



**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS  
AND ECONOMICS SCHOOL OF COMMERCE**

**WORKPLACE DIVERSITY AND ITS  
IMPLICATIONS FOR EMPLOYEES  
PERCEIVED PERFORMANCE IN  
ETHIOPIAN AIRLINES**

**BY: AIDA DESTA**

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MASTER OF ARTS IN HUMAN RESOURCE MANAGEMENT**

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### **Declaration**

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and that I have not previously in its entirety or in part submitted at any university for a degree.

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## **Letter of Certification**

This to certify that Aida Desta has carried out her thesis work on the topic entitled “Workplace Diversity and Its Implications for Employees Perceived Performance in Ethiopian Airlines” under my guidance and supervision. Accordingly, I hereby assure that her work is appropriate and standard enough to be submitted for the award of Master of Arts in Human Resource Management.

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## *Abstract*

### *Workplace Diversity and its implications for employees perceived performance in Ethiopian Airlines*

*Workforce diversity is gaining prominence worldwide. This thesis argues that workplace diversity, when managed properly, significantly determines the level of staff performance; hence invaluablely contributes to the success of an organization. Cognizant of this and appreciating the knowledge gaps in the area, the study aimed to examine the effects of diversity factors like gender, age, education, and nationality of employees on their performances while assessing the diversity management situation at the Ethiopian Airlines (EAL).*

*The study relied on the collection and analysis of both quantitative and qualitative data from primary and secondary sources. A total of 121 employees of the EAL involved in a survey questionnaire. Besides, management organs of the EAL participated as key informants. Moreover, pertinent theoretical and empirical literatures were carefully reviewed. The analysis involved appropriate techniques. The quantitative data analysis involved statistical models such as descriptive tools and inferential statistics, among others, likemean comparisons, correlations, cross-tabulations, chi-square tests as well as ordinal logistic regression. Whereas content and contextual analyses were used for collating qualitative information, and review of secondary data that were used to complement and/or supplement the quantitative analysis.*

*Findings of the study uncovered positive developments as well as gaps at that EAL in terms of properly accommodating the diversity factor. Eventually, the study draws conclusions, inter alia, workplace diversity constitutes the salient determinants of employees' perceived performance. The more EAL's staff is diversified; especially by gender and nationality it is highly likely that employees' performance increases, which is benign to the realization of the company's aspirations. Finally, recommendations are put in order for improved diversity management policy and practices at the EAL and like-minded organizations. Equally important, given about 58% of the determinants remained unexplained by this research, further research undertakings in the area is imperative - a recommendation directed towards the academic community.*

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Key Words: Workplace diversity, Diversity Management, Diversity Factors, Perceived Performance

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## **CHAPTER ONE**

### **INTRODUCTION**

#### *1.1 Background of the Study*

Workforce diversity is gaining prominence as a salient determinant of employees' performance hence a critical success factor to organizational growth. Workforce diversity refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background (Robbins, 2009). Theoretical and empirical literatures evidenced the far-reaching implications to diversity management to organizational development policies and management practices. With an increasing richness of diversity in the workforce, it is imperative for a management to expand its outlook and use creative strategies to be successful by unleashing employees 'potential.

Thus, human resource managers are responsible for both leading employees and responding to the needs of customers who are more ethnically and culturally diverse. Leaders in both the public and the private sectors are focusing more attention on the issue of diversity. Whether the goal is to be an employer of choice, to provide excellent customer service, or to maintain a competitive edge, diversity is increasingly recognized and utilized as an important organizational resource. (Sungjoo, 2010).

Instead of treating every employee alike, recognizing and responding to those differences, is a way to ensure employee retention and greater productivity. The most important issues of workforce diversity are to address the problems of discrimination in terms of gender, age, ethnicity and education background, (Roberson *et al*, 2007). When diversity is not managed properly, there will be a potential for higher turnover, difficult in communication and interpersonal conflicts. Overall, it will be adversarial to organization's performance, profitability and reputation.

Previous research on workplace diversity suggests that diversity can be either detrimental or beneficial for employee performance (Magoshi& Chang, 2009). For instance, employee diversity can be positively or negatively associated with creativity and problem-solving skills, cohesiveness and cooperation respectively. Good work force diversity practices in the area of human resources are believed to enhance both employee and organizational performance. Furthermore, employee diversity allows increased creativity, a wider range of perspectives, better problem definition, more alternatives and better solutions. It is also argued that with decreasing homogeneity in the workforce, it has become crucial for organizations to develop equal opportunities and diversity

management policies to maintain the skills of employees with diverse backgrounds in order to protect their competitive position in the market place (Adler, 2005).

Appreciating the importance of proper diversity management to the success of an organization, however, very little of it has been researched; especially in Ethiopia. In other words, there is limited scientific knowledge regarding diversity management policies and ongoing practices among organizations. Likewise, there is a knowledge gap in relation to the effects on employees' performance of the diversity variables stipulated in the theoretical literature including gender, age, education and nationality. Needless to say, therefore, this paper assesses the diversity management situation at the Ethiopian Airlines (EAL), hereafter referred to as the EAL, while trying to determine the impact of diversity variables on employee's performance. Meanwhile, a case study approach was preferred as it allows an intensive investigation of the issue in EAL, which is deemed to be representative of public enterprises in Ethiopia. Moreover, head-quarter of the EAL was selected for this case study due to its accessibility to the researcher.

## *1.2 Background of the Organization: EAL*

During the past seventy-two years, Ethiopian Airlines has become one of the continent's leading carriers, unrivalled in Africa for efficiency and operational success, turning profits for almost all the years of its existence.

In terms of aspirations, the Vision and Mission of EAL are stated as follows:

### *Vision:*

EAL envisions to be the most competitive and leading aviation group in Africa by providing safe, market driven and customer focused passenger and cargo transport, aviation training, flight catering, Maintenance, Repair and Overhaul (MRO) and ground services by 2025.

### *Mission:*

- To become the leading Aviation group in Africa by providing safe and reliable passenger and cargo air transport, Aviation Training, Flight Catering, MRO and Ground Services whose quality and price value proposition is always better than its competitors,
- To ensure being an airline of choice to its customers, employer of choice to its employees and an investment of choice to its Owner,

- To contribute positively to socio economic development of Ethiopia in particular and the countries to which it operates in general by undertaking its corporate social responsibilities and providing vital global air connectivity.

Operating at the forefront of technology, the airline has also become one of Ethiopia's major industries and a veritable institution in Africa. It commands a lion's share of the pan African network including the daily and double daily east-west flight across the continent.

Ethiopian employed a total of around 16,000 employees out of which; 13,000 are full time and 3000 are part-timers. The company has been working towards hiring competent and diversified workgroup by giving equal employment opportunity. It currently serves 117 international and 22 domestic destinations operating the newest and youngest fleet. Ethiopian Airlines is ranked 6th among the 22 most dependable airlines around the world. The ranking was made after a serious assessment in three areas: On-time performance, low checked bags costs, average age of the airline fleet.

### *1.3 Problem Statement*

The link between diversity and superior business performance has yet to be realized. Also, diversity work as a prejudice reduction has had little effect in changing peoples' attitudes and behavior toward ethno-cultural differences.

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

Studies show that organizations with high levels of well managed diversity are effective and steering; ultimately producing corporate cultures endowed with new perspectives, pioneering capabilities and fresh ideas necessary to survive. On the other hand, Kochan *et al.*, (2003) argues that diversity within the work place can evoke an array of emotions as some view diversity as something to be dealt rather than a tool to be used to improve the organization. Even though, many will agree that the results of a diversity-conscious organization add value to the employee and organization, there have been mixed findings on the effect of work diversity on employee performance (Dahm, 2003).

An effort was made by the researcher to make sure that whether there are prior empirical evidences on the ground that prove or disprove this perception of exclusionary practices.

However, to the knowledge of the researcher, there are limited empirical studies done on the area of diversity management and related topics in Ethiopian context.

Thus, this study aims to fill the perceived gaps in empirical studies on the area in Ethiopian context with a focus on case study organization (due to accessibility and to address the issue in detail) and propose a definition of diversity and model of diversity management that can be applicable to any context including a non-western society.

#### *1.4 Research Questions*

The research intends to answer the following questions:

1. What is the impact of gender diversity on employee perceived performance in EAL?
2. What is the impact of age diversity on employee perceived performance in EAL?
3. What is the impact of nationality diversity on employee perceived performance in EAL?
4. What is the impact of education background on employee perceived performance in EAL?
5. How is the relationship between workforce diversity and employee perceived performance being managed in EAL?

#### *1.5 Research Objectives*

##### *1.5.1 General Objective*

The study aims to provide insights and in-depth understanding of the impact workforce diversity has on employee's perceived performance in an organization, and identify whether the variables include gender, age, nationality and education background have positive or negative impact on performance and how it should be managed for the purpose of achieving the organization's goal.

##### *1.5.2 Specific Objectives*

The specific objectives of the study are to:

1. Assess the impact of gender diversity on employees' perceived performance in EAL.
2. Assess the impact of age diversity has on employees' perceived performance in EAL.
3. Assess the impact of nationality on employees' perceived performance in EAL.
4. Assess the impact of educational status on employees' perceived performance in EAL.
5. Find out how workforce diversity is being managed in EAL, and

6. Draw implications of diversity factors to organizational policy and management practices.

### *1.6 Hypothesis of the Study*

In this study; Employees' perceived performance is the Dependent Variable (DV), while the diversity factors of gender, age, nationality, and educational background constitute the Independent Variables (IVs). Thus, the researcher hypothesizes that the diversity variables (IVs) have significant effect on Employees' performance i.e. the DV. Specifically, the study shall empirically test the following four hypotheses:

**H1:** Gender affects employees' perceived performance

**H2:** Age difference affects employees' perceived performance

**H3:** Nationality affects employees' perceived performance

**H4:** Educational background affects employees' perceived performance

### *1.7 Scope of the Study*

This study determines the effect of work diversity on employee performance in EAL. The study is limited to four work diversities, which include gender diversity, age diversity, nationality diversity and education diversity. Further, the study was limited to the headquarters of Ethiopian airlines located in Addis Ababa.

### *1.8 Significance of Study*

Workforce diversity is very much interrelated with HR Management in any sector to fascinate and recruit the best people from a group of diverse workforces. Organizations that view diversity as part of their key strategy rather than a business expense will benefit far greater than the organization that does not, and will reap the benefit of cost reduction in attrition and increased revenues (Brown, 2008).

Meanwhile, the study findings are believed to be useful to various stakeholders, *inter alia*, the EAL, similar organizations, as well as to the academics. To start with, the findings from this study can assist Ethiopian Airlines by surfacing gaps, if any, in its present diversity management practice and policy arena when viewed against the standard expectations. The EAL would benefit from possible recommendations to be forwarded based on the findings on diversity factors impacting on employees' performance, which ultimately have implications to the achievement of organizational goal through the strengthening its management. Equally important, the findings will be helpful to like-

mindful organizations with diverse workforce in the public and private domain. By way of providing insights into the role of different diversity factors, the study shall stimulate the organizations to properly accommodate the factors in their respective management organs thereby maximize the level of employees' performance. Finally, the findings from this study can assist academicians in broadening of the prospectus of future research works pertaining to the determinants of performance effectiveness. As the study provides deeper understanding of regarding diversity and its management, the findings would augment the stock of knowledge on the critical factors that affect performance of employees.

### *1.9 Delimitation of the Study*

Multitude of factors including incentives, leadership style, and workforce diversity affect the performance of employees in an organization like the EAL. However, this study focuses on diversity only. In addition, limited access to data from the EAL including on the Key Performance Indicators (KPI) of the staff posed as serious constraint. The researcher could not triangulate the survey responses on employees' perceived performance against their actual performance indicators. Consequently, the analysis entirely relied on the respondents' ratings or perceived performances as a measure of the dependent variable. Moreover, Human Resource managers of the EAL did not permit the researcher to administer questions related to the incentive scheme and management style. In effect, the researcher was forced to omit some questions that were perceived by the management as sensitive, albeit these would have been very useful for further deepening the analysis and interpretations.

## **CHAPTER TWO**

### **LITRATURE REVIEW**

This chapter consists of three sections. The first section presents a summary of authentic and relevant literature reviewed to serve as the theoretical framework for the study. The review covered various studies that have been done regarding workforce diversity. The selected readings represent a small sample from a broad range of literature in relation to work force diversity and its implications to performance effectiveness. It is worthwhile mentioning that the literatures have been selected primarily for their relevance, accessibility, and clarity. The second section provides a conceptual framework of the study, which is based on the theoretical and empirical literatures. Finally, section three furnishes operational definitions and measurement of the study variables.

#### *2.1. Theoretical Review*

##### *2.1.1 Work Force Diversity: Emergence and Meanings*

The subject of workforce diversity has not been a major problem in Africa before as much as it is today. The concept of diversity management gained attention with globalization and the need for more organizations to spread globally to reach customers across the world (Ongori and Agolla,2007). There is an increasing need to understand more about workforce diversity, which is deeper than what we see at the surface level. This can give managers an understanding as to what can go wrong in a diverse team.

According to Erasmus (2007), diversity relates to the collection of many individual differences and similarities that exist among people in the workplace. Erasmus, (2008) states that diversity is about the fact that ‘individuals may vary but they share a number of environmental and biological characteristics that are similar. Cilliers, (2007) defines diversity as the presence of people with subjective identities based on unique primary (inborn) and secondary (learnt) attributes, in one social system. These identities influence behavior on the individual, group and organizational levels, leading people to behave in terms of power relations, subgroup affiliations and intergroup dynamics.

According to Janssens*etal* (2003), workplace diversity is a complex, controversial, and political phenomena. It has been conceptualized by researchers from several viewpoints. Nkomo (1995) stated that several researchers have looked at workforce diversity from a very narrow perspective while some from a broad view. According to Cross *etal*, (1994), scholars favorably disposed to a narrow definition argue that the concept of diversity

should be restricted to specific cultural categories such as race and gender. According to Jackson, *etal*, (2003), advocates of a broad definition of diversity, argued that, diversity encompasses all the possible ways people can differ. According to this school of thought, individuals do not only differ because of their race, gender, age and other demographic categories but also because of their values, abilities, organizational function, tenure and personality. They contended that an individual has multiple identities and that the manifold dimensions cannot be isolated in an organizational setting. According to Herring and Henderson (2011), the concept of diversity includes all differences that people bring to work, which makes its management more difficult. Wheeler (2003) defines diversity as “all the ways in which we differ...”. For them diversity includes all types if individual or human differences include a range of personal, demographic and organizational difference. McGrath, *etal*, (1995) conceptualized workforce diversity by way of developing a five-cluster classification. This categorization is widely used and is as follows: demographic characteristic (age, ethnicity, gender, sex, physical status, religion and education), task related knowledge, skills and capacities (values, views and attitudes), personal, cognitive and attitudinal styles (status in the organization such as one`s hierarchical position, professional domain, departmental affiliation and seniority). The broader definition of diversity may include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status (Wentling and PalmaRivas, 2000).

Theories and techniques of diversity management have been developed and enthusiastically supported by a growing number of chief executives, training specialists, diversity consultants and academics (Saji, 2004). Diversity can improve organizational effectiveness. Organizations that develop experience in and reputations for managing diversity will likely attract the best personnel (Carrel *etal.*, 2000). Diversity refers to the co-existence of employees from various socio-cultural backgrounds within the company. Diversity includes cultural factors such as race, gender, age, color, physical ability, ethnicity, etc. Diversity requires a type of organizational culture in which each employee can pursue his or her career aspirations without being inhibited by gender, race, nationality, religion, or other factors that are irrelevant to performance (Bryan, 1999). Managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has an advantage or disadvantage (Torres and Bruxelles, 1992). Diversity has increasingly become a "hot-button" issue in

corporate, political, and legal circles. For example, managing workforce diversity is one of the most difficult and pressing challenges of modern organizations. The demographic differences like sex and age were conventionally related to team level outcomes (Williams and O'Reilly, 1998). Managers in public and private organizations will have to understand, predict and manage this intriguing nature of the diverse workforce. An understanding about the history of diversity management gives an idea about the evolution of the interest in a diverse workforce in organizations. While many organizations have embraced diversity, others still consider it merely an issue of compliance with legal requirements. Effective diversity management has historically been used to provide a legally defensive position; that is, a firm with a diverse workforce could argue that they were not guilty of discrimination because of the prima facie case based on their workforce demographics representing the demographics of the local community. However, in more recent years, the view of diversity has dramatically changed to a more proactive concept. Many business leaders are now beginning to believe that diversity has important bottom-line benefits. Diversity in the workforce can be a competitive advantage because different viewpoints can facilitate unique and creative approaches to problem-solving, thereby increasing creativity and innovation, which in turn leads to better organizational performance (Allen *et al.*, 2004).

For organizations, their market share, efficiency, human capital, international competitiveness, and level of innovation is dependent in part upon their ability to effectively manage a diverse workforce both within and across organizational boundaries (Dass and Parker, 1996). Women are a category of people who have faced serious discrimination from time in memorial. For instance, it is no secret that, on average, there is a significant gap between men's and women's pay cheques. According to a 2003 report by the United States Census Bureau, the average male worker with a full-time, year-round job earned \$54,803 per year, about 32 percent more than his average female counterpart, who brought in \$37,123 (encarta.msn.com, 2004). Locally there are still cases of organizations that dismiss women from their jobs once they fall pregnant but the men who impregnate women keep their jobs. Not only women are discriminated against in terms of pay, racist abuses are levelled against them from all quarters if they belong to the minority groups. Businesses must have a more diverse workforce in order to be more effectively understood and meet the needs of a rapidly growing base of minority consumers. Individuals and groups need to overcome stereotypes or prejudices and

recognize that actual dissimilar other have unique and valuable information that can support group processes and performance (Hartel, 2004). Openness to perceived similarity describes the receptivity to perceived dissimilarity of individual, group or organizations.

