

**IMPACT OF WORKFORCE DIVERSITY ON  
EMPLOYEE PERFORMANCE WITH SPECIAL  
REFERENCE TO IT, FMCG & TELECOM INDUSTRY  
IN GUJARAT**

A thesis submitted to Gujarat Technological University

For the Award of  
**Doctor of Philosophy**

In

**Management**

By

**Himani Sheth**

[129990992038]

Under supervision of

**Dr Siddharth Das**



**GUJARAT TECHNOLOGICAL UNIVERSITY**

**AHMEDABAD**

**FEBRUARY - 2018**

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# ABSTRACT

With an easy access to technology and an easier availability of most of the resources, the only thing that can distinguish one organisation from another is its manpower. Organizations with Human capital advantage can always succeed in achieving their objectives as they consider employees as their ultimate strength and believe that investment on employees is definitely going to give high returns and help them achieve their objective. Organizations constantly strive to find out various ways and means of increasing employee productivity and performance and one such technique which is being practiced now a days is recruiting and managing a diverse workforce. Workforce diversity refers to employees with different Age , Gender , Education, Work Experience, Organizational Tenure, Region, Ethnicity , Caste , Colour , Race , Religion , Culture , disability , personality traits ,Work Experience, and similar related things. Acknowledging, understanding, accepting, valuing, and celebrating these differences refer to managing workforce diversity. After investing on and managing workforce diversity there has always been a debate whether there has been a significant impact of workforce diversity on employee performance .When employees with diverse background work together does it really impact their performance or that there is no significant impact of the same. To find out the same a research has been carried out to study the impact of workforce diversity on employee performance. The study has been conducted on a sample of 600 employees in Ahmedabad, Baroda, Surat & Rajkot in IT, Telecom & FMCG industry in the state of Gujarat. Exploratory as well as Descriptive research has been used for the study. Industry practitioners and academicians were contacted under exploratory research and employee survey was carried out under descriptive research. Data Analysis has been done using SPSS and AMOS. Exploratory Factor Analysis, Confirmatory Factor Analysis, Structural Equation Modeling and Frequency distribution has been used to achieve the objectives of the study.

The factors identified under workforce diversity were Age Diversity, Gender Diversity, Organizational Tenure diversity, Educational Background diversity, Work Experience diversity, Religion diversity & Regional diversity. The impact of these diversity factors had to be measured on employee performance and so one more factor identified was Employee

Performance. Also Employees' perception towards the impact of workforce diversity on their performance had to be measured and so Employee Perception was also identified as one of the factors. The factors and their respective variables were identified by literature review and expert opinion. In order to measure the statistical relationship between the factors and the variables, Exploratory Factor Analysis was used. After confirming the relationship between the factors and the variables through EFA, diversity issues under each factor were studied. Frequency distribution (mean calculation) was used to study the same. Efforts were made to investigate the impact of workforce diversity on employee performance. Confirmatory Factor Analysis and Structural Equation Modeling was used to investigate the same. Further perception of employees towards the impact of workforce diversity on their performance was studied. EFA, CFA and SEM was used for the same & Lastly an Inter Industry Comparison was conducted in order to study the impact of each diversity factor on employee performance in that particular industry. The same was also studied by using CFA & SEM.

The findings of the study reveal that Age diversity, Organizational Tenure diversity, Educational background diversity, Work experience diversity has an impact on employee performance whereas Gender diversity, Religion diversity and Regional Diversity does not have an impact on employee performance. There are no major issues that arise when different aged employees work together. There is some sort of inequality between male and female employees and this is often reflected at the time of performance appraisal as well as promotions. There is often a glass ceiling when the question of career advancement arises for females. Seniority is given importance as compared to newly joined employees. Most of the decisions are taken by keeping only senior employees in loop. Often there are conflicts between seniors and juniors. In most of the companies merit is the only criteria for promotion. In case of equally experienced employees seniority (number of years spent in the organization) is given more weightage in most of the organizations. Employees from different regions and belonging to different religion have not been facing serious diversity issues because of their region and religion. The employees perceive that working with a diverse work group helps them increase their performance. Industry specific study reveals that in Telecom industry, Educational diversity and Work experience diversity has an impact on employee performance whereas Age diversity, Gender diversity, Organizational tenure diversity, Religion diversity

and Regional diversity does not have an impact on employee performance. In IT industry ,Age diversity, Organizational tenure diversity, Educational diversity and Work experience diversity has an impact on employee performance where as Gender diversity, Religion and Regional diversity does not have an impact on employee performance. In FMCG industry, Age diversity, organizational tenure diversity, educational diversity and work experience diversity has an impact on employee performance where as Gender diversity, Religion and Regional diversity does not have an impact on employee performance.

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# CHAPTER 1

## Introduction

### 1.1 Research Background

With companies becoming more employee centric, Human Resource Management has become one of the most important functions in an organization. Employees are considered to be the ultimate asset in any organization and there are proven facts that companies practicing efficient human resource management have produced positive results both in the form of employee productivity as well as organizational profits. Organizations are now investing more and more on its human resources and their development as Human capital advantage is the only thing that can distinguish one organization from another.

The changing trend is that a diverse pool of employees has been working together with each passing day. Employees with different Age, Gender, Organizational Tenure, Work Experience, Educational qualification , Religion, Regions, Caste, nationality , personality, culture, language have been working together.

Workforce diversity is the buzzword today and organizations nowadays are keen to recruit and have a diverse workforce on board. Dora and Kieth (1998) mentions that Organizations have discovered that Diversity is not an absolute phenomenon but it is a continuous process. Saxena, A. (2014) discusses that Workforce diversity is considered as one of the basic necessities in today's changing environment but managing the same is a challenge. Having invested on workforce diversity, organizations often try and find out the impact of workforce diversity on employee performance. But having a diverse workforce has its benefits as well as challenges and thus Researchers says that if a

diverse workforce is being recruited and managed in a very effective and efficient manner and issues arising out of the same are handled smoothly, then the same is definitely going to give a positive impact on employee performance. The study aims to investigate the impact of workforce diversity on employee performance with special reference to IT, Telecom & FMCG Industry in the state of Gujarat.

## **1.2 Research Problem**

There has been a number of valuable studies on impact of workforce diversity factors like Age , Gender , Ethnicity , Caste , Colour , Race , Religion , Culture , disability , personality traits on organizational performance. Where as there has been a minimal research on impact of the above factors on employee performance. Also none of this research have included Organizational Tenure diversity , Work Experience diversity , Educational Background diversity & Regional diversity along with Age diversity , Gender diversity & Religion diversity .Apart from that hardly any research talks about measuring the impact of all these factors on employee performance in the state of Gujarat

## **1.3 Purpose of the study**

The purpose of the research is to study the impact of workforce diversity on employee performance in IT, Telecom and FMCG industry in the state of Gujarat in cities like Ahmedabad, Baroda, Surat & Rajkot. This will be done by conducting a literature review and identifying the factors that may affect employee performance and then the purpose is to study the issues of each factor within the organization and the industry and investigating the impact of each diversity factor on employee performance. The purpose of the study is also to study the perception of employees towards employee performance and carry out an inter industry comparison and there by study the impact of each factor on employee performance in that particular industry.

## **1.4 Significance of the study**

There has been a number of valuable studies on impact of workforce diversity factors like Age , Gender , Ethnicity , Caste , Colour , Race , Religion , Culture , Disability , Personality traits on Organizational Performance. Weiliang. (2011).; Otike et al (n.d.) , Isabell et al (2010 ) ; Deshwal and Chaudhary ( 2012 ); Rice (n. d.) ; Garnero & Rycx ( 2013 ); Barrington & Troske (2001 ); Cox, T. (n.d.); Hubbard, E. E. (2005) ;Schehar B, m. F. (2013) .But there has been a minimal research on impact of the above factors on employee performance.

There has been a number of valuable studies on various diversity factors like Age ,Education, Gender , Ehtnicity, Caste, Colour, Race, Religion , Culture , Disability, Personality traits ; Weiliang. (2011); Garnero & Rycx ( 2013 ) ; Isabell et al (2010 ) ; Ali et al (n. d ) ; Moreno, K. (2012) ; Ehimare ,J. ( 2011 ) ; Otike et al (n.d.) but a minimal research has been done on diversity factors like Organizational Tenure , Work Experience , Regional diversity and its impact on employee performance.Apart from that hardly any research talks about measuring the impact of all these factors on employee performance in the state of Gujarat.

## **1.5 Research objectives**

### **1.5.1 Primary**

- To study the impact of workforce diversity on employee performance

### **1.5.2 Secondary**

- To identify the factors of workforce diversity that may affect employee performance
- To study the diversity issues within each factor
- To investigate the impact of each diversity factor on employee performance
- To study the perception of employees towards impact of workforce diversity on their performance



- To carry out an inter industry comparison & there by study the impact of each factor on employee performance in that particular industry

## 1.6 Scope of the study

The research carried out in the thesis focus on Impact of workforce diversity on employee performance in IT, Telecom and FMCG industries in 4 cities of Gujarat i.e. Ahmedabad, Baroda, Surat & Rajkot .600 employees from 3 industries were selected for the study.

Below is the City wise / Industry wise detail

## 1.7 Survey Break up – Industry wise / City wise / Company wise

TABLE 1.1 Industry wise / City wise

Cities / Industry	IT	Telecom	FMCG	Total
Ahmedabad	80	75	60	215
Baroda	47	25	43	113
Surat	66	42	39	149
Rajkot	45	34	44	123
<b>Total</b>	<b>238</b>	<b>176</b>	<b>186</b>	<b>600</b>

**Table 1.2**

<b>Companies Surveyed</b>			
<b>Sr No</b>	<b>Name of the company</b>	<b>Industry</b>	<b>No of employees surveyed</b>
1	Manpasand Beverages	FMCG	20
2	Cococola	FMCG	16
3	Parle	FMCG	30
4	ITC Ltd	FMCG	2
5	Waghbakri Tea Group	FMCG	38
6	Brittania Industries	FMCG	16
7	Havmor Icecream Ltd	FMCG	24
8	Vadilal Icecreams	FMCG	20
9	Adani Wilmar Ltd	FMCG	2
10	Rasna	FMCG	18
			<b>186</b>
11	Elitecore Technologies	IT	20
12	Sibridge Technologies	IT	14
13	Cyberroam	IT	6
14	Ominism	IT	30
15	Scanpoints Geomatics Ltd	IT	24
16	Web I Technology	IT	20
17	Evosys	IT	20
18	Digicorp Information Pvt Ltd	IT	40
19	Kaizan Infocomm	IT	16
20	Tata Consultancy Services	IT	20
21	Concept Infoway	IT	16
22	Creative Labs	IT	12
			<b>238</b>
23	Reliance JIO	TELECOM	40
24	Uninor	TELECOM	32
25	Vodafone	TELECOM	54
26	Airtel	TELECOM	22
27	Idea	TELECOM	26
28	Tikona Infinity	TELECOM	2
			<b>176</b>
	<b>Total</b>		<b>600</b>

As per the above table, 600 employees from 28 companies were surveyed for the research work. 186 employees from 10 companies were surveyed from FMCG industry, 238 employees from 12 companies were surveyed from IT industry, 176 employees from 6 companies were surveyed from Telecom industry.

