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COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

MBA PROGRAM

**“THE EFFECTS OF WORKFORCE DIVERSITY ON EMPLOYEE
PERFORMANCE: CASE OF HAWASSA INDUSTRIAL PARK”**

“A research Thesis submitted to the College of Business and Economics of Addis Ababa University in partial fulfillment of the requirements for the Degree of Masters of Business Administration (MBA)”

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ADDIS ABABA, ETHIOPIA

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGEMENT
MBA PROGRAM**

APPROVAL

This is to certify that this thesis prepared by *RUOT MET KORYOM*, entitled: “*The effects of workforce diversity on employee performance: case of Hawassa Industrial Park*” submitted to Addis Ababa University, College of Business and Economics in partial fulfillment for the requirements of Masters of Business Administration complies with the regulations of the Addis Ababa University and meet the accepted standards with respect to originality and quality.

Name of the Advisor: _____ Signature: _____ Date _____

Name of the Internal Examiner: _____ Signature: _____ Date _____

Name of the External Examiner: _____ Signature: _____ Date _____

DECLARATION

I, RUOT MET KORYOM hereby declare that this dissertation for Masters of Business Admi (MBA) in Addis Ababa University (AAU), College of Business and Economics (CoBE), is my original work. This work has not been submitted in any form for another degree or diploma at any university or other institution of higher education. Information derived from the published or unpublished work of others has been duly acknowledged in the text and a list of references is given inside.

Name: _____ **Signature:** _____ **Date:** _____

DEDICATIONS

I dedicate this work to my beloved Mother Rialchuor Chol, Nyantora Chuol Puol and my entire family who waited patiently in the hard time where I should be supporting them and instead continued pursuing this school solely.

I give my sincere thanks with every sense of humility to The All Wise, All Knowing and Ever Present God Almighty, the Creator of All things for His unmerited favor towards me and keeping me and Rialchuor healthy. It was by His grace that I successfully completed this MBA program. It would have been difficult but, His grace made it easy. You are full of wisdom and stream me with an abundant love, mercy and the bounteous grace you made available to me to pursue and complete this academic endeavor. It was your grace that brought me here and has been with me throughout this journey. I would not have made it without your deity wisdom and direction and for this, I am grateful.

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LIST OF ABBREVIATIONS

DM.....	Diversity Management
EEA.....	Employment Equity Act
EEOC.....	Equal Employment Opportunity Commission
HIP.....	Hawassa Industrial Park
HR.....	Human Resource
HRM.....	Human Resource Management
IP.....	Industrial Park
SA.....	Strongly Agree
SD.....	Strongly Disagree
SNNPRS.....	Southern Nation and Nationalities Peoples’ Regional State
Std Dev.....	Standard Deviation
WFD.....	Workforce Diversity

ABSTRACT

The purpose of this study was to investigate the relationship between workforce diversity and employee performance in industrial parks referring to Hawassa Industrial Park - flagship. However, there were some selected differences for which the research is going to be formulated to independent variables videlicet ethnic, gender, age, and educational background and dependent variable (performance) which object the researcher to determining their positive effects on the employee performance. The primary data for the study were gathered from 18 factories operating in the park using a self- administered closed ended likert research questionnaire that investigates the research purpose and a quantitative randomly sampled research design with 18 strata was applied and a random sample of (n = 377) was determined from a population of 18282 labor employees by Kothari method that give each factory employee a chance of inclusion by sample and categorize them into homogeneous population. Questionnaires were distributed to these 377 randomly selected sampled respondents in different factories they were working in and then 7 respondents did not returned the questionnaires but the rest 370 were analyzed using SPSS version 20 and their final result was interpreted, discussed and recommendations were made.

Key words: *workplace diversity management, Hawassa Industrial Park (HIP) workforce diversity performance.*

CHAPTER ONE: INTRODUCTION TO STUDY

1.0 Prologue

This chapter introduces the effects of workforce diversity (WFD) basically employee place of origin, gender diversity, age diversity, and educational background diversity and their effects on employee performance in Hawassa Industrial park (HIP) which will give effective management to the Hawassa Industrial park as well. These differences in problems that exist are to be discussed that linked to objectives of the study both general and specific. Meanwhile, important terms are defined to make the work easier for the readers.

1.1 Background of the Study

The differences that exist within us are in operational areas that are manageable, but managers sometimes forget that they need to recognize and capitalize on these differences to get the most from their employees. An organization's success or failure is dictated highly by efficient and effective utilization of its 4M; man, material, money, and messages or information resources at hand. In these recent times, the workers who make up an industry should be considered as one of the most important resources of a firm and should be retained while treated as organizations' most valuable assets. Hence, agreed that resources remain unutilized unless the human element is involved.

However, with the mixture of talents of diverse cultural backgrounds, genders, ages, and lifestyles, an organization can respond to business opportunities more rapidly and creatively, especially in the global area which must be one of the important organizational goals to be attained (Elsaid, 2012). Effective diversity management increases an organization's access to the widest possible pool of skills, abilities, and ideas although managers need to recognize that differences among people can lead to miscommunication, misunderstanding, and conflict.

According to Prosek, (2011), the return on investment of retaining a stellar employee for a five-year period versus a one-year period is dramatic. This can be due to the cost of bringing a new worker throughout all the HR procedures of a new employee, to mention a few, job advertising, interviewing, recruitment procedures, training and developing procedures and so on which all these cost much to the organization.

As Lattimer, (1998) stated, globalization is turning the face of the market by creating opportunities as well as coming up with new challenges for organizations. As the business world is made up of an increased global competition and a rapidly changing business environment, companies and organizations are to be the first to re-evaluate how they work. Severally, organizations may drastically change their method of operations, which put great focus on the Human Resource (HR) strategies and operations of an organization. Because of this, many organizations are embracing on diversity management practices. However, workforce diversity should not only be the work of HR but the overall role of management ranging from top to operational levels of organizational management. The changing demographic composition of today's workforce has compelled many organizations to practice diversity management.

Diversity management in the words of Wrench, (2002) includes differences in variables such as gender, age, religious belief, sexual orientation, disability, experience and values. Therefore, when we use the term diversity, we are talking about differences among people, including their age, gender, race, religion, cultural background, education, mental and physical disabilities, sexual orientation, and so on (Hitt, Black and Porter, 2009). Retaining such a difference within a business is a complete success and a great competitive merit to the competitors as Childs (2005) put it that, any business that intends to be successful must have a borderless view and an underlying commitment to ensure that work force diversity is part of its day-to-day business operations.

As Armstrong, (2008) found in a survey conducted by Industrial Relations Services that most employers believe that employment practices designed to ensure the fair and ethical treatment of staff can boost employee performance. Many scholars write and convince managers of retaining workers through non-financial rewards but diversity is one of the non-financial rewards employers should use to retain their workers and make them perform sufficiently.

People and the way they are managed are becoming more essential because most of the sources of their achievement are less influential than they used to. However, the processes management put in place to retain the abilities of their diverse workforce to meet and exceed goals makes the organization's success and performance smooth. When work force diversity is not managed properly, there will be a potential for higher voluntary employee turnover, difficulty in

communication, and destructive interpersonal conflicts. Overall, it will be adversarial to organization's performance, profitability, and needless to mention, reputation (Elsaid, 2012). Recognizing that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of human resource management (Dyer and Reeves, 1995).

Education has also been found to be related to the retirement decisions and late career pathways of older workers. For example, according to Burtless, (2013), some research has found that older individuals with higher levels of education are more likely to participate in the labor force than are those with lower levels of education, and that older workers are more likely to remain in a full-time career job if they have a college education.

Other factors that have been found to have some impact on older workers' career pathways and retirement decisions include workers' gender and family relationships. For example, some research has found that there is more variability in the retirement behaviors of women relative to men, while other research has found that the work and retirement decisions of a worker's spouse can significantly impact the workers' own decisions (David, Hayward, and Melissa, 2010). Encouraging these could bring a great efficient performance and a huge success to Ethiopian Industrial parks.

The Industrial Parks is one of the fastest growing industries in Ethiopia. In Slovakia, industrial parks represent an opportunity for an influx of foreign investment and decrease of unemployment rate by the means of creation of new jobs (Vidová, 2010). The IP in Ethiopia provides basic essentials of life and also plays a significant role in contributing industrial output and generation of employment opportunities. The park started operation in July 2016 and employ people of not only the regional habitants but the entire country's citizens. HIP for instance employ nearly 24,000 workers. Most of the industries provide housing, hospitals and schooling on site and 87 per cent of the permanent workforce is local, according to the developer of EIP. (Xiaodi, Dejene, Ciyong, Zhen, Jie, Eneyew, Jaidev, 2018).

Despite being amongst largest providers of employment, little attention has been given to the fact of diversity on the workforce performance. Surely like any other industry, it also has a diverse

workforce that should be managed to keep the progress on the track. How workforce diversity is managed in organizations may positively or negatively influence the way employees performs in the industry. If diversity is managed properly, it may result in improved decision making, higher creativity and improved productivity (Maingi, 2015). But with the assistance from the Ethiopian Investment Commission (EIC), the Ethiopians Industrial Parks are being supported financially to any desire that might need them to develop and retain their employees for a better performance and organizational success at a maximum specific fixed time.

1.2 PROBLEM STATEMENT

The demographic attributes of employees in an organization affect the organization's operational businesses as well as its financial and nonfinancial performance. Workforce diversity refers to organizations that are heterogeneous with the mix of people in terms of gender, age, race, and education background (Robins and Judge, 2009). These demand managers to identify and exploit these differences to get the most from their diverse employees. Diversity is an emerging issue in the area of management practices but most people underestimate the importance of the concept and cannot implement it in the most beneficial way. Lack of difference may not interest workers as there would be no new things to learn from each other and employees may perceive an imaginary boundary.

However, effective diversity management increases an organization's access to the widest possible pool of skills, abilities, and ideas and this would be very good for Hawassa Industrial Parks (HIP) since the industry is established in the country of many ethnics that constitutes over 80 different ethnics, Ethiopia, (Robsan, 2014) in a region with over 54 different ethnics, Southern Nations and Nationalities People's Regional State (SNNPRS), in its main town or the capital, Hawassa.

According to the Ethiopian Investment Commission (EIC) survey report obtained by the researcher in 2019, the industry lacked balancing the difference within employees based on their ethnics, gender, age, and educational background diversity. The dominating workers are the HIP's established regional young female, mostly with elementary education and diploma with few bachelors among the labor workers, and rarely post graduates and PhDs in the whole park including the management staffs. However, being included means more than just a huge reward

financially or non-financially. Lack of difference may not interest workers as there would be no new things to learn from each other and a fair treatment may be perceived though there might be a conceived imaginary boundary. This affects the employee relations, performance resulting into employee turnover.

As many researchers said, no employee desires to remain in a business environment where they are ill-treated (Ruth, Chima & Nwede, 2017), but a fair treatment from fellow workers would increase the performance and keep one in the company as most workers may not tolerate bully since it affects the employee relations, performances and obviously retention resulting into high employee turnover. However, familiarity with valuable diverse co-workers is observed by many scholars as a great contribution that increases employee performance. Their formal and informal dialogue after works, during breakfast and lunch, and while on job creates good relations among workers enhancing their performance.

Many researches according to Ugwuzor (2014), shows that various types of team and organizational age diversity sometimes increase conflict, reduce social cohesion, and increase employee turnover which was supported by (Mareike & Suzana, 2004) that cultural difference can influence the perception of individual which may result in discrimination. However, there are other studies done on diversity featuring performance for instance Patrick & Yetunde, (2007) talked about diversity as a management practice that encouraged appropriate strategies for its management. The study presented challenges and opportunities of an increasingly diverse culture and how a manager can respond to them. The impacts of this study were discussed in effect with the multicultural impact making it too general on the culture as a whole hence the researcher saw a vague relationship within the study variables and can't be used in solving employee performance problem within an industry or organization of different emerging generations, cultural background and without doubt, economy.

Furthermore, other studies on workforce diversity effects on employee performance (Zhuwao, 2017; Eshetu, 2017; Akpakik, 2017) were carried out. To succinctly detail them, Zhuwao (2017)'s study was concerned with the institutional employees in South Africa, Eshetu, (2017) was focusing on employees in Addis Credit and Saving Institution S.C. in Ethiopia, and Akpakik, (2017) focused on workers in the First Bank Nigeria Limited hence there has never been a work on how workforce diversity affects employee performance in the industrial parks yet

the park are experiencing problems in performance of diverse workplace. To add on, they were conducted in different countries and not on labor workers but management staffs hence no study has ever been carried out in the Ethiopian industrial parks' labor workers in effects with their diversity yet the area where the park, HIP is established is ethnically diverse, which might affect their performance, therefore, carrying out this study will be of a great contribution to the HIP and other industrial parks in general.

As seen from the above gap, this research proposes to carry out an investigative search for the effect of workforce diversity on the employee performance, concentrating on place of origin of employees or ethnic diversity, gender diversity, age diversity, and education diversity in Hawassa Industrial Park (HIP), Ethiopia.

1.3 RESEARCH QUESTIONS

- What is the relationship between ethnic diversity and employee performance?
- What is the relationship between gender diversity and employee performance?
- What is the relationship between age diversity and employee performance?
- What is the relationship between education diversity and employee performance?

1.4 RESEARCH OBJECTIVES

This research has two objectives, general objectives and specific objectives and both objectives are detailed below.

1.4.1 General objective

The general objective of this study will be to investigate the effect of workforce diversity on employee performance in industrial parks, specifically Hawassa Industrial Park-flagship, Ethiopia.

1.4.2 Specific objectives

The specific objectives to this study will be:

- To determine a positive relationship between ethnic diversity or the place of origin of employee and employee performance.
- To determine a positive relationship between gender diversity and employee performance.
- To determine a positive relationship between age diversity and employee performance.

- To determine a positive relationship between education diversity and employee performance.