According to Milliken and Martins (1996), when differences between people are visible or readily detectable, they are more likely to evoke exclusionary behaviors or responses such as biases, prejudices, and stereotypes (p.404). However, these detectable differences among people may vary from one society to another (Mor Barak, 2009), which calls for contextualizing definitions of diversity and its management (Syed, 2009; Mor Barak,

### 2.1.2. Managing Diversity

Diversity Management can be defined as the process of planning, directing, organizing and applying all the comprehensive managerial attributes for developing an organizational environment, in which all diverse employees irrespective of their similarities and differences, can actively and effectively contribute to the competitive advantage of a company or an organization. According to Kreitner, (2001:37) diversity stands for the various differences in individuals as well as similarities that exist among them.

Managing diversity involves leveraging and using the cultural differences in people's skills, ideas and creativity to contribute to a common goal, and doing it in a way that gives the organization a competitive edge (Morrison, 1992). There is a strong correlation between good diversity practices and profits based on recent studies. (Hayles and Mendez,1997). Diversity allows increased creativity, a wider range of perspectives, better problem definition, more alternatives and better solutions (Adler, 1986). It is also argued that, with decreasing homogeneity in the workforce, it has become crucial for organizations to develop equal opportunities and diversity management policies to maintain the skills of employees with diverse backgrounds in order to protect their competitive position in the marketplace (Gilbert and Ivancevich 2000; Shaw 1993).

This growing workforce diversity coupled with continued increase of discrimination and exclusion against the minorities or disadvantaged group calls for organizations to institute effective HRM policies and programs that help to attract, develop and retain diverse groups for competitive advantage (Mor Barak, 2011).

According to Kostas E. Sillignakis (n.d), organizations can ensure effective diversity management if they can integrate diversity management principles in the key human

resource functions of recruitment and selection, training and development, performance appraisal and remuneration (p.8). In a strategic HRM term, DM is a process by which human resources strategies and practices are aligned with business goals for competitive advantage by leveraging workforce diversity (Besler and Sezerel, 2012). However, in today's turbulent economic environment, ensuring competitive advantage on the other hand requires being a socially responsible organization. Managing diversity is concerned with business benefits (i.e. an economic issue) while ensuring legal and social requirements (Cox & Blake, 1991).

Cox (1993) cited by Besler and Sezerel, 2012) defines diversity management as a set of HR policies and practices that are used to maximize the benefits and minimize the disadvantages of diversity. Ongori and Agolla (2007) define diversity management as "the systematic and planned commitment by the organizations to recruit, retain, reward and promote a heterogeneous mix of employees' (pp.072-073).

For the purpose of this study, diversity management is taken as the process by which an organization ensures diversity, equity and inclusion by creating and maintaining a positive environment that welcomes every one, recognizes and values differences, and leverages diversity for better organizational performance (Strachan, *etal*, 2010; Roberson, 2006; Holvino*etal.*, 2004, Ferdman 2013; Mor Barak, 2011).

Organizational efforts and investments in the intentional management of diversity continue to grow (Herdman& McMillan-Capehart, (2010). Diversity management is defined as the degree of intra-organizational representation of people with different group affiliations of cultural significance Cox (1994), which is purported to expand the plurality of perspectives and experiences within an organization and can serve as a strategic resource to the organization in securing a competitive advantage Kirby & Richards, (2000).

Diversity initiatives typically involve employee recruitment and promotion strategies targeting underrepresented groups and mechanisms to both tap the latent perspectives within organizations and, ultimately, bring them to bear on organizational policy decisions (Herdman& McMillan-Capehart, (2010).

### 2.1.3. Challenges of Workforce Diversity

According to Greenberg (2004) the major challenges are communication, resistance to change, and implementation of diversity in the workplace. D'Netto and Sohal (1999) cite

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

Robinson *et al.*, (1994) also cite that human resource managers are faced with the challenge of convincing their senior management that diversity programs are beneficial to the organization. Some organizational leaders are concerned that implementing diversity initiatives is too expensive, upsets productivity and causes disruption in the workplace. Prejudice and hostile work environments also pose internal stumbling blocks to managing workforce diversity effectively. An important barrier that affects full integration of ethnic employees is the issue of poor communication or lack of it by failure to overcome the various barriers to communication Loden and Rosener, (1991).

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

#### 2.1.4. Employee Performance

Performance being the dependent variable on workforce diversity for the purpose of this research, some of the studies previously done are reviewed below.

The Effects of Workforce Diversity towards the Employee Performance in an Organization interaction. Conflict is either "good or bad" and "sinful or immoral". It assumes significance, once it is handled intelligently. When conflict is handled unskillfully and badly, it becomes detrimental and when it is handled morally and creatively, it ceases to be frightening and incapacitated, and results in growth, maturity, and empowerment for individual, group and organization.

Conflict occurs due to difference of perception, ideas, behaviors, interest, attitudes, religious differences, political differences and unjustified distribution of national resources. Conflict is not always negative. It depends how the conflict is handled. If handled properly, it can become source of development; otherwise it creates hostilities

(Kigali, 2006). So it affects quality, performance and profit of organization. Conflict is essential for life and dynamic for team performance (Medina *et al.*, 2005). When managers ignore the clash between the co-workers, those clashes will be converted into personal and emotional conflict in the long run and therefore damages the organizational culture, worker morale and overall chap reduction of organizational performance.

A perception of interpersonal incompatibility is labeled as relationship conflict and it typically includes tension, annoyance and animosity among group members (Hasan *et al* 2009). It is a related to difference of relationship between team members. It is infertile, difficult to manage and likely to leave people with more pressures and less ability to manage them. Normally, it occurs between frontline workers and their supervisors. It can reduce creativity, innovation, quality, and performance of employees and organizations (Jehn, 1994, 1995; Amason, 1996). Relationship conflict also relates to conflict about personal taste, political preferences, values, and interpersonal style (De Dreu and Weingart, 2003). Relationship conflict negatively effects on the team performance and it breaks personal and professional relations.

Besides, it also produces tension between team members (Hackman and Morris, 1975; Wall and Callister, 1995). Once relationship conflict erupts, each individual's displays varying difference. In case conflict continues, it results in nervousness, rivalry, stress and discontents, which results into reduction in performance of employees in organization (Hasan *et al* 2009). Divergence of thoughts, action and opinion results in sorting out flimsy occurrences. It depletes energy of people to resolve conflict or to counter its effect rather than spending time in achievement of organizational objectives (Simons and Peterson, 2000).

However, according to Jonathan *et al* (2004), the past research on workplace diversity suggests that diversity can be either detrimental or beneficial for workgroup performance (Williams and O'Reilly, 1998). For instance, workgroup diversity is positively associated with creativity and problem-solving skills (Bantel and Jackson) and negatively related with cohesiveness and cooperation (Pelled, Eisenhardt, & Xin, 1999). Good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance (Adler, 1986).

#### 2.1.5 Gender Diversity and Employee Performance

Wood (1987) showed that mixed gender group performed better than the same gender group. McMillan-Capehart (2003) and Frink *et al* (2003) had explained the positive

impact of gender diversity with organizational performance using resource-based view. The studies examining the effects of gender diversity on group performance outcomes have found negative effects when the sample was male dominated and no effects when the sample was female dominated (Pelled, 1997). Gupta (2013) observed that moderate level of gender diversity increases competitive advantage while a higher level of gender diversity decreases organizational performance. Richard *et al* (2004) has observed an inverted U-shaped relationship between management group gender heterogeneity and productivity, with moderately heterogeneous management groups exhibiting better performance than gender homogeneous management groups. Similarly, results of a study by Frink *et al* (2003) demonstrated an inverted U-shaped relationship between gender composition and organization performance. Gender diversity showed a positive impact in the services industry and a negative impact on the manufacturing industry. Thus, services industries might benefit more from gender diversity than firms in the manufacturing industries. Therefore, high gender diversity will have a greater positive effect on performance in the services industry than in the manufacturing industry

Gender-based inequities in organizations are reinforced and justified by stereotypes and biases that describe positive characteristics and therefore a higher status to the males (Leonard and Levine, 2003; Nkomo, 1992; Heilman*et al.*, 1989). In other words, organizations prefer to hire male workers compared with women because they are perceived to have better performance and ability to manage their jobs.

Besides, according to Brown, 2008; Carr-Ruffino, 2003, significant amount of workforce diversity remains ineffective if gender issues are not first recognized and managed. The research and study also state that the most constitutional challenge is overcoming the thought that woman is not equal to man. Kossek, Lobel, and Brown (2005) states only 54% of working-age women are in the workforce worldwide compared to 80% of men. Furthermore, women continue to have the upper hand on the „invisible care" economy, which relates to care giving and domestic work.

However, according to Kochan*et al* (2002), providing an equal job opportunity to women is vital to improve performance of employees in an organization. These societal mandates eliminated formal policies that discriminated against certain classes of workers and raised the costs to organizations that failed to implement fair employment practices. Discrimination on hiring workers based on gender has resulted in a firm's hiring workers

who are paid higher wages than alternative workers, but are no more productive (Barrington and Troke, 2001; Becker, 1971).

Moreover, Wentling and Palma (2000) study states that organization with diverse workforce will provide superior services because they can understand customers better (Kundu, 2003). The research from Kundu, 2003; Mueller, 1998, states that hiring woman, minorities and others will help organization to tap niche markets.

Based on the research from Joshi and Jackson (2003), a positive relationship was found between team gender diversity and intra-team cooperation, but only within regions that were relatively diverse in terms of gender. Furthermore, team gender diversity was positively related to team performance, but again this was true only within regions characterized by relatively high gender diversity. Overall, regions with greater gender diversity at managerial as well as non-managerial levels were more cooperative.

In comparison, Jayne and Dipboye (2004) argued that gender diversity does not necessarily bring positive outcome such as increases motivation, improving talents, build commitment, and decline conflict. The results from the studies conclude that benefits from diversity are contingent on situation such as the organization strategy, culture, environment as well as people and the organization. Other than that, giving more adequate training to build commitment among employees is necessary in the surface level. Consequently, high cost of time and money are spent.

Last but not least, the argument that greater diversity is associated with lower quality because it places lower performing people in positions for which they are not suited (Herring, 2005; Rothman, Lipset, and Nevitte, 2003). Finally, Williams and O'Reilly (1998) suggest that the most empirical evidence suggests that diversity is most likely to slow down group functioning (Herring, 2005). In short, critics of the diversity model suggest that group differences result in conflict and its attendant costs. For these reasons, skeptics of the business case for diversity model have questioned the real impact of diversity programs on the bottom line of business organization (Herring, 2005).

#### 2.1.6 Age Diversity and Employee Performance

Firms are not effectively utilizing the talents of old workers due to false assumptions and stereotypes that they are expensive, more prone to health problems, can't adapt to workplace changes and new technology, perform poorly, in comparison to their younger employees and are a poor return on training investment (Taylor, 2003; Davey, 2006; Davey and Cornwall, 2003; McGregor and Gray, 2002). The study on simple production

technology by Barton (2004) indicated that teams with more diversity in age were significantly less productive. This finding is consistent with observations by Leonard and Levine (2003) that retail stores with greater age diversity among its employees tend to be less profitable. However, Ilmarinen (2005) had shown that there was no distinct connection between age and work performance. It is observed from many studies that older employees are as productive and as skilled as young ones. A heterogeneous age group of employees would therefore be more productive than a homogeneous age group (Williams and O'Reilly, 1998; Zenger and Lawrence, 1989).

Growing age diversity has become part of many organizations (Florian Kunze, Stephen Boehm and Heike Bruch, 2009). There are two major theories which explain this relationship; the social identity and self-categorization. Individuals are suggested to classify themselves into certain groups on the basis of dimensions that are personally relevant for them according to social identity and self-categorization theory (Kunze, Boehm and Bruch, 2009; Tajfel and Turner, 1986).

As a result, individuals tend to favor members of their own group at the expenses of the other groups, against which they may discriminate. Consequently, if the employees' age or generational belonging is regarded as a relevant criterion for distinction, a differentiation between age groups within an organization may emerge, fostering emotional conflicts and agebased discrimination between the age groups (Kunze *et al.*, 2009).

Gelner and Stephen (2009) summarized that age heterogeneity can negatively affect productivity concerns differences in the values in and preferences of distinct age groups. It has been shown that productivitydiminishing conflicts are particularly frequent in the presence of "generation gaps" (Gelner and Stephen, 2009; Lau, Murnighan, 2005; Pitcher, Smith 2001).

However, Gelner and Stephen (2009) also include that age heterogeneity may be placed in proximity with its potential benefits. Complimentarily effects emerge when collaboration in a group enables individuals to be more productive than when working on their own. Hence, the benefits of age heterogeneity are based on additional productivity effects that arisedue to interaction among individuals of different ages with differing skill profiles, differing perspectives and perhaps also different personality traits.

Last but not least, according to Brown (2008), increased diversity may also provide many challenges for HR management, as the workforce ages, for instance, employers will have

to struggle with higher healthcare costs and pension contributions. Employees will need to accept that benefits are in sync with the vision of the organization; thus, their commitment will increase substantially.

#### 2.1.7. Nationality Diversity and Employee Performance

Nationality is one of the important factors that influences the behavior and perception of employees. Nationality diversity is also not studied a lot. It is important to investigate the effect of nationality diversity, because in the future more and more people from different nationalities may be candidates for board positions (Erhardt*et al.*, 2003). There is no negative effect of nationality diversity on company performance found. Previous studies found positive effects or no effect at all of nationality diversity on company performance. Erhardt*et al.* (2003) found a positive effect of minorities on company performance in the US, Carter *et al.* (2002) found positive effect of nationality diversity in the US and Richard (2000) also found a positive effect of racial diversity on company performance. There are also studies which did not find any effect of nationality diversity on company performance, such as: Engelen*et al.* (2012) in the Netherlands and Rondy*et al.* (2006) in Scandinavian countries.

#### 2.1.8. Education Background and Employee Performance

Tracy and David (2011) found that employers commonly reject employing employees whose training, experience, or education is judged to be inadequate. On the other hand, this meant that education background is important to employees. Employees cannot find a job and perform well without adequate education background. Besides that, Daniel (2009) also found that various levels and types of education might expect different mobility rates. For example, the occupations available to those with working experience but does not possess a certified tertiary paper may differ from those who possess such education level. Mobility may differ across these occupations, causing the mobility of individuals with working experience to be different from those with non-working experience but possesses a degree certificate.

According to Daniel (2009) study, an individual will be more productive depending on the level of their education. The more education the individual worker received, the more productive the worker will be. Moretti (2004) explored this idea and found that cities with higher percentage of tertiary education level workers will enable individuals of all education level have higher wages. Other researchers have found an increase in civic participation (Dee, 2004) or a decrease in crime rates (Lochner and Moretti (2004)

resulting from more education. Glaeser *et al.* (1995) also found that a greater proportion of educated workers in a city translate to higher economic growth. However, Zeng *et al.* (2009) found that those high-level managers with higher education and the staff whose length of service is 11 to 15 years shows unusual decline in work performance because they have not found the suitable development space, so temporary disengagement happens.

## 2.2 *The Empirical Review*

### 2.2.1 Gender

Recent studies identified that gender discrimination does affect employee's performance. Genders are defined as a range of differences between man and women, extending from a biological to the social. Abbas, Qasar; Hameed, Abdul (2010) suggest that there are three dimension of gender discrimination; gender discrimination in hiring, gender discrimination in promotion and gender discrimination in provision of goods and facilities. According to Abbas *et al.*, (2010), women does not have an upper hand when it comes to hiring compared with men. There is also women discrimination in superintendent salary or getting promotion. Female superintendent who replace male superintendent gets a lower salary level. Other than that, it shows that gender discrimination effects employees performance as well as organization's productivity. Abbas *et al.*, 2010; Patrick Francois, 1998 provides explanation that the continuation of gender discrimination and competitive labour markets and analyzes the effects on employees performance. The literature shows that on average, women receive lower earning than men. The difference persist even when controlling hours for work, industry of work and human capital characteristics suggest that this provides evidence of wage discrimination against women. The study presented that even though there are quotas for the representation of female in an organization; it was superficial as the representative was appointed but the bodies were less or more powerless. In the international arena, there is a growing condition that women participation is fundamental in decision making and adaptation of women's equality in society.

Inmyxai and Takahashi (2010) presented that there are different effects on business performance when gender; male or female headed a firm in different countries. The studies tested the result of business performance on different gender. According to researchers, it is an incentive for different gender headed firm to invest in different stages of business to maximize its performance and build core competencies through

diversifying its workforce thus, contribute better performance compared with competitors.

Inmyxai and Takahashi, 2010; Cliff, 1998 argues that the liberal and social feminist theory suggest that female entrepreneurs are reluctant to grow their businesses than males because they have fewer resources available such as insufficient business experience, a lack of freedom from domestic role and less value for business expansion. However, the liberal feminist theory proposes that if males and females have an equal opportunity and condition to access resources available such as education, work experiences and other resources, females are expected to behave in a similar way as males do (Inmyxai and Takahashi, 2010; Unger and Crawford, 1992), and eventually performance by different gender headed firms may result in similar outcomes.

### 2.2.2. Age

Social Identity and Self Categorization Possible explanations for negative effects of age diversity can be derived from the concept of compositional demography, which draws heavily on theories of social identity and self categorization. This theory suggests that individuals tend to classify themselves and others into certain groups on the basis of dimensions that are personally relevant for them. These dimensions often include demographic categories such as gender, age, or ethnicity (Kunze et al., 2009; Tajfel and Turner, 1986). According to social identity theory, social identity and intergroup behavior are guided by the pursuit of evaluative positive social identity; through positive intergroup distinctiveness, which in turn, is motivated by the need for positive self-esteem (Hogg and Terry, 2000; Abrams and Hogg, 1988). In addition to being motivated by self-enhancement, social identity processes are also motivated by a need to reduce subjective uncertainty about one's perceptions, attitudes, feelings, and behaviors and, ultimately, one's self-concept and place within the social world. As according to Al Jishi (2009), the level of performance depends on the level of motivation that stimulates someone to work and carry out the necessary tasks to achieve the goals.