### 1.8 Original Contribution by the Thesis

The research has contributed to the existing body of knowledge pertaining to the factors of workforce diversity and its impact on employee performance by incorporating new information & related results by both qualitative and quantitative research. With this study, the organizations will also be able to identify which workforce diversity factors will have an impact on employee performance in IT, Telecom and FMCG Industry in the state of Gujarat because a comparative study for the mentioned 3 industries has also been done.

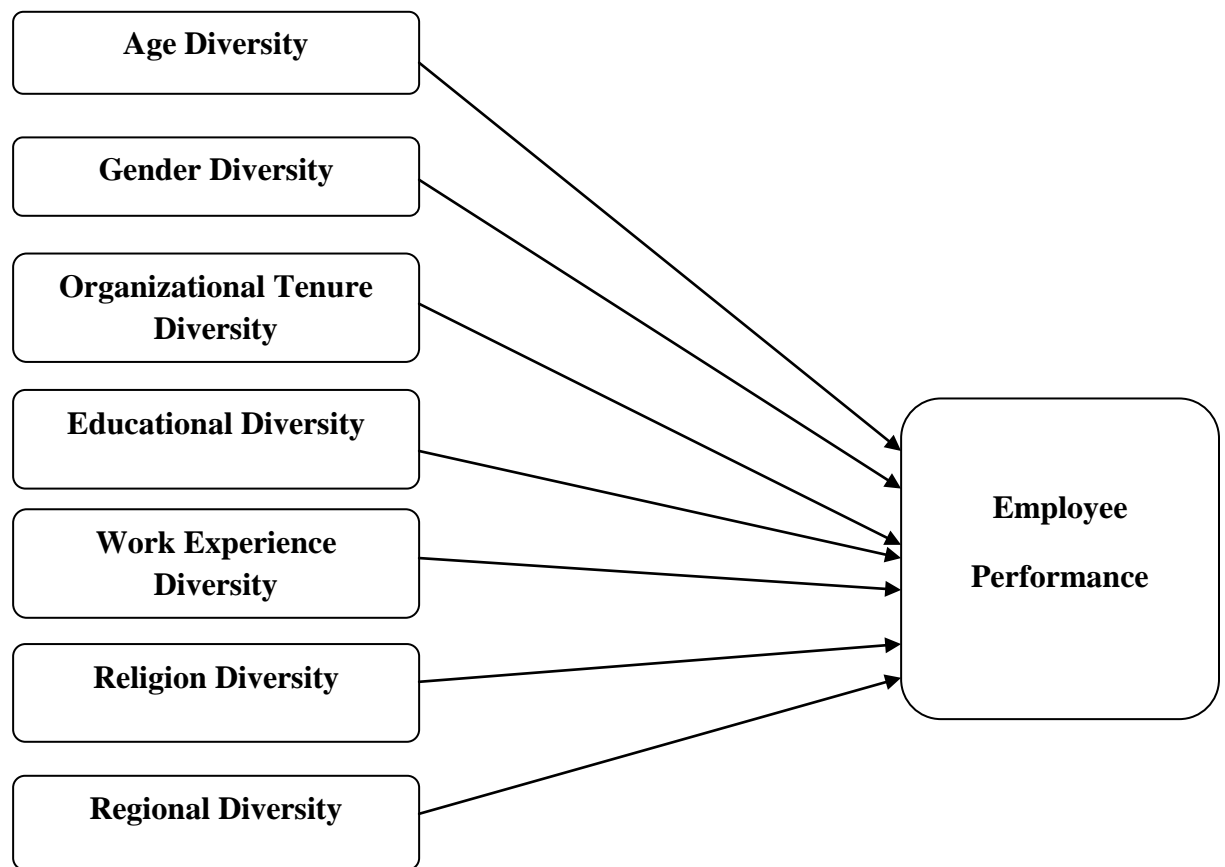


FIGURE 1.1

## **1.9 Structure of the Thesis:**

This thesis comprises of chapters, and the chapters will be settled as following:

### **Chapter 1 Introduction**

This chapter introduces the central part of research problem. Subsequently it draws the path that will help towards the thesis conclusion. It comprises of research background, research problem, purpose of the study, significance and objectives of the study ,Scope of the study significant contribution of the present work and structure of the thesis.

### **Chapter 2 Literature Review**

This chapter includes literature review on IT,Telecom & FMCG industry in the state of Gujarat and India, workforce diversity, employee performance, Impact of workforce diversity on employee performance, Impact of various diversity factors on employee as well as organizational performance.

### **Chapter 3: Research Gap**

This chapter studies the research gap derived from literature review and theoretical framework for the study.

### **Chapter 4: Research Methodology**

This chapter comprises of the methodology used in conducting the research. It commences with research design, sample design, data collection tools, modes of data collection, methods of data analysis, pilot study

### **Chapter 5: Data Analysis**

This chapter deals with data analysis and interpretation. It includes reliability analysis of the scales used in the instrument and several statistical methods and analyses of data collected.

## **Chapter 6: Findings**

This chapter includes the major findings on the results obtained with the help of data Analysis.

## **Chapter 7 : Conclusion major contribution and scope of further work**

This chapter focuses on final conclusion, major contribution, Limitations and scope of further work.

# CHAPTER 2

## Literature Review

### 2.1 Introduction

Review of literature is first step for conducting research. It is carried out to enable the researcher to get understanding about the detailed field of study. Further it helps the researcher to get thorough with the tested methods and interpretations of similar type of studies conducted elsewhere. It also helps the researcher to eradicate limitations of work and may also assist to extend prevailing study. This chapter presents literature survey available in India and abroad under the various subheadings listed below.

### 2.2 IT industry In India

India is the world's biggest sourcing goal for the data innovation (IT) industry and records for around 67 for every penny of the US\$ 124-130 billion market. The business utilizes around 10 million workforce. Other than that the IT business has assumed a key part in changing the monetary photo of the nation and helped India make a check in the worldwide economy. Regarding the same a few worldwide IT firms have set up their advancement focuses in India. The Indian education part has additionally picked up advantages in view of IT industry particularly to computer science and engineering. The Indian IT and ITeS industry is partitioned into four noteworthy portions –Business Process Management (BPM), IT services, Hardware & Software products and Engineering services .The Indian IT sector is expected to grow at a rate of 12-14 per cent for FY2016-17 in constant currency terms.The segment is additionally anticipated that would triple its present yearly income to achieve US\$ 350 billion by FY 2025#.Indian IT's center abilities and qualities have pulled in huge ventures from significant nations. The PC programming and equipment segment in India pulled in combined Foreign Direct Investment (FDI) inflows worth US\$ 22.83 billion between April 2000 and

December 2016, as per information discharged by the Department of Industrial Policy and Promotion (DIPP). Leading Indian IT firms like Infosys, Wipro, TCS and Tech Mahindra, are expanding their offerings and exhibiting driving thoughts in square chain, counterfeit consciousness to customers utilizing advancement center points, innovative work focuses, with a specific end goal to make separated offerings. In the Union Budget 2017-18, the Government of India reported the accompanying key recommendations: The Government of India has designated Rs 10,000 crore (US\$ 1.5 billion) for BharatNet extend under which it expects to give rapid broadband to more than 150,000 gram panchayats by 2017-18. PM of India, Mr Narendra Modi, has propelled the Bharat Interface for Money (BHIM) application, an Aadhaar-based versatile installment application that will enable clients to make advanced installments without using a credit or charge card. The application has as of now achieved the characteristic of 10 million downloads ( IBEF,2017 )

Below is the list of top 10 IT companies in India for the year 2017

**Table 2.1 – Top 10 IT companies in India - 2017**

<b>Rank</b>	<b>Company Name</b>
1	TCS
2	Infosys
3	Wipro
4	HCL Technologies
5	Tech Mahindra
6	Oracle Financial Services
7	Mind Tree
8	Mphasis
9	Hexaware Technologies
10	Tata ELXSI

## **2.3 IT Industry in Gujarat**

The IT industry is always looking for new venues for development and Gujarat is totally emerging as a new IT hub .The IT companies in Gujarat are aiming 20 % growth in this financial year and it will focus on product development and global access. Gujarat as a state has a number of advantages over others like more than 65 % population is below 35 years of age, a solid infrastructure and an improved standard of knowledge of English. The government of Gujarat has already added to the development of IT sector by setting up infocity at Gandhinagar. And has announced a new industrial policy in 2003.Multiple SEZs has been set up in cities like Ahmedabad, Gandhinagar and Vadodara. A software technology park is being lined up at Rajkot, Surat and Jamnagar .The state has highest teledensity and the best tele communication facility. IT companies are therefore to enter into a virgin but known area. Educational institutions along with government are working towards development of skilled human resources who can add value to the IT industry in Gujarat and take to the next level. Looking at the speed of development, low crime record, safe environment and welcoming attitude of the state, people from across India are keen to come and work in the state of Gujarat.