1.5 Significance of the study

This study will provide an understanding of the concept of the WFD and its effect on the employee performance, hence enabling managers as well as the employees to value and accept other people regardless of their ethnicity or place of origin, gender, age, and educational level. It will also show the importance of having a diverse workforce that enable multiple ideas motivating workers during group discussions, in solving problems at work and ultimately improving employee performance.

With confidential expectations, the study will clarify scholars on quantitative search of the effects of WFD on IP's employee performance at HIP's randomly selected workers by reviewing it as a related literature, thus motivating other researchers to the area of study. HR Managers who could use the findings of this study to review the policies on employment and the top management who would use the findings of this study in policy formulation on diversity and related issues are key benefit to this study as well.

Furthermore, it will create awareness in the IP zones of Ethiopia on the benefits of having an appropriate shape of WFD that encourage employee performance and view WFD as an important aspect in direction-finding of business success. Other IPs in Ethiopia, as well as other organizations, both private and public, that need the benefit of diverse employees for their effectiveness and sustainability would benefit from this study also.

Diversity management is extremely crucial for a country like Ethiopia that is culturally diverse and this study will help the government in its journey to managing the diversity of its population across regions by creating awareness to its citizens and eradicating them with the importance of how Ethiopia could be stronger with great differences within her. This study will help the government to fully embrace the richness of diversity and harness the benefits that comes from it. Thus arousing the government to look into the issue of diversity and ensure that the laws of diversity are obeyed by every organization.

Last but not least, this study will help Ethiopians as community to see diversity as a blessing rather than a curse that needs to be sidestepped. The society will see the need to value the many cultural differences that makes up the nation, Ethiopia. It will help the society to see the need for having diversity, which we as publics can work together because of our differences.

1.6 Scope of the study

This study will be focusing on the employees of the HIP, in the SNNPRS, situated in the Hawassa town, the capital of the SNNPRS with 18 out of 20 active factories. Selected samples from all active factories is stratified by the researcher to 18 strata, thus the study will be from these 18 factories which are actively operational in the park considering time frame of conducting the project which is approximated to take ten months.

1.7 DEFINITIONS OF IMPORTANT TERMS

Throughout the phases of this study, different terms will be used, however, the most important ones are to be defined and they are as follows:

1.7.1 Ethnic Diversity

Ethnicity is identity related to a specific cultural or national tradition. Ethnic diversity, then, refers to the presence of different traditional backgrounds or identities which can be defined as the state in which employees are different or similar with in an industry based on their tribal or cultural status (Internet source). Ethnicity is used in this context as a place of origin for sensitivity and ethical consideration of workers while answering research questionnaires.

1.7.2 Gender Diversity

Gender diversity is equitable or fair representation of people of different genders. It most commonly refers to an equitable ratio of men and women, but may also include people of non-binary genders (wikipedia). Gender diversity here, is the way in which workers are different or similar in the workplace according to their sex status, as a male or female.

1.7.3 Age Diversity

Age diversity is a shared phenomenon that exists in nearly all groupings, such as families, higher institutions, sport teams, and work groups or team groups with members of varying ages (Kunze, Boehm, & Bruch, 2013). According to Reddy (2018), age diversity is the ability of an

organization to accept people of various age categories within the organization's business environment.

1.7.4 Educational Diversity

Diversity in education represents a broad range of ideas and initiatives to create learning environments that are safe, inclusive and equitable for as many identities as possible. Recognizing, fostering and developing sensitivity to the needs of people in various identity categories are primary aims of educational diversity (Guilford, 2019: internet published article).

1.7.5 Employee Performance

With the words of Byrnes (1984), performance is the way of doing a task or a job according to the prescribed job description. The accomplishment of a given task measured against preset known standards of accuracy, output and efficiency. Performance is the art of completing the task within the defined boundaries. It is how well an employee is fulfilling the requirements of a job (Rue & Byars, 1990).

1.7.6 Diversity

As per the words of Bauer, and Erdogan, (2012), diversity can be referred to the ways in which people are similar or different from each other, in terms of patterns like age, gender, ethnicity, race, religion, educational level and background. Therefore diversity is the differences and the similarities in attributes among people, like their gender, age, race, religion, cultural and education background, education level, mental and physical disabilities, sexual orientation, and so on.

1.7.7 Workforce Diversity

Workforce diversity has been defined by (Carelse, 2013; Foma, 2014; Barak, 2016) as acknowledging, understanding, accepting, valuing and celebrating differences amongst people with respect to a whole continuum of differences including age, class, ethnicity, gender, physical and mental ability, race, economic status, sexual orientation, spiritual practice and public assistance status.

1.7.8 Diversity Management

Diversity management (DM) can be defined as the degree of intra-organizational representation of people with different group affiliations of cultural significance (Cox, 1994). DM deal with the process of creating organizational culture in which workforce difference are understood and valued and each individual has the opportunity to be utilized. DM could be the process of

controlling the difference and similarities of employees within an organization for better effectiveness of the organization.

1.7.9 Employment Equity Act (EEA)

Employment Equity Act is an act aimed at promoting equal opportunities and fair treatment in employment through the elimination of unfair discrimination in the workplace (Coetzee, 2015).

1.7.10 Affirmative Action

According to Coetzee (2016), affirmative refers to the specific steps taken to promote equal opportunity for the designated groups, thereby transforming the present composition of employees so that they will become more representative of the designated groups.

1.8 Limitation of the Study

In the due course of the research, there were some limitations that were identified for instance, during the process of collecting information, the staffs were resisting in allowing me to collect the needed information due to confidentiality on the other hand they were complaining that workers are paid per hour spent working and thus any time given to a researcher for worker's questionnaire participation is of a loss to the company or to the employee.

The costs incurred was high for instance; transportation Addis Ababa and Hawassa to and fro, printing of questionnaires - although some people helped me to print some in their offices - a month lodging and feeding, and buying pens for them (workers) to answer the questionnaires and make it effective for the study because they didn't have pens as they digitally sign using a finger print, was a great limitation too.

1.9 Organization of the Study

This study comprised of five chapters, and their outline is briefly described below.

1.9.1 Chapter 1: Introduction to the study

This chapter highlights the introduction of the study, indicating the variables that are of significance to the study, giving a summary of the foundation, showing the key objectives to be achieved after the study and defining the key terms used in the study.

1.9.2 Chapter 2: Literature review

An overview of literature is given in this chapter, highlighting theories and the constructs which are being investigated, showing the gap and hypotheses.

1.9.3 Chapter 3: Research Methodology

This chapter provides the methods that were used for collecting data, the targeted population and the whole population of the research, the sample determined and how it was obtained further is the research design and the statistical techniques to be used for analysis and testing the hypotheses.

1.9.4 Chapter 4: Data Analysis, Presentation, Discussions and Result Interpretation

This chapter outlines the statistical results of the study and provides data presentation and interpretation of the results from the data as well; a summary of important notes was given to convey a wide understanding of results to the readers.

1.9.5 Chapter 5: Summary, Conclusions, and Recommendations

This chapter provides a summary of the outcomes of the study, relating to the presently reviewed literature. Additionally, a conclusion and future recommendations to the organization and the researchers are made.

1.10 Chapter Summary

This chapter discussed the background of the study, highlighting the role played by workforce diversity in improving performance in HIP. Furthermore, the variable workforce diversity was discussed in relation to whether it affects employee performance which was followed by a presentation of the research problem leading to specifying the research objectives. These overall show the significance of the study to the readers with the study limited to HIP. Study terms are then defined and the plan of the research. However, to have a better understanding of the concept workforce diversity and its effect on employee performance in the HIP, a review of literature and testing of a conceptual framework will be carried out in the next chapters of the study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Prologue.

This chapter will be enlightening the workplace diversity management's theories considered for the study. Many factors and diversity perspectives that should be considered in adopting a diverse workforce to benefits industry are discussed and the way employee performance relate to diversity and its demographic variables; place of origin or ethnic diversity, gender, age, and education diversity are reviewed that lead to developing a conceptual frame work that hypothesizes. A theoretical framework regarding workforce diversity and a conceptual framework which critically shows the relationship between the independent variables and dependent variable under investigation are detailed. Furthermore, an empirical review of related literature is discussed which shows previous studies about workforce diversity and its effect on employee performance.

2.1.1 WORKFORCE DIVERSITY.

Diversity is any dimension that can be used to differentiate groups and people from one another, in which employees possess distinct elements and qualities, differing from one another which these dimensions can be visible or invisible (Robbins, 2003). These might represents heterogeneity in terms of patterns like gender, race, physical and mental ability, age, class, gender, economic status, sexual orientation, and ethnicity.

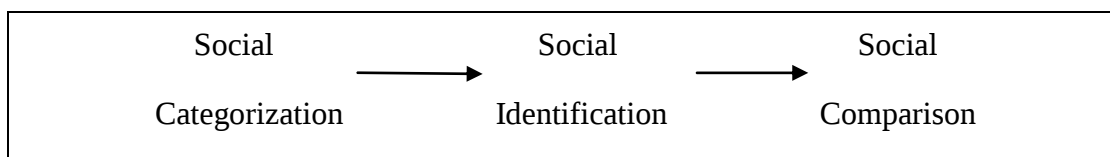
However, workforce diversity has been defined by (Carelse, 2013; Foma, 2014; Barak, 2016) as acknowledging, understanding, accepting, valuing and celebrating differences amongst people with respect to a whole continuum of differences including age, class, ethnicity, gender, physical and mental ability, race, economic status, sexual orientation, spiritual practice and public assistance status. Based on this definition, Barak (2016) further stated that employee differences may as well extend to the values, organizational roles, occupation and behavioral styles. Therefore, it is accepting and valuing whatsoever difference the other person has which of course in our case must be from demographic difference of people. This would suggest that the demographic traits of workers might affect their performance and willingness to remain with their employer.

2.2 THEORETICAL CONSIDERATION

This study is much concerned with the social identity theory proposed by Trajfel and Turner (1979) though other theories might be discussed. This is because groups (e.g. social class, family, football team etc.) which people belonged to were an important source of pride and self-esteem. Groups give us a sense of social identity: a sense of belonging to the social world. Therefore people might group themselves according to their gender, ethnicity, and age or based on their educational background.

The social identity theory explains that employees have a tendency of classifying themselves based on groups in which they fit in and begin to develop the status of the group to which they belong. This tells us that workers may divide the workplace into “them” and “us” through a process of social categorization i.e. putting people into social groups. This is known as in-group (us) and out-group (them). The authors then stated that these groups are the basis of egotism and self-confidence or agony and low self-confidence. Social identity theory states that the in-group will discriminate against the out-group to enhance their self-image. Such groups may base on ethnicity, gender, age, educational background, and sexual orientations, physical and mental abilities, amongst others. This theory further explained that an employee work behavior is defined by the inside principles of the group to which they belong which directly influences the performance of the employee.

Figure 2.1 Social Identity Theory Processes.



Source: McLeod, (2008).

This theory opens up the need for this study to investigate how the phenomenon of gender diversity, ethnicity diversity, age diversity, and educational diversity contribute towards employee performance at Hawassa industrial parks.

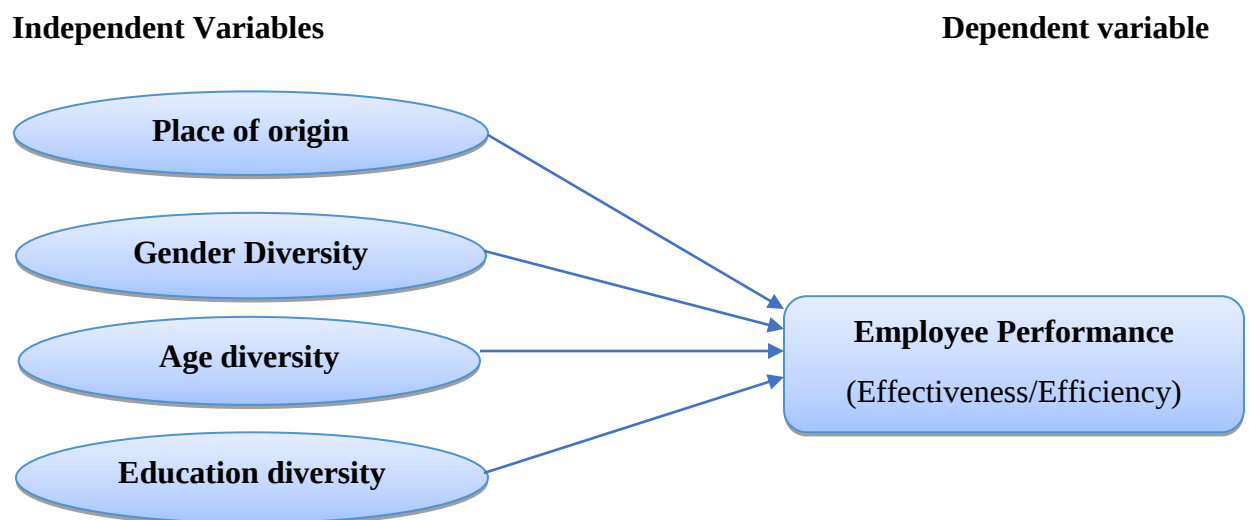
Similarity Attraction Theory assumes that people get easily attracted to those who are like them (Singh, 2015). This could be like people of the same sex together, age, education, ethnic, sexual

orientation, religion and so on. This might be the reason HIP is highly dominated by young female inhabitants according to this theory.

However, the Information and Decision Making Theory on diversity positively agreed to workforce diversity effect on employee performance. The theory stated that a diverse educational background brings new skills, knowledge, information, perceptions and ideas to solving problems and decision making abilities among workforce. On the same effect, older employees provide mentorship to younger employees creating relationship as well as introducing fault lines.

On the other hand, the general human capital theories support the tendency towards a diversified employees and investing on them because such investment is considered very beneficial for the performance and productivity of employees, and performance of the organization as a whole. The research framework in this study is drawn graphically based on the grounds of literature review that the researcher has carried out. Here it is theorized that the independent variables: ethnic diversity, gender diversity, age diversity, and educational background diversity have positive effect on the dependent variable, performance of employees as it is framed below.

Figure 2.2: below shows the framework of the Research Study.



