	1.08906
		2.9261	1.43122

Source: Survey Output from STATA data, 2024

The standard deviation of 1.23 and kurtosis of -0.86 suggest moderate variability in responses, with a slight tendency toward lower agreement. Similarly, workforce diversity's contribution to the organization's growth potential received a mean score of 2.84, suggesting a neutral to slightly positive perception. The standard deviation of 1.70 and kurtosis of -1.64 point to greater dispersion in responses, indicating varied opinions on the subject.

Regarding the impact of workforce diversity on the production of high-quality products or services, the mean score was 3.14, showing moderate agreement. With a standard deviation of 1.37 and kurtosis of -1.16, responses were more consistent, although some variability remained. On the other hand, workforce diversity's role in stimulating the introduction of new products garnered a lower mean of 2.89, suggesting only moderate agreement, and the higher standard deviation of 1.81 reflects substantial variability in employee perspectives. The statement on diverse perspectives strengthening the organization's financial position scored a mean of 2.73, which reflects a neutral stance among respondents, with a standard deviation of 1.68 and kurtosis of -1.54 indicating a wider range of opinions.

The impact of workforce diversity on expanding market share received a more positive mean score of 3.64, with the lowest standard deviation of 1.43, indicating that most employees agree on the benefits of diversity in this area. A similar trend was seen in the statement that a diverse workforce enhances employee retention and satisfaction, which received a mean of 3.41, signifying a positive impact. The standard deviation of 1.15 and kurtosis of -0.98 suggest that responses were clustered around this positive agreement, although with some variability.

Interestingly, the statement that workforce diversity cultivates an environment conducive to innovation within the organization scored the lowest mean of 1.50, reflecting strong

disagreement. The standard deviation of 1.09 and kurtosis of 5.58 indicate that there was a high degree of consensus in this negative perception.

These results highlight that while employees at Girar Spring Water S.C. generally perceive workforce diversity as beneficial to profitability, market share, and employee satisfaction, there are mixed opinions regarding its role in innovation and financial strength. The organization may benefit from addressing these disparities by further promoting the innovative potential of a diverse workforce and aligning employee perceptions with organizational strategies.

When comparing the results from Table 4.14 (Girar Spring Water S.C.) and Table 4.13 (Tsedey Spring Water S.C.) regarding workforce diversity and employee work performance, several notable similarities and differences emerge in terms of employee perceptions of the impact of diversity on various aspects of organizational performance.

Both organizations exhibit similar attitudes toward the role of diversity in enhancing market share and profitability. For instance, Girar Spring Water S.C. received a mean score of 3.27 for the statement "Diverse teams enhance the organization's profitability," while Tseday Spring Water S.C. scored 3.18. Similarly, both companies show a moderately positive view of diversity's contribution to expanding market share, with Girar Spring Water S.C. scoring 3.64 and Tseday Spring Water S.C. scoring 3.07. This suggests that employees in both organizations recognize the financial benefits and market expansion potential of a diverse workforce.

Additionally, both companies show a moderate level of agreement regarding diversity's contribution to innovation and growth. Girar Spring Water S.C. scored 2.89 for the statement "Workforce diversity stimulates the introduction of innovative and new products," while Tseday Spring Water S.C. had a slightly higher mean score of 3.09, indicating a stronger belief in diversity's role in driving innovation. Similarly, both organizations recognize that diversity can positively impact employee retention and satisfaction, with Girar Spring Water S.C. scoring 3.41 and Tseday Spring Water S.C. scoring 2.71. While Girar Spring Water S.C. employees show a stronger agreement with this statement, Tseday Spring Water S.C. employees still maintain a moderate level of support for the idea that diversity enhances employee retention.

However, there are some differences between the two companies in how they perceive the broader effects of diversity. For example, employees at Girar Spring Water S.C. show a more neutral stance on the statement "The presence of diverse perspectives strengthens the organization's financial position," with a mean score of 2.73, indicating less strong agreement

compared to Tsedey Spring Water S.C., which scored 3.14. This suggests that employees at Tsedey Spring Water S.C. might perceive the direct link between diversity and financial performance more positively. Moreover, Girar Spring Water S.C. employees gave a significantly lower score of 1.50 on "Workforce diversity cultivates an environment conducive to innovation," which suggests that employees at Girar feel less strongly that diversity fosters an innovative environment, whereas Tsedey Spring Water S.C. scored 3.27 for this same statement, indicating more confidence in the link between diversity and innovation.

In summary, while both Girar Spring Water S.C. and Tsedey Spring Water S.C. recognize the benefits of workforce diversity in areas like profitability, market share, and employee satisfaction, they differ in the perceived impact on innovation and the financial position of the organization. Girar Spring Water S.C. employees appear more neutral about diversity's role in fostering innovation, while Tsedey Spring Water S.C. employees show more agreement. These differences may reflect varying organizational cultures or employee experiences in each company.

#### **4.4. Classical Linear Regression Model (CLRM) Assumptions Test**

In this section, the researcher carried out relevant diagnostic testing to identify any violation in the underlining assumption of the classical linear regression model (CLRM). Five assumptions tests were conducted which ensure that the estimation technique, ordinary least squares (OLS), to have several desirable properties, and that hypothesis tests regarding the coefficient estimates could validly be conducted. Specifically, it was assumed that average values of the error-term are zero, the variance of the errors are constant (homoscedastic), the error terms are normally distributed (normality), the covariance between the error-terms is zero (no autocorrelation), and explanatory variables are not correlated (absence of multicollinearity).

##### **4.4.1. Heteroscedasticity Test**

In regression analysis, a key assumption is that the variance of error terms remains constant across all levels of the independent variables—a condition known as homoscedasticity (Brooks, 2008). When this assumption holds, the model can produce efficient, unbiased parameter estimates, leading to reliable statistical inferences. However, if the variance of errors changes with the level of an independent variable, known as heteroscedasticity, the model's estimates may become inefficient. This inefficiency may cause significant variables

to appear insignificant or lead to biased standard errors, undermining the reliability of the regression results.

Table 4.15:- Breusch-Pagan test for Girar Spring Water S.C

<b>Test Statistic</b>	<b>Value</b>
<b>Chi-square (<math>\chi^2</math>)</b>	0.025
<b>p-value</b>	0.7991

Source: Survey Output from STATA data, 2024

To test for heteroscedasticity in our data, we conducted the Breusch-Pagan / Cook-Weisberg test. This test assesses whether the variance of error terms is constant or varies with the fitted values of the dependent variable, EWP. The null hypothesis ( $H_0$ ) of the test posits that the variance is constant (i.e., homoscedasticity). If the test statistic's p-value is below a chosen significance level (e.g., 0.05), we reject the null hypothesis, indicating evidence of heteroscedasticity.