## **2.4 Telecom Industry in India**

India has exhibited a solid development in the previous decade and a half and is at present the world's second-biggest broadcast communications showcase. The mobile economy of India is developing quickly and will contribute significantly to India's Gross Domestic Product (GDP), as indicated by report arranged by GSM Association (GSMA) as a team with the Boston Consulting Group (BCG).The variables that have prompted the fast development in the Indian Telecom division are liberal and reformist government strategies and a solid demand of the consumers. Availability of telecom administrations at reasonable costs is additionally a key figure to fast development of telecom industry. The part has effectively made adequate measure of business openings. Universal Data Corporation (IDC) predicts India to surpass US as the second-biggest cell phone showcase internationally by 2017. Driven by solid selection of information utilization on handheld gadgets, the aggregate portable administrations



advertise income in India is relied upon to touch US\$ 37 billion in 2017, enlisting a Compound Annual Growth Rate (CAGR) of 5.2 for every penny in the vicinity of 2014 and 2017, as per research firm IDC. As indicated by a report by driving examination firm "Statistical surveying Store", the Indian media transmission administrations market will probably develop by 10.3 for every penny year-on-year to achieve US\$ 103.9 billion by 2020. According to the Ericsson Mobility Report India, cell phone memberships in India is required to expand four-overlap to 810 million clients by 2021, while the aggregate cell phone activity is relied upon to grow seventeen-overlay to 4.2 Exabytes (EB) every month by 2021. The government has optimized changes in the telecom part and keeps on being proactive in giving space to development for telecom organizations. A portion of the other significant activities taken by the legislature are as per the following. The Government of India has designated Rs 10,000 crore (US\$ 1.5 billion) for taking off optical fiber-based broadband system crosswise over 150,000 aggregate gram panchayats (GP) and Rs 3,000 crore (US\$ 450 million) for laying optical fiber link (OFC) and securing gear for the Network For Spectrum (NFS) extend in 2017-18. The Government of India has changed the installment terms for range barterers by enabling two alternatives of installments to telecom organizations for obtaining the privilege to utilize range, which incorporate forthright installment and installment in portions. The TRAI has suggested a Public-Private Partnership (PPP) demonstrate for BharatNet, the focal government's eager venture to set up a broadband system in provincial India, and has additionally imagined focal and state governments to end up plainly the principle customers in this project. The Ministry of Skill Development and Entrepreneurship (MSDE) marked a Memorandum of Understanding (MoU) with DoT to create and execute National Action Plan for Skill Development in Telecom Sector, with a target of satisfying gifted labor prerequisite and giving business and enterprise openings in the area.

Below is the list of top Telecom companies in India for the year 2017

**Table 2.2 - Top 10 Telecom companies in India – 2017**

<b>Rank</b>	<b>Company Name</b>
1	Airtel
2	Vodafone
3	Idea
4	Reliance Communication
5	BSNL
6	Aircel
7	Tata Dokomo
8	Telenor
9	Jio
10	MTS

## **2.5 Telecom Industry in Gujarat**

Gujarat is one of the leading industrial states in the country. It has a coast line of 1600 kms and is very well connected to major port based trade routes such as USA, Europe, Canada, Australia, China, Japan, Korea and Gulf countries. The state contributes more than 7.5% to India's GDP and 18 % to India's fixed capital. More than 10 % of the country's factories are in Gujarat. In spite of the global economic meltdown; Gujarat achieved an annual GSDP growth of 10 % in 2005-2013 which is higher than the national average. Gujarat has always been emphasizing on wholesome & sustainable development and generation of a lot of employment opportunities. (INDEXTB, 2015 ). One of the booming sectors in Gujarat state today is telecom sector. Gujarat is India's 5<sup>th</sup> largest telecom market with a wireless

penetration of 82 %.In 2008, there was entry of new telecom operators in the market and this resulted into an intense competition. The internet and broadband usage in Gujarat is quite high. Gujarat was ranked 7<sup>th</sup> in the country with more than one million subscribers as on June, 2011. Gujarat is getting itself ready to come in par with other metro states in the country. The state also registers above average per capita GDP. Cities like Ahmedabad, Vadodara and Surat are registering highest disposable income. Higher income across various sections of the society in the state will lead to increase in the purchasing power of the people and there by increase in the demand of smart phones and internet connectivity across the state. This in turn will help the telecom industry to prosper on a large scale. (Grover, 2011)

## **2.6 FMCG Industry in India**

FMCG area is the fourth biggest part in the Indian Economy. The FMCG segment has developed at a yearly average of about 11 percent throughout the most recent decade. The market size of FMCG in India is evaluated to develop from US\$ 30 billion in 2011 to US\$ 74 billion in 2018. Food items is the main section, representing 43 percent of the general market. Personal care (22 percent) and fabric care (12 percent) come next as far as market share. Rural localities are anticipated as the real driver for FMCG, as development keeps on being high in these areas. Provincial territories saw a 16 percent, as against 12 percent growth in urban zones. Most organizations raced to benefit from this, as they rapidly approached expanding direct appropriation and giving better framework. Organizations are additionally working towards making particular items uncommonly focused for the provincial market. The Government of India has likewise been supporting the rural population with higher minimum support prices (MSPs), distributions through the National Rural Employment Guarantee Act (NREGA) program, loan waivers. These measures have helped in decreasing destitution in provincial India and given a lift to rustic buying power. With ascend in expendable earnings, mid-and high-pay customers in urban zones have moved their buying pattern from basic to premium items. Accordingly, firms have begun upgrading their superior items portfolio. Indian and multinational FMCG players are utilizing India as a key sourcing center point for cost-focused item improvement and assembling to oblige global markets. (Purohit, 2016 ) The Government of India's approaches and administrative systems, for example, unwinding of

permit tenets and endorsement of 51percent foreign direct investment(FDI) in multi-brand and 100 percent in single-brand retail are a portion of the real development drivers for the FMCG showcase.

Below is the list of top FMCG companies in India for the year 2017

**Table 2.3 - Top 10 FMCG companies in India – 2017**

<b>Rank</b>	<b>Company Name</b>
1	ITC
2	HUL
3	Brittania
4	Nestle India
5	Dabur
6	Marico
7	Patanjali Ayurved
8	Godrej Consumer
9	Glaxosithkline
10	Colgate Palmolive

## **2.7 FMCG Industry in Gujarat**

The state of Gujarat has a well built FMCG market. Most of the well known FMCG brands have their operations in Gujarat. The state is famous for its traditional and organized business class. It has one of the highest per capita income in India. There has been a general increase in the disposable income of people and so purchase of FMCG goods have increased to a large

extent. Cities like Ahmedabad, Gandhinagar, Baroda, Surat have facilitated the development of FMCG consumerism in Gujarat. The FMCG based goods here are sold through organized as well as unorganized market. (Anonymous, 2017)

## **2.8 Workforce Diversity**

Organizations now a days have been giving utmost importance to Human Resources as employees are considered to be the biggest assets. Off let it is proved that if the employees are recruited, selected & managed properly, the organization can always embark on the path of progress and prosperity. Organizations always try and set mechanisms to help the employees increase their performance. One such technique which is gaining momentum is having a diverse workforce.

Workforce diversity refers to having employees with different backgrounds. Race, ethnic group, caste, age, gender, personality, cognitive style, Work experience educational background, tenure, organizational function, language, culture, Religion, Region, and more together form diversity.

Diversity include age, race, ethnicity, religion, culture, gender, capabilities & sexual orientation (Das and Wagar, 2007).

A Diverse workforce refers to a group of people working together within the organization from various socio-cultural backgrounds. Diversity includes factors such as race, gender, age, colour, physical ability, ethnicity, etc. (Kundu and Turan, 1999)

Organizations are said to have a diverse workforce when it's employees differ from one another on one or more parameters (Thomas and Ely, 2001)

In industry and business terms diversity is a set of differences among employees in the form of personality traits, social variables ,demographic variables ,professional variables that are found at various levels of the organization (Cox, 1991; Thomas, 1991)

Diversity is a very essential element of any organization. Organizations often try and provide benefits that support workforce diversity. ( Hansen ,2002 )

Organizations are striving to include a diverse workforce which according to them helps in filling the skill gap and maximize the benefits of workforce diversity as a business case. (Meena, 2015)

Organizations often pressurize HR departments to motivate people to work in diversity. ( Greengard,2004 )

Workforce diversity is a continuous process & should be studied in terms of level of diversity along suitable dimensions. ( Dora & Kieth , 1998 )

Organizations are investing a lot of money on recruiting and managing a diverse workforce as they believe that having a diverse workforce provides a lot of benefits to the organization in many ways. Globalization has brought the people of the world closer together than ever before, so nationality is also considered as one of the components of diversity.

Organizations often try and find out various benefits and limitations of workforce diversity and accordingly recruit a diverse workforce.

Vedpuriswar, A.V. (2008) mentioned that Diversity should go beyond political correctness, the area where diversity has real business value is innovation, a judicious blend of young and old people can enhance creativity in individual employees. Diversity helps in increasing the quality of decision making. Accept and celebrate the differences.

Henry, O., & Evans, A. J. (2007). presents that diversity is very much necessary for the survival of any organization in today's competitive world. The management has to analyze the benefits of workforce diversity and should try and create an environment suitable for the same.

Lindenberger, J. (2004) says that a diverse & innovative body of talent with newer perspectives is very important for success of an organization in the long run.

Hubbard, E. E. (2005) discusses the techniques to measure diversity and that how is diversity linked with recruitment, promotion and retention. It is very important for an organization to link diversity with profit. The best way to manage diversity is to find out how it can be measured in quantifiable terms. He has discussed a very important point that in order to prove his worth an employee has to act as a strategic partner. He says that there are four layers of diversity- Workforce diversity, Behavioral diversity, business diversity, structural diversity.

Mullen, B., & Copper, C. (1994). mentions that a diverse workforce will lead to a range of different knowledge, skills, capabilities and thoughts.

## **2.9 Employee Performance**

Human Resource is the most important resource of any organization and its performance is the key area that is always at the centre stage in any organization. Organizations always try and create an environment that supports the employees to perform at their best and add to the productivity and profitability of the organization.

The ultimate goal of recruiting any employee in the organization is extracting the best performance out of him there by leading to organizational development along with his personal and professional development. Employee performance is based on a number of factors like intrinsic and extrinsic motivation, organization's culture, financial and non financial incentives, role clarity, personal development, continuous learning, competitive compensation practices and the employees efficiency and effectiveness. HR departments always try and study the factors that are hindering employee performance and work on eliminating the same to promote smooth, positive and effective employee performance.

Employee performance is the measure of output vis a vis input .Employee performance is dependent on a lot of organizational factors like Organizational Culture and Environment , Job Security ,Salary ,Incentives, Job Satisfaction. ( Saeed & Asghar, 2012 )

Irune Shahzadi, A. J. (2014). States that What an employee does and what he does not do represents employee performance. It involves input Vs quality and quantity of output.

Dr Trent Kaufman, D. J. (2015) States that if employees perform better , it can affect the colleagues and can help the organization grow financially.

Yang, H. (2008) talks about verifying performance of individuals. According to him it is very difficult to verify the performance of an employee and if employee performance is noticeable, organizations can use direct financial as well as non financial rewards.

Armstrong (2000) indicates that both behaviour and results have to be taken into consideration while managing performance.

Performance is defined as the productivity of employees which is appreciated and recognized by the organization. ( Robbins, 1996 )

Auguinis ( 2009 ) described that performance does not include the result of the behaviour of the employees but it only includes what the employee does. In other words, their behavior matters and not the result of their behavior.