Source: adapted from Weiliang, Mun, Fong, & Yuan (2011).

2.3. FACTORS TO CONSIDER IN ADOPTING A DIVERSE WORKFORCE

The concept of workplace diversity might differ from company to company according to the rules and guidelines that have been restricted for a particular purpose and also the meaning a company gives to it and how it is often utilized. “No one wants to pay a company for services and not get value for money”, a company that would employ a diverse workforce aims improve its productivity and income. When considering adopting a diverse workforce, some important factors and attributes need to be taken into account, which involves the following:

- Company type
- Organizational culture
- Company location

2.3.1 Company type

The type of a company plays a significant role in the decision making process of the company in determining whether or not to employ a diverse workforce (Dike, 2013). Companies differ in size and activities, and come with its own rules and company act. Most public companies tends to employ more workers due to its size as compared to private companies, the same applies to other types such as limited liability companies, unlimited companies, government companies and so on. Companies that encourage workplace diversity inspire all of their employees to perform to their highest ability that companywide strategies can then be executed; resulting in higher productivity, profit, and return on investment (De Meuse, 2002). Employing diverse employees would mean being convinced that the company type will do well or much better with them on board (Dike, 2013).

2.3.2 Organizational culture

Organizational culture could be defined as a set of values that are share in the organization, which reflects on the company’s activities. There are five components to organizational culture that involves its practices, vision, value, people, place, and its history. Each organizational culture is unique and different from any company’s, therefore any decision made by a company about workplace diversity is based on the company’s beliefs and norms, and must therefore reflect on that company (Coleman 2013).

2.3.3 Company location

Company location contributes to the decisions of a company to or not to employ a diverse workforce. Companies that have their manufacturing plants situate in most parts of the world does not seem to have much choice but to employ workers from diverse cultures, since workers are needed in each office they operate. However some companies have the ability to decide whether or not to employ a diverse workforce especially when they are situated only in their country of origin (Dike 2013).

The above factors i.e., company type, organizational culture and company locations are a great business focus for competitive advantage of the company. Therefore, putting them in action by the industry will give a better employee performance and organizational performance as well. Furthermore, diversity initiatives relate to finding the balance between the individual needs of employees and the organizational needs, while at the same time managing the conflicts and uncertainty resulting from diversity workplace.

2.4 BENEFITS OF MANAGING WORKFORCE DIVERSITY

Diversity contribute a lot to many key organizational strengths, including an ability to engage in rapid change while preserving a core sense of organizational identity (Harkins, Giber, Sobol, Tarquinio, and Carter, 2006). According to D'Netto and Sohal (1999), organizations which plan for the anticipated workforce and accept cultural diversity management as a progressive technique will benefit from better employee retention, performance, increased productivity, less absenteeism, better morale, an expanded marketplace and improved customer service. A company that discriminates either directly or indirectly according to Ellis and Sonnenfield, (1994), curtails the potential of available talent, underutilizes the employees or loses the financial benefits of retaining them.

Managing workforce diversity increases friendship among employee of same pattern and different pattern as well. Some scholars talked about the extent to which members of a group support and validate one another while at work and termed this as group cohesion, meaning that there is a tendency for workers to work together while at work. However, as it was long said that “birds of the same feathers fly together”, some workers are most likely to become friends with those who are of the same gender, similar in age, social class, sexual orientation, race/ethnicity,

and who live in the same geographic area (Rose, 1995; O'Boyle & Thomas, 1996). But according to (Duck, 2007; Paludi, 2010), Women's friendships with men in the workplace differ from those that occur outside of work, in that those within the workplace are, to a large extent, non-voluntary. In reality, choices of friends outside the workplace are not totally voluntarily made either. Where is this taking us, developing friendship among employees themselves encourages togetherness among them which would make them open and transparent to each other hence displaying their love for the organization making them show any challenge to the company with no hesitation as they have a great concern to participating in one's job and love their job finally automatic retention will be at ease.

Conferring to Harkins, Giber, Sobol, Tarquinio, and Carter, (2006), if there is one right balance to hit in a global effort to develop leadership talent, it is the balance between consistency of global alignment and the encouragement of diversity at the local level. Encouraging diversity does not only encourage employee performance but talent, organizational productivity and a good leadership to managers as well. As Cox & Blake (1991), stated that, as the labor pool shrinks and changes composition, increasing minority groups will become increasingly important. Focusing on including minority groups and retaining previous staffs lowers employee turnover and increases productivity, decreases losses and increases achievements. Leveraging diverse resources means that an organizations market competencies and meeting the needs of diverse consumers by understanding diverse needs which adds value to the company in the market place among consumers.

In the workplace, however, women must often continue to interact, work, and complete tasks with men even after a friendship has waned or even failed (Paludi, 2010). The implications this may have for women's work life, both for its day-to-day quality and its influence on their success or advancement in the workplace, may be quite serious in comparison to friendships outside the workplace.

2.4.1 DIVERSITY PERSPECTIVES THAT BENEFIT A DIVERSE WORKFORCE

As the useful framework for classifying the main arguments of the literature review, Cox and Blake (1991) proposed the following business benefits agreeing to lead to a cost advantage within a diversified workplace.

2.4.1.1 Cost Argument

The cost argument of diversity indicates that through diversity, increase in the organization profit is to be achieved by the firm through cost advantage. The special challenges that diversity presents have to be properly managed otherwise too much cost will be incurred by the company. The cost argument indicates that failure to keep and pledge diversity efforts amongst staffs, more especially the marginal groups can have a huge price on the organization. These costs may include labor turnover and higher levels of absenteeism leading to low productivity and eventually losses. Therefore, with the words of Cox and Blake (1991), diversity management works toward the improvement of organization's performance favoring advanced levels of productivity and maintaining competitive advantage within the industry.

2.4.1.2 Resource Acquisition

When the sources of labor become increasingly diverse, companies that are able to hire, retain and effectively utilize workers from all social-cultural backgrounds may gain an advantage in human assets over firms that less effectively meet their diversity goals. The managing resource argument in diversity means using employees to reach goals and stated organizational objectives. This shows that by fully exploiting and intervening with diverse employees in diversity initiatives, the organization can benefit resulting in competitive advantage.

2.4.1.3 Marketing Argument

Consumers are more diverse and firms need to reflect on this, or they will be dropped out on important markets. Companies will obtain insight and cultural sensitivity from having members with roots of other countries and different nationalities thus improving market capabilities and marketing strategies (Cox & Blake, 1991). However, by tapping the insights and understanding of people of different cultures, genders, ethnic groups, etc., firms may gain advantages in designing and selling products and services to a culturally diverse marketplace (Cox, 2008). For multinational organizations, the insight and cultural sensitivity that members with roots in other countries bring to the marketing effort should improve these efforts in important ways, and this rationale applies to marketing to subpopulations within domestic operations.

2.4.1.4 Creativity Argument

Diversifying employees in workplace creates a wealthier flow of ideas and thus has the potential to increase creativity and innovation which in turn, can improve organization's performance financially. A diverse workplace is a bundle of creativity. The presence of diverse perspectives and less emphasis on conformity to one's past norms can improve performance of employees.

2.4.1.5 Problem-Solving Argument

Heterogeneity in groups potentially produces better decisions and problem solving through a wider range of perspectives and more thorough critical analysis of issues. This can be due to differences in their way of reasoning or to their difference in education and desires, cultural demand differences, or fear for interfering into things of another sex, these might help in resolving problems in a diverse workplace.

2.4.1.6 System Flexibility

System flexibility is the ability of the system to cope with the diversified workplace. This flexibility is about how flexible the system of work can be managed so as to provide clients with improved work-output from the organization improving market share and meeting the needs of clients at an optimal level. System flexibility also relates to managing and leading employees into work challenges and experiences that are best suited to individual needs. By clustering together, diverse individuals are able to express different points of view about a topic of discussion meaning that projects and workplace initiatives have more flexible solutions and leave clients with an array of options from which to choose. The system becomes less standardized, and therefore more fluid, which creates more flexibility to react to environmental changes. The increased fluidity should create greater flexibility to react to environmental changes that means reactions should be faster and at a less cost (Cox and Blake, 1991).

2.4.1.7 Values Argument

Organizations seek to perform on a diverse set of measures, including integrity on stated core values such as fair and respectful treatment of all members and/or promotion of equal employment opportunities in the broader society. Firms must be proactive in managing diversity in order to honor these values.

2.5 CHALLENGES OF WORKFORCE DIVERSITY

Despite more women being integrated into higher levels of organizational structures today, (Paludi, 2010), the implicit and sometimes explicit gender, class, sexual orientation, and ethnic/racial hierarchies and power relations that permeate and organize the workplace (Acker, 1990; Hurtado, 1996; Stobbe, 2006) may make women particularly vulnerable to negative consequences of relationships with men in the workplace, such as discrimination and sexual harassment. This reality of the workplace is always present and plays an important role in how women experience relationships with men in Social support, instrumental advice, and career-development information. Furthermore, when women are in a mixed-gender employment situation, their informal relationships with men are related to their greater influence and centrality in the organization. Nonetheless, women often have difficulty developing the informal relationships with men that are beneficial to their careers, and their informal relationships at work tend to be more restricted and with less powerful employees (Brass, 1985; Cannings & Montmarquette, 1991).

Problem amongst people of different ages rises if both the people stick to their decision. The very First thing which hinders age diversity is the lack of mutual interests, lack of communication, and egoistic approach because of the age difference. Their way of approaching a job will start the conflict and tension would definitely rise when it becomes an ego related issue: Forming groups inside teams: Some employees may be rigid and might not want to admit the newer environment working style (Reddy, 2018). Because of these things many disadvantages of diversity would emerge while having this as the base issue of age diversity management challenge. There are many issues where different age group think in different manner. For instance in the present younger generation, Generation Y or the Millennial, job might be a career goal, but in case of matured and experienced people, job might be a livelihood. Millennial easily quit jobs that they do not like in search of another (Grubb, 2016) while other generations (e.g. generation Xers and Boomers) patiently wait for promotion or more opportunities. This might be the case why some scholars said older workers remains in their works when they have a diploma. It is the duty of the organization to approach these kind of diversity issues and have a culture that respect each other with dignity and integrity without breaking the laws.

The challenges education background difference may bring might be from the case of grouping themselves into different groups and then think their groups make the better participation to the industry. As Dyson, (2017) stated, to survive in this current diverse moments, companies need to lead the way in inclusion by creating workplaces that promote and celebrate racial and ethnic diversity. However, Arokiasamy, (2013) argued that if ethnic diversity is left unmanaged, poor communication and interpersonal conflicts may arise. By creating diversity-friendly environments, companies gain an advantage in the competitive search for skilled talent. According to Elsaid (2012) organizations need to implement effective diversity management strategies so that they can capitalize on the benefits and minimize the negative effects of ethnic diversity.

2.6 EMPLOYEE PERFORMANCE

According to Tinofirei (2011), employee performance is defined as the successful completion of a work or a job by a selected individual, as a set and measured by a supervisor or organization, to pre-defined acceptable standards, while efficiently and effectively utilizing available resources within a changing environment. During the industrial revolution, many organizations viewed performance as a variable that was principally concerned with “inputs” aspects, particularly financial resources (Beziibwe, 2015). This was because many researchers saw performance as a variable that is dependent on other variables such as training, knowledge, skills and motivation other than workforce diversity. Therefore, organizations need to embrace diversity due to holistic business knowledge that diverse work teams are creative, innovative and more responsive to the global market economy (Mollet, Mulongo & Maket, 2015). Highly performing employees are more productive and this may indirectly reduce their intention to quit their jobs (Hassan, 2013). This supports Vroom (1964)’s Expectancy Theory which described a high-performance appraisal as a signal that alerts employees of earning recognition and receiving benefits such as salary increase and promotion. In turn these benefits may influence one to stay in the organization (Rubaii-Barrett & Beck, 1993). Performance may be equally beneficial to both the employees and the organization itself. On the organization itself, Osabiya (2015) argue that increased employee performance leads to positive business outcomes such as increased market share and revenue growth. Hence, above all, employee performance acts as a huge determinant for individual, team and organizational growth.

2.7 RELATIONSHIP BETWEEN DIVERSITY AND PERFORMANCE

One question of particular interest is whether diversity management could - at least conceptually - encourage employee performance in their chosen professions. Absolutely as it was long said, failure to change, change must change you, and then it will depend on change to either change you positively or negatively regardless of your strengths and or opportunities. Testing diversity theories with the sample of workers flowing into the organization avoids a problem that would arise if we started with the entire stock of employees (Leonard and Levine, 2006). Change will not come unless company leaders think of diversity as they do other major business priorities: performance is determined in parts by the demographic mix of the workplace, but the demographic mix of still present colleagues depends in part on the focal employees' demographics. In addition to being important for workforce diversity and employee performance, staying on top of employee pay has become more important as a legal and regulatory process (Talent Management, 2012), but a diverse workplace encourages, creativity, innovation, on and off job learning, hence increasing employee productivity, employee performance and effective performance of the organization as a whole.

2.8 PERFORMANCE AND THE DEMOGRAPHIC VARIABLES

2.8.1 Ethnic diversity and performance

It is important to look closely to how individuals and different groups within the working environment interact with each other at work as organizations are becoming more diverse in its ethnicity (Weiliang, Mun, Fong, & Yuan, 2011). An ethnic group is a tribal group with a sense of common historic origins and frequently develops a sense of common destiny. Makokolo (2005). As the workforce becomes more heterogeneous racially or in terms of ethnicity, managers must have a growing interest to know how having a diverse workforce influences the cohesion in the workplace and the overall organizational performance. According to Opstal (2009), ethnic diversity can have both advantages and disadvantages for the organization. However, Jackson et al. (2004), revealed that the ethnic diversity disadvantage examples are mostly communication problems and conflict. This was later supported by (Akpakip, 2017) that when a workforce is ethnically diverse, social identity, social categorization and similarity attraction theories, could result in a psychological processes for instance in-group liking, in-group attraction and worst of

all in-group favoritism. “The consequence of this may affect the behaviors of employees in a way that group members may only choose to favor those belonging to their ethnic background. This could also bring about a lot of negative outcomes like; less communication, less cooperation, less cohesiveness and even conflicts. Furthermore, it could lead to high turnover intention and less job satisfaction (Oerlemans, Peeters, & Schaufeli, 2001).”