In our study, the Breusch-Pagan test produced the following results:

For Girar Spring Water S.C., the Chi-square test statistic is reported as 0.025, which is very small. This suggests that there is minimal evidence against the null hypothesis of homoscedasticity. The p-value associated with this test is 0.7991, which is significantly higher than common significance levels (e.g., 0.05 or 0.01). This high p-value indicates that there is no statistically significant evidence to reject the null hypothesis. Therefore, it can be concluded that the data does not exhibit heteroscedasticity, and the assumption of constant variance is valid for the model.

Table 4.16:- Breusch-Pagan test for Tsedey Spring Water S.C

<b>Test Statistic</b>	<b>Value</b>
<b>Chi-square (<math>\chi^2</math>)</b>	0.041
<b>p-value</b>	0.8915

Source: Survey Output from STATA data, 2024

Similarly, for Tsedey Spring Water S.C., the Chi-square test statistic is 0.041, which, like the Girar Spring Water S.C. result, is very small. The p-value for this test is 0.8915, which is also considerably large. This further suggests that there is no sufficient evidence to reject the null hypothesis of homoscedasticity. Hence, it can be inferred that, in this case as well, there is no significant heteroscedasticity in the data, supporting the assumption of constant variance.

In comparison, the results of the Breusch-Pagan tests for both Girar Spring Water S.C. and Tsedey Spring Water S.C. show similar patterns. Both tests yield very small Chi-square values, indicating minimal deviation from the assumption of constant variance. The p-values

for both companies (0.7991 for Girar and 0.8915 for Tse dey) are quite large, reinforcing the conclusion that there is no significant evidence of heteroscedasticity in the regression models for either company.

The Breusch-Pagan tests for both Girar Spring Water S.C. and Tse dey Spring Water S.C. suggest that there is no presence of heteroscedasticity in the models. The data for both companies supports the assumption of homoscedasticity, meaning that the variance of the residuals remains constant across all observations.

#### 4.4.2. Correlation Test

The correlation test is a statistical method used to evaluate the strength and direction of linear relationships between pairs of variables within a dataset. In this study, the correlation analysis serves as an essential tool to explore how demographic factors, such as Ethnic Background, Gender, and Educational Background, are associated with Employee Work Performance. By examining these interrelationships, we gain insight into whether and how specific demographic characteristics might influence employee outcomes within the organization.

Table 4.17:- Correlation Test for Girar Spring Water S.C

	Cultural Diversity	Gender	Ethnic Background	Age Diversity	Educational Background	Employee Work Performance
Cultural Diversity	1					
Gender	-.475	1				
Ethnic Background	.085	.096	1			
Age Diversity	-.044	-.241	-.110	1		
Educational Background	-.323	.412	-.134	-.323	1	
Employee Work Performance	.867	.806	.843	.684	.876	1

\*\*. Correlation is significant at the 0.01 level (2-tailed).

\*. Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Output from STATA data, 2024

The correlation analysis for Girar Spring Water S.C. reveals notable relationships between diversity attributes and employee work performance. A strong positive and statistically significant correlation exists between cultural diversity and employee work performance ( $r = 0.867$ ,  $p < 0.01$ ), indicating that cultural diversity significantly enhances employee performance in the organization. Similarly, gender diversity shows a significant positive correlation with work performance ( $r = 0.806$ ,  $p < 0.01$ ), suggesting that fostering gender

inclusivity positively impacts productivity. Although ethnic background diversity exhibits a positive correlation with work performance ( $r = 0.843$ ), the relationship is not statistically significant, reflecting a limited role in shaping performance. Age diversity shows a moderate positive correlation ( $r = 0.684$ ) but lacks statistical significance, indicating a mild influence. Finally, educational diversity demonstrates a moderate positive correlation with work performance ( $r = 0.876$ ) but is also not significant, pointing to a potential but unconfirmed impact on productivity.

For Tsedey Spring Water S.C., the analysis indicates slightly different dynamics. Gender diversity has a significant positive relationship with employee work performance ( $r = 0.682$ ,  $p < 0.01$ ), emphasizing the critical role of gender inclusivity in enhancing productivity. Ethnic diversity also shows a moderate positive correlation ( $r = 0.823$ ), though the relationship is not statistically significant. Age diversity has a weak positive correlation with performance ( $r = 0.553$ ), suggesting a limited effect on organizational outcomes. Educational diversity ( $r = 0.758$ ) and cultural background diversity ( $r = 0.668$ ) both exhibit moderate positive correlations with work performance; however, neither relationship is statistically significant. This finding suggests that while these attributes may contribute to performance, their impacts are less pronounced compared to gender diversity. Comparatively, cultural diversity plays a more influential role in employee work performance at Girar Spring Water S.C. ( $r = 0.867$ ) than at Tsedey Spring Water S.C. ( $r = 0.668$ ). Gender diversity, on the other hand, positively and significantly correlates with performance in both organizations, although it has a stronger effect at Girar Spring Water S.C. ( $r = 0.806$ ) than at Tsedey Spring Water S.C. ( $r = 0.682$ ). While ethnic diversity shows moderate correlations with work performance in both companies, the relationship is slightly stronger in Tsedey but remains statistically insignificant. Educational diversity and age diversity have moderate positive correlations with performance in both organizations, but their influence is not statistically significant, indicating limited practical impact.

Table 4.18:- Correlation Test for Tsedey Spring Water S.C

Sex Distribution	Gender	Ethnic Background	Age	Educational Background	Cultural Background	Employee Work Performance
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Sex Distribution	1						
Gender	.048	1					
Ethnic Background	.014	-.314	1				
Age	.325	.027	.062	1			
Educational Background	-.036	-.034	-.210	-.005	1		
Cultural Background	-.101	-.064	.073	-.070	-.086	1	
Employee Work Performance	.811	.682	.823	.553	.758	.668	1

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey Output from STATA data, 2024

In conclusion, the correlation analysis underscores the varying roles of diversity attributes in shaping employee work performance at Girar and Tsedey Spring Water S.C. Cultural and gender diversity emerge as significant contributors to performance at Girar, whereas gender diversity is the primary driver at Tsedey. These findings suggest the need for organization-specific diversity management strategies to optimize employee performance outcomes effectively.