### 2.2.3. Nationality

Sprainer, Dreachslin, and Hunt (2000) found a visual representation of the resultant theoretical model of how race influences the self-perceived communication effectiveness of nursing care teams. It should be noted that, irrespective of team role

or race, NCT members were generally dissatisfied with the effectiveness of team communication. According to Sprainer et al. (2000), the NCT members who did characterize communication within their own NCT saw their team's performance as not representative and acknowledged that communication within other NCTs was often fraught with conflict and misunderstanding. Based on Sprainer et al. (2000) study, effective communication, widely recognized as key to high performing teams occur when sender and receiver share a common interpretation of the communication exchange; example, when the intended message and the received message are compatible. Effective communication is perhaps best viewed as an integrating mechanism. Sprainer et al. (2000) study stated that unifies racially and ethnically diverse groups and, thereby, enables teamwork. Although communication as an integrating mechanism appears to be central to well-functioning racially and ethnically diverse teams, the process of communication in racially and ethnically diverse teams has not been the focus of group or team research. (Maznevski, 1994). According to Sprainer et al. (2000) it is stated that the purpose of the reanalysis was to develop a grounded theory of the role that race plays in the self-perceived communication effectiveness of nursing care teams. Grounded theory differs from other qualitative methods due to its emphasis on theory development and the concomitant requirement that the researchers interpret and categorize respondents' answers into an overarching framework based on Sprainer et al. (2000)'s study (Strauss and Corbin, 1994). Grounded theory analysis of the focus group transcripts resulted in the identification of three additional themes that serve as reinforcing factors; example, these themes deepen the conflict and miscommunication that occurs as a natural consequence of the overarching framework of different perspectives and alternative realities. (Sprainer et al., 2000) According to Sprainer et al. (2000)'s study leadership emerged as a powerful mitigating factor in the model of how race influences the self-perceived communication effectiveness of nursing care teams. Sprainer et al. (2000) study stated that while conventional approaches to leadership; example, approaches that deny or fail to address racial dynamics in NCTs, appear to contribute to the social isolation, selective perception and stereotypes that reinforce different perspectives and alternative realities, an alternative approach referred to as diversity leadership (Dreachslin, 1996) for a thorough discussion of this approach mitigates against these same three reinforcing factors and enables NCT members to and common ground

and shared purpose within the overarching framework of different perspectives and alternative realities.

#### 2.2.4. Educational Background

Barrick and Mount (1993) described those high in conscientiousness as ideal employees because these individuals possess responsible, dependable, persistent, and achievement-oriented traits. Conscientiousness employees tend to be ambitious, exacting, methodical, and disciplined, whereas individuals low in conscientiousness tend to be imprecise, impetuous, and disorganized (Gellatly, 1996). Conscientious individuals are expected to perform at a higher level because they are, by predisposition, more persevering and disciplined (Colquitt and Simmering, 1998), as well as more confident in their abilities (Barrick and Mount, 1991). As such, they are likely more effective in identifying key priorities and contributing activities that support organizational objectives. Significant evidence indicates that the conscientiousness; performance association is augmented in the presence of certain moderating variables. For example, studies have demonstrated the utility of including autonomy (Gellatly and Irving, 2001), organizational politics, agreeableness (Witt, Burke, Barrick, and Mount, 2002), and extraversion (Witt, 2002) as intervening factors. However, in the search for moderators, a significant concern related to unexpected inverse relationships between conscientiousness and performance has surfaced (Driskell, Hogan, Salas, and Hoskitt, 1994). As a result, the continued search for appropriate moderating variables is necessary to further supplement our knowledge and provide insight into the conscientiousness–performance relationship.

#### 2.2.5. Employees performance

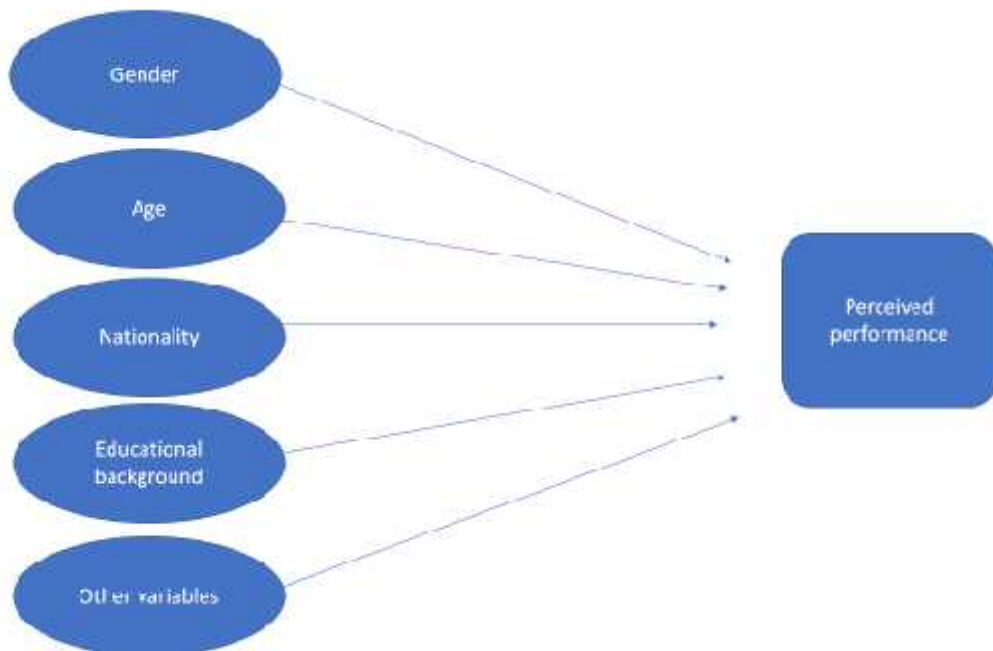
The Capabilities Model According to Kostas (2007), the capabilities model extends the concept of core competencies, by utilizing the fit between a particular capability and an employee (Stalk, 1992). A capability is defined as a set, or a complex string of business processes that deliver value to clients in a unique way. The uniqueness of a capability makes the product more difficult to duplicate than, for example, core competencies. Capabilities-based companies have been very successful at transferring their critical business processes to new geographic locations and to new business ventures (Stalk, 1992). While the transfer of core competencies is a piecemeal approach that requires large coordination of people, when using the capabilities approach, employees are trained to utilize processes, so it is easier to match

employees' (internal/external fit) to global needs. As well, capabilities encompass an entire value chain, so the degree of toughness or novelty that may challenge organizational members working abroad, can be readily assessed.

### 2.3. The Conceptual Framework

The conceptual framework, presented in figure-1, is essentially a figurative representation of the theoretical discourses discussed before. It provides a condensed and precise guidance to the research work from the point of view of providing theoretical directions the study needs to be framed and analysed. As such, the framework depicts the relationship between the diversity factors of gender, age, nationality and educational background on the one hand and employee's perceived performance on the other. In other words, the core issue in this framework is employee perceived performance, hereafter referred to the Dependent Variable (DV) is a function of the diversity factors comprising the Independent Variables (IV) of the study.

Figure 1 Conceptual Framework of the Study



## 2.4 Operationalization and Measurement of Study Variables

Perceived Performance of Employees (the DV) was measured using the following key Indicators for Performance that are embedded in the organization's KPI:

1. Commitment of an employee to the mission and direction of EAL;
2. Perceived level of actual contribution to the growth of EAL;
3. Love of work and/or motivation level to complete jobs always as assigned, and
4. Enjoyment of tasks to perform as per the division of work.

The respondents were asked to rate their performances, using a five -point Likert scale, for each of the above measurements. Then, a composite score is computed as an average of the ratings for the positive statements corresponding to the indicators. For further advanced analysis purpose, the DV was recorded into a dummy variable using the mean score as the breaking point. This is summarized in Table-1.

Table 1 Rating Employees' Perceived Performance-the DV with the corresponding code

| Categories | Score | Recoded for Dummy                                    | Code |
|------------|-------|--|------|
| Very High  | 5     | Good Performance Level for scores exceeding the mean | 1    |
| High       | 4     |  |      |
| Average    | 3     |  |      |
| Low        | 2     | Poor Performance for scores below the mean           | 0    |
| Very Low   | 1     |  |      |

As far as the diversity factors or IVs are concerned, table-2 below describes the variables alongwith the respective category codes used in the study.

Table 2 Designation of the IVs with brief descriptions and codes

| Variable Name      | Description                               | Value labels   |
|--------------------|---|--|
| Gender             | Sex of the Respondent                     | 1= 'Female', 2= 'Male'   |
| Age                | Age of the Respondent in Years            | 1= 'Below 30 years'<br>2= '30-40 years'<br>3= 'Over 40 years'  |
| Nationality        | Country of Origin of the Respondent       | 1= Ethiopian<br>2= Other Nationalities   |
| Educational status | Highest grade completed by the respondent | 1= 'Below diploma'<br>2= 'Diploma /10+3'<br>3= '1 <sup>st</sup> Degree'<br>4= '2 <sup>nd</sup> Degree and above' |

Finally, the study assessed the present diversity management at the EAL through a total of 20 variables categorized under the four diversity factors. Accordingly, nine variables were used for gender, six for nationality, and five for each of age and educational background. Then, the respondents' perceptions about EAL's diversity management was assessed using a five -point Likert scale as follows: 5= 'Strongly Agree', 4 = 'Agree', 3= 'Neutral', 2= 'Disagree', and 1= 'Strongly Disagree'. For the details, see also Annexed Questionnaire and section 4.2 of Chapter Four.

## **CHAPTER THREE**

### **RESEARCH ETHODOLOGY**

This chapter briefly presents the research methodology, which is underpinned in the conceptual framework presented previously. Appropriate methodology was adopted with the principal aim of attaining the study objectives i.e. answering the research questions through the acceptance or otherwise of the hypotheses. Accordingly, the chapter follows with separate sections outlining the research approach and design, study population and sampling design, data collection methods, processing and analysis as well as considerations of reliability validity, and ethical issues.

#### *3.1. Research Approach and Design*

##### 3.1.1. The Research Approach: The Mixed Method

Overall, the research is characterized by its methodological pluralism; or by its use of multiple methods at a time. According to Mark *etal* (2009:101) mixing qualitative and quantitative approaches gives the potential to cover each method's weaknesses with strengths from the other method. For Cooper *etal* (2003) quantitative research helps to determine the relationship between an independent variable and a dependent variable in a population. It also used to explain causal relationship to facilitate generalization and to predict the future. Whereas qualitative research method provides a complete picture of the situation by increasing the understanding of social process and interrelation. In view of this and the study objective, a combination of qualitative and quantitative approaches was applied based on the availability and adequacy of relevant information. The quantitative approach was predominantly applied to examine the relationship between the dependent variables (i.e. employee performance) and the independent variables (i.e. gender, age, nationality and educational background). Findings obtained from the qualitative data were used to complement the quantitative analysis. Likewise, the ongoing diversity management at the EAL was examined through a fruitful mix of quantitative and qualitative approaches. Finally, the triangulated approach enabled the use of secondary data analysis for further validation of the findings.

##### 3.1.2. Research Design

Generally, this study employed analytic case study and descriptive research design types. Such a combination served as a roadmap for the design and application of tailor-made methods and procedures for data collection and analysis. In fact, the rationale behind

combining the study types is to capitalize on their benefits while minimizing the shortcomings of the specific design types thereby to achieve higher level of validity and generalizability of the study findings. To start with, case study design was used for intensive investigation of the diversity management situation in EAL which is selected as representative of public enterprises in Ethiopia. Whereas validity is an important advantage of this design type, limited generalizability is its important shortcoming. Dealing with the shortcoming, attempt was made to apply the cross-sectional design/survey research/ type. Thus, the descriptive aspect of the research portrays the state of affair regarding diversity management as it exists at present in EAL. It also critically assesses the relationships between the diversity factors and perceptions about diversity management. Then, the analytical aspect follows as extension to the descriptive component. In this regard, the explanatory design dwell on that the causal relationship between the variables (the IV and DV). By way of estimating the significance of integrated influence of the diversity factors (IV) in affecting employees' performance (V), the analytic research facilitates an evidence-based acceptance or rejection of hypotheses. Finally, is the unit of analysis. Whereas the case study organization (EAL) is the primary units of analysis, the sample employees constitute the secondary units of analysis for the study. Indeed, the research heavily relied on the information generated from the sample employees. This is as per the design-related recommendation for fulfilling the research objectives and answering research questions. (John *et al.*, 2007:20-84).

### 3.2. *Data Collection Methods by Source*

The study, as stated, elsewhere before, relied on a fruitful mix of quantitative and qualitative data collected from primary and secondary sources. This is outlined below:

#### 3.2.1. Primary Sources of Data

Primary sources of data comprise the most important source for the study. Particularly, afresh data obtained from employees of the EAL was foundational to the quantitative analysis. Thus, survey was the method employed that involved self-administered structured questionnaire as the tool for data collection. In fact, the instruments were developed with strict compliance to the principles of crafting standard questionnaires. Obviously, the study objectives and research questions were seriously considered. Hence, content-wise, the questionnaire covered the key variables of the study. Basic characteristics of the respondents, including sex, age, nationality, and educational status were included in order to facilitate the analysis of the diversity factors (i.e. the IVs).

Then, perceptions of the respondents about EAL's diversity management were properly articulated with regards to the aforementioned diversity factors. In the end, questions aimed at measuring the perceived performance of the employees (i.e. the DV) were part of the instrument. As stated previously under operationalization and measurement section, multiple-choice questions were used as appropriate to the nature of variable. For instance, Likertscale was used for perception related questions. With a five-point scale ranging from strongly agrees to strongly disagree, the respondents were provided with positive statements intended to measure the respective variable.

Regarding the qualitative information, human resource (HR) managers at the EAL were consulted as key informants of the study. An interview guide was prepared and used to facilitate discussions. This focused on gathering opinions about the current diversity management practices, existing policies as well as suggested measures for further improvements in the area.

#### 3.2.2. Secondary Sources of Data

The research involved the mobilization and intensive review of pertinent documents both published and unpublished, but proved to be authentic and credible sources. Most importantly, the relevant theoretical and empirical literatures on workforce diversity and its management were reviewed. Besides, EAL's relevant policy and strategies, pamphlets, manuals, and circulars were examined. Additional information, as appropriate, were consulted including government documents, websites, reports and newsletters.

Whereas review of literature was the method, checklists were the tools employed.

*See also annex1 for details on instrumentation*

### 3.3. *Population and Sampling Design*

#### 3.3.1. The Study Population

Overall, employees of EAL and management members of the HR departments constitute the study population. Specifically, the total number of 13,212 employees in the head-quarter of EAL comprises the target population for the survey. Table-3 on next page summarizes profile of the EAL's workforce, by selected diversity variables, as of December 31, 2018.

Table 3 Description of the Study Population- Employees at EAL Headquarter

| Variables              | Category                | Frequency     | Percent     |
|------------------------|-------------------------|---------------|-------------|
| Gender                 | <i>Male</i>             | 8,630         | 65%         |
|                        | <i>Female</i>           | 4,585         | 35%         |
| Nationality            | Ethiopians              | 11,894        | 90%         |
|                        | Other Nationalities     | 1321          | 10%         |
| Age                    | Below 50 years          | 12,217        | 92.45       |
|                        | 50 years and above      | 995           | 7.55        |
| Educational status     | Diploma & below         | 198           | 2%          |
|                        | First degree            | 4,519         | 34%         |
|                        | Second degree and above | 8,482         | 64%         |
| <b>Total Employees</b> |                         | <b>13,212</b> | <b>100%</b> |

Source: EAL, HRD Department

### 3.3.2. Sampling Design: Sample Size and Selection Technique

The sample size ranging between 125 and 132 is found to be adequately representative. The number of 13,212 EAL’s employees, table-3 before, served as the study population for determining the sample size. Then, the sample size is determined using the methods by Gay(2087) and Carvalho (1984), presented in table 4 and 5, respectively.

| Table 4 Sample size determination Method-1 |            | Table 5 Sample size determination: Method-2 |                         |        |      |
|--|------------|---|-------------------------|--------|------|
| Size of population                         | Sampling % | Population                                  | Recommended Sample size |        |      |
|  |            |   | Low                     | Medium | High |
| 0-100                                      | 100%       | 51-90                                       | 5                       | 13     | 20   |
| 101-1,000                                  | 10%        | 91-150                                      | 8                       | 20     | 32   |
| 1,001-5,000                                | 5%         | 151-280                                     | 13                      | 32     | 50   |
| 5,001-10,000                               | 3%         | 281-500                                     | 20                      | 50     | 80   |
| 10,000+                                    | 1%         | 501-1200                                    | 32                      | 80     | 125  |
|  |            | 1201-3200                                   | 50                      | 125    | 200  |
|  |            | 3021-10000                                  | 80                      | 200    | 315  |
|  |            | 10001-35000                                 | 125                     | 315    | 500  |
|  |            | 35001-150.000                               | 200                     | 500    | 800  |

Source Gay (1987)

Source: - Records Management (2009)

Thus, the survey questionnaire was administered to a total of 132 sample employees i.e. as per method-1 above. Actually, a total of 121 valid responses were obtained. With a 92% response rate, the actual respondents were roughly to meet the minimum size (125) recommended under method-2.

With regard to the Sampling Technique, the researcher tried to balance randomness with representativeness across the diversity factors. Owing to its limited access to the list of EAL employees, which was believed to serve as the sampling frame, the researcher was forced to opt for a non-probabilistic technique. Specifically, a convenient sampling method was used. Meanwhile, attempt was made to ensure the participation of employees with a fair representation of the workforce diversity factors.

### 3.4. *Data Processing and Analysis*

#### 3.4.1. Data Processing

The method of data processing for this study was manual and computerized system. First, the total of 121 properly filled-in questionnaires were cleaned, coded, and entered into statistical application software called the Statistical Package for Social Science (SPSS) version 20. Excel spreadsheet was also used in support of the SPSS. Tabulation and pie charts were used to summarize the raw data and displayed in the form of tabulation for further analysis. Regarding the qualitative data, the interview reports were first organized and major issues were first identified and then categorized under selected issues. Then, areas of agreements and disagreements were identified and analyzed to support and/or otherwise the data obtained from other sources. Besides, findings from the document review were organized using formats. Organization of the qualitative and secondary analysis, in short, involved the following steps:

- Ordering the information in relation to the objectives of the study
- Categorizing or labeling answers that have similar characteristics or patterns.
- Displaying the summarized information in matrices and diagrams or tables to look at possible relations as well as deviations from standards.