2.8.2 Gender diversity and performance

According to (Connell, 2002; Connell & Messerschmitt, 2013), gender is regarded as the description of masculinity or femininity of people. Arokiasany (2013) observed that many organizations prefer to hire more of the male workers than the female workers because they are of the opinion that male workers have the ability to perform their jobs and can manage their jobs well which is an opposite case with the Hawassa industrial parks. However, the creativity and innovativeness of an organization could be enhanced by the combination of both male and female in the organization. From research, it has been discovered that gender diverse groups have the ability to make quality decisions much more than a homogeneous team. Based on resource based view of an organization, gender diversity is seen to have a positive correlation with performance whereas, the social categorization and social identity theories shows a negative correlation. It is assumed that the negative side of gender dissimilarity delays decision making processes because of internal conflict among members. Researchers argue that female and minorities are often seen as bringing different skills, values, ways of thinking and life experiences to the organization, which organizations could harness to achieve performance gains, particularly to enhance innovation and creativity Kirton & Greene (2016).

2.8.3 Age Diversity and Performance

According to Boehm and Kunze (2015), an age heterogeneous workforce yields a host of multiple skills, intellectual styles, morals, and preferences that may result in increasing the productivity. It is common to assume that as people get older, their skills in terms of agility, strength, speed and coordination begins to decline and job could become boring and lack of intellectual stimulation all contributes to reduced productivity. However, Robbins & Judge (2013) argued that the relationship between age and employees’ job performance is likely to be an issue of increasing importance during the next decade. According to them, (Robbins & Judge,

2012) the reasons for this are; the common believe that job performance reduces with increasing age; the present workplace characterized by aging population as such, quite a number of employers recognize that older workers signify a massive potential pool of high quality applicants and lastly, the regulations set by some countries that outlaw mandatory retirement e.g. the USA. However, Opstal (2009) further explained that when managers fail to manage generational gaps amongst employees, conflicts are likely to evolve and thus reducing the productivity of employees. On the contrary, researches conducted find that the age of employees and their job performance are not correlated and older workforce are more likely to take part in citizenship behavior (Robbins & Judge, 2013). Older employees often gets contented in their work, report better relationships with their fellow employees and are committed to their organization's goals. Josef (2010) said several studies have examined the correlation between age and performance, but no clear correlation could be found between age and performance. It is true that the performance is a function that requires speed and precision with regards to sight, hearing and movement, the performance of older employees can decline. However, positive correlation can be found in situations where older employees with greater experience achieve higher performance than their younger employees. Older employees have over the year's accumulated wealth of knowledge and experience that they come along with in the organizations. As such, organizations that embraces multigenerational workforce can provide mentorship on organization's history, culture, etc. based on the reservoir of knowledge and accumulated abilities. Most organizations that know the benefits of multigenerational workforce are utilizing the older workers to act as mentors to impart their knowledge and to the younger employees. The benefits of an age diverse group can only be achieved once organizations overcome those extra communication costs and problems associated with emotional conflicts amongst them. Employees' productivity can be affected negatively by the age heterogeneity of the workforce as a result of the difference in the values and preferences of dissimilar age groups.

2.8.4 Education diversity and performance

Educational diversity has revealed a positive relationship with employee group performance (Jehn & Bezrukova, 2004). According to Cohen & Bailey (2001), differences in the educational background of employees can bring about a significant effect on group performance just like their different capabilities since it encourages a wide collection of talents. Tracy & David, (2011)

supported this statement that a person's educational background can be a significant indicator of their knowledge, skills, and capability. Lewin, Massini and Peeters (2011) argued that the absorptive capacity of the organization is likely to increase with diversity in knowledge structures as reflected in diverse educational majors. However, Holland (1997) mentioned that a person's preference of a certain field of knowledge can in some way reveal the personality and the strong point of such individual. This was later explained by Gwendolyn, (2002) as the reason why managers welcome individuals with different educational background as a way of encouraging the workforce to effectively work with each other in order to achieve organization's goals and objectives. This illustrates that the education background of a person entails the competences of the individual. When an organization has a workforce that has different educational background, it is likely to enlarge hodgepodes of its knowledge base revealing the different educational background of its employees (Cohen & Levinthal, 2000). A study showed that different educational background and global experience have a strong correlation with the way an organization is advantageously situated with other organizations (Carpenter & Fredrickson, 2001). Despite the fact that a diverse educational background positively impact on the employees' and the organization's performance, it can also affect the performance of groups and group cohesion negatively. Study also showed a negative correlation of educational diversity and the ability of top management to come to an agreement in decision making (Knight, et al., 2009). Numerous Empirical studies testing educational diversity report an increase in the level of distress and disagreement that often results in reduced cohesion. Hence the dissimilarities in the educational level of members were connected with the turnover intentions of individuals (Weiliang, Mun, Fong, & Yuan, 2011). Jehn, Chatwick & Thatcher (2007) said when there is a big gap between the educational backgrounds of group members, it can result in improved task related deliberation.

2.9 EMPIRICAL REVIEW

The empirical review result from the studies carried out in various organizations which include, the Malaysian Airline (Eugene, Lee, Tan, Tee & Yang, 2011), Egypt pharmaceutical industry (Elsaid, 2012), banking sector in Kenya (Kyalo, 2013), Kenyan Port Authority (Ngao & Mwangi, 2013), Kenya education sector (Odhiambo, 2014), Singapore manufacturing industry (Selvaraj, 2015), University of Venda's (Zhuwao, 2017), Addis Credit and saving Institution

S.C. by (Eshetu, 2017), and First Bank Nigeria Ltd., Ota Branch, (Akpakip, 2017). Therefore, the effect of workforce diversity on employee performance was taken using findings of the studies in the organizations stated above.

2.9.1 Effects of ethnic diversity on employee performance

Based on the empirical review of various scholars' works, having employees that are ethnically diverse can be beneficial or harmful to an organization. According to a study conducted by Eshetu, (2017) in Addis Credit and Saving Institutions, ethnic diversity was significantly found to be affecting the employee performance. Ngao and Mwangi (2013) also reported that increased ethnic diversity results in improved employee performance in the Kenyan Port Authority which was then supported by Odhiambo (2014)'s study in the education sector in Kenya that found ethnic diversity to be significantly related to employee performance. The observation Odhiambo (2014) made was that the ethnic diverse teams in heterogeneous schools performed better as compared to homogeneous teams. Another study by Kyalo (2013) in the banking sector in Kenya reported the same findings that ethnic diversity was positively and significantly related to employee performance. Kyalo (2013) further observed that most banks in Kenya accommodate all members from different ethnic groups for a communal participation in problem solving and decision making which results in increased team cohesiveness and great performance. Selvaraj (2015)'s study in Singapore manufacturing industry conflicted with the above studies, in that there was no relationship between ethnic diversity and employee performance. The study further concluded that employees in Singapore manufacturing industry neither view ethnic diversity as a boon for them nor reject it as a white elephant, as they gave neutral responses (Selvaraj, 2015).

2.9.2 Effects of gender diversity and employee performance

Numerous scholars argued that female and minorities are often seen as bringing different skills, values, ways of thinking and life experiences to the organization, in which organizations could harness to achieve performance gains, particularly to improve innovation and creativity (Kirton & Greene, 2016). Many studies like (Eugene *et al.* 2011; Eshetu, 2017; Zhuwao, 2017; Ngao and Mwangi, 2013; Selvaraj, 2015) found out a positive significant relationship between gender and employee performance. According to a study conducted at the Malaysian airline, a significant positive relationship between gender diversity and employee performance was found out

whereby a 10% increase of women in Airline industry for the past five decades resulted in an increase in productivity and GPD by 5% and 1%, respectively (Eugene *et al.*, 2011). Another conducted study by Ngao and Mwangi (2013) in the Kenyan Port Authority indicated the same results that gender diversity had a positive effect on employee and organizational performance. Ngao and Mwangi (2013) stated that the main reason for this might be that females and males think differently thus if their ideas are put together, they lead to better decision making, creativity and innovation and improved employee performance. Based on these findings, gender diversity was found to be positively affecting employee performance.

2.9.3 Effects of Age Diversity on Employee Performance

According to Rowe, (2010), workforce is unique in its generational diversity, which presents new challenges to organizations attempting to attract, retain, manage, and motivate quality employees. Each generation believes that its strengths are uniquely better and they do not enhance those of other generations. Many studies conducted show no relations with employee performance (Selveraj, 2015; Kyalo, 2013; Elsaid, 2012). This might be due to the neutrality answer effects of the respondent. Elsaid (2012) further stated that the possible explanation to this was the less noticeable numerical uniqueness between young and old employees as compared to the numerical uniqueness between male and female employees. However, in contrast to the above, a study conducted by Odhiambo (2014) in the Kenyan education sector gave a report that increasing age diversity was positively related to employee performance. Odhiambo (2014) further found out that schools that focus on innovative task benefit more from age diversity as compared to those which focus on routine tasks.

2.9.4 Effects of educational diversity on employee performance

A person's predilection of a certain field of knowledge can in some way expose the personality and the strong desire of such individual (Holland, 1997). This entails that the background education of a person point out the competences of the individual. A study by Elsaid (2012) in the Egyptian pharmaceutical industry revealed that educational diversity was positively and significantly related to employee performance. Based on these findings, Elsaid (2012) further explained that more or balanced educational types may increase the likelihood of an organization to benefit from increased creativity, innovation and improved employee performance. In

addition, Eugene *et al.* (2011) findings show that informational diversity, such as education and functional areas, were positively related to actual work group performances. However, Eugene *et al.* (2011) recognized a bias while measuring educational diversity as it evaluates diversity in employees who are highly educated (Bachelor's degree and Post graduate degree) and putting employees who are less educated in one group (certificate and diploma).

2.10 THE RESEARCH GAPS

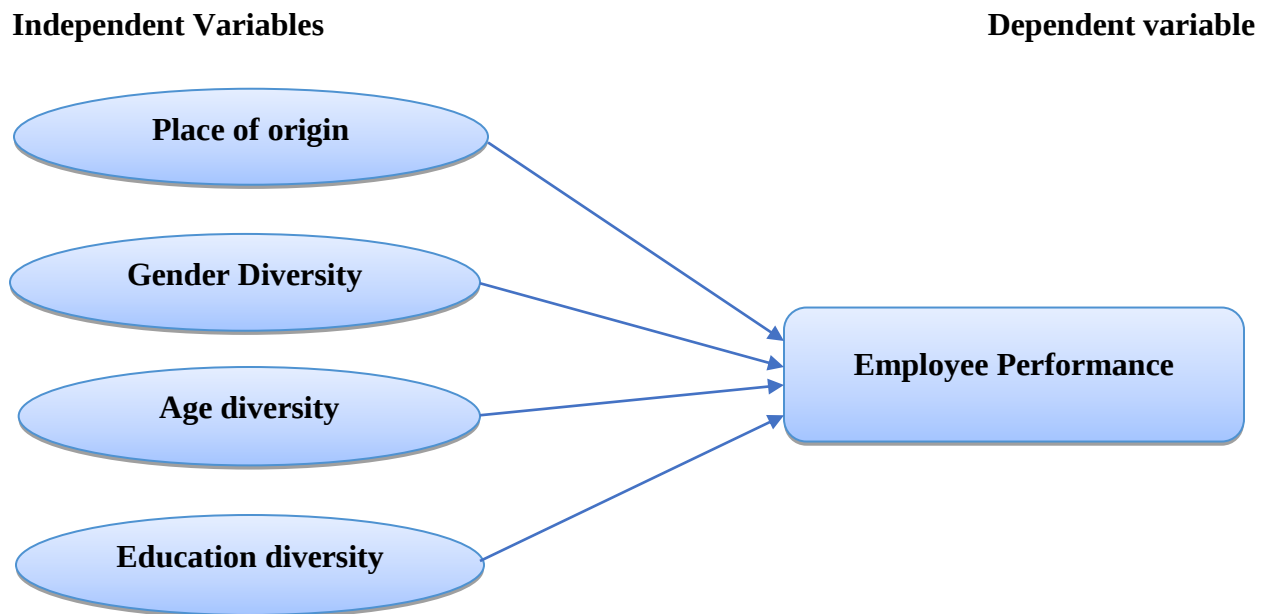
As witnessed from the literature reviewed above, all the previous works concentrated on the way diversity affected the management staffs or seniors workers not giving a concern to the labor force. The management levels from top to operational as well as supervisors adds only an administrative and control of workers in HIP but the labor workers are the one who exert a physical effort to the resources so that they can be turned to finished products for final consumption hence making a careful investigation on how their performance can be impacted is a great demand. Therefore, this work is going to concentrate on labor workers being affected by the diversity of the workplace.

2.11 CONCEPTUAL FRAME WORK AND HYPOTHESES

2.11.1 Conceptual Frame

According to work reviewed earlier, the researcher understands that the four variable of workforce diversity (ethnic, gender, age and educational) are greatly affecting employee performance so the researcher came out with a framework stated hereunder. The study consists of independent variables of ethnicity, gender, age, and educational background and the dependent variable of employee performance. These relationships are represented in figure below.

Figure 2.3 the effect of (ethnic, gender, age, education) diversity on employee performance.



Source: Own Survey Data, (2019).

2.11.2 Research hypothesis

As per the research objective and the proposed conceptual frame work/model stated in this study, place of origin, gender diversity, age diversity, and educational diversity are going to be the independent variables whilst employee performance will be the dependent variable. Therefore, the study hypothesize that there is a relationship between the independent variables and dependent variable, thus the hypotheses are stated hereunder.

H1: There is a positive relationship between ethnic diversity and employee performance.

H2: There is a positive relationship between gender diversity and employee performance.

H3: There is a positive relationship between age diversity and employee performance.