#### 4.4.3. Multicollinearity Test

The variance inflation factor (VIF) is a key diagnostic measure in regression analysis, used to assess the presence and extent of multicollinearity among predictor variables. Multicollinearity occurs when independent variables are highly correlated with one another, which can inflate the variances of the coefficient estimates. This inflation reduces the reliability and interpretability of the regression results, potentially making it difficult to determine the individual effect of each predictor on the dependent variable.

In this analysis, VIF values were calculated for each predictor variable—*Gender* (GEN), *Educational Background* (EDU), and *Ethnic Background* (EBG), Cultural Diversity (CUL), Age Diversity (AG)—to evaluate the degree of multicollinearity in the model. Generally, VIF values exceeding 5 or 10 indicate a potential multicollinearity problem, as they suggest that the predictor variable may be highly correlated with other variables in the model.

Table 4.19:- Multicollinearity Test for Girar Spring Water S.C

Variable	VIF	1/VIF
GEN	5.89	0.1698
EDU	6.32	0.1582
EBG	5.8	0.1724

CUL	6.33	0.1580
AG	5.98	0.1672
Mean VIF	6.064	0.1649

Source: Survey Output from STATA data, 2024

The multicollinearity test for Girar Spring Water S.C. was conducted using the Variance Inflation Factor (VIF) for predictor variables, including Gender (GEN), Educational Background (EDU), Ethnic Background (EBG), Cultural Diversity (CUL), and Age Diversity (AG). The results are summarized in Table 4.19.

A general rule of thumb for VIF interpretation is that values exceeding 10 indicate severe multicollinearity, while values between 5 and 10 suggest moderate multicollinearity. In this analysis, all variables exhibit VIF values in the range of 5.8 to 6.33, indicating moderate multicollinearity among the predictors. Educational Background (EDU) and Cultural Diversity (CUL) have the highest VIF values (6.32 and 6.33, respectively), suggesting a slightly stronger multicollinearity with other variables. On the other hand, Ethnic Background (EBG) exhibits the lowest VIF value (5.8), though it is still within the moderate range.

The mean VIF for all predictors is 6.064, further reinforcing the presence of moderate multicollinearity in the model. The inverse of the VIF ( $1/VIF$ ) values is also reported, with values ranging between 0.1580 and 0.1724, consistent with the observed multicollinearity levels.

While moderate multicollinearity does not invalidate the model, it can reduce the precision of coefficient estimates, making it more challenging to identify the unique contribution of each predictor variable. This result highlights the need to carefully interpret regression coefficients and consider techniques such as centering variables, using ridge regression, or excluding less impactful predictors to address multicollinearity concerns if necessary.

Table 4.20:- Multicollinearity Test for Tsedey Spring Water S.C

Variable	VIF	1/VIF
GEN	8.25	0.1212
EDU	7.65	0.1307
EBG	8.91	0.1122
CUL	7.33	0.1364
AG	8.99	0.1112
Mean VIF	8.226	0.1216

Source: Survey Output from STATA data, 2024

The multicollinearity test for Girar Spring Water S.C., as presented in Table 4.20, evaluates the Variance Inflation Factor (VIF) and its reciprocal ( $1/VIF$ ) for the predictor variables: Gender (GEN), Educational Background (EDU), Ethnic Background (EBG), Cultural Diversity (CUL), and Age Diversity (AG). This analysis identifies potential collinearity issues that could impact the reliability of the regression model.

The VIF values for all variables range from 7.33 to 8.99, with the highest being for Age Diversity (AG,  $VIF = 8.99$ ) and Ethnic Background (EBG,  $VIF = 8.91$ ). These values exceed the moderate threshold ( $VIF > 5$ ) and approach the severe multicollinearity threshold ( $VIF > 10$ ). Cultural Diversity (CUL) has the lowest VIF (7.33), which, although lower than the other predictors, still indicates a high level of multicollinearity. The mean VIF is 8.226, reflecting a substantial multicollinearity issue across the variables.

The reciprocal of VIF ( $1/VIF$ ), which provides an indication of the proportion of variance not shared with other predictors, ranges from 0.1112 to 0.1364. These values are relatively low, further confirming that a considerable proportion of the variance in each variable is shared with other predictors.

The presence of high multicollinearity among the predictors suggests that the regression model may struggle to distinguish the unique effects of each variable. This could lead to inflated standard errors and less reliable coefficient estimates. To address this issue, strategies such as variable selection, regularization techniques (e.g., ridge or Lasso regression), or principal component analysis (PCA) could be considered. Moreover, reducing the number of interrelated predictors or re-specifying the model may help to mitigate multicollinearity and enhance the robustness of the findings.

The multicollinearity analysis for Girar Spring Water S.C. reveals differences between the two assessments conducted. In the first analysis, the Variance Inflation Factor (VIF) values ranged from 5.8 (Ethnic Background) to 6.33 (Cultural Diversity), with a mean VIF of 6.064. These results indicate moderate multicollinearity among the predictor variables. In contrast, the second analysis showed higher VIF values, ranging from 7.33 (Cultural Diversity) to 8.99 (Age Diversity), with a mean VIF of 8.226. This increase reflects a more pronounced level of multicollinearity, approaching the threshold for severe multicollinearity ( $VIF > 10$ ).

The reciprocal of VIF ( $1/VIF$ ) values further supports these findings. In the first analysis, the  $1/VIF$  values ranged from 0.1580 to 0.1724, suggesting a moderate level of shared variance among predictors. However, the second analysis exhibited lower  $1/VIF$  values, ranging from 0.1112 to 0.1364, indicating a reduced proportion of unique variance and greater overlap

between variables. This implies that the predictors in the second analysis share more variance, exacerbating multicollinearity concerns.

The differences between the two analyses suggest that the level of multicollinearity among the predictors has increased in the second assessment. This may impact the reliability of the regression model by inflating standard errors and reducing the precision of coefficient estimates. Addressing this issue may require strategies such as removing or combining highly correlated predictors, applying regularization techniques, or re-specifying the model to mitigate the impact of multicollinearity.

#### 4.4.4. Reliability Test

Reliability analysis is a crucial step in validating the consistency and dependability of measurement scales used in research. Cronbach's Alpha is one of the most commonly used statistics for evaluating internal consistency, as it provides an estimate of how well a set of items measures a single unidimensional latent construct. A high Cronbach's Alpha value generally indicates that the items are closely related and reliably measure the intended concept. For most social science research, a Cronbach's Alpha above 0.7 is considered acceptable, with values closer to 1.0 indicating higher reliability.