#### 3.4.2. Data Analysis

Different and appropriate techniques of analysis were applied for the qualitative and quantitative data analysis. Using the SPSS, descriptive and inferential statistics results were generated for analysis and interpretation. Then, findings from the qualitative and secondary data analysis were used to complement and at times supplement the results of the primary data analysis. The sections below summarize the steps and procedures in relation to the quantitative data analysis.

##### 3.4.2.1. Descriptive Analysis

Simple descriptive analysis tools; mainly, frequency, averages, cross-tabulations, plots and graphs were used in the presentation, analysis and interpretation of the findings. Besides, the interview questions were analyzed using descriptive narrations through concurrent triangulation strategy.

### 3.4.2.2. Inferential Analysis

Inferential statistics allows to infer from the data through analysis of the relationship between two or more variables and how several independent variables might explain the variance in a dependent variable. (Sekaran (2000:401). Among the most prominent advanced inferential statistical methods applied included Mean comparisons, Correlation, Chi-square test of independence, Correlations, and Ordinal Logistic Regression.

1. **Mean comparison:** the aggregate results obtained using the simple descriptive statistics were further disaggregated by the diversity variables. ANOVA following mean comparisons, one-way ANOVA tests were conducted to see if the variations detected were statistically significant. A two-tailed test (95% level of confidence) was used to determine significance of variations for IVs with at least three categories. **Non-parametric test such as the Chi-square** was applied, instead of ANOVA, for a nominal variable such as Gender with two categories.
2. **Chi-square test of independence** will be employed to determine the association between each IVs (i.e. diversity variables of Gender, Age, Nationality and Educational status) and the DV, which is Employees' Perceived Performance. Meanwhile, the analysis shall ensure the fulfillment of the key assumptions of chi-squares prior to reaching at the aforementioned decisions, which are outlined in the box:

Table 6 Chi-square test: the Key Assumptions

- I. The sample must be randomly selected from the population.
- II. The population must be normally distributed for the variable under study.
- III. The observation must be independent of each other.
- IV. Each cell (each data entry) should contain at least five observations.

3. **Bivariate Analysis:** Bivariate analysis is one of the simplest forms of statistical analysis. It involves the analysis of two variables (often denoted as X, Y). Given the DV is an ordinal type; the Chi-square test with the Linear by Linear Association statistics shall be used as appropriate test for determining the relationships between each IV and the DV. Accordingly, the test results with the required degree of freedom and p value of  $<0.05$  shall be considered as an evidence for the acceptance of the hypothesis that anticipates significant association between an IV and DV. Otherwise, i.e. if the p value exceeds 0.05, the IV is not related with DV. In addition, Pearson Product Moment Correlation Coefficient was an important statistical measure of the co-variation, or association, between two variables. It is used to reveal the magnitude and direction of relationship. According to Hair et al. (2007), the number representing Pearson correlation is referred to as a correlation (r). It ranges from -1.00 to +1.00, and zero representing absolutely no linear relationship between two variables. If the value of r is +1.00, there is a perfect positive linear relationship, whereas a -1.00r value means a perfect negative linear relationship. (Table-6 depicts the interpretation rule).

Table 7 Rule of Thumb about Correlation Coefficient Size

| Coefficient Range | Strength of Association         |
|-------------------|---------------------------------|
| +/- .91 - +/-1.00 | Very Strong                     |
| +/- .71 - +/- .90 | High                            |
| +/- .51 - +/- .70 | Moderate                        |
| +/- .21 - +/- .50 | Small but definite relationship |
| +/- .00 - +/- .20 | Slight, almost negligible       |

Source: Adapted from: Hairet *al* (2007).

Most notably, Pearson's Correlation Coefficient will be used to detect problem of multicollinearity among the IVs, which is a precondition for conducting ordinal logistic regression presented below. In addition, it shall be used to determine Ordinal determine the relationships between employee performance (the DV) and the four diversity factors (IVs). In addition, it was used to detect the problem of multicollinearity among the IVs;

- 4. Ordinal Logistic Regression (OLR):** In order to examine the research questions thereby accept or reject the research hypotheses, the study uses appropriate tests like Chi-Square statistics and Ordinal Logistic Regression (OLR). OLR will be conducted to investigate whether or not the IVs (i.e. diversity variables of Gender, Age, and Nationality and Educational status) predict the DV, which is Employees' Perceived Performance. In what follows is a brief description of the OLR, its assumptions and the required tests with remedial actions; as necessary.

OLR is a statistical technique that is used to predict behavior of an ordinal level dependent variable with a set of independent variables. In ordinal regression, the dependent variable is the ordered response category variable and the independent variable may be categorical, interval or a ratio scale variable. The assumptions of ordinal regression include only one dependent variable can be used, there is one regression equation for each category of the ordinal dependent variable except the last category, and adequate cell count (80% of cells must have more than 5 counts and no cell should have zero count). The assumption of parallel lines should be met, which assesses if the slope of the log-odds is equal for all categories of the dependent variable.

OLR, also called ordered logistic regression or proportional odds model, requires a model fitting information with p value of <0.05. Furthermore, the Goodness of Fit result should be with a p value of >0.05 so that the null hypothesis of fitness of the model to data not be rejected. In terms of the Prediction level, the Pseudo R-Square corresponding to Nagelkerke test shall be used to determine the proportion of variance in the DV that is explained by the IVs combined. With an acceptable level in the degree of freedom or chi-square statistics and/or significance of p values corresponding to the each of the IVs in the parametric estimates, one decides about the rejection or otherwise of the research hypothesis that claims association between the variables i.e. IV and DV. Finally, the Test of Parallel lines is a key to the OLR. Since the null hypothesis expects proportional distribution of the odds, thep value should be greater than 0.05 so that the null hypothesis remains valid.

**Assumptions of OLR:** Logistic regression is quite different from models like the linear regression in that it does not make several of the key assumptions of the latter. Most importantly, (1) OLR does not require a linear relationship between the dependent and independent variables, (2) the error terms (residuals) do not need to be normally distributed, (3) homoscedasticity is not required, and (4) the dependent variable in logistic regression is not measured on an interval or ratio scale. However, still shares some assumptions with linear regression, with some additions of its own. Overall, OLR requires that the DV is an ordered categorical variable and the IVs may be categorical, interval or a ratio scale variable. Among the key assumptions of OLR include only one dependent variable can be used for which a regression equation corresponds to each category of the DV except the last category. Also, adequate cell count (80% of cells must have more than 5 counts and no cell should have zero count). (Deanna, 2018 and O.Chandra et al, 2015).

The assumption of parallel lines should be met, which assesses if the slope of the log-odds is equal for all categories of the dependent variable. It is worthwhile mentioning that the following crucial steps were followed in the analysis and interpretation of the OLR results.

**Step-1** The DV (Employees' Performance) was converted from a five scale Likert into a three-level variable without affecting the frequency distribution and ordinal nature of the DV. While 1 designates Poor performance, 2 stands for Moderate and 3 for Good performance.

**Step-2 Fulfillment of the underlying Assumptions.** Prior to conducting the OLR, the researcher ensured that the data satisfies the key assumptions presented before. Table-8, next page, summarizes the assumptions, appropriate tests and requirements.

**Step-3 Model Fitting Information** i.e. P-value of  $<0.05$  shows how well the model fits to the data.

**Step-4 Goodness-of-Fit:** Chi-square significance value for both Pearson and Deviance should be greater than 0.05. Otherwise, the null hypothesis that claims the goodness-of-fit

**Step-5 Prediction level:** Pseudo R-Square i.e. the Nagelkerke value shall be converted into Percentage to determine the proportion of variance in the DV explained by the IVs.

**Step-6 Parametric estimates:** provide coefficients and significance levels of predication corresponding to two of the three levels of the DV –the threshold values. The location related values and respective p values shall be used for further interpretations of results pertaining to the significance of each IV to the DV.

**Step-7 Test of Parallel Lines:** in support of Goodness-of-Fit stated previously, this test allows to test the fundamental assumption on the proportion of odds. The null hypothesis that assumes proportionality i.e. the Logarithm of odds form an arithmetic series will be confirmed if the p value is greater than 0.05.

**Finally, the basic form of the generalized linear model is as follows:**

$$\ln (j) = \beta_j + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

**Where**  $\beta_j$  is the cumulative probability for  $Y_j$  i.e. the  $j^{\text{th}}$  category under the threshold for Y whereby j goes from 1 to the number of categories minus 1;  $\beta_j$  is the threshold for the category;  $\beta_1, \dots, \beta_k$  are the regression coefficients,  $X_1, \dots, X_k$  are the predictor variables, and k is the number of predictors.

Table 8 Key Assumptions of OLR with Appropriate tests and Requirements

| Assumptions   | Appropriate Tests  | Requirements   |
|---|--|--|
| <b>Appropriate Outcome Structure:</b> the dependent variable should be ordinal, while the independent variables can be either continuous or categorical | Measurement: Ordinal for the DV  | <ul style="list-style-type: none"> <li>DV should not be measured on an interval or ratio scale; rather on ordinal/ranked way</li> </ul>  |
| <b>Linearity of IVs and Log Odds:</b> Although OLR does not require linearity between the DV and IVs, it assumes linearity of IVs and log odds.         | 1. Test of Parallel Lines with the Null Hypothesis that the Odds are proportionally distributed  | <ul style="list-style-type: none"> <li>Sig. values should be greater than 0.05, otherwise the null hypothesis is rejected</li> </ul>   |
| <b>Absence of Multicollinearity:</b> there should be little or no multicollinearity among the independent variables.                                    | <ol style="list-style-type: none"> <li>Pearson Correlation Coefficients among the four IVs be &lt;0.8.</li> <li>Collinearity statistics: Tolerance value Variance Inflation Factor (VIF) &lt; 10.</li> </ol> | <ul style="list-style-type: none"> <li>Pearson Cor. Coefficients among the four IVs &lt;0.8;</li> <li>Tolerance value should be above 0.1 or Variance Inflation Factor (VIF) &lt; 10.</li> </ul> <p><i>If perfect correlation, the IV should be omitted</i></p>                      |
| <b>Normality:</b> the DV should be normally distributed   | <ol style="list-style-type: none"> <li>Skewness and Kurtosis</li> <li>Normality test Kolmogorov-Smirnov (given <math>n &gt; 30</math>)</li> <li>Q-Q plot/Histogram Chart</li> </ol>                          | <ul style="list-style-type: none"> <li>Skewness should be within the range <math>\pm 2</math>. Kurtosis values should be within range of <math>\pm 7</math>.</li> <li>Sig. values of test result shouldn't be &gt; 0.05</li> <li>Data approximately along a straight line</li> </ul> |

### 3.5. Validity and Reliability

Validity, which refers to the degree to which a test measures what it purports to measure (Creswell, 2009:190-92), was duly considered at the instrument designing stage and during data clearance using the SPSS. Initially, the draft questionnaire was commented by a panel of researchers. Indeed, the proper detection by the thesis advisor at the AAU was instrumental to ensure validity of the instruments. Then, the endorsed questionnaire was

translated into Amharic language in order to meet the respondents' preferences. Both versions of the questionnaire were pilot-tested among ten employees of EAL i.e. about 10% of the sample size. Then issues raised by respondents were corrected and questionnaires refined. Eventually, the improved version of the questionnaires were printed, duplicated and dispatched. Finally, the SPSS was used to correct duplicate and unusual cases, as identified at the data cleaning stage.

Furthermore, due emphasis is given to scale reliability, which refers to the degree of consistency that the instruments or procedure demonstrates (Creswell (2009:190-92). Cronbach's alpha was be used to test the internal consistencies and stability of the multi-item scale; especially the Likert scale variables associated with measuring perceived diversity management and performance levels. Accordingly, the reliability test generated a Cronbach's Alpha value of 87.8%, hence the data was largely reliable. Table-9describes how the coefficient alpha is labeled and interpreted.

Table 9 Internal Consistency (Coefficient Alpha)

| Coefficient alpha | Level of Reliability  |
|-------------------|-----------------------|
| 0.8-0.95          | Very good reliability |
| 0.7-0.8           | Good reliability      |
| 0.6-0.7           | Fair reliability      |
| < 0.6             | Poor reliability      |

Source: Hair *etal* (2003)

### 3.6. Ethical Considerations

Finally, ethical issues were considered both at the institutional and individual levels. First, EAL-the case study organization was officially informed about the research and its willingness to facilitate the process. Then, the researcher in consultation with the management started the data collectionincluding the key informant interviews and administering the questionnaires. Overall, the study participants were adequately informed about the purpose of the research, confidentiality of information as well as the pivotal role their participation by providing honest responses to the questions. Therefore, it was only after willingness and consent secured that the questionnaire and interview guides were administered. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant. In all cases, names were kept confidential thus collective names like 'respondents' was used.

## CHAPTER 4

### RESEARCH RESULTS

This chapter, devoted to the presentation and analysis of the research results, comprises four sections. The first section summarizes the respondents' basic characteristics that have analytical implications. The second section deals with the descriptive analysis focusing on the survey results on Diversity Management (DM) at the EAL perceived performances of the sample employees as well as the relationship between the two. The third section follows with testing the hypotheses by determining the significance of the associations between the diversity factors (IVs) and Perceived Performance (the DV). An extension to this, section four dwells on inferential statistics i.e. the Ordinal Logistic Regression analysis result. Finally, the fifth section summarizes findings of the qualitative study.

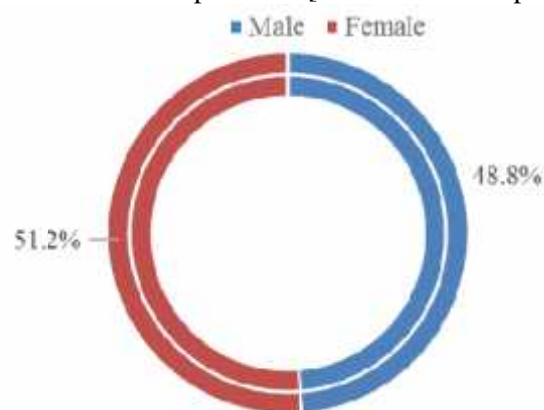
#### *4.1. Basic Characteristics of the Respondents*

In the questionnaire survey, the respondents were asked questions regarding their profiles, including gender, age, nationality, and education level; among others. In what follows is a brief description of the sample respondents.

##### 4.1.1. Gender- Sex of the Respondents

Sex distribution of the respondents, Figure 2, shows a balanced percentage of respondents. Whereas 62 (51.2%) of the respondents were female, the remaining 59 (48.8%) were male.

Figure 2 Gender of Respondents [ N=121 valid respondents]



Source: Own Data 2019

#### 4.1.2. Age of the Respondents

In terms of age, the majority (62.8%) of the respondents falls under the age group of under 30 years. The respondents of age between 30 to 40 years account for 19.8% of the sample. The rest (17.4%) were employees of age above 40 years. (Table-10).

Table 10 Age of the Respondents

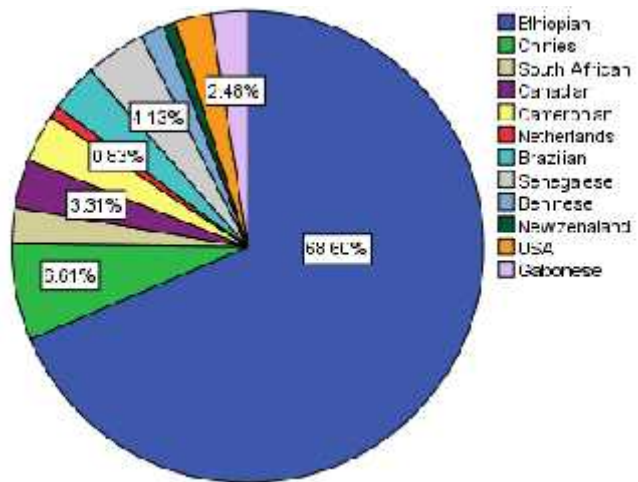
| Age Category | Frequency | Percent |
|--------------|-----------|---------|
| Below 30     | 76        | 62.8    |
| 30-40        | 24        | 19.8    |
| Over 40      | 21        | 17.4    |
| Total        | 121       | 100.0   |

Source: Own Survey 2019

#### 4.1.3. Nationality of the Respondents

As can be seen in Figure 3, the highest proportion (68.6%) of respondents are Ethiopians while other nationalities account for the remaining 31.4%. In order of importance, Chinese (6.61%), Senegalese (4.1%), Canadian and Cameroonians (each 3.3%), USA, Gabonese and South African (each 2.5%), Beninese (1.7% or 2 respondents), finally Netherlands and New Zealand (each 0.8%) constitute respondents from the other nationalities.

Figure 3 Nationality of the Respondents



#### 4.1.4. Educational Background of the Respondents

As far as the educational level of the respondents is concerned, the majority (76%) of the respondents were 1<sup>st</sup> degree holders. This is followed by 19% of the respondents who possess college diplomas or 10+3 complete. Whereas 13.2% had 2<sup>nd</sup> degree, the remaining 5% assumed educational statuses of below diploma level. (Table-11).