H4: There is a positive relationship between education diversity and employee performance.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Prologue

This chapter presents the methods employed in this research, basically the research designed for a known target population. Sample size determination technique that can be used for data collection and research instruments and analysis of the gathered data are herein presented.

3.2 Research design

According to Kothari, (2004), research design stands for advance planning of the methods to be implemented for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objective of the research and the availability of staff, time and money, or in general research resource. Since this study is aimed at investigating the relationship between the independent variables (ethnic diversity, gender diversity, age diversity, educational diversity) and the dependent variable (employee performance), it is more suitable for an early design to facilitate its smooth conduct of its various steps.

A descriptive quantitative research design is selected and a stratified random sampling was designed to fit for sampling the 18 factories operating in the park.

3.3. Target population

All items in any field of inquiry constitute a universe or a population (Kothari, 2004), which was the reason that Sekeran, (1990) defined a population as the entire set of people things or events that meets the criteria for inclusion of the study. This study targets a population of all labor employees of Hawasa industrial park excluding ITL (UK) labeling and Jas Holding (Ethiopian) factories as they are factories under set up. Therefore, the total numbers of factories considered for the study are 18 with 18282 labor employees. Factories taken for the study are hereunder shown in the table.

Table: 3.1 Total Populations in Each Factory.

No	Company name/logo	Country of origin	Investment activity / Product type	Total Number of employees	Total number of confirmed labor workers
1	PVHAM	USA	Textile and garment (men's Shirt)	1837	1590
2	JPTE	China	Integrated fabric and garment (Yarn dyed fabric)	685	447
3	Raymond (Silver Spark) Apparel Ltd	India	Garment (Suit: Jacket and trouser)	2427	1954
4	Arvind lifestyles Manufacturing	India	Garment (Men shirt)	2972	2047
5	Everest Textile	Taiwan	Garment (Polo shirt, plaice long sleeve)	1880	1685
6	Hirdaramani Garment PLC (1 st company to enter into the park)	Siri Lanka	Wearing and apparel (Polo shirts and underwear)	1699	1185
7	Indochine International	Siri Lanka	Wearing and apparel (ladies trouser, skirt, shirts and T-shirts)	3727	2920
8	TAL Apparel	Hong Kong	Wearing and apparel (shirt)	993	885
9	EPIC Group	Hong	Wearing and	1463	1073

		Kong	apparel (boys and girls pants)		
10	Busana Apparel Group (PTU/ Century)	Indonesia	Garment (Men's Shirt)	567	429
11	Isabella Socks Manufacturing PLC	Sri Lanka	Soaks and related manufacturing	417	394
12	Chargeurs Fashion Technologies	France	Interlining manufacturing	23	15
13	Ontex Group	Belgium	Sanitary products (Diaper)	95	65
14	Hela – Indochine	Sri Lanka	Apparel (Women underwear)	1784	1137
15	Quadrant Apparel Group	Spain (JV)	Ready-made garment	136	110
16	Best Corporations PLC	India	T-Shirt	1125	946
17	KGG (Jiangsu Golden Global)	China	Shirts	1125	1061
18	Sumbiri	Indonesia	Bra	461	339

Source: Own Survey Data, (2019).

3.4 Sample Size Determination

Sample size is a part or a portion of the population under study (Nwana, 2005). Sample size determination may lay down a number of items to be included in the sample, which is the size of the sample. As Kothari, (2004) stated, sample design is a definite plan for obtaining a sample from a targeted population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Thus the study draws sample from all employees of actively working factories of the HIP. The sample and the formula below used to calculate sample size adopted from (Kothari, 2004) was used. And it's stated as below;

$$n = \frac{z^2 \cdot p \cdot q \cdot N}{e^2(N - 1) + z^2 \cdot p \cdot q}$$

n: is the sample size being determined

N: is the total Population size

z, $\alpha/2$: normal reduced variable; at 0.05 level of significance z is 1.96

p: population reliability (or frequency estimated for a sample of size n), where p is 0.5

q = 1-p

e: margin of error considered is 5 % for this study. Thus, the sample of this study is going to be;

$n = [(1.96^2 \cdot 0.5 \cdot 0.5 \cdot 18282) / 0.05^2(18282 - 1) + (1.96^2 \cdot 0.5 \cdot 0.5)]$, $n = 376.2739306815 = 377.00$

The sample to be drawn from the population of 18282 employees will be 377 employees computed from the above formula obtained from Kothari, (2004). The sample would be 376.2739306815 employees but it was rounded upward to the nearest whole number for simplicity on calculations, and also as the calculations of people is involved. All factories are included even the one that employs few employees (Chargeurs Fashion Technologies with 15 labor workers) to avoid biased and creating a chance of inclusion for all workers and investigate all active factories of HIP.

3.5 Sampling technique

According to Cooper, (2009), sampling is taking any portion from the population as a representative of that population to be studied. For the purpose of this study, probability sampling will be used. The sampling technique in this study will be a stratified random sampling where by employees will be divided into homogeneous stratum of different factories and each factory will be sampled according to its number of labor employees therein.

This technique is done first, by identifying the total number of employees within the HIP which is the target population and then each factory as a stratum and then samples were divided for each stratum through adopting proportional allocation as shown below.

$$n_c = \frac{E_s}{N_p} * n_s ,$$

Where;

n_c is the number of samples to be determined in the stratum,

E_s is the number of items (employees) in the stratum,

N_p is the total population targeted for study which is 18282

n_s is the total samples selected for research study considered as 377.

As illustrated from above, the following calculation of samples were made from the study and is presented as below.

The following is an example of the calculation of a sample size to be drawn from each stratum. All factories sample size calculation will not be made as it is time consuming and therefore, driven from this one example, the readers should follow as explained by the researcher.

$$\text{Sample size } (n_c) = \frac{\text{labor workers confirmed}}{\text{total labor workers in HIP (18282)}} * \text{total sample size 377}$$

Case 1: PVHAM factory.

$$\text{Samples from PVHAM} = \frac{1590}{18282} * 377 = 32.78798818510 \sim 33.$$

Case 2: TAL Apparel factory.

$$\text{Samples from TAL Apparel} = \frac{885}{18282} * 377 = 18.24991795208 \sim 18.$$

The reader might get confuse that as this was rounded upward, therefore all results from the calculated strata are upwardly rounded but not that way.

There was addition problem of the results from the strata that made the researcher to decide on those numbers higher in decimals than the other results were rounded upward that increase the sample from that specific strata like in the above case 1 and those rounded downward which takes only the whole number leaving out the decimals like in case 2. This made the sample size to be as determined by the researcher, 377 when all are added up.

The park keeps enrolling new workers weekly and that is the reason the researcher used the word “confirmed” for labor workers.

Table 3.3: Shows Total Stratified Sample Size from the Whole Population in Each Factory

No	Company name/logo	Total number of confirmed labor workers	Sample(s)
1	PVHAM	1590	33
2	JPTE	447	9
3	Raymond (Silver Spark) Apparel Ltd	1954	40
4	Arvind lifestyles Manufacturing	2047	42
5	Everest Textile	1685	35
6	Hirdaramani Garment PLC (1 st company to enter into the park)	1185	24
7	Indochine International	2920	60
8	TAL Apparel	885	18

9	EPIC Group	1073	22
10	Busana Apparel Group (PTU/ Century)	429	9
11	Isabella Socks Manufacturing PLC	394	8
12	Chargeurs Fashion Technologies	15	1
13	Ontex Group	65	2
14	Hela – Indochine	1137	23
15	Quadrant Apparel Group	110	2
16	Best Corporations PLC	946	20
17	KGG (Jiangsu Golden Global)	1061	22
18	Sumbiri	339	7
Total		18282	377

Source: Own Survey Data, (2019).

3.6 Data Collection Method

The researcher used questionnaires to gather primary data from the target population within different factories (strata) of the industrial park, since the research question guides the type of data gathered for the study (Slack & Parent, 2006). Therefore, the researcher made use of both primary and secondary data considering the type of information required for the study and taking in consideration the purpose of the study, the measurement of variables and the analyses of data, making the information to be gathered both quantitative and qualitative in nature.

However, the questionnaires which were adopted from Joseph & Chinnatambi (2015) on gender diversity with a cronobach alpha reliability of 0.817 are used for investigating gender diversity, then for ethnic diversity, questionnaires adopted from Abbas, Qaisar, Hameed & Abdul (2010) are used with external reliability of 0.735, and educational diversity and performance are

investigated for an adopted questionnaire measures from Giles (2008), with their cronobach alpha reliability as 0.846 and 0.733 respectively. The examples included, “Opportunities for growth and advancement exist for all ethnic groups”, “Employees are not discriminated during hiring and recruitment process on gender basis”, “Gender diverse team showed better problem solving and decision making skills than gender homogenies teams.”, “I experience lack of confidence due to my educational background.”, “I love my work and I am motivated to complete the tasks that are assigned to me always”.

Then a 6 items age diversity questionnaire adapted from Darwin (2014) with a reliability of 0.757 will be used to collect data on age diversity variable in this study. The examples include, “The risk taken by younger employee contributed to the success of the team”, “No emotional conflicts and anxiety within the team due status difference between young and old employees”.

Besides all these, reliability analysis is for measuring the internal consistencies and stability of the variables namely ethnicity diversity, gender diversity, age diversity, educational diversity and employee performance using a Cronbach’s Alpha coefficient. Tabulated result below adopted from Hair, Money, Samouel and Babin (2003), shows the rule of thumb of labeling Cronbach Alpha coefficient (Hair, Money, Samouel and Babin, 2003).

Table 3.4: Rule of thumb for labeling Cronbach Alpha coefficient

Alpha coefficient	Level of reliability
0.80 to below 0.95	Very good reliability
0.70 to below 0.80	Good reliability
0.60 to below 0.70	Fair reliability
Below 0.60	Poor reliability

Source: Hair, Money, Samouel and Babin (2003).

The reliability coefficient obtained by all constructs is satisfactory so long as they are above 0.60 indicating the consistency and reliability of the questionnaire (Sekaran, 2011); therefore, the reliability of this study’s questionnaire is satisfactory as all constructs have a good reliability.

Table 3.5: Reliability Test results for the research work.

No	Construct	Cronbach Alpha	No of Items
1	Ethnic	726	6
2	Gender	704	6
3	Age	705	6
4	Education	695	6
5	Performance	794	10

Source: Adopted from SPSS version 20 for Own Survey Data, (2019).

3.6.1 Validity test

According to Kothari (2004), “Validity refers to the extent to which a test measures what we actually wish to measure. Test validity is the extent to which a test accurately measures what it is supposed to measure. This was made clear and precise by Cooper & Schindler, (2013) that validity is whether a measure accomplishes its claims. And thus, this study addresses validity through the extensive data reviewed in the literature and collecting the relevant data to the study through a well measured questionnaire which are reliable.

3.7 Source and type of data

For conveying to the readers about workforce diversity, more data was reviewed and it was obtained from various sources. They were both primary source and secondary source and they are deeply explained below.

3.7.1 Primary data

This is an original data collected for a specific research study (Andrew, Pederson, & McEvoy, 2011). Questionnaire is one of the most widely used methods of data collection (Slack & Parent, 2006) and will be used in this study as it is effective to use.

Primary data are to be collected from the employees of the industrial park with the use of questionnaire. A close ended self-administered likert questionnaire or five scale point questionnaires will be distributed to labor workers to reflect the research objectives and the research questions for the study.

This method was adopted because it is the only possible way to reach a large number of respondents as it ensures unity and consistency of the information collected for study.

3.7.2 Secondary data

Secondary data are also referred to data which is collected by someone other than the user and their Common sources for social science may include censuses, information collected by government departments, conference papers, organizational records and data that was originally collected for other research purposes.

The review of the related literatures was done mostly through this historic data in order to give the reader a clear understanding of the study based on already existing information relevant to the study from journals and articles, books, and the internet.

3.8 Ethical Considerations

The respondents were selected with full individual consent and company permission and informed to respond for questionnaires with confidence and the purpose of the thesis was communicated to them as the researcher was assuring that any information they provide will be confidential and the data will be used only for academic purpose.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION, DISCUSSIONS AND RESULT INTERPRETATION

4.1 Demographic Result Analysis

For the purpose of collecting primary data, the researcher distributed 377 questionnaires to the respondents. With this number, 7 questionnaires were missing and 370 were collected. This high number returned was due to the self-administration of the questionnaires and quickly enters some responded data to the SPSS software installed as soon as the respondents finished, either within the industry or in the Hawassa University library which minimizes the loss for some of them and forgetting. The response rate result is tabulated hereunder.

Table 4.1 Response Rate result

Category	Frequency	Percentage %
Number of questionnaires distributed	377	100
Number of questionnaires missing	7	1.86
Number of questionnaires returned	370	98.14

Source: Own Survey Data, (2019).

Table 4.2 Gender of a Respondent

Sex of workers	Frequency	Percent	Valid Percent
female	343	92.7	92.7
Valid Male	27	7.3	7.3
Total	370	100.0	100.0

Source: Own Survey Data, (2019).

The above **table 4.2** shows respondent interims of their gender distribution. From the total of 370 respondents, 343(92.7%) are female and the rest 27(7.3%) are male; thus from this the researcher conclude that the majority of the factory workers are female.

Table 4.3 Respondents in Their Age Distribution

	Frequency	Percent	Valid Percent
Valid below 20 years	58	15.7	15.7
21-25 years	238	64.3	64.3
26-30 years	67	18.1	18.1
31-35 years	5	1.4	1.4
above 36 years	2	.5	.5
Total	370	100.0	100.0

Source: Own Survey Data, (2019).

The above **table 4.3** shows respondents in their age distribution and out of 370 respondents 238(64.3%) of the respondents falls within the age group of 21-25, 67(18.1%) of them falls within the age group of 26-30 and 58(15.7%) of them falls below 20 year, then the age groupings of 31-35 make up a portion of 5(1.4%), and the rest 2(.5%) of the returned questionnaires falls within the age grouped above 36.