If an employee wants to perform better than others than he has to focus on three factors declarative knowledge, procedural knowledge and motivation . (McCloy et al., 1994)

Huselid ( 1995 ) have argued that efficiency of a HR department in delivering best HR practices is very important to help the employees perform better.

## **2.10 Impact of Workforce Diversity on Employee Performance**

Industries now a days are looking for unique ways to increase organizational performance and finding out best solutions to the business problems. Inclusion of a diverse work force is one of the mechanisms practiced by industries to enhance employee as well as organizational performance. ( Joseph & Selvaraj ,2015 )



When the organization environment supports workforce diversity , workforce diversity will always add to employee productivity . ( Amaram ,2007 )

Choi and Rainey (2010) explains that there are three variables as far as workforce diversity is concerned: diversity, diversity management and perceived organizational performance.

If the organization fails to effectively manage workforce diversity the same will lead to conflicts, miscommunication, power struggle and politics issues. (Jackson et al, 1991; William and O'Reilly, 1998; Jehn, 1995)

Managing a diverse workplace is very necessary to provide equal opportunities and increase competitiveness among the employees and be a part of global competition. ( Gilbert et al ,2000 ; Shaw ,1993 )

Incompatibility between a diverse work group often leads to conflicts. Managers should be aware of this conflicts and should handle the same properly or else it will lead to personal and emotional issues which in turn affects the culture of the organization and employee morale This ultimately leads to loss in employee performance. ( Hasen et al ,2009 ; Mckeena, 2000 )

Williams and O'Reilly (1998) states that managing workforce diversity is a very crucial challenge for organizations. Diversity is considered as a “ hot – button” in the corporate world and management always tries to capitalize on the workforce diversity. The papers identifies the importance of diversity management.

When managers are not very much aware about the skills of dealing with a diverse workforce and the factors that contribute to effective diversity management, workforce diversity will definitely create hindrances in employee performance. (Erasmus ,2007 ).

The organizations which do not handle diversity well and do not adopt a holistic view to remove discrimination and inequality will lead to dissatisfaction amongst the employees as well as customers. (Khandelwal, 2002)

Organizations have been realizing that a diverse workforce leads to employee satisfaction, increased employee productivity and ultimately happier customers. (Dobbs, 1998; Kochan, T et al., 2003)

There is positive relationship between diversity & performance. (Barney, 2001)

Woods, R.H. and Sciarini, M.P. (1995) states diverse workforce helps the organizations to attract and retain talent and skills. Diversity issues are gaining momentum in service industry as effective communication amongst people are essential to business success.

Deshwal, M. P., & Choudhary, D. S. (2012) discusses that establishments that employ a more diverse workforce are no less productive than establishments that employ a more homogeneous workforce. Approach to diversity, and not diversity will define the positive or negative outcome of workforce diversity on organizational as well as employee performance.

Troske and Barrington ( 2001 ) discusses about the relationship between workforce diversity & employee productivity and states that workforce diversity adds value to the overall productivity of the organization.

Rice (n. d.) mentions that diversity should be considered as a business strategy to increase the productivity and profit of an organization. Diversity will help to enhance the creativity of an organization and help to gather a variety of thoughts.

Dike, P. (2013) conducted a survey and the results shows that workplace diversity plays an effective role in some companies. If there is no proper guidance then diversity may lead to low productivity and frustration among the employees. Diversity has to be managed properly for the organizations to attain maximum benefits from the same. She concluded that workplace diversity leads to productivity but if there is lot of discrimination treatment then it may be a backfire.

Troske and Barrington ( 2001 ) portrays that organizations that employees more diverse workforce are equally efficient as organizations that have homogenous workforce. In manufacturing firms, diversity and productivity are more positively associated. Overall there

is no inverse or negative association between diversity and productivity. In general scenario diversity is enhancing the performance of an organization. If an organization wants to or experiments hiring a diverse workforce , its productivity or efficiency is not at risk.

Cox, T. (n.d.) updates the thinking on a linkage between workforce diversity and organizational performance. He further mentions that failure to manage diversity may lead to high turnover ratio and increasing cost. A diverse workforce is able to cater to a culturally diverse market place .It also increases creativity and innovation He concluded that the relationship between workforce diversity and organizational performance is complex.

Dept of business and innovation skills ( 2013 ) has revealed certain facts like diversity if managed properly reaps benefits in some of the industries. If a firm really wants to succeed, diversity has to be considered to be an important aspect to be included while framing the strategy of a business. It has to gain importance in the board room.

Gadget. (n.d.). discusses about the fact that companies who actually want to meet the needs of a diverse customer base has to now think on recruiting a diverse workforce. For adhering those needs ,Success of an individual depends on how well he can function in or handle a diverse work force. USA , Canada & Europe are putting in serious efforts to increase diversity in workplace.

Sunanda Jindal, S. D. (2013).State the fact that it is very important for Indian organizations to develop strategies for managing people from different organizations. If a firm wants to be called a high performing organization then it is very necessary to discuss the advantages of discussing diverse workforce in the board rooms. Strategies have to be designed for managing the same.

Hubbard, E. E. (2005) discusses the techniques to measure diversity and that how is diversity linked to recruitment, promotion and retention. It is very important for an organization to link diversity with profit. The best way to manage diversity is to find out how it can be measured in quantifiable terms. He has discussed a very important point that inorder to prove his worth

an employee has to act as a strategic partner. He says that there are four layers of diversity- Workforce diversity, Behavioral diversity, business diversity, structural diversity.

Arslam Ayub, m. S. (2013). discusses that to address the issues of diversity the most important thing is “ Treat others as you want to be treated”. The organization where the survey was conducted did not fully utilize the benefits of diverse workforce. The heterogeneous population led to varying level of discomfort among the employees.

Schehar B, m. F. (2013) has considered two independent variables i.e workforce diversity & workforce commitment and their impact on dependent variable i.e organization performance. The author has suggested that if the diversity in workforce is managed properly the employees remain committed to the workforce and thus the organizational performance will definitely increase. A heterogeneous group of employees will definitely add to the efficiency and effectiveness of the organization. The culture of the organization should always support a diverse workforce. Diverse group if not properly managed may lead to behavioral issues.

According to (Bassett-Jones, N. 2005), diversity leads to competition between the employees and motivates them to learn from one other and add to their skills.

Ali M. Alghazo, H. M. (2016). Discusses that Workforce diversity within the organizations will educate the employees to respect the differences among them which will bring a sense of healthy competition amongst them but in order to achieve the same, management should create an environment that supports diversity.

## **2.11 Impact of various diversity factors on organizational as well as employee performance**

Weiliang. (2011). revealed the fact that Workforce diversity in terms of Gender, ethnicity, education positively affects the organizational performance.

Gallego, I., Garcia, I. M., & Rodriguez, L. (2010) conducted a survey and found out that organizations that showcased higher gender diversity, does not out perform organizations with lower levels of the same. So Gender diversity may not impact organizational performance.

Ali et al (n. d ) revealed the fact that Firms in service industry may benefit more because of gender diversity as compared to firms in manufacturing industry.

An organization should have a culture and environment to embrace gender diversity. Then and only then gender diversity will lead to motivation, commitment and related outcomes. The management of the organization has to identify the issues related to diversity in order to see that the gender diversity in the workplace gives effective results. ( Jayne,et al; Brown ,2008)

Kulik.et al. (2011), states that there is a positive relationship between gender diversity and organizational performance.

Gupta, R. (2013)states that different diversity factors have different linkage with organizational performance such as gender is positively or negatively related with performance. Age is negatively related with performance and culture is positively related to sales and productivity.

Garnero & Rycx ( 2013 ) discusses the impact of workforce diversity on wages and productivity of an organization. Three factors were considered as diversity i.e Age, Gender & Education. They concluded that educational (age) diversity is beneficial (harmful) for firm productivity and wages. The effect of gender diversity on wages and productivity of the organizations depend on the technological environment of firms. The result of gender diversity is different in knowledge intensive sectors & traditional industries. Overall, findings do not point to sizeable productivity-wage gaps except for age diversity.

Ehimare, J. (2011) mentions that gender and ethnicity diversity does not affect the over all performance of an individual or an organization where as gender, age and ethnicity are actually correlated to each other.

Kokemuller, N. (n.d.). mentions the negative effects of workforce diversity in an organization. If diversity not managed properly, it may lead to severe negative consequences in the form of

communication barriers, Cultural resistance, internal discrimination and diversity training costs. The organization should provide an environment where employees develop a tolerant attitude and are ready to accept the differences among each other. These may help the organization to reduce the negative effects of workforce diversity.

Otike et al (n.d.) discusses that Diversity based on health background, Gender, academic qualifications, colour, race, religion affects the organizational performance. Diversity based on demographics and socio cultural differences if not managed well, may affect the organizational performance in a negative manner.

Ceren Ozgen, T. D. (2013). discusses that Workforce diversity helps in building creativity & innovation in an organization or sector which is capital incentive. In labour and land intensive sectors, the impact of cultural diversity is not so apparent. Large firms benefit from a culturally diverse groups.

Koshy, P. (2010). summarizes that Diversity in the form of multiculturalism will enhance the performance level of MSMEs

Moreno, K. (2012) conducted a survey of 321 executives and concluded that a diverse workforce is a key driver to innovation. The respondents felt that they had made progress in Gender Diversity but there was not much difference in the areas like disability and age.

Woodard, N. & Debi S Saini (2005) conducted a study where in they compared organizations from USA and India. One of the things they found was that in Indian organizations there is a lot of gap between legal promise and actual implementation. They also quoted that there is a lot of unfavourable discrimination towards women in India. Finally they concluded that there has been an upliftment of women in IT and education sector in India because of rise in literacy level and economic and social development of women.

Cox, T. (1991), explains the importance of managing diversity in workplace. According to him, diversity must be managed effectively to improve organizational effectiveness. He

explains that diversity should be planned and implemented properly in order to maximize its advantages and minimize its disadvantages.

Cox and Blake (1991) mentions that diversity can help an organization beat its competitors. But the most important point to be considered over here is that workforce diversity can lead to either positive or negative outcome.

The relationship among firm's performance and diversity may arise over an organization's diversity reputation; things may also be established through change at numerous managerial levels (Dwyer, Richard & Chadwick, 2003).

# CHAPTER 3

## RESEARCH GAP

### 3.1 Introduction

A research gap is a research question or problem which has not been answered appropriately or at all in a given field of study. Research gap is actually what makes a research publishable. A research gap shows that a researcher is just not duplicating the existing research but has a deep understanding of the status of body of knowledge in the chosen field; and finally it shows that the researcher has conducted a research which fulfils the gap in literature.