Table 11 Educational Background of the Respondents

| Level of Education               | Frequency | Percent |
|----------------------------------|-----------|---------|
| Below diploma                    | 6         | 5       |
| Diploma/10+3                     | 23        | 19      |
| 1 <sup>st</sup> degree           | 76        | 62.8    |
| 2 <sup>nd</sup> degree and above | 16        | 13.2    |
| Total                            | 121       | 100.0   |

Source: Own Data 2019

#### 4.1.5. Other Characteristics of Respondents

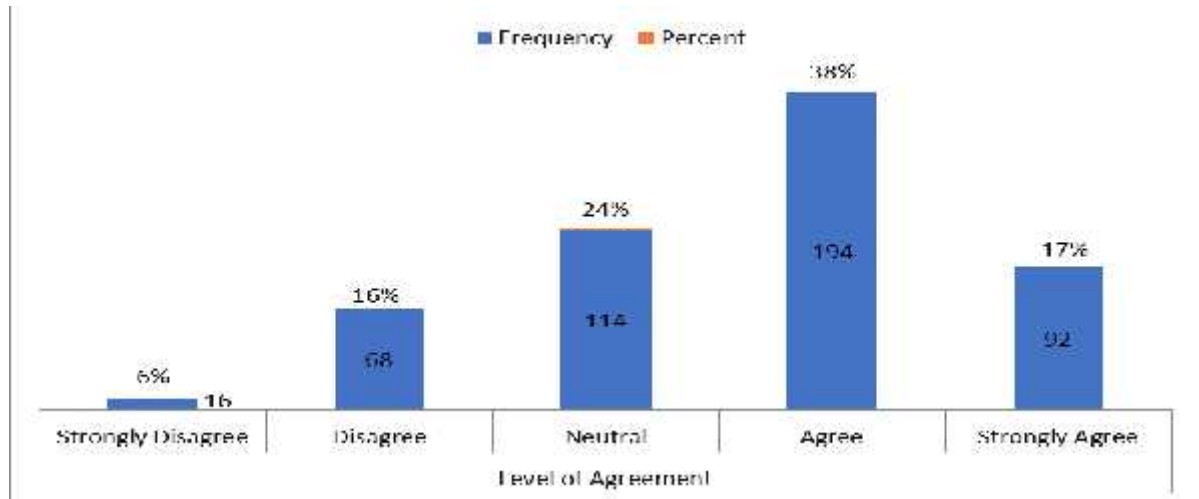
The Tenure, Title and Employment Status of the sample respondents were also assessed. As to tenure, the results showed that the highest proportion (47.1%) of respondents were with 1 to 5 years of working experience at the EAL. Then follow 25.6% of the respondents who had 6 to 10 years of experience. Whereas 14% served for 10 to 15 years, the remaining (13.2%) were with over 16 years of experience. In terms of job title, 41.3% of the respondents were cabin crew and 29.8% were flight crew at the EAL. While 16.5% were support staff at the main office, the rest 12.4% were airport staff members. Finally, employment status of the sample respondents indicated that most (63%) were full-time employees whereas the rest (37%) are contract workers of the EAL. (See also supportive statistical tables (39&40) and figure-13 under annex-4).

## 4.2. Descriptive Analysis: Diversity Management and Performance

### 4.2.1. Employees' Perceptions About Diversity Management

The respondents' perceptions about the ongoing diversity management in their organizations i.e. EAL has been assessed vis-à-vis the key diversity variables of gender, age, educational level and nationality of the staff members. Overall, the aggregate result, depicted in figure 5, uncovered above average level of performance by the EAL as perceived by the sample employees. In this connection, more than half (55%) of the sample employees expressed their agreement or strong agreement to the positive statements corresponding to diversity management related practices. Whereas 24% were indifferent, the rest (22%) either disagreed or strangely disagreed that EAL is properly managing diversity.

Figure 4 Aggregate Level of Agreement on the Management of All Diversity Variables at EAL



Descriptive statistics computed based on the responses is also in support of the above. Accordingly, with an aggregate score of 3.6 out of 5, the perception of the employees indicated above average level of success in managing diversity at the EAL. As can be seen in table-12, there is a slight difference among the variables with Gender having the highest mean value (3.7), followed by Nationality (3.6) while Age and Education each with 3.5.

Table 12 Descriptive Statistics on Diversity Management (DM) [N=110 average valid responses]

| Diversity Management (DV) | N   | Minimum (Min.) | Maximum (Max.) | Mean | SD <sup>1</sup> |
|---------------------------|-----|----------------|----------------|------|-----------------|
| Gender                    | 121 | 1              | 5              | 3.7  | 1.00            |
| Age                       | 121 | 1              | 5              | 3.5  | 1.02            |
| Nationality               | 121 | 1              | 5              | 3.6  | 0.99            |
| Education                 | 121 | 1              | 5              | 3.5  | 1.03            |
| Average for DV            | 121 | 1              | 5              | 3.6  | 1.01            |

<sup>1</sup> SD=Standard Deviation

Further comparison of the perceptions about DM unveiled significance variation by Sex and Age of respondents. (Table 13). But the variation is insignificant when it comes to Nationality and Educational background. Chi-Square test for the variation by sex was used, whereas One-way ANOVA was conducted for the rest three variables with 3 categories.

Table 13 Comparisons of Means on Perceived DM by level of Significance

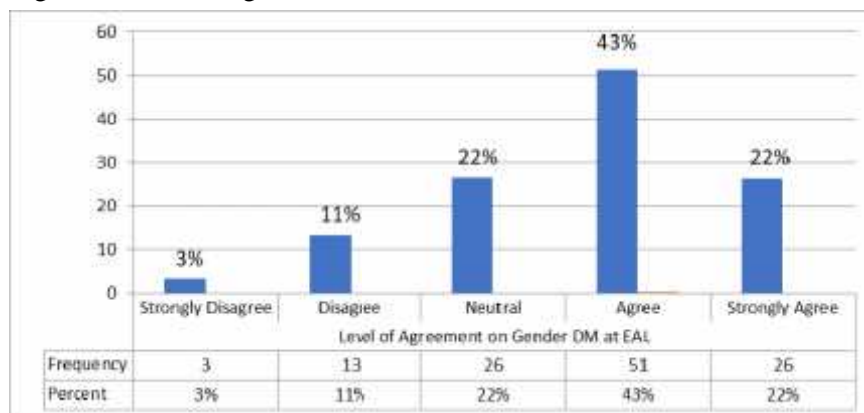
| Diversity Variables                      | Mean for Perceived DM | ANOVA (Sig)                    | Remarks                        |
|--|-----------------------|--------------------------------|--------------------------------|
| Sex                                      |                       | Pearson Chi-Square<br>Sig=.080 | <i>Significant Variation</i>   |
| <i>Male</i>                              | 3.7                   |                                |                                |
| <i>Female</i>                            | 3.5                   |                                |                                |
| <i>Total</i>                             | 3.6                   |                                |                                |
| Age                                      |                       | 0.036                          | <i>Significant Variation</i>   |
| <i>Below 30 years</i>                    | 3.6                   |                                |                                |
| <i>30-40 years</i>                       | 3.4                   |                                |                                |
| <i>Over 40 years</i>                     | 3.8                   |                                |                                |
| <i>Total</i>                             | 3.6                   |                                |                                |
| Nationality                              |                       | 0.194                          | <i>Insignificant Variation</i> |
| <i>Ethiopian</i>                         | 3.6                   |                                |                                |
| <i>Other Nationality</i>                 | 3.4                   |                                |                                |
| <i>Total</i>                             | 3.8                   |                                |                                |
| Educational level                        |                       | 0.216                          | <i>Insignificant Variation</i> |
| <i>Below diploma</i>                     | 3.4                   |                                |                                |
| <i>Diploma /10+3</i>                     | 3.4                   |                                |                                |
| <i>1<sup>st</sup> Degree</i>             | 3.6                   |                                |                                |
| <i>2<sup>nd</sup> Degree &amp; above</i> | 3.7                   |                                |                                |
| <i>Total</i>                             | 3.6                   |                                |                                |

In what follows are the details of the results under each of the DV variables.

#### 4.2.1.1 Employee’s Perception about Gender Diversity Management

Regarding the perception of the employees when it comes to gender diversity and its management in EAL, more than half of the respondents (66%) agree or strongly agree that the organization provides equal opportunity for all employees irrespective of their sex and that there is no discrimination or unfair treatment during recruitment or while working based on gender. On the other hand, 14% of them strongly disagree or disagree with the idea while the 22% are indifferent. (Figure 5 presents the result).

Figure 5 Level of Agreement on Gender DM at EAL



As shown in table-14below; both men and women having equal opportunities regarding training and development has the highest mean which is well above the average 3.7 value.

Followed by the positiveness of the employees about gender diversity and its management in EAL, which carries the mean value of 3.9.

Table 14 Descriptive Statistics on Gender Diversity of Sample Employees (N=121 Valid cases)

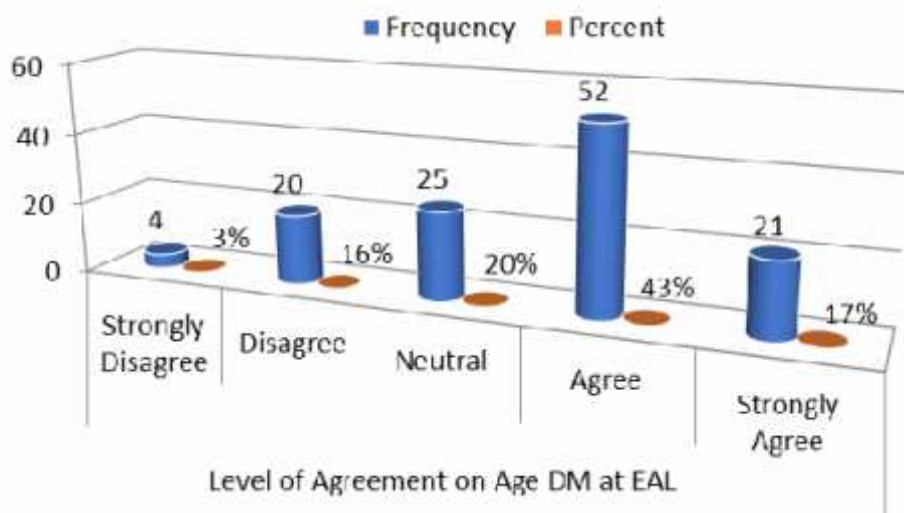
| Gender related factors   | N   | Min. | Max. | Mean | SD   |
|--|-----|------|------|------|------|
| Training and development opportunities are given equally for men and women                             | 121 | 1    | 5    | 4.0  | 0.84 |
| I am positive about gender diversity in EAL  | 121 | 1    | 5    | 3.9  | 0.97 |
| The company gives equal opportunity for attracting and hiring women                                    | 121 | 1    | 5    | 3.8  | 1.05 |
| Opportunities for growth and advancement exist for women in EAL  | 121 | 2    | 5    | 3.8  | 0.80 |
| Employees have not been discriminated by employer while hiring and recruitment process on gender basis | 121 | 1    | 5    | 3.7  | 1.09 |
| Gender diverse team shows better problem solving and decision making                                   | 121 | 1    | 5    | 3.7  | 0.96 |
| Fair treatment is given to all employees whether male or female  | 121 | 1    | 5    | 3.5  | 1.15 |
| Men and women are fairly represented at all levels in EAL  | 121 | 1    | 5    | 3.5  | 1.11 |
| Women are involved in the organization decision making as much as men                                  | 121 | 1    | 5    | 3.4  | 1.01 |
| Average for Gender   | 121 | 1    | 5    | 3.7  | 1.00 |

The attractiveness of the organization to women employees and growth and advancement opportunities for them both have equal mean value of 3.8 out of 5. The item that has the least mean value is the involvement of women in the organization's decision making as much as men. In general, this shows that the majority of the respondents having positive perception about the management of diversity in EAL, it is an indication that employees are comfortable and confident working for the airlines whether male or female, and the management does a good job of managing the gender diversity well so that its employees' performance would not be affected by it.

#### 4.2.1.2 Employee's Perception about Age Diversity Management

When it comes to employee's perception of age diversity and its management in EAL, 60% of the total respondents are in agreement or strong agreement that age difference among workers has positive impact in the performance of the employees and that it is being managed well by the managers of the company for a positive outcome. Whereas 19% disagree or strongly disagree with the proper management of age diversity in EAL, almost equal proportion (20%) of the respondents stay neutral about it. (Figure-6)

Figure 6 Level of Agreement on Age DM at EAL



With aggregate score of 3.5 out of 5, the sample employees were found to have between a moderate and high level of agreement regarding EAL’s proper accommodation of age diversity among its staff members. The highest mean, 3.9, is in support of having bonding with employees of different age group followed by 3.83 mean value which shows positivity about the employees’ perception regarding age diversity and its management. Age diversity not causing conflict is the one carrying below average mean of 3.5. (Table-15).

Table 15 Descriptive Statistics on Age Diversity Management (N=121 Valid cases)

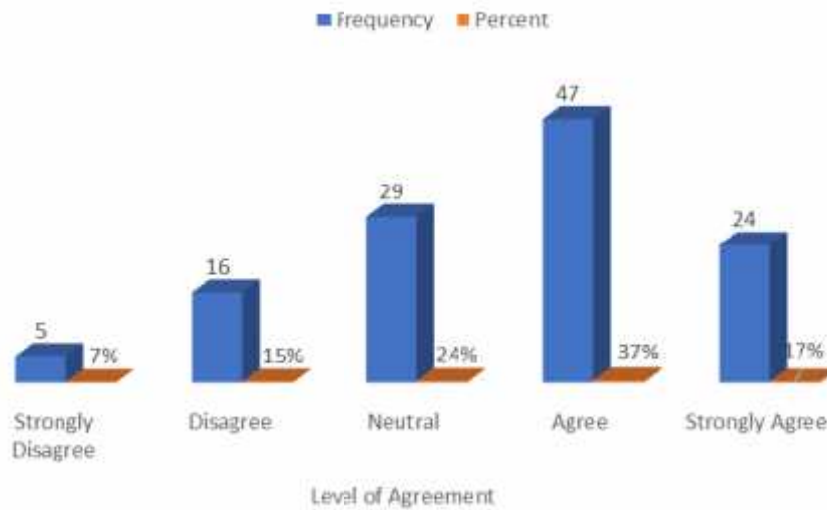
| Age related factors   | N   | Min. | Max. | Mean | SD   |
|---|-----|------|------|------|------|
| At work, I have bonding with people of different age group.   | 121 | 1    | 5    | 3.9  | 1.04 |
| I am positive about age diversity in this workplace.  | 121 | 1    | 5    | 3.8  | 0.92 |
| This organization provides equal opportunities for training and career development for all age groups | 121 | 1    | 5    | 3.5  | 1.02 |
| Management includes all members at different ages in problem solving and decision making              | 121 | 1    | 5    | 3.3  | 0.93 |
| Age differences doesn’t cause work place conflict   | 121 | 1    | 5    | 3.1  | 1.17 |
| Average for Age Diversity   | 121 | 1    | 5    | 3.5  | 1.02 |

#### 4.2.1.3 Employee’s Perception about Nationality Diversity Management

The respondents’ perception about nationality diversity management was assessed and presented in Figure-7. Accordingly, overhalf (54%) of the sample employees are in agreement or strong agreement that employees of different nationalities in EAL are given

equal opportunities and treated fair. While 24% of the respondents are indifferent about the statements, about 22% show moderate to high disagreement on the matter.

Figure 7 Level of Agreement on Nationality DM at EAL



Thus, most employees of different nations feel included and are comfortable working with one another. Furthermore, the descriptive statistics (Table-16) revealed disparities across the specific variables under nationality. The statement “I am comfortable to work with other nationalities” carry the highest mean value of 4.2 out of 5. Followed by the feeling of belongingness of employees irrespective of their nationality has 3.6 mean value which is close to the average. The least value being 3.3 which indicates the organization not being concerned about culture and values of different nationalities.

Table 16 Descriptive Statistics on Nationality Diversity of Sample Employees (N=121 Valid cases)

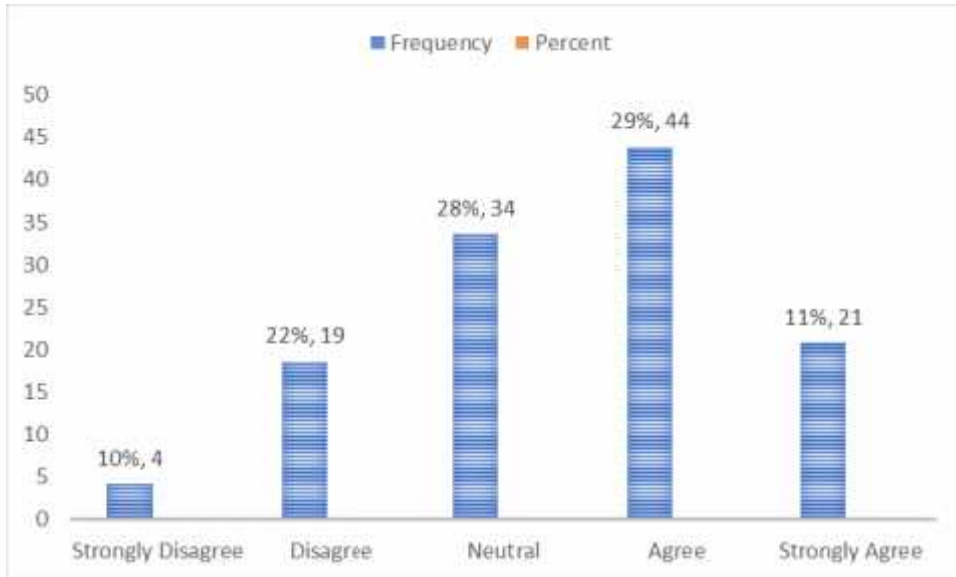
| Nationality related factors  | N          | Min.     | Max.     | Mean       | SD          |
|--|------------|----------|----------|------------|-------------|
| I’m comfortable to work with other nationalities.  | 121        | 1        | 5        | 4.2        | 0.76        |
| I feel included & treated as insider regardless of my nationality                        | 121        | 1        | 5        | 3.6        | 0.99        |
| At work, I never felt threatened by people of other nationalities                        | 121        | 1        | 5        | 3.5        | 1.01        |
| EAL gives equal opportunity on attracting and hiring people from different nationalities | 121        | 1        | 5        | 3.4        | 1.15        |
| Opportunities for growth and advancement exist for all employees                         | 121        | 1        | 5        | 3.4        | 1.00        |
| EAL is concerned about the employee’s customs, cultures, and values                      | 121        | 1        | 5        | 3.3        | 1.01        |
| <b>Average for Nationality</b>   | <b>121</b> | <b>1</b> | <b>5</b> | <b>3.6</b> | <b>0.99</b> |

#### 4.2.1.4. Employee’s Perception about EAL’s Management of Diversity in Education status

A relatively lower level of agreement is observed among the respondents when it comes to EAL’s management of diversity in educational status. 40% agreed or strongly agreed

on the proper management of differences in educational status. Yet, 32% were contrary to this. while 29% stayed neutral regarding EAL's equal treatment of and giving opportunities to employees with different educational backgrounds. (Figure-8).