So majority of the factory workers falls within the age group of 21-25 and the factory will be advantageous over this because most of the workers are worker at their productive age.

Table 4.4 Times Taken by Respondent in the Company

Time taken in HIP	Frequency	Percent	Valid Percent
Valid below 5 months	57	15.4	15.4
6 months-1 year	90	24.3	24.3
1-2 years	188	50.8	50.8
over 2 years	35	9.5	9.5
Total	370	100.0	100.0

Source: Own Survey Data, (2019).

The above **table 4.4** shows respondents length of service with in the company and out of 370 respondents, 188(50.8%) of the respondent served the Park for 1-2 years, 90(24.3%) of them served for 6 months to 1 year, 57(15.4%) of them served the factory for below five months and

the rest 35(9.5%) of them served the company above 2 year. From this the researcher can conclude that majority of the company workers served the factory for 1-2 year.

Table 4.5 Place of Origin of the Employee

	Place of Origin (PO)	Frequency	Percent	Valid Percent
Valid	Others	49	13.2	13.2
	SNNPRS	321	86.8	86.8
	Total	370	100.0	100.0

Source: Own Survey Data, (2019).

The above **table 4.5** shows respondent distribution in their place of origin and 49(13.2%) of them are from other Ethiopia's regional ethnical nations and the rest 321(86.8) of them are from SNNPRS. So from this the researcher can conclude that the majority of the workers are from SNNPRS which could have both pros and cons for factories as diversifying the workplace is a requirement for every workplace.

Table 4.6 Educational Background of Respondent

	Education level dimension	Frequency	Percent	Valid Percent
Valid	Grade 8 – 10	212	57.3	57.3
	Grade 11 - 12	62	16.8	16.8
	Diploma	77	20.8	20.8
	Above diploma	19	5.1	5.1
	Total	370	100.0	100.0

Source: Own Survey Data, (2019).

As per the above **table 4.6** of educational background of the respondent, 212(57.3%) are 8th to 10th grade, 77(20.8%) are with diploma certificates, 62(16.8%) are 11th to 12th grade and above diploma certificates constitute the least quantity of employees, 19(5.1%).

This indicates that the industry lack qualified employees and might suffer from quality output although this labor might be easy to command.

Table 4.7 Correlations of the Variables

Variables	Ethnic	Gender	Age	Education	Performance
Ethnic	1	.108	.048	.435	.329
		.038	.353	.000	.000
Gender		1	.074	.080	.137
			.157	.124	.009
Ages			1	.249	.098
				.000	.059
Education				1	.314
					.000
Performance					1

Source: Own Survey Data, (2019).

The **table 4.7** above demonstrates the relationship amongst the variables both the independent variables (ethnic diversity, gender diversity, age diversity and education diversity) and the dependent variable (performance). The relationship between variables ranges from -1 and +1, in that when it is close to -1, it shows a weak relation between the variables and a strong relationship is achieved when it is close to +1.

However, in this case all the variables are positively related with the minimum valued variable as the relationship between age and ethnic diversity figured at 0.048 and the highest being the education diversity and ethnic diversity with a value 0.435.

4.2 DESCRIPTIVE ANALYSIS

This research study conducted on HIP collectively constitutes five variables i.e., four independent variables (ethnic diversity, gender diversity, age diversity, and education diversity) and the dependent variable, performance. All these variables were measured using five scale likert questionnaires and their results analyzed using SPSS software, version 20 is herein below explained.

Table 4.8: Shows Respondents' Ethnic Diversity Measurement Result.

No	Items	Mean	Std Dev
A1	HIP attracts and hires employees from all ethnic background.	2.8946	1.37229
A2	Opportunities for growth and advancement exist for all ethnic groups.	2.0162	1.45939
A3	The ethnic diversity in our team promoted free flow of information between ethnic groups.	3.4270	1.07765
A4	The ethnic diversity in our team helped to speed up the completion of our task on time.	3.4892	1.12191
A5	The ethnic differences in work groups do not encourage conflict.	3.9811	1.15572
A6	I am positive about ethnic diversity at HIP.	4.0000	1.13815
	Cumulative of ethnic diversity	3.3014	.66164

Source: Own Survey Data, (2019).

In the above **table 4.8**, the measurement that have the highest mean with standard deviation (Std Dev) to the lowest from the ethnic diversity effect on employee performance are; “I am positive about ethnic diversity at HIP”, with a mean of 4.00 and Std Dev 1.134 followed by “The ethnic differences in work groups do not encourage conflict”, with mean 3.98 and Std Dev 1.56, “The ethnic diversity in our team helped to speed up the completion of our task on time”, followed with a mean of 3.49 and Std Dev 1.12, “The ethnic diversity in our team promoted free flow of information between ethnic groups “, chased on at 3.43 with 1.08 mean and Std Dev respectively, pursued by “HIP attracts and hires employees from all ethnic background”, with 2.90 and 1.37 mean and Std Dev respectively. Then finally comes, “Opportunities for growth and advancement exist for all ethnic groups”, with a mean of 2.08 and Std Dev of 1.46. These indicate that the ethnic diversity of the HIP is positive with the employee performance as these measures indicate.

Table 4.9: Respondents' Gender Diversity Measurement Result.

No	Items	Mean	Std Dev
B1	HIP is affected by workforce gender balance.	3.6081	1.21661
B2	HIP doesn't give opportunities for male workers.	3.5784	1.39320
B3	At HIP fair treatment is given to all employees whether male or	3.6595	1.23092

	female.		
B4	HIP lacks gender diversity.	2.7973	1.09668
B5	Gender diverse team showed better problem solving and decision making skills than gender homogenies teams.	3.2676	1.18540
B6	A gender diverse team encourages me to perform better.	3.0595	1.51478
	Cumulative of gender diversity	3.3284	.82624

Source: Own Survey Data, (2019).

As reflected from the above **Table 4.9** which envisages the respondents' response in their gender diversity out of the total 370 respondents returned, it happened that the query item "At HIP fair treatment is given to all employees whether male or female" topped with a mean value of 3.66 and Std Dev of 1.23, followed by "HIP is affected by workforce gender balance" at 3.61 mean and Std Dev 1.22 which is supervened by "HIP doesn't give opportunities for male workers" with a mean and Std Dev 3.58 and 1.39 respectively. They later were postdated by "Gender diverse team showed better problem solving and decision making skills than gender homogenies teams" with a mean of 3.27 and a 1.19 Std Dev and "A gender diverse team encourages me to perform better" with a 3.06 mean and 1.52 Std Dev and lastly succeeded by "HIP lacks gender diversity" at a 2.80 and 1.10 mean and Std Dev respectively.

This had demonstrated to the researcher that, HIP lacks gender workforce diversity as visualized by the calculated results from the SPSS version 20. This means that they should encourage gender balance of their employees' workplace for a better result of their performance.

Table 4.10: Respondents' Age Diversity Measurement Result.

No	Items	Mean	Std Dev
C1	The expertise of young employees with high tech tools helps older employees to improve their knowledge on latest technologies.	2.8027	1.53425
C2	The risk taken by younger employee contributed to the success of the team.	2.9730	1.43299
C3	The mentoring by older employees benefited young employees in acquiring job skills.	2.7108	1.32114

C4	Older employees mitigated the friction among younger employees in the team and promoted team cohesiveness.	3.0919	1.21293
C5	No emotional conflicts and anxiety within the team due status difference between young and old employees.	2.6892	1.06846
C6	I did not experience stress in the previous time of my work due to age diversity issues in HIP.	3.3135	1.24247
	Cumulative of Age Diversity	2.9302	.99835

Source: Own Survey Data, (2019).

The above **table 4.10** shows respondents response in their age diversity measurement effect on performance. “I did not experience stress in the previous time of my work due to age diversity issues in HIP” earned the greatest mean here, 3.31 with Std Dev, and 1.24, followed by “Older employees mitigated the friction among younger employees in the team and promoted team cohesiveness” with a mean 3.09 and Std Dev =1.21 and after this comes “The risk taken by younger employee contributed to the success of the team” with a mean 2.97 and a Std Dev = 1.43. These closely related items were later followed by “The expertise of young employees with high tech tools helps older employees to improve their knowledge on latest technologies” with a mean 2.80 Std Dev 1.53, pursued by “The mentoring by older employees benefited young employees in acquiring job skills” at a 2.71 mean and 1.32 Std Dev then lastly comes “No emotional conflicts and anxiety within the team due status difference between young and old employees” with 2.69 mean and Std Dev = 1.07.

Here, it can be concluded that the stress of workers is less with respect to age diversity as of the values above; this can definitely encourage good performance as workers are stress free. Furthermore, there is no mitigation on the disagreements among the workers; therefore, the older workers don’t mitigate the frictions that could have happened among the younger workers, hence making HIP a disagreement free work environment which facilitate an improved performance.

Table 4.11: Show Education Diversity Question Items Analysis.

No	Items	Mean	Std Dev
D1	The recruitment plan of the HIP is based on the educational background of applicants.	3.7351	1.26024
D2	HIP provides paid study leave to employees who further their education and those dropped from school.	3.1514	1.46645
D3	At the HIP, opportunities for growth and advancement exist for employees who have low educational qualifications.	3.2730	1.23787
D4	At the HIP, differences in educational background do not bring conflict among employees.	3.5270	1.02836
D5	As an employee of HIP, I experience lack of confidence due to my educational background.	3.5270	1.47631
D6	HIP gives equal treatment when it comes to educational background.	3.9270	1.42093
	Cumulative of education diversity	3.5234	.65290

Source: Own Survey Data, (2019).

The above **table 4.11** shows the mean and standard deviation results from the questionnaire items returned by the respondents. On average mean, “HIP gives equal treatment when it comes to educational background” was the leading item with a mean value of 3.93 and Std Dev = 1.42 followed by “The recruitment plan of the HIP is based on the educational background of applicants” at 3.74 mean and Std Dev = 1.26.

Standard Deviation (often abbreviated as "Std Dev" or "SD") provides an indication of how far the individual responses to a question vary or "deviate" from the mean and a low standard deviation means more measurement reliability (David, Seidel, 2019). Therefore, the next item ranked next is “At the HIP, differences in educational background do not bring conflict among employees”, with a mean = 3.5270 and Std dev = 1.02836 in their order given. Which is correspondingly pursued by “As an employee of HIP, I experience lack of confidence due to my educational background” with 3.5270 mean and 1.47631 Standard deviation, “At the HIP, opportunities for growth and advancement exist for employees who have low educational qualifications” comes forth at a 3.27 mean and a standard deviation of 1.24 which were all

bottomed by “HIP provides paid study leave to employees who further their education and those dropped from school” at a mean 3.15 and Std Dev = 1.47.

This indicates that employees in the Hawassa Industrial Parks are confident with their education background which could increase their performance and hence exalt the overall output of HIP. As the education background difference does not bring conflicts among the employees, it is good for the company to encourage many more workers with different education background to encourage innovation and creation of new ideas in the park.

Table 4.12: The Respondents Response Result in The Performance Item.

No	Items	Mean	Std Dev
E1	At the HIP, I enjoy my tasks and the division of work approach.	3.9622	1.15408
E2	I am always committed to the mission and vision of the HIP.	2.8189	1.12723
E3	I love my work and I am motivated to complete the tasks that are assigned to me always.	3.3649	.95954
E4	I co-operate well with my colleagues of different ethnic backgrounds that help improve my performance.	3.8432	.80464
E5	My performance level has effect on my salary level.	3.8000	.97836
E6	I am satisfied regarding my associate works.	2.7432	1.73643
E7	At the HIP employees are given a chance to apply their own methods of doing their work.	2.3946	1.56381
E8	Diversity in the organization can increase my performance.	3.2703	1.75534
E9	At HIP employees with higher educational qualifications perform better than those with lower qualification.	3.4351	1.44918
E10	When i work with diverse teams i can perform better than i do now.	3.9459	1.30344
	Cumulative of performance	3.3578	.63066

Source: Own Survey Data, (2019).

As noticed from **table 4.12** above, “At the HIP, I enjoy my tasks and the division of work approach” is the dominating item with a mean average of 3.96 and Std Dev = 1.15 chased by

“When i work with diverse teams i can perform better than i do now” at a mean 3.95 and Std Dev = 1.31 then “I co-operate well with my colleagues of different ethnic backgrounds that help improve my performance” pursued at a mean= 3.84 and Std Dev = 0.81, and “My performance level has effect on my salary level” comes after in mean average with 3.80 mean and 0.98 Standard Deviation, which is followed by, “At HIP employees with higher educational qualifications perform better than those with lower qualification” with 3.44 mean and Std Dev = 1.45. Meanwhile, “I love my work and I am motivated to complete the tasks that are assigned to me always”, mean = 3.37, Std Dev = 0.96 appears sixth from the items of performance measure, followed by “Diversity in the organization can increase my performance” at a mean of 3.27 and Std Dev = 1.76 which is later pursued by “I am always committed to the mission and vision of the HIP” with a mean value 2.82 and Standard Deviation of 1.13. These were later followed by “I am satisfied regarding my associate works” with 2.74 mean and Std Dev = 1.74 and “At the HIP employees are given a chance to apply their own methods of doing their work” with a bottom line mean and Standard Deviation values of 2.40 and 1.37 respectively.

This made the researcher conclude that, the HIP employees do enjoy their work which can increase their performance but the company doesn’t give a chance to employees to apply their own knowledge.

Table 4.13: Pearsons’ correlation R-Value Model Summary.

R	R Square	Adjusted R Square	Std. Error of the Estimate
.394 ^a	.155	.146	.58291

a. Predictors: (Constant), education, gender, age, ethnic

Source: Own Survey Data, (2019).

The adjusted R Square result is 14.6%. This indicates that as performance is affected by several factors, the four independent variables used in this study i.e., ethnic diversity, gender diversity, age diversity and educational diversity constitute 14.6% effect on the employee performance and the other factors that affect performance and not used in this study make up only 85.4%.

Table 4.14: The Analysis Of Variance (ANOVA^a).