### 3.2 Research Gap

There has been a number of valuable studies on impact of workforce diversity factors like Age , Gender , Ethnicity , Caste , Colour , Race , Religion , Culture , Disability , Personality traits on Organizational Performance Weling (2011); Otike et al (n.d.) , Isabell et al (2010 ) ; Deshwal and Chaudhary ( 2012 ) ; Rice (n. d.) ; Garnero & Rycx ( 2013 ) ; Barrington & Troske (2001 ) ; Cox, T. (n. d.) ; Hubbard , E. E. ( 2005 ) ; Schehar B, m. F. (2013) But there has been a minimal research on impact of the above factors on Employee Performance.

There has been a number of valuable studies on various diversity factors like Age ,Education, Gender , Ehtnicity, Caste, Colour, Race, Religion , Culture , Disability, Personality traits ; Weling. (2011) ;Garnero & Rycx ( 2013 ) ; Isabell et al (2010 ) ; Ali et al (n. d ) ; Moreno, K. (2012) ; Ehimare ,J. ( 2011 ) ; Otike et al (n.d.) but a minimal research has been done diversity factors like Organizational Tenure , Work experience , Regional diversity and its impact on employee performance.

Apart from that hardly any research talks about measuring the impact of all these factors on employee performance in the state of Gujarat



Hence, factors i.e. Age diversity, Gender diversity, Organizational Tenure diversity, Educational diversity, Work Experience diversity , Religion diversity ,Regional diversity & Employee Perception has been selected after extensive literature review and an effort has been made to study the impact of all these factors on employee performance in IT , Telecom and FMCG industry in 4 cities in the state of Gujarat. (Ahmedabad, Baroda, Surat & Rajkot )

# **CHAPTER 4**

## **RESEARCH METHODOLOGY**

### **4.1 Introduction**

The chapter represents the methodological foundations that addresses research questions and hypothesis for understanding a relationship between impact of workforce diversity and employee performance. The research questions and hypothesis have evolved from the research gap evolved from literature review. This chapter includes objectives description of Research design , Sample design , Data collection tools, Mode of data collection, Methods of data analysis, Pilot study.

The following research objectives were used as the basic focus of the investigation

The objectives of the study are listed below

#### **Primary**

- To study the impact of workforce diversity on employee performance

#### **Secondary**

- To identify the factors of workforce diversity that may affect employee performance
- To study the diversity issues within each factor
- To investigate the impact of each diversity factor on employee performance
- To study the perception of employees towards impact of workforce diversity on their performance
- To carry out an inter industry comparison & there by study the impact of each factor on employee performance in that particular industry

**The following null hypotheses are formulated on the basis of objectives formulated for the study:**

H1o : There is no impact of diversity factors on employee performance

H1ao: There is no impact of Age Diversity on Employee Performance

H1bo: There is no impact of Gender Diversity on Employee Performance

H1co: There is no impact of Organizational Tenure Diversity on Employee Performance

H1do: There is no impact of Educational Diversity on Employee Performance

H1eo: There is no impact of Work Experience Diversity on Employee Performance

H1fo: There is no impact of Religion Diversity on Employee Performance

H1go: There is no impact of Regional Diversity on Employee Performance

**H 2o: Employees perceive that working with a diverse group does not help them increase their performance**

## **4.2 Research Design**

Research Design is a planning of research in a systematic way that leads to a valid conclusion. (Reis & Judd, 2000, p. 17). It engrosses the specifications of the population to be studied, the treatment to be administered, and the dependent variables to be measured. Polit, D. F., Hungler, B. P., & Beck, C. T. (2001), define a research design as “the overall plan for collecting and analysing data including specifications for enhancing the internal and external validity of the study”.

Burns, A. & Bush, R. (2010) defines a research design as “a blueprint for conducting a study with maximum control over factors that may interfere with the validity of the findings”. Parahoo, 2006 describes a research design as “a plan that describes how, when and where data are to be collected and analysed”. Polit, D. F., Hungler, B. P., & Beck, C. T. (2012) define a research design as “the researcher’s overall presentation for answering the research question

or testing the research hypothesis”. Research design focuses on the ways and means to conduct a study. It showcases all the major parts of the research study such as the samples or groups, measures, treatments or programs, etc and combines them all in order to address the research questions. Research design mainly affects the internal validity of research, that is, the ability to draw conclusions about what actually causes any observable differences in a dependent measure. Research design is linked to data analysis (Miller & Salkind, 2002).

#### **4.2.1 Exploratory Research:**

According to Malhotra & Das (2005), exploratory research is characterized as a research used to investigate or look through a problem or situation to give understandings and inputs. Exploratory research is significant in any circumstance where the researcher does not have enough knowledge and understanding to continue with the research project. Exploratory research is portrayed by adaptability and flexibility as for the techniques since formal research conventions and strategies are not utilized. It does not often include structured questionnaires, probability sampling plans and other related things. Here the researchers are alert to new thoughts and bits of knowledge as they continue. Once another thought or understanding is found, they may divert their investigation towards that path. That new heading is sought after until its potential outcomes are depleted or another course is found. Thus, the concentration of the researcher may move continually as new bits of knowledge are found. Thus, the inventiveness and resourcefulness of the researcher plays a noteworthy part in exploratory research.

The exploratory research will comprise of secondary data analysis as well as primary. Primary will comprise of qualitative research – in which Industry practitioners and academicians were contacted for expert interview. The industry experts comprised of middle level managers from IT, Telecom and FMCG Industry. Academicians were contacted from reputed management institutes. Questionnaires were circulated via email as well as personally to Industry experts as well as academicians. Proof checking of the questionnaire was done and relevant changes were made as per the expert’s advice. Exploratory research helped to gather information

related to the HR practices being carried out in the organization , Issues emerging out of the same and measures taken to control the same.

#### **4.2.2 Descriptive Research:**

Malhotra and Das (2005) stipulates that Descriptive Research design describe the characteristics of relevant group. They further added that this research design is more appropriate in estimating the percentage of units in a specified population showing certain behavior, determining the perception of product characteristics, degree of association between various marketing variables and making specific predictions. Exploratory and descriptive research are different in a way that in descriptive research the information is clearly defined as it is characterized by the prior formulation of specific hypotheses.

Descriptive research is pre- planned and well structured. It is based on the large sample size. Employee survey was conducted to collect the primary data under descriptive research.

### **4.3 Sample design**

A sample is taken from the populace and then survey is conducted. It is a part of the population which is studied in order to make inferences about the whole population. An adequate sample will have the same characteristics of the population (Zikmund,2003) and the findings are usually used to make conclusions about the population. So, a good sample is minuscule version of the population. A sample design involves Sample unit, Sample technique, Sample size.

#### **4.3.1 Sample unit**

The study focuses on IT, Telecom & FMCG industry in Ahmedabad, Baroda , Surat and Rajkot in the state of Gujarat.

#### **4.3.2 Sampling technique**

Sample techniques are used for selecting sample from population by reducing the number of respondents in manageable size. Sample technique is broadly classified as non-probability and probability sampling.

Sampling technique used for the current research is Quota Sampling & Convenience Sampling.

**Quota Sampling:** Quota sampling is a non-probabilistic version of stratified sampling. In quota sampling, a population is first divided into mutually exclusive sub-groups. Then judgment is used to select the subjects or units from each segment based on a specified proportion.

**Convenience Sampling:** Convenience sampling (also known as availability sampling) is a specific type of non-probability sampling method that depends on data collection from population members who are easily & conveniently available to participate in study. Convenience sampling is a type of sampling where without additional requirements, the first available primary data source will be used for the research. In other words, this sampling method involves getting participants wherever you can find them conveniently.

### **4.3.3 Sample Size**

Sample size has an effect on how the sample findings accurately represent the population (Burns & Bush, 2010). The larger the sample is, the more likely that the generalizations are an accurate reflection of the population (Saunders, Lewis & Thornhill, 2009) In general, there has been an understanding among authors of statistical books that the larger the sample the more appropriate for the use of various statistical analysis (Pallant, 2007). The sample size for the current research is 600 employees in 3 industries.

Sample Size formulation :

$$n = (Z)^2 * (p) * (q)$$

$$(E)^2$$

$$n = (1.96)^2 * (.5) * (.5) = 600$$

$$(0.04)^2$$

N = Sample Size

Z = Z-value (e.g., 1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal Where (p) (q) = estimate of variance 0.25

C = Confidence interval, expressed as decimal (0.04)

#### **4.4 Data collection tools**

The secondary data base was collected from various online data base journals, magazines, newspapers and books available in the library .Primary data was collected through interview from experts (Industry experts and academicians ) and survey was conducted by administrating questionnaire. The expert interviews were taken by personal visits to organizations and questionnaire survey was conducted online as well as by personal visits in some of the organizations. Online survey was also conducted in order to meet wider geographical reach.

#### **4.5 Mode of Data collection**

Data related to research has been collected through questionnaire

#### **4.6 Methods of Data Analysis**

Statistical Tool – SPSS and AMOS have been used to analyze the data

SPSS – EFA & Frequency Distribution has been used

AMOS – CFA & SEM has been used

#### **4.7 Pilot study**

A pilot study was carried out prior to the data collection stage .Malhotra and Das (2009),refers pilot study as a testing of questionnaire on a small sample of respondent to identify and

eliminate potential problems .The appropriateness of the questions of the questionnaire was tested including question content ,wording sequence, form and layout. The pilot study was carried out in Ahmedabad city .Survey of 30 employees was conducted in pilot study. With the use of Cronbach Alpha reliability of the questionnaire was checked.

There were some valuable inputs received for modification in the questionnaire by Expert Opinion before the pilot study was conducted.

**The inputs are as below**

- Questionnaire seemed to be lengthy
- Some questions were not relevant and did not support the research objective
- Some questions were being repeated
- Sequencing of some questions needed to be changed
- Sentence framing of some questions needed to be changed

**4.7.1 Reliability of the Measurement Scale**

If repeated measurements are made on the characteristic & a scale produces consistent results the process is called reliability (Malhotra, 2006). Reliability is an indication of consistency of findings based on the methods of data collection and analysis. Furthermore, in a Likert-type questionnaire where there are many variables testing the concept, reliability is more important. (Saunders, Lewis & Thornhill, 2007). Reliability of the instrument is usually measured by Cronbach's alpha. Cronbach's alpha depicts how highly the items in the questionnaire are interrelated. (Pallant, 2007). The Cronbach's alpha coefficient ranges from 0 to 1. Nunnally, J. C. (1978) suggested value of coefficient alpha should be over 0.7. However a minimum satisfactory value of 0.60 can be considered acceptable as an indication of scale reliability (Hair et al. 2006; Malhotra, 2006) for exploratory research. Cronbach's alpha is the most common measure of internal consistency ("reliability"). It is most commonly used when you have multiple Likert questions in a survey/questionnaire that form a scale, and you wish to determine if the scale is reliable.