Figure 8 Level of Agreement on Educational Background DM at EAL



Descriptive statistics results, depicted in following table- 17, also showed insignificant differences in the perceptions across the educational background diversity variables. Accordingly, the scores ranged from 3.5 to 3.4 i.e. slight deviations from the mean value of 3.4. This result indicate that the employees are not as confident about educational background diversity management as they are with the other independent variables that this research considers.

Table 17 Descriptive Statistics on Education Background DM (N=121 Valid cases)

| Education related factors  | N          | Min.     | Max.     | Mean       | SD          |
|--|------------|----------|----------|------------|-------------|
| In EAL differences in educational background do not bring conflict among employee    | 121        | 1        | 5        | 3.5        | 1.03        |
| The company gives equal treatment when it comes to educational background            | 121        | 1        | 5        | 3.5        | 1.05        |
| As an employee I feel confidence on my educational background                        | 121        | 1        | 5        | 3.5        | 1.20        |
| The recruitment plan of the EAL is based on the educational background of applicants | 121        | 1        | 5        | 3.4        | 1.02        |
| Opportunities for growth and advancement exist for all employees                     | 121        | 1        | 5        | 3.4        | 1.00        |
| <b>Average for Education</b>   | <b>121</b> | <b>1</b> | <b>5</b> | <b>3.4</b> | <b>1.06</b> |

#### 4.2.2. Perceived Performance of Employees

Employees' perceived performance was gauged against the four key performance measurement indicators. (Table-18). Accordingly, with an aggregate average of 4.2 out of 5, the respondents' performance was reportedly at a high level. The highest mean value (4.3) goes to their reiterated commitments to the Airline's aspirations as well as to their perceived utmost contributions to the growth of the company. A relatively lower mean (3.9) is assigned to enjoying their works and to timely carrying-out tasks as per division of work.

Table 18 Descriptive Statistics on Perceived Performance of Sample Employees (N=121)

| Indicators for Performance                             | N   | Min. | Max. | Mean | SD   |
|--|-----|------|------|------|------|
| Committed to the mission and direction of EAL          | 121 | 1    | 5    | 4.3  | 0.78 |
| Contributing my level best to the growth of EAL        | 121 | 1    | 5    | 4.3  | 0.88 |
| Love my work & motivated to complete jobs as assigned  | 121 | 1    | 5    | 4.1  | 0.89 |
| Enjoy my tasks and perform as per the division of work | 121 | 1    | 5    | 3.9  | 0.89 |
| Aggregate for Perceived Performance                    | 121 | 2    | 5    | 4.2  | 0.67 |

Indeed, most of the employees believe that their performance contributes to EAL's success.

Meanwhile, attempt was made to discern if there are considerable variations in the employees' perceived performances when viewed against the four diversity variables. One-way ANOVA tests were conducted for the three IVs i.e. except gender that involved cross-tabulations with Pearson Chi-Square. As can be seen in table-18 on next page, significant difference is observed in the respondents' perceived performance (DV) across the all the diversity variables (IVs); excepting educational background. To start with, 98.3% of male respondents reported high or very high performance, which compares against 81.7% of their female counterparts. The difference in mean i.e. 4.4 for males and 3.9 for females is found to be statistically significant. with Pearson Chi-Square Sig value of 0.001. Age-wise, employees over 30 years reportedly perform better than those under 30, the significance of which is evidenced by the ANOVA test result (0.018). Likewise, Ethiopians with a mean of 4.1 underperformed compared to other nationalities with a mean of 4.3; once again a statistically significant variation. Nonetheless, level of performance of the employees doesn't differ across educational status.

Table 19 Comparisons of Means on Perceived Performance by level of Significance

| Diversity Variables                      | Mean Perceived Performance | ANOVA (Sig)                                | Remarks                            |
|--|----------------------------|--|------------------------------------|
| <b>Sex</b>                               |                            | <b>Pearson<br/>Chi-Square<br/>Sig=.001</b> | <i>Significant<br/>Variation</i>   |
| <i>Male</i>                              | 4.4                        |  |                                    |
| <i>Female</i>                            | 3.9                        |  |                                    |
| <i>Total</i>                             | 4.2                        |  |                                    |
| <b>Age</b>                               |                            | <b>0.018</b>                               | <i>Significant<br/>Variation</i>   |
| <i>Below 30 years</i>                    | 4                          |  |                                    |
| <i>30-40 years</i>                       | 4.3                        |  |                                    |
| <i>Over 40 years</i>                     | 4.5                        |  |                                    |
| <i>Total</i>                             | 4.2                        |  |                                    |
| <b>Nationality</b>                       |                            | <b>0.009</b>                               | <i>Significant<br/>Variation</i>   |
| <i>Ethiopian</i>                         | 4.1                        |  |                                    |
| <i>Other Nationality</i>                 | 4.3                        |  |                                    |
| <i>Total</i>                             | 4.2                        |  |                                    |
| <b>Educational level</b>                 |                            | 0.147                                      | <i>Insignificant<br/>Variation</i> |
| <i>Below diploma</i>                     | 4.1                        |  |                                    |
| <i>Diploma /10+3</i>                     | 4                          |  |                                    |
| <i>1<sup>st</sup> Degree</i>             | 4.2                        |  |                                    |
| <i>2<sup>nd</sup> Degree &amp; above</i> | 4.5                        |  |                                    |
| <i>Total</i>                             | 4.2                        |  |                                    |

Eventually, the relationships between the employees’ perceptions about diversity management and their performances. In this regard, Pearson Product Moment Correlation Coefficient (Table 20) was computed for the results presented before. Interestingly, a moderate and positive association is observed between the employees’ perceived DM at the EAL and their perceived performances. With  $r=0.480^{**}$ , the correlation is significant at 99% level of confidence. This implies that the more employees believe that the diversity factors are properly managed, the more their performances likely increase.

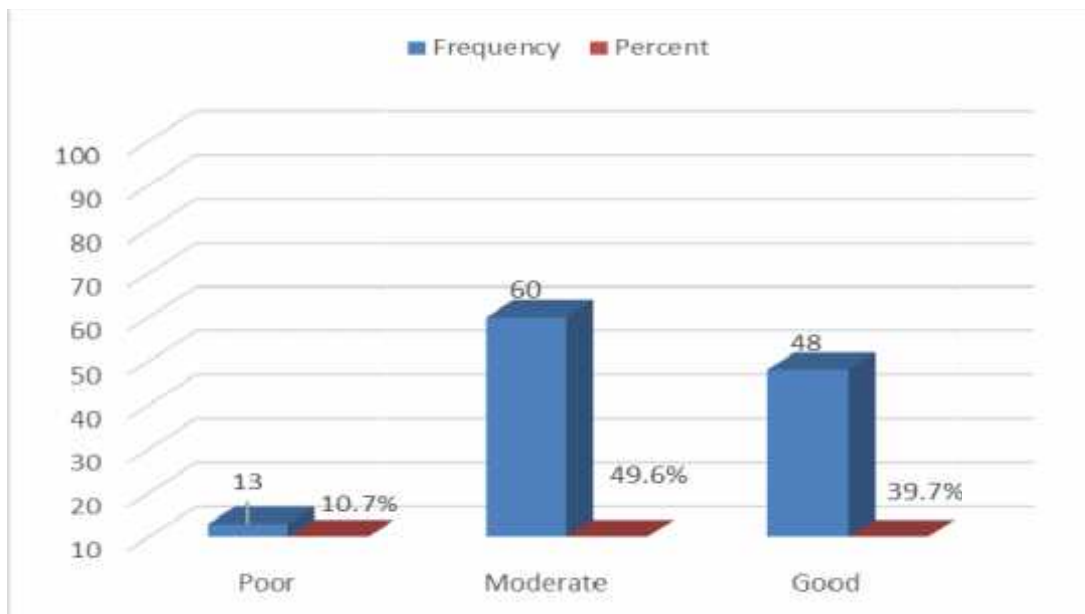
Table 20 Pearson Correlation Coefficient: Perceived DM\* Perceived Performance

|                           |                     | Perceived DM<br>(Average) | Perceived Performance |
|---------------------------|---------------------|---------------------------|-----------------------|
| Perceived DM<br>(Average) | Pearson Correlation | 1                         | .480 <sup>**</sup>    |
|                           | Sig. (2-tailed)     |                           | .000                  |
|                           | N                   | 121                       | 121                   |
| Perceived Performance     | Pearson Correlation | .480 <sup>**</sup>        | 1                     |
|                           | Sig. (2-tailed)     | .000                      |                       |
|                           | N                   | 121                       | 121                   |

### 4.3. Testing Hypotheses: The Chi-Square Tests of Independence:

To start with, based on the descriptive statistics in the previous section, the Perceived Performance of the employees was categorized into three levels as Good, Moderate and Poor. As depicted in the below figure, 39.7% of the respondents perceived that their performance is Good; while 50% as Moderate and the remaining 11% as poor.

Figure 9 Perceived Performance of Employees (Recoded)



Then, the associations between each of the diversity variables (IVs) and the employees' perceived performance (the DV) was analyzed as presented below. In this connection, the IVs were separately cross-tabulated against the DV, which is followed by Chi-square statistics as part of testing the individual research hypotheses.

To start with gender, about 56% of the male respondents as compared to 24% of the female counterparts perceived to have good level of performance. On the contrary, only 2% of males against 19% of females had poor performance level. The proportion of males and females with moderate performance was around 42% and 57%; respectively. (Table-21).

Table 21 Gender (X1) \* Perceived Performance (Y)

|             |        |                 | Perceived Performance (Y) |          |       | Total  |
|-------------|--------|-----------------|---------------------------|----------|-------|--------|
|             |        |                 | Poor                      | Moderate | Good  |        |
| Gender (X1) | Male   | Count           | 1                         | 25       | 33    | 59     |
|             |        | % within Gender | 1.7%                      | 42.4%    | 55.9% | 100.0% |
|             | Female | Count           | 12                        | 35       | 15    | 62     |
|             |        | % within Gender | 19.4%                     | 56.5%    | 24.2% | 100.0% |
| Total       |        | Count           | 13                        | 60       | 48    | 121    |
|             |        | % within Gender | 10.7%                     | 49.6%    | 39.7% | 100.0% |

Result of bivariate analysis is also in support of this (Table 22). Pearson's correlation coefficient of -0.381\*\* means a statistically significant but negative association between sex and performance; i.e. performance decreases (i.e. from good to poor) as sex goes from male to female who were assigned values of 1 and 2, respectively.

Table 22 Correlations between Performance (DV) and the IVs

|                  |                     | Performance | Gender  | Age    | Nationality | Educational level |
|------------------|---------------------|-------------|---------|--------|-------------|-------------------|
| Performance (DV) | Pearson Correlation | 1           | -.381** | .279** | .231*       | .172              |
|                  | Sig. (2-tailed)     |             | .000    | .002   | .011        | .059              |
|                  | N                   | 121         | 121     | 121    | 121         | 121               |

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

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

The chi-square statistics, table 23, indicated that the aforementioned variation in the level of performance between male and female employees was statistically significant. Accordingly, the p values for both the Linear-by-Linear Association and Pearson Chi-Square are much smaller than 0.05. **Hence, the research hypothesis on the significant relationship between gender and employees' performance is accepted.**

Table 23 Chi-Square Tests: Gender\*Performance

|                              | Value               | Df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square           | 17.661 <sup>a</sup> | 2  | .000                  |
| Likelihood Ratio             | 19.489              | 2  | .000                  |
| Linear-by-Linear Association | 17.400              | 1  | .000                  |
| N of Valid Cases             | 121                 |    |                       |

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 6.34.

As far as the level of performance by age category is concerned, and 20% of the total 76 participants whose age is below 30 perceive their performance as good and 33% as moderate while 10% perceive it as poor. Good level of performance is reported by 32% of the respondents under 30-40 age group, by 42 % between 30-40 years, and by 67% aged over 40 years. On the contrary, 16% of the youngsters (i.e. below 30) were with perceived poor performance; which is in contrast to none of the respondents between 30 to 40 years and only 5% of over 40 reportedly performed poor. Table-24.

Table 24 Age (X2) \* Perceived Performance (Y)

|          |                | Perceived Performance (Y) |          |       | Total |        |
|----------|----------------|---------------------------|----------|-------|-------|--------|
|          |                | Poor                      | Moderate | Good  |       |        |
| Age (X2) | Below 30 years | Count                     | 12       | 40    | 24    | 76     |
|          |                | % within Age              | 15.8%    | 52.6% | 31.6% | 100.0% |
|          | 30-40 years    | Count                     | 0        | 14    | 10    | 24     |
|          |                | % within Age              | .0%      | 58.3% | 41.7% | 100.0% |
|          | Over 40 years  | Count                     | 1        | 6     | 14    | 21     |
|          |                | % within Age              | 4.8%     | 28.6% | 66.7% | 100.0% |
| Total    |                | Count                     | 13       | 60    | 48    | 121    |
|          |                | % within Age              | 10.7%    | 49.6% | 39.7% | 100.0% |

Pearson's correlation coefficient value of 0.279\*\* (Table-22 previously) is in support of a statistically significant and positive association between age and performance; i.e. performance increases with the rising employees' age.

The chi-square statistics in table 25 further revealed that age and performance of employees are significantly associated. With p value of 0.002 for the Linear-by-Linear Association and 0.013 for Pearson Chi-Square, **the premise of the research hypothesis on the significant relationship between age and employees' performance is proved to be valid.**

Table 25 Chi-Square Tests: Age\*Performance

|                              | Value               | Df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square           | 12.598 <sup>a</sup> | 4  | .013                  |
| Likelihood Ratio             | 14.883              | 4  | .005                  |
| Linear-by-Linear Association | 9.366               | 1  | .002                  |
| N of Valid Cases             | 121                 |    |                       |

a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 2.26.

Regarding nationality, about 35 % of Ethiopians compared to 50% of the employees from other nationalities had a good level of performance. In other words, 65% of Ethiopians against 50% of the others were at moderate or poor levels of performance. (Table 26)

Table 26 Nationality (X3) \* Perceived Performance (Y)

|                  |            |                      | Perceived Performance (Y) |          |       | Total  |
|------------------|------------|----------------------|---------------------------|----------|-------|--------|
|                  |            |                      | Poor                      | Moderate | Good  |        |
| Nationality (X3) | Ethiopians | Count                | 8                         | 46       | 29    | 83     |
|                  |            | % within Nationality | 9.6%                      | 55.4%    | 34.9% | 100.0% |
|                  | Others     | Count                | 5                         | 14       | 19    | 38     |
|                  |            | % within Nationality | 13.2%                     | 36.8%    | 50.0% | 100.0% |
| Total            |            | Count                | 13                        | 60       | 48    | 121    |
|                  |            | % within Nationality | 10.7%                     | 49.6%    | 39.7% | 100.0% |

Besides, Pearson's correlation coefficient of 0.231\* also corroborated the performance level of employees that favors other nationalities (see also Table 22 previously).

Similar to gender and age, the chi-square statistics (table 27) uncovered a statistically significant association between nationality and performance. A p value of 0.011 for the Linear-by-Linear Association and 0.003 for Pearson Chi-Square, **the hypothesis on the significant relationship between nationality and employees' performance accepted.**

Table 27 Chi-Square Tests: Nationality (X3) \*Performance

|                              | Value               | Df | Asymp. Sig. (2-sided) |
|------------------------------|---------------------|----|-----------------------|
| Pearson Chi-Square           | 44.753 <sup>a</sup> | 22 | .003                  |
| Likelihood Ratio             | 42.541              | 22 | .005                  |
| Linear-by-Linear Association | 6.412               | 1  | .011                  |
| N of Valid Cases             | 121                 |    |                       |

a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 2.26.

However, different results were obtained on the relationship between educational status and performance level. As can be seen in table 28, an approximately patterned distribution is observed in the proportion of respondents across the categories of performance i.e. when compared for within the various levels of educational status.

Interestingly, Pearson’s correlation coefficient provided an insignificant value for the association between education and performance. (see also Table 22 previously).

Table 28 Educational background (X4) \* Perceived Performance (Y)

|                             |                    |                            | Perceived Performance (Y) |          |       | Total  |
|-----------------------------|--------------------|----------------------------|---------------------------|----------|-------|--------|
|                             |                    |                            | Poor                      | Moderate | Good  |        |
| Educational background (X4) | Below diploma      | Count                      | 1                         | 3        | 2     | 6      |
|                             |                    | % within Educational level | 16.7%                     | 50.0%    | 33.3% | 100.0% |
|                             | Diploma /10+3      | Count                      | 5                         | 10       | 8     | 23     |
|                             |                    | % within Educational level | 21.7%                     | 43.5%    | 34.8% | 100.0% |
|                             | 1st Degree         | Count                      | 7                         | 40       | 29    | 76     |
|                             |                    | % within Educational level | 9.2%                      | 52.6%    | 38.2% | 100.0% |
|                             | 2nd Degree & above | Count                      | 0                         | 7        | 9     | 16     |
|                             |                    | % within Educational level | .0%                       | 43.8%    | 56.2% | 100.0% |
| Total                       |                    | Count                      | 13                        | 60       | 48    | 121    |
|                             |                    | % within Educational level | 10.7%                     | 49.6%    | 39.7% | 100.0% |

Furthermore, the chi-square statistics (table 29), with a p value of 0.06 for the Linear-by-Linear Association and 0.375 for Pearson Chi-Square, evidenced that the two variables are independent. **Therefore, the hypothesis on a statistically significant association between educational background and performance has been rejected.**

Table 29 Chi-Square Tests: Educational background \*Performance

|                              | Value              | df | Asymp. Sig. (2-sided) |
|------------------------------|--------------------|----|-----------------------|
| Pearson Chi-Square           | 6.446 <sup>a</sup> | 6  | .375                  |
| Likelihood Ratio             | 7.438              | 6  | .282                  |
| Linear-by-Linear Association | 3.544              | 1  | .060                  |
| N of Valid Cases             | 121                |    |                       |

a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 2.26.