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	22.740	4	5.685	16.731	.000 ^b
Residual	124.022	365	.340		
Total	146.762	369			

a. Dependent Variable: performance: b. Predictors: (Constant), education, gender, age, ethnic

Source: Own Survey Data, (2019).

The above table shows the analysis of variance of the variables ethnic diversity, gender diversity, age diversity and education background diversity which all are independent variables affecting the dependent variable employee performance.

The test finally shows that the independent variables (ethnic diversity, gender diversity, age diversity and education diversity) are significant in explaining their effect on performance that resulted in a positive F test with a figurative value of ($F = 16.731, p = 0.000$).

Table 4.15: Regression Coefficients^a of the Variables.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.632	.225		7.263	.000
Ethnic	.221	.051	.231	4.308	.000
Gender	.076	.037	.099	2.044	.042
Age	.029	.032	.046	.921	.358
Education	.187	.053	.194	3.501	.001

a. Dependent Variable: performance

Source: Own Survey Data, (2019).

As revealed from the table above, leaving ethnic diversity, gender diversity, age diversity, and educational background diversity to a constant, the performance at HIP would be at 1.548. At a unit change in ethnic diversity, the employee performance at Hawassa Industrial Park (HIP) would change by 0.229% and at a unit change in education diversity, the employee performance

at Hawassa Industrial Park (HIP) would change by 0.194% continually, at a unit change in gender diversity, the employee performance at Hawassa Industrial Park (HIP) would change by 0.083% and finally at a unit change in age diversity of HIP, the employee performance at Hawassa Industrial Park would change by 0.032%.

The results are significant even at 5% significant level except for the case of age diversity which is not significant at 5% level of significance; however it has a positive effect with performance.

For the above case, the researcher developed the following equation as the resultant effect of the independent variables, (ethnic diversity, gender diversity, age diversity, education diversity) and the dependent variable, performance.

$$\bar{Y} = \beta_0 + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4 + \mu_i$$

Where;

$\bar{Y}$ = Dependent variable performance

β_0 = Constant value obtained

βX_1 = Independent variable ethnic diversity

βX_2 = Independent variable gender diversity

βX_3 = Independent variable age diversity

βX_4 = Independent variable education diversity

μ_i = other variables that affect performance but not included in this research.

Therefore, from the above formula the effects of the selected independent variables on employee performance can calculate excluding the μ_i value as it is an assumption value in this case.

$$\bar{Y} = \beta_0 + \beta X_1 + \beta X_2 + \beta X_3 + \beta X_4$$

$$\bar{Y} = 1.632 + 0.231X_1 + 0.099X_2 + 0.046X_3 + 0.194X_4$$

From the result above: Employee performance in Hawassa Industrial Park = [1.632 + (0.231 × ethnic diversity) + (0.099 × gender diversity) + (0.046 × age diversity) + (0.194 × education diversity)].

As it can be witnessed from the computation above, ethnic diversity contributed the most effect on employee performance of the HIP followed by education diversity and gender diversity, and then the independent variable that has least effect on employee performance of the HIP is age diversity of the employees.

Table 4.16: Ranking of the Variables based on their β Standardized Coefficient Value

Rank	Independent Variables	Standardized β Coefficient value
1	Ethnic Diversity	.231
2	Education Diversity	.194
3	Gender Diversity	.099
4	Age Diversity	.046

Source: Own Survey Data, (2019).

The independent variables that are selected to delve their effect on employee performance are ranked from the most efficacious to the least effective using their standardized β coefficient value obtained from a computed result with the SPSS software package version 20.

As the result displayed from **table 4.16** above, all independent variables used in this study (ethnic diversity, gender diversity, age diversity and education diversity), are significant predictors of employee performance with ethnic diversity having the highest effect on employee performance of the HIP with standardized β coefficient value of ($\beta = 0.231$; $p = 0.000$), followed by education diversity with a coefficient value of ($\beta = 0.194$; $p = 0.001$), which is then succeeded by gender diversity with coefficient value of ($\beta = 0.099$; $p = 0.042$). Then the study result exposed age diversity as the least effective among the selected independent variables, with a β coefficient value of ($\beta = 0.046$; $p = 0.358$).

4.3 HYPOTHESIS TESTING INTERPRETATION

This study has four hypotheses to answer the four objectives of the research findings and below are their testing results using their standardized beta coefficients. The research hypotheses statements are four in total and the reader will be guided as to which research hypothesis is reached for testing.

4.3.1: First Hypothesis Statement Test.

H_0 : There is a positive relationship between ethnic diversity and employee performance.

H_1 : There is no positive relationship between ethnic diversity and employee performance.

Table 4.17: Standardized β Coefficient values of the Independent variable Ethnic.

Variable	Beta (β)	Significance (p value)
Ethnic Diversity	0.231	0.000

Source: Own Survey Data, (2019).

As witnessed from the **table 4.17** above, ethnic diversity is positively related to employee performance and significant at 5% level of significance, ($\beta = 0.231$, $p = 0.000$). This indicates that as ethnic diversity increases, performance also increase hence a positive direct relationship between them. So, the null hypothesis is accepted.

4.3.2: Second Hypothesis Statement Test.

H_0 : There is a positive relationship between gender diversity and employee performance.

H_1 : There is no positive relationship between gender diversity and employee performance.

Table 4.18: Standardized β Coefficient values of the Independent variables Gender.

Variable	Beta (β)	Significance (p value)
Gender Diversity	0.099	0.042

Source: Own Survey Data, (2019).

As reflected above, the gender diversity and performance are positively related ($\beta = 0.099$, $p = 0.042$) and significant at 5% level. Therefore, the hypothesis is accepted. This indicates that as gender diversity increases, performance also increase hence a positive direct relationship between them.

4.3.3: Third Hypothesis Statement Test.

H_0 : There is a positive relationship between age diversity and employee performance.

H_1 : There is no positive relationship between age diversity and employee performance.

Table 4.19: Standardized β Coefficient values of the Independent variable Age.

Variable	Beta (β)	Significance (p value)
Age Diversity	0.046	0.358

Source: Own Survey Data, (2019).

The above table displays age diversity β result which is positive but not significant at 5% level significance ($\beta = 0.046$, $p = 0.358$), thus it is not significantly important and the hypothesis is rejected. This indicates that age diversity is not essential in explaining the performance of employees in HIP.

4.3.4: Forth Hypothesis Statement Test.

H_0 : There is a positive relationship between education diversity and employee performance.

H_1 : There is no positive relationship between education diversity and employee performance.

Table 4.20: Standardized β Coefficient values of the Independent variable education.

Variable	Beta (β)	Significance (p value)
Education Diversity	0.194	0.001

Source: Own Survey Data, (2019).

The final hypothesis test result is education diversity affecting performance and their test resulted on a positive effect ($\beta = 0.194$, $p = 0.001$). This is significant at 5% level of significance. This indicates that as education diversity increases, performance also increase hence a positive direct relationship between them.

Meanwhile, all hypotheses statements are accepted according to their Standardized β Coefficient values. This indicates that as ethnic diversity, gender diversity, age diversity, and education

diversity increases, performance also increase hence a positive direct relationship between them and the dependent variable, performance.

However, for age diversity, its result is not significant but it positively affects performance in Hawassa Industrial Park.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0: Prologue.

The descriptive analysis presented in previous chapter is summarized here and the conclusions and recommendations of the researcher to the organization and the readers are included. The last section of this chapter gives the overall conclusion of the entire study project

5.1: Descriptive Analysis Summary and Discussions.

This summary focuses on conclusions regarding the characteristics of the population based on the samples and the analysis done. Its aims give a summary of the effect of each tested variable on work performance based on the analysis in the chapter four above.

5.1.1: Relationship between Ethnic Diversity and Employee Performance

The overall findings revealed that there is a significant relationship between ethnic diversity and employee performance. This means that ethnic diversity positively affects employee performance of Hawassa Industrial park and if it increases, the performance also increases and vice versa.

For the Ethnic Diversity from the findings, there was a positive beta result between ethnic diversity and employee performance. Therefore, ethnic diversity comes with its benefits that can enhance employees' performance as well as the industrial park performance.

In the **table 4.8**, the employees agreed to the measurement that "I am positive about ethnic diversity at HIP", (mean = 4.00; Std Dev = 1.134), "The ethnic differences in work groups do not encourage conflict", with a mean = 3.98; Std Dev = 1.56, "The ethnic diversity in our team helped to speed up the completion of our task on time" (mean = 3.49; Std Dev = 1.12). The employees gave a neutral response on the statement, "The ethnic diversity in our team promoted free flow of information between ethnic groups", (mean = 3.43; Std Dev = 1.08), "HIP attracts and hires employees from all ethnic background", (mean = 2.90; Std dev = 1.37), which resulted into an interpretation that employees were indifferent in choosing the this item. This might be due to the favor the workers wanted to offer to the park they are working in as the park can employ any qualified worker even though the majority became the habitants. The park

administration has no blame on this case as it employ at one's will but should encourage recruiting those from different places of origin rather than the SNNPRS.

Then finally, the workers definitely disagree with “Opportunities for growth and advancement exist for all ethnic groups” (mean = 2.08; Std Dev = 1.46), which shows that the HIP doesn't give opportunities for growth and lacks advancing its workers.

As it was indicated by the beta values that the ethnic diversity of the HIP is positive with the employee performance as these measures indicate, the researcher went ahead to compute the cumulative mean of all the items used for measuring ethnic diversity and the researcher realized that, employees agreed to the ethnic diversity effects on employee performance (Mean = 3.3014; Std Dev = 0.66164). This is interpreted like this as it is a result of a largely reckoned data result.

5.1.2: Relationship between Gender Diversity and Employee Performance

As indicated in the **table 4.2** that shows respondents' gender which pointed out that 343(92.7%) are female, the majority of the factory workers are female. It is clear that the majority of women obtained a formal education through high school as they are approached by women roles like marrying, bearing children and taking care of family at a young age (Paludi, 2010). On the other hand, this can be due to the increasing recruitment laws of encouraging women into the labor force where women constitute more than 50% of management and professional occupations (Paludi, 2010) in which they make up to 54% of the workforce (Kossek, Lobel & Brown, 2005).

This can be the reason why most of the studies carried out in gender diversity like (Eshetu, 2017) and (Zhuwao, 2017) found gender of their studies as the most dominant. But this doesn't mean that if the organization is performing without the diverse genders that they are ok with that and there should be no encouragement of balancing workforce gender.

However, in HIP's female gender dominating male could be good for employees. As reflected from the above **Table 4.9** which illustrates the respondents' response in their gender diversity that they agree with item “At HIP fair treatment is given to all employees whether male or female” with a mean value of 3.66 and Std Dev of 1.23. This means that to the workers already

in the park, equality was given to all despite which gender one may be. The workers also followed this by another agreement to “HIP is affected by workforce gender balance” at 3.61 mean and Std Dev 1.22 that indicates that from the perspective of gender head count, there is no balance and the love by the workers to the gender diverse workplace is explained by this from the workers’ perspective. Therefore, diversifying the HIP on gender bases is demanded by the workers. This is supervised by a slight agreement to “HIP doesn't give opportunities for male workers” with a mean and Std Dev 3.58 and 1.39 respectively. As it is a slight agreement, the industry should have to put in concern, giving first priority recruitment to male workers. In addition to that, the labor works always need physical power of the employees and if not always, then in most cases men are stronger than women.

This was later postdated by a strong neutrality on the item “Gender diverse team showed a better problem solving and decision making skills than gender homogenies teams” with a mean of 3.27 and a 1.19 Std Dev. This might be due to the indifference the workers were in answering in that most were disagreeing and others agreeing to the item. “A gender diverse team encourages me to perform better” with a 3.06 mean and 1.52 Std Dev and lastly disagreed to the item “HIP lacks gender diversity” at a 2.80 and 1.10 mean and Std Dev respectively.

This had demonstrated to the researcher that, HIP lacks gender workforce diversity as visualized by the calculated results from tables above. This means that they should encourage gender balance of their employees’ workplace for a better result of their performance by recruiting male employees first during hiring.

Management should also try to monitor by periodically checking the percentage rate of male and female in the company, then encourage male employment by introducing some incentives - like work life balance, taking competitive employees to nearby zoos and swimming pools for refreshment and other social amenities - and promotion of male recruitment even the average income of both genders at each level in the organization. By doing this, they can be sure to find out if their policies are supporting diversity in terms of hiring both male and female, promotion and retention.

Therefore, the management should continue to promote equal employment and opportunity for career growth for all genders. To encourage gender diversity especially for male workers, managers should create motivational working policies that can help employees to love their work and their personal life (providing rental fees or temporarily owned condominiums, transportation, tuition fees for at least one child for those married and increment on the allowances for singles) without making clashes with them.

As part of the conclusion, the cumulative mean of the gender diversity items responded by the labor workers were illustrating a slight agreement to the six items used by the researcher. Cumulative of gender diversity (Mean = 3.3284; Standard deviation = 0.82624).

5.1.3: Relationship between Age Diversity and Employee Performance

The elaborations from table 4.3, respondents' age distribution are dominated by the age group range of 21-25 with 238(64.3%). Although all age groupings are in the park, this will make the HIP factories beneficial because most of the workers are workers at their productive age and their physical body strength could be used strategically by the Park to out compete the other Ethiopia's Parks.

As seen before in the above **table 4.10** which shows respondents response in their age diversity measurement effect on performance, "I did not experience stress in the previous time of my work due to age diversity issues in HIP" shows the slight indifference to the workers with mean = 3.31 and Std Dev = 1.24, followed by another indifference on item "Older employees mitigated the friction among younger employees in the team and promoted team cohesiveness" with a mean = 3.09 and Std Dev = 1.21 and after this comes "The risk taken by younger employee contributed to the success of the team" with a mean 2.97 and a Std Dev = 1.43 which shows another neutrality response of the workers. These closely related items were later followed by a declining indifference on the item "The expertise of young employees with high tech tools helps older employees to improve their knowledge on latest technologies" with a mean 2.80 Std Dev 1.53, pursued by "The mentoring by older employees benefited young employees in acquiring job skills" indifferently agreeing and disagreeing at a 2.71 mean and 1.32 Std Dev then lastly comes

a closely defined disagreement on the item “No emotional conflicts and anxiety within the team due status difference between young and old employees” with 2.69 mean and Std Dev = 1.07.