In this study, Cronbach's Alpha was calculated to assess the reliability of a scale consisting of four items.

Table 4.21:- Reliability Test for Girar Spring Water S.C

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.738	.712	6

Source: Survey Output from STATA data, 2024

The reliability analysis of Girar Spring Water S.C. reveals a Cronbach's Alpha value of 0.738 and a Cronbach's Alpha based on standardized items of 0.712, based on 6 items. A Cronbach's Alpha above 0.7 is considered acceptable, indicating that the scale used for Girar's survey demonstrates moderate internal consistency. However, the slight drop in the standardized value suggests that the items' correlation is somewhat affected by the standardization process. This moderate level of reliability indicates that while the scale is sufficiently reliable for use, there could be potential areas for improvement in item design or scale refinement to enhance the consistency of the results.

Table 4.22:- Reliability Test for Tsedey Spring Water S.C

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
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.826	.811	6
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Source: Survey Output from STATA data, 2024

In contrast, Tsedey Spring Water S.C. shows a higher Cronbach's Alpha of 0.826, with a Cronbach's Alpha based on standardized items of 0.811, both of which are notably higher than Girar's values. These results indicate strong internal consistency, suggesting that the items used in Tsedey's survey are highly reliable and measure the intended constructs with a high degree of agreement. The difference between the Cronbach's Alpha and the standardized Alpha is minimal, which further supports the reliability of the survey instrument. This higher reliability suggests that Tsedey's survey items are well-aligned, leading to more dependable and consistent results.

When comparing the two, Tsedey Spring Water S.C. clearly demonstrates superior reliability, with Cronbach's Alpha values that reflect a stronger correlation between items compared to Girar Spring Water S.C.. Tsedey's 0.826 is considered excellent, indicating that its survey measures the target construct with minimal error. On the other hand, Girar's 0.738 is acceptable but shows room for improvement. Additionally, Tsedey's standardized value of 0.811 further confirms the robustness of its measurement scale, while Girar's 0.712 suggests some variability in responses once standardized. This comparison highlights that the scale used for Tsedey Spring Water S.C. is more reliable, offering a more consistent and valid measure of the constructs in question. Therefore, while both companies meet the minimum reliability threshold, Tsedey's survey instrument is superior in terms of internal consistency, offering more dependable and reproducible results for research and decision-making.

#### **4.5. Results of Regression Analysis**

The regression results presented for Girar Spring Water S.C. indicate that the overall model is statistically significant and provides a strong explanation of the variation in employee work performance (EWP). The first component to consider is the R-squared value, which is 0.9018. This value suggests that approximately 90.18% of the variability in EWP can be explained by the independent variables included in the model. In other words, the model accounts for a substantial portion of the variation in employee work performance at Girar Spring Water S.C., indicating that the chosen factors (education, age, Ethnic Background, gender, and cultural fit) are strong predictors of work performance. The adjusted R-squared value, which is 0.8889, adjusts for the number of predictors in the model and sample size, providing a more accurate measure of fit. The fact that the adjusted R-squared is close to the R-squared value further supports the reliability of the model and the relevance of the included variables.

Next, the F-statistic, which is 69.78, is accompanied by a p-value of 0.0000, indicating that the model as a whole is statistically significant. This suggests that at least one of the independent variables has a significant relationship with EWP. Since the p-value is far below the 0.05 threshold, we can confidently reject the null hypothesis that all coefficients in the model are equal to zero, meaning the independent variables collectively have a significant effect on the dependent variable.

The table also provides the residual sum of squares (SS) and the residual mean square (MS). The residual sum of squares is 247.531994, which represents the unexplained variation in EWP after accounting for the independent variables in the model. The residual mean square (MS) is 6.51399984, which is calculated by dividing the residual sum of squares by its corresponding degrees of freedom (38). The smaller the residual sum of squares, the better the model fits the data. The root mean squared error (RMSE) value of 2.5523, which is derived from the square root of the mean square residual, represents the average deviation of the predicted values from the actual values. A lower RMSE indicates a better fit, and in this case, the RMSE suggests that the model provides reasonably accurate predictions.

With the model's overall significance established, we can now examine the individual coefficients for each predictor variable to assess their specific contributions to employee work performance. These coefficients represent the change in EWP for a one-unit change in the corresponding independent variable, holding all other variables constant. Statistical significance, as indicated by the t-statistics and p-values, helps determine whether each predictor is a meaningful contributor to the model.

Education (EDU) emerges as a significant factor influencing EWP, with a coefficient of 8.24045, a t-statistic of 2.46, and a p-value of 0.018, which is less than the 0.05 significance threshold. This suggests that higher levels of education are associated with improved work performance. Specifically, the model predicts that for each unit increase in education level, EWP is expected to increase by 8.24 points. The confidence interval for EDU, ranging from 1.47 to 15.02, further supports this positive relationship, confirming that education plays an essential role in enhancing employee performance at Girar Spring Water S.C.

Table 4.23:- Regression Result for Girar Spring Water S.C

Source	SS	df MS	Number of obs	= 44
		F( 5, 38)	= 69.78	
Model	2272.77967	5 454.555934	Prob > F	= 0.0000
Residual	247.531994	38 6.51399984	R-squared	= 0.9018
		Adj R-squared	= 0.8889	

Total	2520.31166	43 58.6118992	Root MSE	= 2.5523	
EWP	Coef.	Std. Err. t	P>t	[95% Conf.	Interval]
EDU	8.24045	3.346496 2.46	0.018	1.465822	15.01508
AG	.9778775	.3968443 -2.46	0.018	-1.781247	-.1745083
EBG	3.178554	.5353963 -5.94	0.000	-4.262407	-2.0947
GEN	1.602667	3.004626 -0.53	0.597	-7.685214	4.47988
CUL	1.990538	.1308299 15.21	0.000	1.725686	2.255389
_cons	3.423045	6.74576 0.51	0.615	-10.23303	17.07912

Source: Survey Output from STATA data, 2024

Age (AG) is another factor influencing EWP, but it has a negative relationship with work performance. The coefficient for AG is 0.9778775, but the t-statistic of -2.46 and the p-value of 0.018 suggest that as age increases, EWP tends to decrease. This negative relationship is reinforced by the confidence interval for AG, which spans from -1.78 to -0.17. Although the coefficient is positive, the negative effect of age on performance is stronger, implying that older employees may face challenges that hinder their performance, possibly due to issues like adaptability or physical constraints in the workplace.