#### 4.4. Regression Analysis: Assumptions and Interpretation

##### 4.4.1. Meeting Assumptions of Ordinal Logistic Regression

Prior to the OLR analysis, it is mandatory to ensure the fulfillment of the key assumptions of OLR. In reference to the detail methodological requirements stated in section 3.3.2.2 under Inferential Analysis, this sub-section furnishes satisfaction of the following assumptions:

**Assumption 1:** Variable structure- the DV should be ordinal

The assumption is met, the DV is an ordinal variable with three categories: God, Moderate and Poor levels of performance.

**Assumption 2:** The linear the relationship between the IVs and Odds is fulfilled.

This underlying assumption of the OLR is the relationship between each pair of outcome groups is the same, which further substantiates the requirement pertaining to the goodness-of-fit of the model. Commonly referred to as the proportional odds assumption, the null hypothesis claims that the slope coefficients in the model are the same across response categories, in this case poor, moderate and good. The validity of the hypothesis depends on the significance level or p value of greater than 0.05. As can be seen in Table-30, the Sig. value of 0.551, hence the assumption is fulfilled.

Table 30 Test of Parallel Lines<sup>c</sup>

| Model           | -2 Log Likelihood   | Chi-Square          | df | Sig. |
|-----------------|---------------------|---------------------|----|------|
| Null Hypothesis | 77.247              |                     |    |      |
| General         | 61.626 <sup>a</sup> | 15.621 <sup>b</sup> | 17 | .551 |

*Logit.* The null hypothesis states that the location parameters (slope coefficients) are the same across response categories.

a. Maximum number of iterations were exceeded, and the log-likelihood value and/or the parameter estimates cannot converge.

b. The Chi-Square statistic is computed based on the log-likelihood value of the last iteration of the general model. Validity of the test is uncertain.

c. Link function: Logit.

**Assumption 3:** The IVs shouldn't have multi-collinear relationships;

The assumption that the IVs shouldn't be highly correlated is also satisfied. No problem of multicollinearity is detected as can be seen in the Pearson r and Correlation statistics below.

**A]Collinearity Statistics** is a measure of multicollinearity using the values for Tolerance and Variance Inflation Factor (VIF). As per the rule, the IVs are free from multicollinear relationship, if Tolerance value of each IV > 1. The corresponding VIF value should be <10 or average of all VIF value be < 2. Therefore, the requirements are all met, hence the IVs are not multicollinear. (Table-31).

Table 31 Collinearity Statistics

| IVs                    | Collinearity Statistics <sup>b</sup> |       |
|------------------------|--------------------------------------|-------|
|                        | Tolerance                            | VIF   |
| Gender (X1)            | .826                                 | 1.210 |
| Age (X2)               | .820                                 | 1.219 |
| Nationality (X3)       | .971                                 | 1.030 |
| Educational level (X4) | .939                                 | 1.065 |

**B]** Pearson Correlation Coefficients among the IVs should not be 0.8. As depicted in table, 32 on next page, for none of the variables r value is very high or near to perfect correlation, hence assumption met.

Table 32 Pearson Correlations: Relationships among the IVs

|                        |                 | Gender (X1) | Age (X2) | Nationality (X3) | Educational level (X4) |
|------------------------|-----------------|-------------|----------|------------------|------------------------|
| Gender (X1)            | Pearson r       | 1           | -.382**  | .016             | -.217*                 |
|                        | Sig. (2-tailed) |             | .000     | .859             | .017                   |
|                        | N               | 121         | 121      | 121              | 121                    |
| Age (X2)               | Pearson r       | -.382**     | 1        | .148             | .188*                  |
|                        | Sig. (2-tailed) | .000        |          | .106             | .039                   |
|                        | N               | 121         | 121      | 121              | 121                    |
| Nationality (X3)       | Pearson r       | .016        | .148     | 1                | .045                   |
|                        | Sig. (2-tailed) | .859        | .106     |                  | .621                   |
|                        | N               | 121         | 121      | 121              | 121                    |
| Educational level (X4) | Pearson r       | -.217*      | .188*    | .045             | 1                      |
|                        | Sig. (2-tailed) | .017        | .039     | .621             |                        |
|                        | N               | 121         | 121      | 121              | 121                    |

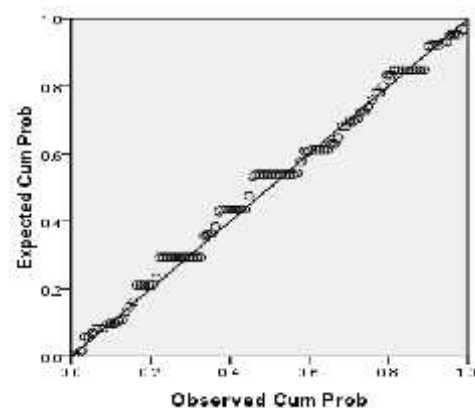
\*\* . Correlation is significant at the 0.01 level (2-tailed).

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

**Assumption 4:** The DV should be normally distributed.

Normality in the Distribution of the Dependent Variable-DV is also satisfied.

Skewedness and Kurtosis values -0.964 and 1.57, respectively. This showed an approximate normality in the distribution of the DV. However, the normality test results generated Kolmogorov-Smirnov Sig. values of 0.000, hence a problem of normality. Thus, as a corrective action, the original data on perceived performance was transformed by taking the logarithm of Y. Whereas Figure 11 depicts the normal probability plot, the Figures 12 and 13 below present



the changes before and after the transformation for normalization of the DV.

Figure 11 Histogram: Perceived Performance [Before Transformed]

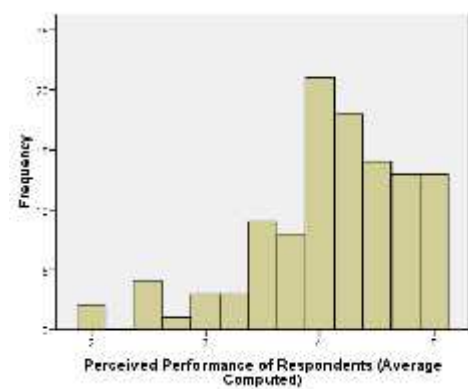
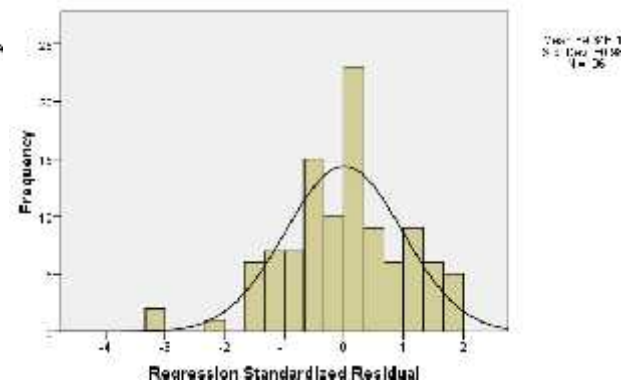


Figure 12 Histogram: Perceived Performance [After Transformed]



#### 4.4.2. Results and Interpretation of The OLR Analysis

**Model Fitness:** To start with, the model fitting information presented in Table 33 showed that the model properly fits into the data. With a Chi-Square value of 54.135 and degree of freedom of 17, the p value 0.000 means that one can be 95% confident on the model's fitness. This tells that the final/full model (with predictors affecting performance) gives better predictions than if one simply guessed based on the marginal probabilities for the DV categories.

Table 33 Model Fitting Information

| Model          | -2 Log Likelihood | Chi-Square | df | Sig. |
|----------------|-------------------|------------|----|------|
| Intercept Only | 131.381           |            |    |      |
| Final          | 77.247            | 54.135     | 17 | .000 |

*Link function: Logit.*

**Goodness-of Fit:** In support of the above, the goodness of fit test in table 34 below, showed that the model is significantly better than the other options. Accordingly, the test statistics for both Pearson and Deviance are with p values very much greater than 0.05.

Thus, the null hypothesis that proposes fitness of the model cannot be rejected.

Table 34 Goodness-of-Fit

|          | Chi-Square | Df | Sig. |
|----------|------------|----|------|
| Pearson  | 40.139     | 71 | .999 |
| Deviance | 43.017     | 71 | .997 |

*Link function: Logit.*

**Proportion of Variance Explained:** the pseudo  $R^2$  values in Table 35, using different options, generated levels of predictions that range from 23.4% to 42.4%. The statistics also indicates the relatively small differences in the perceived performance of the sample respondents. According to the Nagelkerke, which is the widely used for OLR, suggests the

notion that 42.4% of the variance in Employees' level of Performance (the DV) is significantly attributed to the combined effect of the IVs i.e. Gender, Age, Nationality and Education. This implies that the remaining (57.6%) of the variance in the DV is explained by factors others than diversity or the IVs.

Table 35 Pseudo R-Square

| Options       | Proportion explained |
|---------------|----------------------|
| Cox and Snell | .361                 |
| Nagelkerke    | .424                 |
| McFadden      | .234                 |

*Link function: Logit.*

**The Parameter Estimates-** Overall, based on the Coefficients of Determination (Table 36), the relationship between the IVs and the DV is summarized in two formula below.

$$\ln(Y_1) = -4.260 + 1.398 X_1 - 0.649 X_2 - 1.350 X_3 - 1.086 X_4$$

$$\ln(Y_2) = -0.803 + 1.398 X_1 - 0.027 X_2 - 4.056 X_3 - 0.045 X_4$$

Where,  $Y_1$  is the cumulative probability for the Poor Performance category, and  $Y_2$  is for Moderate Performance;  $X_1$  is Gender,  $X_2$  is Age,  $X_3$  is Nationality, and  $X_4$  is Educational level.

The coefficients of determination are significant only for Sex and Nationality with p values of 0.004 and 0.006. This means, the performance of an employee is considerably affected by sex and nationality of the employee. It is important to note that the threshold values for the poor performance category of the DV, which statistically significant, is negative since the value assigned to Sex and Nationality, are inversely related to performance. In other words, at 95% level of confidence, Female employees are likely to fall under poor performance (Equation-1). Yet, employees of other nationalities are likely to have better performance (Equation-2).

However, the p-values corresponding to the Age and Educational status are insignificant. Thus, the claims for significant impact of age and educational background on employees' performance is not supported by the regression analysis.

Table 36 Parameter Estimates of Ordinal Logistic Regression

|           |                   | Estimate       | Std. Error | Wald  | df | Sig. | 95% Confidence Interval |             |
|-----------|-------------------|----------------|------------|-------|----|------|-------------------------|-------------|
|           |                   |                |            |       |    |      | Lower Bound             | Upper Bound |
| Threshold | [Performance = 0] | -4.260         | 1.508      | 7.980 | 1  | .005 | -7.215                  | -1.304      |
|           | [Performance = 1] | -.803          | 1.432      | .314  | 1  | .575 | -3.610                  | 2.004       |
| Location  | [q1SEX=1]         | 1.398          | .489       | 8.187 | 1  | .004 | .440                    | 2.355       |
|           | [q1SEX=2]         | 0 <sup>a</sup> | .          | .     | 0  | .    | .                       | .           |
|           | [q2AGE=1]         | -.649          | .763       | .724  | 1  | .395 | -2.145                  | .847        |
|           | [q2AGE=2]         | -.027          | .811       | .001  | 1  | .973 | -1.616                  | 1.561       |
|           | [q2AGE=3]         | 0 <sup>a</sup> | .          | .     | 0  | .    | .                       | .           |
|           | [q3NATION=1]      | -1.350         | 1.228      | 1.210 | 1  | .271 | -3.756                  | 1.056       |
|           | [q3NATION=2]      | -4.056         | 1.490      | 7.409 | 1  | .006 | -6.977                  | -1.135      |
|           | [q4EDUC=1]        | -1.086         | 1.183      | .844  | 1  | .358 | -3.404                  | 1.232       |
|           | [q4EDUC=2]        | -.045          | .787       | .003  | 1  | .955 | -1.587                  | 1.498       |
|           | [q4EDUC=3]        | -.696          | .677       | 1.057 | 1  | .304 | -2.024                  | .631        |
|           | [q4EDUC=4]        | 0 <sup>a</sup> | .          | .     | 0  | .    | .                       | .           |

Link function: Logit.

a. This parameter is set to zero because it is redundant.

**The implication is clear.** From among the four diversity variables that simultaneously predict 42.4% of the variance in the employees' performance, gender and nationality exert profound influence. These, the research Hypotheses that claim significant effects of gender and nationality diversities are accepted. Nonetheless, there is little evidence to accept those hypotheses that assert the effects of age and educational background on employees' performance; hence the researcher decided to reject these. However, the results on significant association between age and performance, remains valid although its deterministic function is marginal

#### *4.5. Findings Form the Qualitative Study*

Based on the interview conducted on some HR managers of EAL, workforce diversity is embraced by the organization and is seen as a positive enforcement to the success of the employees and the organization at large. Diversity is seen as an advantage helping the airline to compete worldwide and to satisfy the demand of the diverse customers that it has. EAL promotes diversity by attracting people of different gender, nationality and educational background to join. Diverse workforce creates an opportunity for healthy competition and experience sharing among the employees. The company creates the opportunity to work more towards competent and diversified workforce group by creating access to employment and giving equal employment opportunity as clearly stated in the mission statement.

Some of the difficulties mentioned by the managers are generation gap; Ethiopian having many young employees it is tough for the seniors to adopt to new trends and work culture that are emerging with them. To bridge this gap the organization has conducted teamwork and culture building trainings to the employees. In addition to this orientation and coaching is given to the new entrants to help them blend in with the existing culture and values of the organization.

## CHAPTER 5

### DISCUSSION, CONCLUSION AND RECOMMENDATION

This chapter starts with a brief discussion of prominent findings of this research, as appropriate, highlighting linkages with the relevant literatures reviewed. By way of summarizing the major findings from the descriptive and inferential analyses, the section furnishes evidence-based acceptance or otherwise of the research hypotheses. Then, conclusions are drawn based on the findings and along with the implications. Finally, the report, cognizant of its limitation, winds-up with recommendations for future study.

#### *5.1 Discussion of Major Findings*

The results uncovered above moderate level of diversity management at the EAL, as perceived by the employees. The review of the staff profile of EAL as at December 2018 partly supports the result. About one-third of the employees were female, while half of the staff members were aged under 50 years. While about 90% of the employees were Ethiopian citizens, the rest (10%) were other nationalities. In relation to educational status, whereas 64% possessed second degrees, 34% were with first degrees and the rest (2%) assumed a diploma and below status. The survey result showed higher diversity in terms of staff composition. Indeed, the background characteristics of the respondents indicated a level of diversity more pronounced than the aforementioned profile of EAL's workforce.

Meanwhile, the survey uncovered a high level of performance by the employees. In fact, the level of performance significantly varies across all the IVs, but educational status. Interestingly, a moderately positive association is observed between the employee's perceptions about diversity management at the EAL and their perceived performance. This implies that proper management of diversity facilitates better performance of employees. The research clearly shows that the employees of EAL headquarters are motivated to work and commit themselves to achieving the goal of the airline. With majority of the respondents strongly agreeing to the idea of being committed to the mission and vision of the organization. It was also apparent that different gender groups worked well accommodating the diverse workforce as a positive factor.

The findings corroborate the literature on workplace diversity. Managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has an advantage or disadvantage (Torres and Bruxelles, 1992).

Results on the relationships between the diversity factors (IVs) and employees' perceived performance (the DV) is as summarized in table-37. Accordingly, the chi-square tests of independence for gender, age and nationality were with p values of <0.05. Therefore, the research hypotheses that claimed significant association between sex, age, and nationality on the one hand and employees' performance on the other were accepted. Nonetheless, educational background is not significantly associated with performance; hence the hypothesis is rejected,

Table 37 Summary of Statistical Tests on Association of the IVs with the DV

| Variables   | Category                    | Perceived Performance % (n) |                 |             |          | Chi-square test (p value) |
|-------------|-----------------------------|-----------------------------|-----------------|-------------|----------|---------------------------|
|             |                             | <i>Poor</i>                 | <i>Moderate</i> | <i>Good</i> | Total    |                           |
| Gender      | <i>Male</i>                 | 1% (1)                      | 21% (25)        | 27% (33)    | 49% (59) | 0.000                     |
|             | <i>Female</i>               | 10% (12)                    | 29% (35)        | 12% (15)    | 51% (62) |                           |
| Age         | <i>Below 30 years</i>       | 10% (12)                    | 33% (40)        | 20% (24)    | 63% (76) | 0.002                     |
|             | <i>30-40 years</i>          | 0% (0)                      | 12% (14)        | 8% (10)     | 20% (24) |                           |
|             | <i>Over 40 years</i>        | 1% (1)                      | 5% (6)          | 12% (14)    | 17% (21) |                           |
| Nationality | <i>Ethiopian</i>            | 7% (8)                      | 38% (46)        | 24% (29)    | 69% (83) | 0.011                     |
|             | <i>Other Nationality</i>    | 4% (5)                      | 12% (14)        | 16% (19)    | 31% (38) |                           |
| Education   | <i>Below diploma</i>        | 1% (1)                      | 3% (3)          | 2% (2)      | 5% (6)   | .060                      |
|             | <i>Diploma /10+3</i>        | 4% (5)                      | 8% (10)         | 7% (8)      | 19% (23) |                           |
|             | <i>1st Degree</i>           | 6% (7)                      | 33% (40)        | 24% (29)    | 63% (76) |                           |
|             | <i>2nd Degree and above</i> | 0% (0)                      | 6% (7)          | 7% (9)      | 13% (16) |                           |

Eventually, the regression analysis results evidenced that all the diversity variables, put together, significantly affect the perceived performance of the employees. Accordingly, the IVs simultaneously predict about 42.4% of the variance in perceived performance. This means the remaining (57.6%) of the variance in the DV is explained by factors others than diversity or the IVs, which might include. incentives, work environment, etc.