Ditto, it can be very hard to conclude to the readers here about the decision of the labor workers on age diversity based on their mean which are indifferent and as well as choosing to disagree and agree with the items. However, the cumulative of age diversity mean = 2.9302 and standard deviation = 0.99835 will of course give the researcher a final decision on their outcome which revealed indifference.

Furthermore, their standard deviation (1.24, 1.21, 1.43, 1.53, 1.32, and 1.32) clearly shows how their (respondents) scattered responses were as they are large compare to other items' standard deviations. Therefore, the workers of the Hawassa Industrial Park did not know the use of age diversity impact on employee performance. For this, the park need to put in place the age diversity importance eradication measures to the workers.

Monumentally, the workers shows that with age diversity, stress, disagreement mitigation between employees could be low as they gave them high response. In that case, management should encourage teams made up of different age groupings as the park is largely dominated by younger employees. The young employees are energetic, skilled and easy to command thus facilitating a performance. The older employees are known to have more interpersonal skills and if these skills are shared, the company will be able to build a stronger communication, good healthy relationship between employees of different age and increase individual as well as group performance leading to healthy performance of the park.

According to Selvaraj (2015) who found no effects of age diversity on performance that there is a less pronounced numerical distinctiveness between the younger and older employees as compared to the numerical differences between males and females to create diversity fault lines. This led Zhuwao (2017), to conclude that there is no pronounced influence of age diversity on employee performance. However, it is not the case here as it positively affects the Park's performance positively but not significant at 5% level.

5.1.4: Relationship between Educational Diversity and Employee Performance

As seen from **table 4.6** in chapter four, 212(57.3%) are 8th to 10th grade. This indicates that the industry lack qualified employees and might suffer from quality output.

Consecutively, **table 4.11** same way in chapter four, the respondents agree with “HIP gives equal treatment when it comes to educational background” with a mean of 3.93 and Std Dev = 1.42, “The recruitment plan of the HIP is based on the educational background of applicants” (mean = 3.74; Std Dev = 1.26), “At the HIP, differences in educational background do not bring conflict among employees”, (mean = 3.5270; Std dev = 1.02836), “As an employee of HIP, I experience lack of confidence due to my educational background” (mean = 3.5270; Standard deviation = 1.47631).

On another occasion, the respondents gave a neutral response on “At the HIP, opportunities for growth and advancement exist for employees who have low educational qualifications” (mean = 3.27; Standard deviation = 1.24), and “HIP provides paid study leave to employees who further their education and those dropped from school” (mean = 3.15; Std Dev = 1.47).

However, the cumulative mean and standard deviation of all items gave and agreed results (mean = 3.5234; Standard deviation = 0.65290).

According to Similarity Attraction Theory, the positive impact of educational diversity to employee performance might let workers work together (Singh, 2015), and consider any challenge as a group problem that could let them continue performing in the company. This could be like people of the same education qualification say a degree holders working together in the park would not see a challenge as an individual challenge rather a “us” challenge. This will reduce self-devaluation in one’s ability to output his/her effort thus increases an individual’s performance and the overall company as well.

This could be the reason Information and Decision Making Theory agreed on diversity’s positive outcome to workforce that it could enhance employee performance. Diverse educational background interlinks different cultures from different schools and experiences, which brings new skills, knowledge, information, perceptions and ideas to solving problems and decision

making abilities within the workplace, thus increasing the performance of employees. So investing on such a diverse workforce is beneficial to the park that it enhances high output and large productivity to the company as the Human Capital Theory stated.

5.1.5: Measurement and Discussion on Performance in Relation to Diversity

As noticed from **table 4.12** in chapter four, respondents agreed to the item “At the HIP, I enjoy my tasks and the division of work approach” dominated with a mean of 3.96 and Std Dev = 1.15), “When i work with diverse teams i can perform better than i do now” (mean 3.95 and Std Dev = 1.30), “I co-operate well with my colleagues of different ethnic backgrounds that help improve my performance” pursued at a mean= 3.84 and Std Dev = 0.81), “My performance level has effect on diversity level” (mean = 3.80; Std dev = 0.98), “At HIP employees with higher educational qualifications perform better than those with lower qualification” (mean = 3.44; Std Dev = 1.45).

Then the employees gave a neutral response on, “I love my work and I am motivated to complete the tasks that are assigned to me always”, (mean = 3.37; Std Dev = 0.96), “Diversity in the organization can increase my performance” at a mean of 3.27 and Std Dev = 1.76), “I am always committed to the mission and vision of the HIP” (mean = 2.82;Std dev = 1.13), “I am satisfied regarding my associate works” (mean = 2.74; Std Dev = 1.74), and disagreed on the only statement “At the HIP employees are given a chance to apply their own methods of doing their work” (mean = 2.40; Std dev = 1.37).

This made the researcher conclude that, the HIP employees do enjoy their work which can increase their performance with a cumulative mean and std dev agreement of (mean = 3.3578; Std dev = 0.63066), but the company doesn't give a chance to employees to apply their own knowledge. The cumulative means reduce to closely neutral due to the labyrinth of a large sample from a large population with more than two choices of choosing to the items prepared.

The employees of the HIP clearly welcome a diverse workplace for their performance to increase from the current expectation, as they work proper and their performance level is directly affected by the diversity of the workplace. These indicate that further diversifying the park is demanded by the current workers to influence a better output and high productivity by the IP.

5.2: Conclusion

As it is always said, “everything depends on something”, the researcher says that diversity has positive or negative effect on performance, depending on different features of the organization`s strategies, employees’ or individual’s perception of diversity, culture of the organization or certain ethnics and HRM practices. This indicates that diversity may be beneficial under certain conditions and may fail to have any impact in other aspect (Pugh, 2008). However, HIP needs to compete for potential benefits that managed diversity companies’ gain like effectiveness and outperforming other industrial parks.

Based on the research hypotheses, all the alternative hypotheses were accepted and the null hypotheses were rejected. This shows that all the independent variables (ethnic diversity, gender diversity, age diversity, education diversity) positively affect the independent variable (performance) in that when they increase, performance of Hawassa Industrial Park increases and vice versa. Thus, this study supports Trajfel & Turner, (1979) Social Identity Theory, that diversity is a predictor for positive outcomes such as relationship between employees, employees or group cohesion, job satisfaction and employee performance.

As resulted from the above by the variables, performance of the HIP is greatly affected by these independent demographic attributes of diversity (ethnic, gender, age, education) as the regression computed, 14.6%. The researcher says this because performance is affected by many factors to mention a few the numerous financial and non-financial rewards, brands, logo of a firm.

Giving a view on this, the Hawassa Industrial Park has to diversify on gender, employing qualified and competent workers with balance on their levels of Ethnicity or their place of origin, gender, age, and education.

5.3: Recommendation

Diversity in business, is no longer about how many employees you have in this group and that group but a complicated task and if it is done right, a lot more effective is achieved (Bauer *et al*, 2012). This tells that evaluation on the labor unit’s recruitment process need to be done by the HIP HR management.

Employees are a key to reaching a target goal always. However, employees of HIP need a research to be conducted in a qualitative method in order to use an in depth interview with them (labor workers) further in this area and the area of financial reward and non-financial reward impacts on their performance.

As HIP is at a growing stage, the park needs to be diverse ethnically as many studies shows that companies pursuing a growth strategy have positive relationship between ethnic diversity of the company and firm performance (Richard, 2000). The ethnics in SNNPRS alone couldn't be enough for the diversity of the HIP, but encouraging other ethnics from the different corners of Ethiopian would be much beneficial to the park and a great prosperity in a high speed.

Organizations where employees are satisfied often have lower turnover. When employees feel that they are fairly treated, they tend to be more satisfied. On the other hand, when employees perceive that they are being discriminated against, they tend to be less attached to the company, less satisfied with their jobs, and experience more stress at work (Sanchez, & Brock, 1996), thus poor performance or job quitting. When a diverse are perceive a hard and harsh task, they will only know that it is mutually theirs and not suspect any discrimination from the management or supervisors. This is a diversity management way for a better performance.

If men are not encourage to work like they are already leaving the workforce, then more things would be a waste of the government's breath, from the side of crimes and to illegal business of sustaining life, more crimes like robbery –although women may rob-- and above all, a link to corruption. The Equal Employment Opportunity Commission (EEOC) laws are not to be taken as only favoring the employment of women but every manager should give favor to the minorities.

Companies with the largest percentage of demographic diverse executive employees performed better than those with the smallest percentage of similar executives (Weisul, 2004). Balancing workers in their demographics diversity lead to sharing of knowledge from various sources. Any company that needs to reach beyond their traditional customer group and want to stay competitive must pursue diversification of employees at all levels (Hymowitz, 2005). A company with a diverse workforce may understand the needs of particular groups of customers better, and customers may feel more at ease when they are dealing with a company that understands their needs (Erdogan *et al*, 2012).

Research shows that one way in which employees may get ahead within organizations is through being mentored by a knowledgeable and powerful mentor. Yet, when the company does not have a formal mentoring program in which people are assigned a specific mentor, people are more likely to develop a mentoring relationship with someone who is similar to them in demographic traits (Dreher, & Cox, (1996). HIP should introduce diversity eradication programs and their importances like the mentoring of one another for better in the work environment.

Retention was a great issue too as it was because employees only work in HIP as a second job and leave after getting their desired job. This should also be searched by the upcoming researchers. As Xiaodi, *et al*, (2018) mentioned “unclear tax standards, poor tax collection and corruption by local staffs”, the corruption by local workers has to be minimize for this park to be fully and successfully operational and competitive to other local parks and the international park as well.

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APPENDIX A: CONCERN FORM

ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

Dear Respondent,

My name is Ruot Met Koryom, a second-year master's student from Addis Ababa University, College of Business and Economics (AAU, CoBE), pursuing a Master's Degree in Masters of Business Administration (MBA). As a partial fulfillment for the award of this degree, I am required to conduct a research work entitled *“the effects of workforce diversity on employee performance in Industrial parks (a case of Hawassa Industrial Parks)”*. I would be so grateful if you spend few minutes of your time to complete this questionnaire. I assure you that any information you provide will be used strictly for academic purposes only and will be absolutely confidential.

Thank you for your cooperation.

APPENDIX B: QUESTIONNAIRE

This questionnaire consists of six sections. The respondent will be required to answer five questions in section one of the questionnaire on his/her demographic background. All the items in sections B-F require responses ranging from strongly agree to strongly disagree. The respondent is expected to tick (✓) whichever is appropriate with his or her opinion.

SECTION A: DEMOGRAPHIC PROFILE

1. Sex of the respondent (Please specify your gender)

Male ()

Female ()

2. What is your age?

Below 20 years () 21- 25 years () 26- 30 years () 31- 35 years () above 36 years ()

3. Experience. How long have you served at the HIP?

Below 5 months () 6months - 1 year () 1- 2 years () Over 2 years ()

4. Ethnic background (please specify your Place of origin)

SNNPRS	
OTHERS	

5. Education Level accomplished:

Grade 8th_10th () Grade 11th_12th () Diploma () Above Diploma ()

APPENDIX C: GENERAL QUESTIONS

SECTION B

Attributes of Employee's Place of Origin or Ethnicity Diversity

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

No	Question Items	SD 1	D 2	N 3	A 4	SA 5
1	HIP 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	The ethnic diversity in our team helped to speed up the completion of our task on time.					
5	The ethnic differences in work groups do not encourage conflict.					
6	I am positive about ethnic diversity at HIP.					

SECTION C

Attributes of Gender Diversity

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

No	Question Items	SD 1	D 2	N 3	A 4	SA 5
1	HIP is affected by workforce gender balance.					
2	HIP doesn't give opportunities for male workers					
3	At HIP fair treatment is given to all employees whether male or female.					
4	HIP lacks gender diversity					
5	Gender diverse team showed better problem solving and decision making skills than gender homogenies teams.					
6	A gender diverse team encourages me to perform better.					

SECTION D

Attributes of Age Diversity

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

No	Question Items	SD 1	D 2	N 3	A 4	SA 5
1	The expertise of young employees with high tech tools helps older employees to improve their knowledge on latest technologies.					
2	The risk taken by younger employee contributed to the success of the team.					
3	The mentoring by older employees benefited young employees in acquiring job skills.					
4	Older employees mitigated the friction among younger employees in the team and promoted team cohesiveness.					

5	No emotional conflicts and anxiety within the team due status difference between young and old employees.					
6	I did not experience stress in the previous time of my work due to age diversity issues in HIP.					

SECTION E

Attribute Of Educational Diversity

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

No	Question Items	SD 1	D 2	N 3	A 4	SA 5
1	The recruitment plan of the HIP is based on the educational background of applicants.					
2	HIP provides paid study leave to employees who further their education and those dropped from school.					
3	At the HIP, opportunities for growth and advancement exist for employees who have low educational qualifications.					
4	At the HIP, differences in educational background do not bring conflict among employees.					
5	As an employee of HIP, I experience lack of confidence due to my educational background.					
6	HIP gives equal treatment when it comes to educational background.					

SECTION F

Attributes On Employee Work Performance

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

No.	Question Items	SD 1	D 2	N 3	A 4	SA 5
1	At the HIP, I enjoy my tasks and the division of work approach.					
2	I am always committed to the mission and vision of the HIP.					
3	I love my work and I am motivated to complete the tasks that are assigned to me always.					
4	I co-operate well with my colleagues of different ethnic backgrounds that help improve my performance.					
5	My performance level has effect on diversity level.					
6	I am satisfied regarding my associate works.					
7	At the HIP employees are given a chance to apply their own methods of doing their work.					
8	Diversity in the organization can increase my performance.					
9	At HIP employees with higher educational qualifications perform better than those with lower qualification.					
10	Good employee work performance is important for the future growth of the HIP.					