**Table 4.1 Reliability Test result**

<b>Reliability Test – Pilot Study</b>			
<b>Diversity factors</b>	<b>CRONBACH'S ALPHA</b>		
	<b>Before</b>	<b>Changes Made</b>	<b>After</b>
AGE DIVERSITY	0.233	<b>Made one statement positive ( Without changing the meaning )</b>	0.557
GENDER DIVERSITY	0.867		0.867
ORGANIZATIONAL TENURE DIVERSITY	0.732		0.732
EDUCATIONAL BACKGROUND DIVERSITY	0.554		0.554
WORK EXPERIENCE DIVERSITY	-0.676	<b>Made two statements positive (Without changing the meaning )</b>	0.633
RELIGION DIVERSITY	0.559		0.559
REGIONAL DIVERSITY	0.76		0.76
EMPLOYEE PERFORMANCE	0.847		0.847
EMPLOYEE PERCEPTION	0.844		0.844

The above table represents Cronbach’s alpha calculation for 9 diversity factors .SPSS version 20.0 is used for testing reliability through Cronbach’s alpha coefficient. Alpha value of 0.6 is used as minimal accepted level as suggested by (Hair et al. 2006; Malhotra, 2006)

The above table states that Age diversity’s Cronbach’s alpha is 0.233 which is less than 0.6 and so one statement was made positive without changing the meaning. After doing so the Cronbach’s alpha of the same was calculated which came to 0.557.

Work experience diversity’s Cronbach’s alpha is -0.676 which is less than 0.6 and so two statements were made positive without changing the meaning .After doing so the Cronbach’s alpha of the same was calculated which came to 0.633.

Thus the above result shows that the research instrument appears to be highly reliable for measuring impact of workforce diversity on employee performance and achieving other related objectives.

## Questions modified after pilot survey

### Statement 1

- **Original Statement** - Employees with different age groups do not bond well
- **Changed Statement** – Employees with different age groups bond well

### Statement 2

- **Original Statement** - Generation gap and ego issues often lead to conflicts between freshers and experience people
- **Changed Statement** – Generation gap and ego issues does not lead to conflicts between freshers and experienced people
- **Statement 3**
- **Original Statement** - Highly experienced employees often feel a sense of insecurity if the freshers and middle experienced employees are extremely talented
- **Changed Statement** - Highly experienced employees do not feel a sense of insecurity if the freshers and middle experienced employees are extremely talented

# CHAPTER 5

## DATA ANALYSIS

### 5.1 Introduction:

Data analysis concerns activities and technologies which prepare the collected data for analysis: data checking, entry coding and editing provide statistical insight in the collected data: weighting, tabulations, and response analysis (Gromme, 1998).

After pilot testing, reliability test was conducted. Cronbach's alpha was calculated and as per its results three statements were made positive. Data collection of 600 employees was carried out. Once the same was done the next step was to conduct data analysis.

Before starting the data analysis it is very much necessary to ensure that the data is useable, reliable and valid, and in order to check the same Case Screening and Variable Screening was done. After ensuring that the data is useable, reliable and valid, further analysis is carried out which focuses on achievement of objectives.

AMOS and SPSS softwares were used to perform various statistical techniques to analyse the data. Tools selected for analysis were Exploratory Factor Analysis, Confirmatory Factor Analysis, Structural Equation Modeling & Frequency Distribution.

### 5.2 Case Screening and Variable screening

Case screening (sometimes referred to as "data screening") and variable screening is the process of ensuring that the data is clean and ready to go before we conduct further statistical analysis. Data must be screened in order to ensure the data is useable, reliable, and valid for testing causal theory. Under case screening we have to first identify missing data in rows and delete those rows where the data is completely missing. Then the next step is to screen unengaged responses and outliers. Under variable screening the missing data in columns is

identified and then instead of deleting the columns, median is calculated for Interval data and mean is calculated for ratio data.

### **5.2.1 Case Screening**

#### **Step 1: Screening missing data in rows**

Count Blank ( ) function in excel was used to screen missing data in rows. In case where data is missing in rows, it is often advisable to delete the rows. In the current research there were many rows in which some or other data was missing but there were 2 rows in which all the data was missing and so both the rows were deleted and subsequently the sample size has been reduced to 598.

#### **Step 2 : Screening Unengaged responses**

Unengaged responses are those response where in the response is given same across all the questions in the questionnaire and that the questionnaire has been filled only for formality and there is no thought process applied in filling the questionnaire. In such case, unengaged responses are screened using Standard deviation. Standard deviation is calculated using excel. It was tried to get standard deviation for all the scaled variables and it was decided to use the rule of 0 to 0.2. In this case 3 rows have standard deviation value between 0 to 0.2 and hence those 3 rows are deleted. Subsequently the new sample size has been reduced to 595.

#### **Step 3: Screening outliers**

There are certain values in the data which are very much different as compared to the other values of the data. These values are called outliers. Box plot function in SPSS software was used to screen Outliers. Box plot function is applied only on demographic variables. 2 values came out as outliers .Case no 456 and Case no 6 under work experience. Instead of removing the same from data, the mean of work experience has been taken.

## 5.2.2 Variable screening

### Step 1: Screening missing data in columns

“Replace missing Values” function in SPSS software was used in order to screen missing data in columns

TABLE 5. 1 Result Variables						
	Result Variable	N of Replaced Missing Values	Case Number of Non-Missing Values		N of Valid Cases	Creating Function
			First	Last		
1	AG2	2	1	595	595	MEDIAN(AG2, ALL)
2	AG3	1	1	595	595	MEDIAN(AG3, ALL)
3	AG5	2	1	595	595	MEDIAN(AG5, ALL)
4	WE3	4	1	595	595	MEDIAN(WE3, ALL)
5	RL6	2	1	595	595	MEDIAN(RL6, ALL)
6	EP1	2	1	595	595	MEDIAN(EP1, ALL)
7	RLP	2	1	595	595	MEDIAN(RLP, ALL)

As mentioned in the above table 5.1 , there are 7 variables in which data is missing in columns

The variables are AG2, AG3, AG5, WE3, RL6, EP1, RLP

In AG2: 2 values are missing, in AG3: 1 value is missing, in AG 5 :2 values are missing, in WE3: 4 values are missing ,in RL6 : 2 values are missing ,in EP1: 2 values are missing ,in RLP :2 values are missing

Here instead of deleting the columns we have calculated median for the same

## Step 2

### Kurtosis

kurtosis refers to the measure of the heaviness of the tails in a distribution (also known as peakness or flatness of the distribution) compared with the normal distribution. In normal distribution, the scores of kurtosis is zero. If the kurtosis value of all the variables fall within -2 to 2 there is absolutely no problem in the data. ( Trochim & Donnelly, 2006; Field, 2000 & 2009; Gravetter & Wallnau, 2014 ) Here we have calculated kurtosis by using SPSS software.

**TABLE 5. 2**

	Kurtosis
AG6	2.389
ED1	-.867
ED2	-.720
ED3	-.485
EP1	1.046
EP2	1.763
EP3	.862
EP4	.885
EP5	.967
EP6	.699
GN1	.322
GN2	-.002
GN3	.812
GN4	.198
GN5	.719
OT1	-.430
OT2	-.789
OT3	-.404
OT4	-.716
OT5	-.890
OT6	-.919
OT7	-.656
RG1	1.719

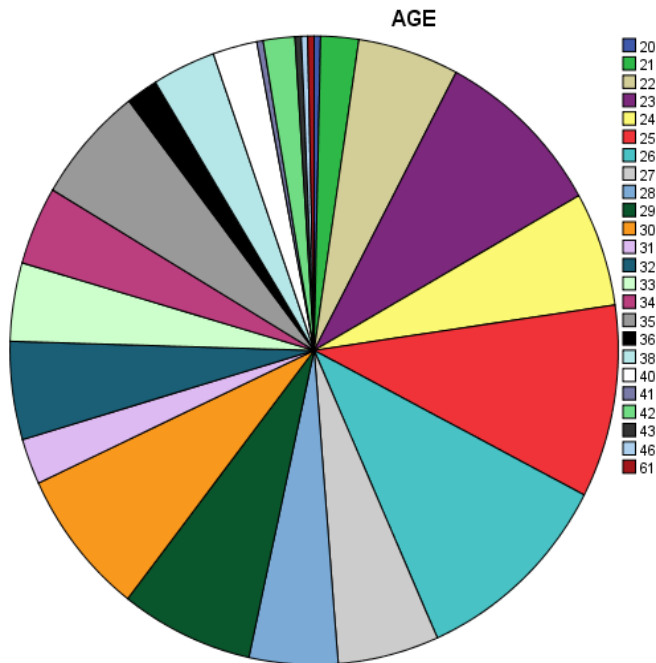
	Kurtosis
RG2	-.651
RG3	.706
RG4	.189
RG5	.969
RG6	1.092
RL1	-.275
RL2	-.153
RL3	.307
RL4	1.348
RL5	-.413
RL6	.308
WE1	1.960
WE2	.936
WE3	2.593
WE4	1.748
WE5	.514
AGP	-.275
EDP	1.348
GNP	-.153
OTP	.307
RGP	.511
RLP	.308
WEP	-.413
AG1	.918
AG2	1.502
AG3	.980
AG4	1.160
AG5	.948

As per the above table the kurtosis value of 2 variables do not fall between -2 to 2

i.e. AG6 and WE3. But as the value is not significantly different, there is absolutely no problem in the data.