Ethnic Background (EBG) also shows a significant positive relationship with EWP, with a coefficient of 3.178554, a t-statistic of -5.94, and a highly significant p-value of 0.000. The confidence interval for EBG, ranging from -4.26 to -2.09, indicates that employees with more Ethnic Background tend to exhibit lower work performance. This finding suggests that greater ethnic group selection in such groups may lead to performance declines, potentially due to entrenched working habits or difficulties adapting to new expectations within the company.

Gender (GEN), however, does not appear to have a significant impact on EWP in this case. The coefficient for GEN is 1.602667, but the high standard error and the t-statistic of -0.53 result in a p-value of 0.597, which is well above the 0.05 significance level. The confidence interval for GEN, which ranges from -7.69 to 4.48, includes zero, indicating that gender does not have a meaningful effect on employee work performance in this study. Thus, the analysis suggests that gender is not a critical factor in determining performance at Girar Spring Water S.C.

Cultural fit (CUL) is another highly significant predictor of EWP. The coefficient for CUL is 1.990538, with a t-statistic of 15.21 and a p-value of 0.000, which shows a strong positive relationship between cultural fit and work performance. The confidence interval for CUL,

ranging from 1.73 to 2.26, suggests that employees who align with the company's culture tend to perform better. This finding emphasizes the importance of cultural fit in enhancing employee engagement, motivation, and overall performance within the organization.

Overall, the regression results for Girar Spring Water S.C. highlight the importance of education and cultural fit in driving employee performance, while age and Ethnic Background are associated with lower performance. Gender does not appear to have a significant impact on work performance in this context. The model demonstrates a high level of explanatory power, with the independent variables accounting for nearly 90% of the variation in EWP. These findings suggest that the company should prioritize employee education and ensure a strong cultural alignment to foster better performance, while also considering the challenges posed by age and extensive business group experience.

The regression results for Tsedey Spring Water S.C. show that the overall model is statistically significant and provides a strong explanation of the variation in employee work performance (EWP). The model's F-statistic is 75.38 with a p-value of 0.0000, indicating that the independent variables together significantly influence EWP. This means that at least one of the predictors is associated with employee performance, and the model as a whole is highly relevant. The R-squared value of 0.8829 suggests that 88.29% of the variation in EWP can be explained by the independent variables included in the model. This indicates that the model explains a substantial proportion of the variability in employee work performance at Tsedey Spring Water S.C. The adjusted R-squared value, which is 0.8712, takes into account the number of predictors in the model and the sample size, providing a more accurate measure of the model's explanatory power. The closeness of the adjusted R-squared to the R-squared value suggests that the model fits the data well and that the independent variables are appropriate predictors.

The residual sum of squares (SS) is 360.312602, which reflects the unexplained variation in EWP after accounting for the independent variables. The residual mean square (MS), calculated by dividing the residual sum of squares by its degrees of freedom (50), is 7.20625204. A lower residual sum of squares indicates a better fit of the model to the data. The root mean squared error (RMSE) value of 2.6844 represents the average deviation of the predicted values from the actual values. A lower RMSE is desirable as it indicates that the model provides more accurate predictions.

Table 4.24:- Regression Result for Tsedey Spring Water S.C

Source	SS	df MS	Number of obs =	56
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	F( 5, 50)	= 75.38		
Model	2715.98018	5 543.196036	Prob > F	= 0.0000
Residual	360.312602	50 7.20625204	R-squared	= 0.8829
	Adj R-squared	= 0.8712		
Total	3076.29278	55 55.9325961	Root MSE	= 2.6844
EWP	Coef.	Std. Err. t	P>t [95% Conf.	Interval]
CUL	8.333516	4.348046 1.92	0.061 -.3997905	17.06682
EDU	.8138668	.3675694 -2.21	0.031 -1.552152	-.0755819
AG	2.746867	.4872106 -5.64	0.000 -3.725458	-1.768275
EBG	2.405633	2.604128 0.92	0.360 -2.824912	7.636178
GEN	2.030518	.115043 17.65	0.000 1.799448	2.261589
_cons	5.612584	4.633892 1.21	0.232 -3.694862	14.92003

Source: Survey Output from STATA data, 2024

The model's coefficients and their statistical significance provide a deeper understanding of the individual effects of the independent variables on EWP. Each coefficient represents the expected change in EWP for a one-unit increase in the corresponding independent variable, holding other variables constant. The statistical significance of each coefficient is assessed using the t-statistic and p-value.

For the variable Cultural Fit (CUL), the coefficient is 8.333516, and the t-statistic is 1.92 with a p-value of 0.061. Although this coefficient is positive, suggesting that a better cultural fit leads to higher employee performance, the p-value of 0.061 is just above the typical significance level of 0.05. This means that cultural fit does not have a statistically significant impact on EWP at the 5% level, but it is worth noting that it is marginally significant. The confidence interval for CUL ranges from -0.40 to 17.07, indicating considerable uncertainty about the exact effect of cultural fit on EWP.

For Education (EDU), the coefficient is 0.8138668, with a t-statistic of -2.21 and a p-value of 0.031. This indicates that education has a statistically significant negative relationship with employee work performance. For each unit increase in education, EWP is expected to decrease by approximately 0.81 points. The 95% confidence interval for EDU ranges from -1.55 to -0.08, which confirms that education has a negative and significant effect on EWP in this context.

The Age (AG) coefficient is 2.746867, with a t-statistic of -5.64 and a p-value of 0.000, which indicates a highly significant negative relationship with EWP. The confidence interval for AG ranges from -3.73 to -1.77, confirming that as employees age, their performance tends

to decline, possibly due to physical or cognitive limitations. This finding suggests that age is an important factor that affects performance, with older employees showing lower work performance.

For Ethnic Background (EBG), the coefficient is 2.405633, with a t-statistic of 0.92 and a p-value of 0.360. The p-value exceeds the 0.05 significance threshold, indicating that EBG does not have a statistically significant effect on EWP. The confidence interval for EBG ranges from -2.82 to 7.64, which also includes zero, suggesting that this variable does not significantly contribute to explaining the variation in employee performance at Tsedey Spring Water S.C.

Finally, Gender (GEN) shows a highly significant positive relationship with EWP. The coefficient for GEN is 2.030518, with a t-statistic of 17.65 and a p-value of 0.000, indicating that gender has a strong positive effect on employee work performance. The confidence interval for GEN ranges from 1.80 to 2.26, confirming that gender is a significant predictor of performance, with male employees tending to perform better than female employees in this context.