Furthermore, the OLR Results; specifically, the Coefficients of Determination corroborated the chi-square test of independence; except for age (Table-37). Accordingly, the IVs gender and nationality are the factors that significantly determine the DV (perceived performance) whereas the other two diversity variables considered for the research (age and education background) are insignificant regarding their effect on performance.

*The implication is clear. These, the research Hypotheses that claim significant effects of gender and nationality diversities are accepted. Nonetheless, there is little evidence to accept those hypotheses that assert the effects of age and educational background on employees' performance; hence the researcher decided to reject these. However, the results on significant association between age and performance, remains valid although its deterministic function is marginal*

Table 38 Summary of the OLR Result -Coefficients of Determination for Hypotheses Testing

| Hypothesis   | Supported                         | Not supported                    |
|--|-----------------------------------|----------------------------------|
| Gender affects employee performance                | = 1.398<br>P= 0.04 i.e., < 0.05   |                                  |
| Age affects employee performance                   |                                   | = -0.027<br>p=0.395 i.e., > 0.05 |
| Nationality affects employees' performance.        | = -.4.056<br>p=0.006 i.e., < 0.05 |                                  |
| Education background affects employee performance. |                                   | = -1.086<br>p=0.358 i.e., > 0.05 |

Source: Developed for research

### 5.1.1 Relationship between Gender and Employee Performance

As stated before, gender significantly affects employees perceived performance. Based on the information provided in the research the overall feeling is that, for the most part, gender was not an area of concern. It was evident from the research that there was no discrimination during hiring and recruitment process on gender basis in EAL and that the company attracted and hired both men and women equally and that employees were given fair treatment throughout.

The researcher observed that in EAL, women were given opportunity to work in positions that utilized their skills, education and training. According to the interview results, EAL give preferential treatment to females on some positions recruitments. There are great number of women holding managerial positions. All divisions of the company must meet

annual targets for the representation of majority and minority males and females in each employee grade level (Kochan, et al, 2002).

In order to enforce the employee performance described above, performance appraisals employees included measures employees' ability to achieve the targets. According to Kochan, et al (2002), the performance appraisals were used for making promotion and compensation related decisions. Training practices included coaching, Trainers used behavioral modeling techniques to help develop managerial capabilities for interacting with subordinates and colleagues irrespective of demographic differences. Thus, the training efforts focused more on skill-building than on building awareness or modifying attitudes.

#### 5.1.2 Relationship between Age and Employee Performance

Based on the result from the research, age has no significant impact on performance albeit its statistically considerable association with performance. Age is also regularly viewed as one dimension of social category diversity (Jehn, Northcraft, and Neale (1999); Simons, Pelled, and Smith (1999); and Pelled, Eisenhardt, and Xin (1999). However, there is no significant evidence of the influence of age diversity on performance in EAL, which agrees to the findings of the empirical studies reviewed in Williams and O'Reilly (1998) and Jackson, Joshi, and Erhardt (2003). A possible reason why effect of age diversity is the less pronounced numerical distinctiveness between younger and older employees as compared to the numerical distinctiveness between female and male employees. Thus, age is probably less salient than gender and consequently age diversity has a less pronounced influence (Pelled, 1993).

EAL being bottom heavy because of the rapid expansion it is going through; the younger generation has a dominant number. Young and old employees are likely to have varied status seeking tendencies. Based on the information gathered from interviewing the HR managers, the generation gap is the most difficult to handle. The senior staff and the newly recruited don't see eye to eye regarding values. But the organization is doing a good job of bringing the new entrants to its culture.

#### 5.1.3 Relationship Between Nationality and Performance

Nationality diversity is found to significantly affect employee's perceived performance. Most of the employees of EAL being Ethiopian the other nationalities can be considered minorities. Ethnically diverse teams working in relatively homogeneous organizations

experienced performance deficits relative to the more homogeneous teams. Joshi and Jackson. (2003). The HR managers of EAL embrace diversity as a positive image of the company since it is an internationally operating carrier. Hiring people from different Nations brings useful global ideas that can be implemented to give the company the competitive advantage it works to achieve. People from different nationalities are encouraged by the company to join as long as they can qualify to the requirements. According to the research diverse nationality has an impact on the performance outcome of the employees.

According to Zgourides et. al, (2002), the differences in cultural characteristics were predictive of team scores, which can be interpreted as the advantage of having ethnically different views for team problem solving resulted in increased team performance after the teams learned how to utilize these differences to their benefit.

#### 5.1.4 Relationship between Education and Performance

Based on the result of the research, there is no significant relationship between education background and employee performance.

It became evident from the results that educational background did not have significant effect on work performance at the EAL. During the study, educational background appeared very crucial since it formed the basis of the recruitment plan at the EAL, however, low educational qualifications seemed not to lower the esteem of workers since opportunities for growth and advancement existed for all employees regardless of their educational background. From the responses the researcher found out that difference in educational background did not bring conflict among the employees. Tracy (2011) argued that educational background is important to employees and that they cannot perform well without education but that is contrary at the organization under study.

### 5.2. *Conclusion and Implications of the Study*

In a nutshell, the research unveiled the overall significant effects of workforce diversity (gender, age, nationality and education background) on employee performance in an organization lie the EAL. Diversity management remarkably contributes to enhanced performance of employees. Whereas the claim for significance effect of gender and nationality on employee's performance is adequately warranted, there is little evidence in support of the considerable effects on performance of age and educational background diversities. This substantiates the several theoretical and empirical literatures, which

widely suggest that whether or not diversity has positive or negative effect, depends on different aspects of the organization's strategies, culture and HRM practices. This indicates that diversity may be beneficial under certain conditions and may fail to have any impact in others, Pugh (2008).

In light of the above, the following implications are worth considering towards improved policy and management practices promoting workplace diversity.

As the research result shows high employee performance relates positively with all the independent variables such as gender, nationality, age and education background. Business organizations should start realizing the need to tackle such demographic categories in order to stay ahead of its competitors.

According to Erasmus (2007), gender groups follow the overall trend of diversity management but males perceive diversity related issues more positively than females. Therefore, both gender groups must have the same viewpoint and communication channels in order to implement their actions successfully. At the EAL, according to the HR managers diversity is seen as a positive driving force on performance of the employees. Diversity is seen as a way of penetrating the global market further by accommodating different ideas and experiences that come along a diverse workforce.

Leaders must make a great effort to keep employees informed about the current diversity initiatives and programs as well as to educate current and new employees on the subject of diversity and related concepts. EAL has a coaching and orientation programs where employees learn closely from a team leader or manager about harmonizing communication with other employees of different background. Employee must need to understand the importance of diversity management and the motivation of the implementation of diversity management. Grobler (2002) also mention that by it is important to educate employees on diversity management because there will be better job performance and longer service with the organization from managers and employees as they develop more skills and self-confidence.

According to Owoyemi, et al (2011), the emphasis on the benefits of workplace diversity will improve interaction and interrelations between the workforces. The ability to harness the human resources aimed at achieving organizational performance is a key element to the effective management of employees. That is, identifying what can enhance good attitude, commitment and positive behaviors of diverse group at work. By applying diversity management, employers can gain value from diversity and by tapping into each

employee's strengths. This on a long term will reduce labor turnover of younger employees and get them more committed.

The research also stands on the point that teams consisting of members that differ with respect to their tenure know different set of people, have different technical skills and have a different perspective on the organization's culture and history. This will provide employee with broader range of contacts and knowledge and thus improving decision quality and individual performance.

Demonstrating how diversity ties directly to the organization's business strategy provides a foundation for linking the diversity initiative to organizational outcomes. Richard (2000), found a positive relationship between racial diversity and firm performance in organizations pursuing a growth strategy. This finding supports the argument that a diverse workplace offers several benefits to organizations. Research also suggests that diversity efforts can support and contribute to an organizational growth strategy and reinforces the importance of linking diversity initiatives directly to the business strategy. Richard (2000) study also supported the fact that diversity has a positive impact on firm performance. So, it is important to clearly articulate how diversity supports the business strategy of the organization.

Competition for the best talent requires organizations to reach out and embrace an increasingly diverse labor pool. A global economy requires that organizations have a diverse workforce so that they can effectively deal with an increasingly diverse customer base. Diversity in the workplace is vital for employees because it manifests itself in building a great reputation for the company, leading to increased profitability and opportunities for workers. Workplace diversity is important within the organization as well as outside.

A diverse workforce can lead to an increased market share, whereas lack of diversity in the workforce can lead to a shrinking market share. Demographic diversity also unleashes creativity, innovation, and improved group problem solving, which in turn enhances the competitiveness and the level of performance in an organization. In a multicultural society, attempting to increase workforce diversity is simply the right and ethical thing to do as corporate citizens, regardless of the economic implications.

It is important for any organization to implement diversity management, especially in the service industry because performance can be evaluated by the customers and stakeholders. Michele, Jayne, Dipboye (2004) pointed out that the increasing attention

given to diversity management reflects the inevitable consequence of a global economy and demographic changes. Therefore, by achieving a diverse workplace, it can effectively manage to yield huge benefits for an organization.

The conducted research revealed that Ethiopian airlines clearly set its strategy and procedure towards diversity. As global carrier it encourages and works towards fairly diversified employee profile. In its value statement it is set out as; *'We are an equal opportunity employer with commitment to diversity and fair treatment'*. Ethiopian Airlines Group is a global mid-size carrier needs to address diversity issue both at home and around the globe. It promotes diversity by giving equal employment opportunity, access to vacancies, creating global posts home base as well as international offices, mixing critical frontline customer service professions based on the customer profile. In general diversity for EAL is inevitable and key to success now and in the future.

### *5.3. Recommendation for Future Study*

This study can serve as a guideline for future research. The focus is on the gender, age, nationality, and education background of the employees and whether it will affect their performance in an organization. Since the result is a comparison on the performance of the individual employee and had no comparison based on team performance, future research can go deeper in this area. Secondly, researchers should achieve consensus on how workforce diversity is viewed and to develop a generally accepted definition of workplace diversity, thus allowing more researches to take place to explore more benefits and implications of workforce diversity towards organizations' performance. It is recommended that future research can get a better understanding for the effects of workforce diversity towards employee performance in an organization in order to go deeper for the study.

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## *List of Abbreviation*

|             |  |
|-------------|--|
| <b>DM</b>   | Diversity Management                           |
| <b>DV</b>   | Dependent Variables                            |
| <b>EAL</b>  | Ethiopian Airlines                             |
| <b>HR</b>   | Human Resource                                 |
| <b>HRM</b>  | Human Resource Management                      |
| <b>IV</b>   | Independent Variables                          |
| <b>OLR</b>  | Ordinal Logistic Regression                    |
| <b>P</b>    | Level of Significance                          |
| <b>SD</b>   | Standard Deviation                             |
| <b>SPSS</b> | Statistical Package for Social science Studies |

## *Appendix 1. Survey Questionnaire*

### Section I. Demographic Information (Please tick or circle your choice).

1. Gender:

A. Male \_\_\_\_ B. Female\_\_\_\_\_

2. Age:

A. Below 30 years B. Between 30 -40years C. Over 40 years

3. Nationality (please specify):\_\_\_\_\_

4. Tenure/service in the organization:

A. < 1year B. Between 1-5 years B. Between 5-10 years C. Over 10 years

6. Education level accomplished:

A. Below diploma/10+3 B. Diploma/10+3 C. 1st Degree D. 2nd degree and above

7. Employment status:

A. Open term (indefinite) B. Fixed Term(definite)

8. Job title:

A. Flight crew B. Cabin Crew C. Airport staff D. Main office staff

Section II: please indicate the most appropriate opinion/response with the scale below.

(1) Strongly Disagree

(2) Disagree

(3) Neutral

(4) Agree

(5) Strongly Agree

|  | ITEM | Strongly | Disagree | Neutral | Agree | Strongly |
|--|------|----------|----------|---------|-------|----------|
|--|------|----------|----------|---------|-------|----------|

|   | ITEM<br>(GENDER)  | Strongly<br>Disagree<br>(1) | Disagree<br>(2) | Neutral<br>(3) | Agree<br>(4) | Strongly<br>Agree<br>(5) |
|---|---|-----------------------------|-----------------|----------------|--------------|--------------------------|
| 1 | Employees have not been discriminated by employer while hiring and recruitment process on gender basis.     |                             |                 |                |              |                          |
| 2 | The company gives equal opportunity for attracting and hiring women.  |                             |                 |                |              |                          |
| 3 | Fair treatment is given to all employees, whether they are male or female.                                  |                             |                 |                |              |                          |
| 4 | Gender diverse team showed better problem solving and decision-making skills than gender homogeneous teams. |                             |                 |                |              |                          |
| 5 | Training and development opportunities are given equally for male and female.                               |                             |                 |                |              |                          |
| 6 | Men & women are fairly represented at all levels of the organization.                                       |                             |                 |                |              |                          |
| 7 | Opportunities for growth and advancement exist for women in our company                                     |                             |                 |                |              |                          |
| 8 | Women are involved in the organization's decision making as much as men.                                    |                             |                 |                |              |                          |
| 9 | I am positive about gender diversity in EAL   |                             |                 |                |              |                          |

|   | ITEM<br>(AGE)   | Strongly<br>Disagree<br>(1) | Disagree<br>(2) | Neutral<br>(3) | Agree<br>(4) | Strongly<br>Agree<br>(5) |
|---|---|-----------------------------|-----------------|----------------|--------------|--------------------------|
| 1 | At work, I have bonding with people of different age group.   |                             |                 |                |              |                          |
| 2 | The age differences in work group might cause conflict.   |                             |                 |                |              |                          |
| 3 | Management includes all members at different ages in problem solving and decision making              |                             |                 |                |              |                          |
| 4 | I am positive about age diversity in this workplace.  |                             |                 |                |              |                          |
| 5 | This organization provides equal opportunities for training and career development for all age groups |                             |                 |                |              |                          |

|   | (NATIONALITY)  | Disagree<br>(1) | (2) | (3) | (4) | Agree<br>(5) |
|---|--|-----------------|-----|-----|-----|--------------|
| 1 | EAL gives equal opportunity on attracting and hiring people from different nationalities |                 |     |     |     |              |
| 2 | The organization is concerned about the employee's customs, cultures, and values.        |                 |     |     |     |              |
| 3 | Opportunities for growth and advancement exist for all employees                         |                 |     |     |     |              |
| 4 | I'm comfortable to work with other nationalities.  |                 |     |     |     |              |
| 5 | I feel included & treated as insider regardless of my nationality                        |                 |     |     |     |              |
| 6 | At work, I feel threatened by people from other nationalities                            |                 |     |     |     |              |

|   | ITEM<br>(EDUCATIONAL BACKGROUND)   | Strongly<br>Disagree<br>(1) | Disagree<br>(2) | Neutral<br>(3) | Agree<br>(4) | Strongly<br>Agree<br>(5) |
|---|--|-----------------------------|-----------------|----------------|--------------|--------------------------|
| 1 | The recruitment plan of the EAL is based on the educational background of applicants                   |                             |                 |                |              |                          |
| 2 | In EAL differences in educational background do not bring conflict among employee                      |                             |                 |                |              |                          |
| 3 | The company gives equal treatment when it comes to educational background                              |                             |                 |                |              |                          |
| 4 | As an employee I experience lack of confidence due to my educational background                        |                             |                 |                |              |                          |
| 5 | Opportunities for growth and advancement exist for employees who have lower qualification in education |                             |                 |                |              |                          |

|   | ITEM<br>(PERFORMANCE)   | Strongly<br>Disagree<br>(1) | Disagree<br>(2) | Neutral<br>(3) | Agree<br>(4) | Strongly<br>Agree<br>(5) |
|---|---|-----------------------------|-----------------|----------------|--------------|--------------------------|
| 1 | I enjoy my tasks and the division of work approach.                                   |                             |                 |                |              |                          |
| 2 | Training given by the company encourage me to work better                             |                             |                 |                |              |                          |
| 3 | I love my work and I am motivated to complete the jobs that are assigned to me always |                             |                 |                |              |                          |
| 4 | Employee performance is important for the growth of the company                       |                             |                 |                |              |                          |
| 5 | I am committed to the mission and direction of my organization.                       |                             |                 |                |              |                          |
| 6 | My performance affects my payment   |                             |                 |                |              |                          |

## *Annex 2. Interview Guide*

Date: \_\_\_\_\_

### 1. Demographic questions

Name:

Nationality/Ethnic Background:

Job Title:

Posting:

Gender:

Education:

Length of Employment with [the organization]:

2. Would you describe your experience in working with (or dealing with) people from different backgrounds?

3. How would you describe EAL's culture towards diversity?

4. What is EAL's policy on diversity?

5. How important is diversity to the organization?

6. In what ways does the organization pursue/promote diversity?

7. How effective is the company in achieving diversity?

8. What are some of the difficulties you've encountered dealing with individuals of different

cultural backgrounds?

9. In what ways have you dealt with the difficulties? What were the outcomes?

10. How would you assess your ability to work with individuals with different cultural backgrounds?

### Annex 3 Reliability Test Result

**Reliability Test:** Cronbach's Alpha value of 87.8%, reliable

#### Case Processing Summary

|       |                       | N   | %     |
|-------|-----------------------|-----|-------|
| Cases | Valid                 | 121 | 100.0 |
|       | Excluded <sup>a</sup> | 0   | .0    |
|       | Total                 | 121 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .868             | .878   | 6          |

## Annex-4

Table 39 Working Experience of the Respondents

| Years            | Frequency | Percent |
|------------------|-----------|---------|
| Less than 1 year | 31        | 25.6    |
| 1-5 years        | 57        | 47.1    |
| 6-10 years       | 17        | 14      |
| Over 10 years    | 16        | 13.2    |
| Total            | 121       | 100.0   |

Source: Own Data

Table 40 Job Title of the Respondents in the Organization

| Title             | Frequency | Percent |
|-------------------|-----------|---------|
| Flight Crew       | 36        | 29.8    |
| Cabin Crew        | 50        | 41.3    |
| Airport Staff     | 15        | 12.4    |
| Main office staff | 20        | 16.5    |
| Total             | 121       | 100.0   |

Figure 13 Respondents by Employment Status [N= 121 Valid Respondents]

Source: Own Data