## 5.2.3 Demographics of the survey:

### 5.2.3.1 Age

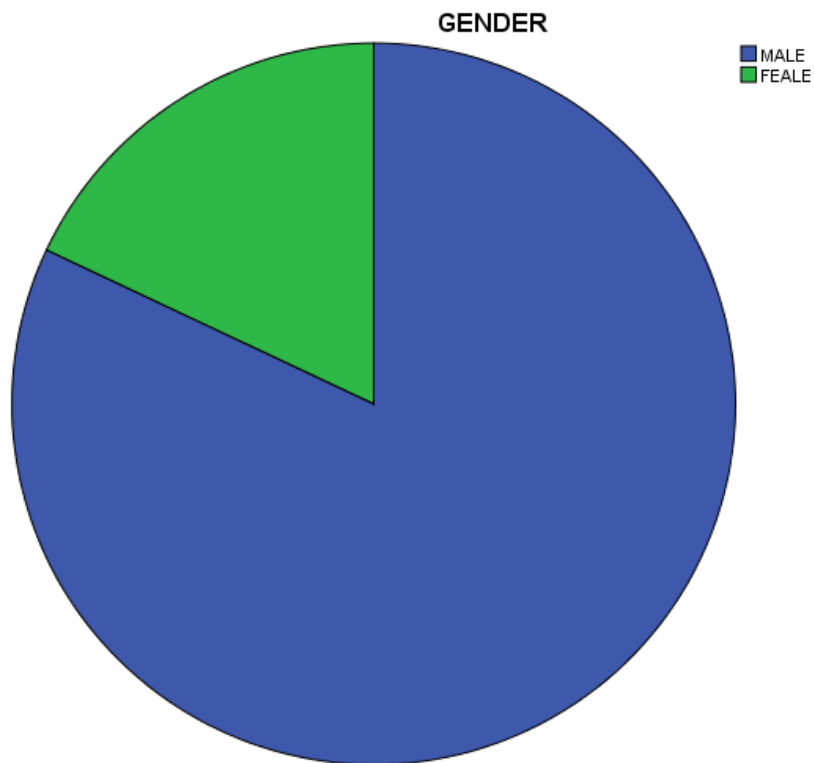


**FIGURE: 5.1 ( Age Demographics )**

The Pie chart represents the data according to Age. 33% of employees were between 20 – 25 years, 57 % of employees were between 26 -35 years , 9 % employees were between 36 – 45 and 0.7 % of employees were above 45 years.



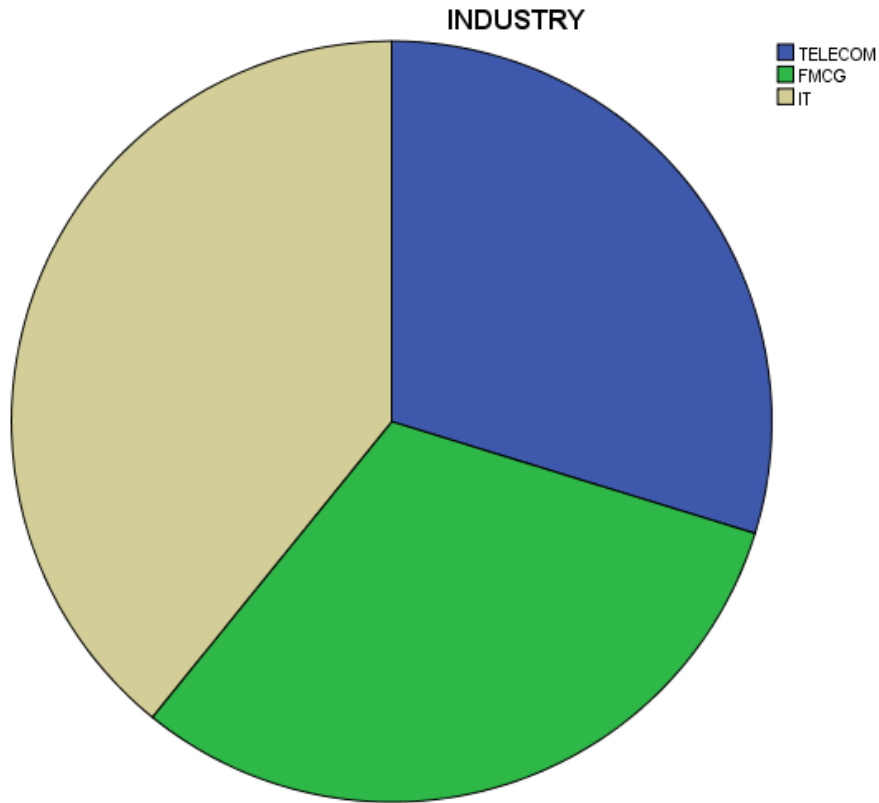
### 5.2.3.2 Gender



**FIGURE : 5.2 ( Gender Demographics )**

The Pie chart displays data according to Gender .82 % of all the employees surveyed are males and 18 % are females.

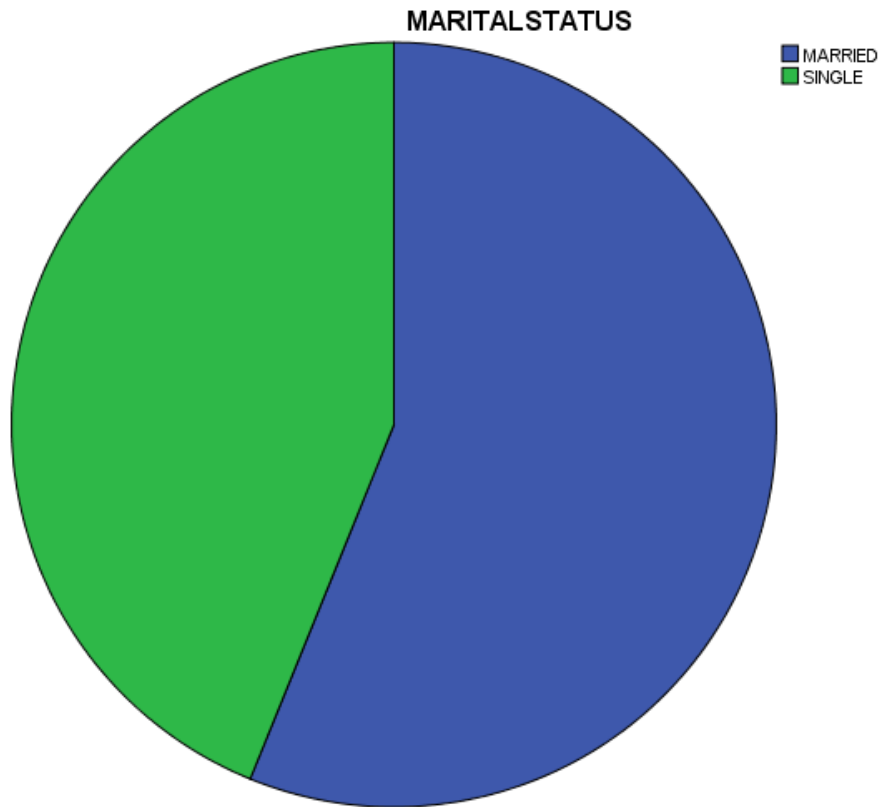
### 5.2.3.3 Industry



**FIGURE: 5.3 (Industry Demographics )**

The Pie chart displays data according to Industry. 30 % employees from the survey conducted belonged to Telecom industry , 31 % of employees belonged to FMCG industry and 39 % belonged to IT industry.

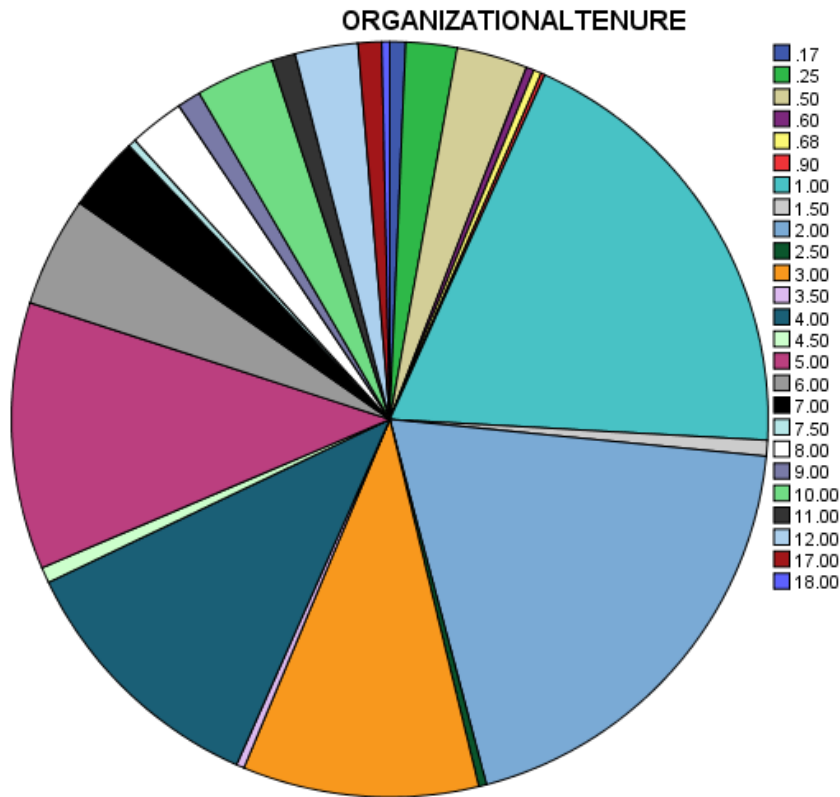
#### 5.2.3.4 Marital Status



**FIGURE : 5.4 (Marital Status Demographics )**

The pie chart represents the data according to the Marital Status of the employees. Out of all the employees surveyed, 56 % of the employees are married and 44 % of the employees are single.