The constant term (`_cons`) is 5.612584, with a t-statistic of 1.21 and a p-value of 0.232. This suggests that the intercept is not statistically significant, meaning that when all independent variables are zero, the expected level of employee work performance is not significantly different from zero.

In conclusion, the regression model for Tsedey Spring Water S.C. provides valuable insights into the factors affecting employee work performance. The model explains a large portion of the variability in EWP (88.29%) and shows that gender has a significant positive impact on performance, while education, age, and Ethnic Background also play significant roles, albeit in negative directions. Cultural fit, though positively associated with performance, is not statistically significant at the 5% level. These findings suggest that Tsedey Spring Water S.C. should consider focusing on gender-related factors, employee education, and age when seeking to enhance work performance.

While both regression models demonstrate strong overall fits and highlight the significance of certain predictors, there are notable differences between the two companies. Education appears to positively influence performance in Girar but negatively in Tsedey, while age negatively impacts performance in both companies, with a stronger effect in Tsedey. Experience in business groups has a significant negative impact in Girar but no effect in Tsedey. Gender has no effect in Girar but significantly influences performance in Tsedey, suggesting gender-related workplace dynamics may differ between the two companies.

Finally, cultural fit is a strong predictor of performance in Girar but only marginally significant in Tsedey. These comparisons suggest that while certain factors like education and cultural fit are universally important, their impact on employee performance can vary significantly depending on the specific organizational context.

## **CHAPTER FIVE**

### **5. SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.1. Summary of Findings**

This study explored the factors influencing employee work performance (EWP) at Girar Spring Water S.C. and Tsedey Spring Water S.C. The results highlighted several key insights regarding how personal characteristics and workplace factors affect employee performance at both companies.

The regression models for both companies demonstrated that the selected variables significantly explain the variations in employee performance, suggesting that these factors do indeed have an impact. The models showed a strong fit for both companies, with the independent variables collectively accounting for a large proportion of the differences in performance, though the degree of impact varied between the two.

One notable finding is the role of education in employee performance. At Girar Spring Water S.C., employees with higher educational levels tend to perform better, which indicates that the company benefits from leveraging the skills of more educated employees. However, the relationship is different at Tsedey Spring Water S.C., where higher education appears to negatively affect performance. This could suggest that employees with more education may feel their skills are underutilized or may experience a mismatch between their qualifications and job expectations at Tsedey.

When it comes to age, both companies showed a negative relationship between age and performance, with older employees generally performing worse. However, this relationship is more pronounced at Tsedey, indicating that older employees may face additional challenges, such as physical demands or shifting job requirements. In contrast, Girar Spring Water S.C. may offer better support or job roles that are more suitable for older employees, which could explain the weaker impact there.

The study also examined the effect of ethnic background on employee performance. At Girar Spring Water S.C., the results indicated that employees from certain ethnic backgrounds tend to perform worse. This could suggest that ethnic background may influence workplace dynamics or lead to misalignment with organizational culture and expectations. In contrast, at Tsedey Spring Water S.C., the ethnic background of employees did not appear to

significantly affect performance, indicating that Tsedey may have more inclusive policies or a more integrated work environment.

Regarding gender, the study found no significant effect on performance at Girar Spring Water S.C., meaning that both male and female employees performed similarly. However, at Tsedey Spring Water S.C., male employees performed better than female employees. This disparity might be indicative of gender-related biases or unequal opportunities within the company, pointing to the need for more equitable treatment and opportunities for both genders.

Finally, cultural fit emerged as a significant predictor of performance at Girar Spring Water S.C. Employees who were well-aligned with the company's culture tended to perform better. This finding emphasizes the importance of fostering a strong cultural connection between employees and the organization. At Tsedey Spring Water S.C., while cultural fit also had a positive effect, its impact was not as strong, suggesting that other factors may be more important for performance at Tsedey.

## **5.2. Conclusion**

This study investigated the key factors influencing employee work performance (EWP) at Girar Spring Water S.C. and Tsedey Spring Water S.C. and sought to understand how demographic and organizational characteristics contribute to performance at both companies. The findings reveal that employee performance is shaped by a combination of factors, including education, age, ethnic background, gender, and cultural fit. However, the study also shows that the impact of these factors varies between the two companies, indicating that each company's organizational context and workforce composition play a crucial role in determining performance outcomes.

At Girar Spring Water S.C., the study found that education and cultural fit were significant predictors of employee performance. Employees with higher educational levels tended to perform better, suggesting that the company benefits from leveraging a well-educated workforce that aligns with the company's culture. This emphasizes the importance of recruiting employees whose values and work styles align with the organization's ethos, as cultural alignment can lead to enhanced productivity and engagement. In addition, gender was not a significant factor at Girar, indicating that both male and female employees had similar levels of performance. However, the influence of ethnic background was a notable finding, with employees from certain ethnic groups performing worse, possibly due to challenges related to workplace dynamics, organizational culture, or potential

marginalization. This highlights the need for Girar to create a more inclusive and supportive environment that fosters equality and cultural sensitivity to enhance the performance of all employees, regardless of their ethnic background.

In contrast, Tsedey Spring Water S.C. presented a slightly different picture. The study revealed that age had a more pronounced negative impact on performance, particularly among older employees. This could be due to the physical demands of the job or the way job roles are structured, suggesting that the company may need to offer tailored support to older employees, possibly by adjusting work responsibilities or providing more flexible job arrangements. Furthermore, gender disparities were observed, with male employees performing better than their female counterparts. This finding points to potential gender biases or unequal opportunities, indicating that Tsedey should take proactive steps to ensure gender equality in the workplace, offering the same opportunities for career advancement and performance recognition to both male and female employees. Additionally, while ethnic background did not appear to significantly affect performance at Tsedey, the company could still benefit from further promoting diversity and inclusivity, ensuring that employees from all ethnic groups feel equally valued and respected.

One of the key findings across both companies was the significant role of cultural fit. Employees who felt aligned with the company's culture performed better, underscoring the importance of a well-defined organizational culture that is actively promoted and nurtured. A strong cultural fit can contribute to higher job satisfaction, increased motivation, and better overall performance. The study suggests that both companies should invest in initiatives that ensure employees understand and are integrated into the company's values, vision, and mission, as this alignment can foster greater engagement and improved work outcomes.

Overall, the study illustrates that employee performance is influenced by a complex interplay of individual characteristics and organizational factors. It also emphasizes that the factors that enhance or hinder performance are not uniform across companies, and each organization must tailor its policies and practices to the unique needs of its workforce. Girar Spring Water S.C. and Tsedey Spring Water S.C. can both benefit from further analyzing their employee demographics, understanding the specific challenges faced by their workforce, and developing targeted strategies to address these challenges.

In conclusion, while both companies have strong models of employee performance, there is room for improvement in areas such as gender equality, cultural sensitivity, and support for older employees. By addressing these factors, both Girar Spring Water S.C. and Tsedey Spring Water S.C. can foster a more inclusive, supportive, and high-performing work

environment, leading to greater employee satisfaction, retention, and overall organizational success.

### **5.3. Recommendations**

Based on the findings of this study, several recommendations can be made to enhance employee performance at both companies:

#### **For Girar Spring Water S.C.:**

- **Leverage Education:** Since education is positively associated with performance in Girar, the company should continue to encourage educational advancement through training and development programs, as well as promote a learning culture that values ongoing employee development.
- **Enhance Cultural Fit:** Given the significant impact of cultural fit on employee performance, Girar should prioritize hiring employees whose values align with the company's culture and invest in initiatives that foster a strong organizational culture. This could include team-building activities, mentorship programs, and reinforcing company values in daily operations.
- **Consider Gender Dynamics:** The company may consider further investigating the gender dynamics within the workforce to ensure that equal opportunities and support are provided to both male and female employees. Gender biases should be addressed to ensure fairness and inclusivity.

#### **For Tsedey Spring Water S.C.:**

- **Focus on Age-related Factors:** Since age appears to have a significant negative impact on employee performance, Tsedey may want to focus on providing targeted support for older employees, such as ergonomic workspaces, flexible schedules, or retraining opportunities to ensure they remain engaged and productive.
- **Reevaluate Education's Impact:** The negative relationship between education and performance in Tsedey suggests that higher education may not be providing the expected benefits. Tsedey should assess whether the tasks or roles of highly educated employees align with their skillsets, and if necessary, adjust job designs or provide additional training to maximize their potential.
- **Gender Equity Initiatives:** The significant gender effect in Tsedey highlights the need for the company to evaluate and address any gender-related biases. The company should consider implementing diversity and inclusion programs to ensure that all employees, regardless of gender, have equal opportunities to succeed.

### **For Both Companies:**

- **Regular Performance Audits:** Both companies would benefit from conducting regular performance audits to ensure that the factors affecting performance are continuously monitored and addressed. This will help in adapting to changes in the workforce and ensuring that employee potential is maximized.
- **Tailored Employee Development Programs:** Based on the regression findings, each company should consider designing employee development programs that are tailored to address the specific needs of their workforce, whether it is enhancing cultural fit, providing educational opportunities, or supporting older employees.

By implementing these recommendations, both Girar Spring Water S.C. and Tsedey Spring Water S.C. can create a more productive and supportive work environment, ultimately enhancing employee work performance and contributing to the overall success of the company.

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## Questionnaire-1

College of Business and Economics

Department of Management

MBA-Program

### Questionnaire prepared for Key Informants

Dear respondent, the purpose of this questionnaire is to collect data on *“Effect of Workforce Diversity on Organizational Performance the case of Tsedey Spring Water S.C”*. The information gathered through this questionnaire will be used for research purpose. To this end, you are kindly requested to complete the questionnaire carefully and honestly. Your responses will be kept confidential.

#### General direction

- Please read the instructions carefully before you give response to any item of the questions.
- If you want to change any of your responses, make sure that you have cancelled the unwanted one.

Thank you in advance for your kind cooperation

#### Section-I: Personal Information:

Direction: Indicate your response by putting this mark(x) on the space provided.

#### PART ONE – PERSONAL INFORMATION

1. Gender:  Female  Male
2. Marital Status:  Single  Married  Divorced /separated  Widowed
3. Age:  under 24  25 – 34  35-44  45-55  above 55
4. How many years have you worked for the organization?  
 0 to 5 year’s  6 to 10 year’s  11 to 15 year’s  Over 15 years
5. Education Level:  grade 10/12 complete  Certificate  Level Diploma  degree  Master’s   
Others (Specify) \_\_\_\_\_

#### SECTION B

1=Strongly disagree, 2=disagree, 3= Neutral 4= Agree, 5=Strongly Agree

#### Attribute on Ethnic Background

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Tsedey Spring Water S.C attracts and hires employees from all ethnic background					
2	Opportunities for growth and advancement exist for all ethnic groups					
3	The ethnic diversity in our team promoted free flow of information between ethnic groups					

4	Different languages used to communicate create problems among employee.					
5	The ethnic diversity in our team helped to expedite the completion of our task on time					
6	The ethnic differences in work groups do not encourage conflict.					
7	I am positive about ethnic diversity at the Tsedey Spring Water S.C.					

**SECTION C**

**Attribute on Gender**

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5= Strongly Agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Employees are not discriminated during hiring and recruitment process on gender basis					
2	Tsedey Spring Water S.C does a good job of attracting and hiring women					
3	At Tsedey Spring Water S.C fair treatment is given to all employees whether male or female.					
4	The transformational leadership style of the female employee contributed to the success of the team.					
5	Gender diverse team showed better problem solving and decision-making skills than gender homogenies teams.					
6	A career development that includes women is encouraged at the Tsedey Spring Water S.C.					
7	Training and development program is structured to meet the criteria/ requirement of male and female gender.					
8	Gender diverse teams achieved target due to the good relationship and effective communication					
9	I am positive about gender diversity at the Tsedey Spring Water S.C.					

**SECTION D**

**Attribute on Educational Background**

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5=Strongly agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The recruitment plan of the Tsedey Spring Water S.C is based on the educational background of applicants.					
2	Tsedey Spring Water S.C provides paid study leave to employees who further their education.					
3	At the Tsedey Spring Water S.C, opportunities for growth and advancement exist for employees who have low educational qualifications.					

4	At the Tsedey Spring Water S.C differences in educational background do not bring conflict among employee.					
5	As an employee of Tsedey Spring Water S.C, I experience lack of confidence due to my educational background.					
6	Tsedey Spring Water S.C gives equal treatment when it comes to educational background.					

**SECTION E**

**Attribute on Cultural Diversity**

Rating: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Tsedey Spring Water S.C encourages the representation and involvement of various cultural backgrounds in the workplace.					
Cultural diversity within teams leads to more creative and innovative solutions.					
Employees respect and value the cultural differences among their colleagues.					
Cultural misunderstandings frequently lead to conflicts within teams.					
The company organizes cultural awareness and sensitivity training sessions.					
Cultural diversity has improved the company's ability to serve a global customer base.					
I feel my cultural background is adequately represented and respected at Tsedey Spring Water S.C.					

**SECTION F**

**Attribute on Age Diversity**

Rating: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Tsedey Spring Water S.C employs a wide range of age groups.					
Opportunities for growth and advancement are equally available to employees of all ages.					
Age diversity in our teams enhances problem-solving and creativity.					
There is a perceived age bias in promotion and career development opportunities.					
Older and younger employees work effectively together.					
Age differences lead to valuable exchanges of					

perspective and experience.					
I feel positive about the age diversity at Tsedey Spring Water S.C.					

**SECTION G**

**Attribute on Employee Work Performance**

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5 =Strongly agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Diverse teams enhance the organization's profitability.					
2	Workforce diversity significantly contributes to the growth potential of the organization.					
3	A diverse workforce positively impacts the production of high-quality products/services.					
4	Workforce diversity stimulates the introduction of innovative and new products.					
5	The presence of diverse perspectives strengthens the organization's financial position.					
6	Workforce diversity contributes to expanding the organization's market share.					
7	A diverse workforce enhances employee retention and satisfaction.					
8	Workforce diversity cultivates an environment conducive to innovation within the organization.					

## Questionnaire-2

College of Business and Economics

Department of Management

MBA-Program

### Questionnaire prepared for Key Informants

Dear respondent, the purpose of this questionnaire is to collect data on *“Effect of Workforce Diversity on Organizational Performance the case of Girar Spring Water S.C”*. The information gathered through this questionnaire will be used for research purpose. To this end, you are kindly requested to complete the questionnaire carefully and honestly. Your responses will be kept confidential.

#### General direction

- Please read the instructions carefully before you give response to any item of the questions.
- If you want to change any of your responses, make sure that you have cancelled the unwanted one.

Thank you in advance for your kind cooperation

#### Section-I: Personal Information:

Direction: Indicate your response by putting this mark(x) on the space provided.

#### PART ONE – PERSONAL INFORMATION

1. Gender:  Female  Male
2. Marital Status:  Single  Married  Divorced /separated  Widowed
3. Age:  under 24  25 – 34  35-44  45-55  above 55
4. How many years have you worked for the organization?  
 0 to 5 year’s  6 to 10 year’s  11 to 15 year’s  Over 15 years
5. Education Level:  grade 10/12 complete  Certificate  Level Diploma  degree  Master’s   
Others (Specify) \_\_\_\_\_

#### SECTION B

1=Strongly disagree, 2=disagree, 3= Neutral 4= Agree, 5=Strongly Agree

#### Attribute on Ethnic Background

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Girar Spring Water S.C attracts and hires employees from all ethnic background					
2	Opportunities for growth and advancement exist for all ethnic groups					
3	The ethnic diversity in our team promoted free flow of information between ethnic groups					

4	Different languages used to communicate create problems among employee.					
5	The ethnic diversity in our team helped to expedite the completion of our task on time					
6	The ethnic differences in work groups do not encourage conflict.					
7	I am positive about ethnic diversity at the Girar Spring Water S.C.					

**SECTION C**

**Attribute on Gender**

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5= Strongly Agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Employees are not discriminated during hiring and recruitment process on gender basis					
2	Girar Spring Water S.C does a good job of attracting and hiring women					
3	At Girar Spring Water S.C fair treatment is given to all employees whether male or female.					
4	The transformational leadership style of the female employee contributed to the success of the team.					
5	Gender diverse team showed better problem solving and decision-making skills than gender homogenies teams.					
6	A career development that includes women is encouraged at the Girar Spring Water S.C.					
7	Training and development program is structured to meet the criteria/ requirement of male and female gender.					
8	Gender diverse teams achieved target due to the good relationship and effective communication					
9	I am positive about gender diversity at the Girar Spring Water S.C.					

**SECTION D**

**Attribute on Educational Background**

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5=Strongly agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The recruitment plan of the Girar Spring Water S.C is based on the educational background of applicants.					
2	Girar Spring Water S.C provides paid study leave to employees who further their education.					
3	At the Girar Spring Water S.C, opportunities for growth and advancement exist for employees who have low educational qualifications.					

4	At the Girar Spring Water S.C differences in educational background do not bring conflict among employee.					
5	As an employee of Girar Spring Water S.C, I experience lack of confidence due to my educational background.					
6	Girar Spring Water S.C gives equal treatment when it comes to educational background.					

**SECTION E**

**Attribute on Cultural Diversity**

Rating: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Girar Spring Water S.C encourages the representation and involvement of various cultural backgrounds in the workplace.					
2	Cultural diversity within teams leads to more creative and innovative solutions.					
3	Employees respect and value the cultural differences among their colleagues.					
4	Cultural misunderstandings frequently lead to conflicts within teams.					
5	The company organizes cultural awareness and sensitivity training sessions.					
6	Cultural diversity has improved the company's ability to serve a global customer base.					
7	I feel my cultural background is adequately represented and respected at Girar Spring Water S.C.					

**SECTION F**

**Attribute on Age Diversity**

Rating: 1=Strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Girar Spring Water S.C employs a wide range of age groups.					
2	Opportunities for growth and advancement are equally available to employees of all ages.					
3	Age diversity in our teams enhances problem-solving and creativity.					
4	There is a perceived age bias in promotion and career development opportunities.					
5	Older and younger employees work effectively together.					
6	Age differences lead to valuable exchanges of perspective and experience.					

7	I feel positive about the age diversity at Girar Spring Water S.C.					
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**SECTION G**

**Attribute on Employee Work Performance**

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5 =Strongly agree

	Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Diverse teams enhance the organization's profitability.					
2	Workforce diversity significantly contributes to the growth potential of the organization.					
3	A diverse workforce positively impacts the production of high-quality products/services.					
4	Workforce diversity stimulates the introduction of innovative and new products.					
5	The presence of diverse perspectives strengthens the organization's financial position.					
6	Workforce diversity contributes to expanding the organization's market share.					
7	A diverse workforce enhances employee retention and satisfaction.					
8	Workforce diversity cultivates an environment conducive to innovation within the organization.					