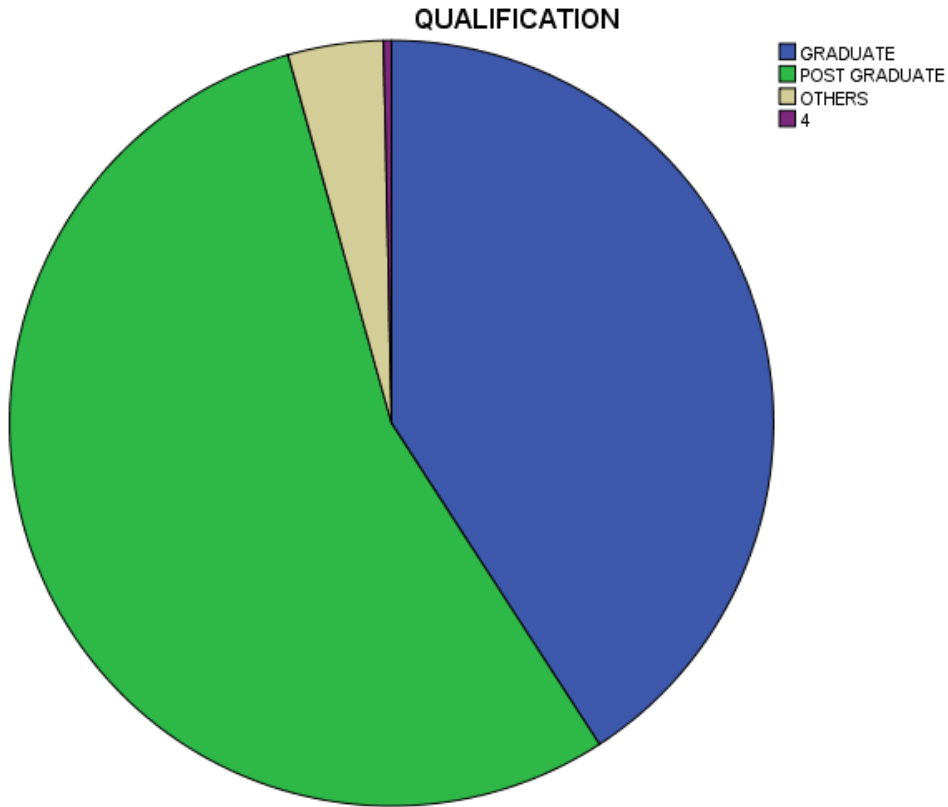
### 5.2.3.5 Organizational Tenure



**FIGURE : 5.5 ( Organizational Tenure Demographics )**

The pie chart represents the data according to the organizational tenure of the employees. i.e The number of years that the employees have been working in the organization. As per the above data 26 % of employees have been working in the organization since last 1 year , 54 % of the employees have been working in the organization since last 5 years, 15 % of the employees have been working in the organization since last 10 years and 5 % are the employees who have stayed in the organization for more than 10 years

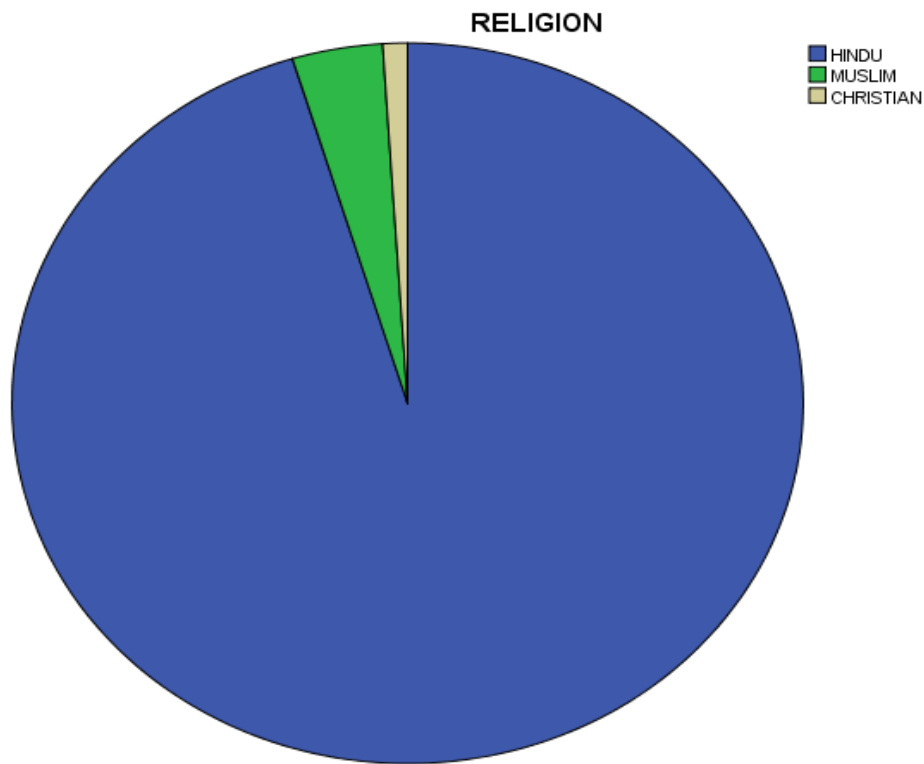
### 5.2.3.6 Qualification



**FIGURE : 5.6 ( Qualification Demographics )**

The pie chart represents data according to qualification of the employees. 41 % of the employees are graduates, 55 % of the employees are post graduate and 4 % of the employees are the employees who have undergone education other than graduation and post graduation

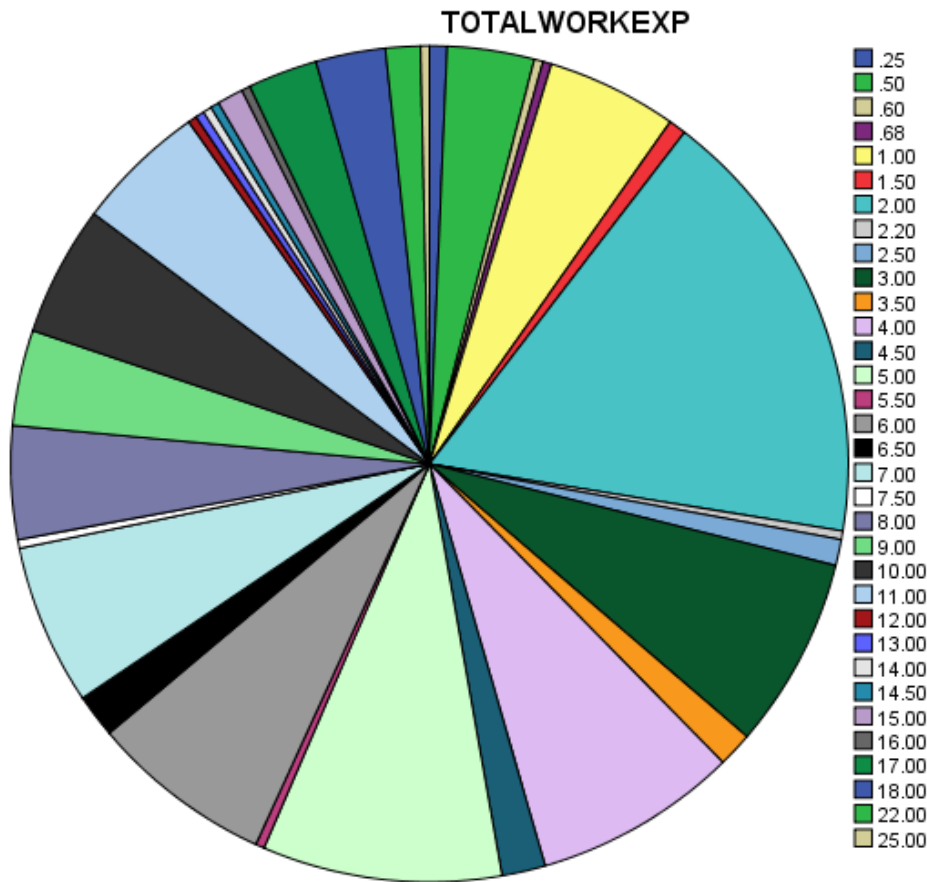
### 5.2.3.7 Religion



**FIGURE : 5.7 ( Religion Demographics )**

The pie chart represents the data according to religion. 95 % of the employees are Hindu, 4% of the employees are Muslims and 1 % of the employees are Christians.

### 5.2.3.8 Total Work Experience



**FIGURE : 5.8 ( Work Experience Demographics )**

The pie chart represents the data according to the work experience of the employees. 10 % of the employees have less than 1 year of experience, 46 % of the employees have experience between 1 to 5 years, 29 % of the employees have work experience between 6 to 10 years ,7 % of the employees have work experience between 11 to 15 years and employees who have more than 15 years of work experience are 8 % in number.

### 5.3 Exploratory Factor Analysis

Inorder to summarize data and easily understand the relationships and patterns, factor analysis is used. As a result of advancement of technology, Factor analysis is used in many fields such as behavioral and social sciences, medicine, economics, and geography. ( Yong and Pearce,

2013 ) .EFA and CFA are the two main factor analysis.EFA tries to uncover complex patterns by exploring the data set where as CFA attempts to confirm hypotheses and uses path analysis diagrams to represent variables and factors.

When a researcher wants to analyze which variables go together and wants to discover the number of factors influencing variables ,EFA is used . ( DeCoster, 1998 ) Factor analysis is used in case of large datasets that consists of several variables. These variables when grouped can be called factors. It becomes easier to focus on key factors than to consider too many variables. Thus factor analysis helps to place variables into meaningful categories. ( Rummel, 1970 ) . Univariate and Multivariate normality in the data is essential to perform factor analysis. ( Child , 2006 ) . It is also important there has to be an absence of univariate and multivariate outliers. ( Field, 2009 ) . There should be a linear relationship between the factors and the variables. ( Gorsuch, 1983 ) Atleast 3 variables have to be there to label somethings as a factor , although this ultimately depends on the design of the study . ( Tabechnick and Fidell, 2007) EFA generally works better with larger sample size, as a larger sample size will diminish the error in data and so. A factor loading of the variable is to know that how much the variable contributes to the factor, thus high factor loading scores indicate that the dimensions of the factors are better accounted for by the variables (Guodagonali & Velicer ,1988 ) . Next the correlation  $r$  must be 0.30 or greater since anything lower than that will showcase a weak relationship between the variables. Factor analysis can be performed on categorical and dichotomous variables but it is usually performed on ordinal or continuous variables.

One of the limitations of this technique is that naming the factors can be problematic. Factor names may not accurately reflect the variables within the factor. Further, some variables are difficult to interpret because they may load onto more than one factor which is known as split loadings. These variables may correlate with each another to produce a factor despite having little underlying meaning for the factor (Tabachnick & Fidell, 2007).

To identify the latent variable factor analysis is the most effective statistical technique.

According to Gilbert, G., Veloutsou, C., Goode, M. &Moutinho, L. (2004) this technique has



been adopted by almost one sixth of the authors of journal articles over the past 30 years. Due to this reason exploratory factor analysis was selected for the study.

For the current research SPSS software was used to run Exploratory Factor Analysis. Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity, Communalities, Total variance explained and Pattern matrix was used under EFA. Data adequacy, validity and reliability was then checked.

#### **5.4 Confirmatory Factor Analysis**

The Confirmatory Factor Analysis process determines whether the hypothesized structure provides a good fit to the data, or in other words, that a relationship between the observed variables and their underlying latent, or unobserved, constructs exist (Child, 1990).

Suhr, D. D. (n.d.) states that CFA allows the researcher to test the hypothesis that a relationship between the observed variables and their underlying latent construct(s) exists. The researcher uses knowledge of the theory, empirical research, or both, postulates the relationship pattern a priori and then tests the hypothesis statistically. According to Hair (2006), CFA is used to provide a confirmatory test of Measurement Theory. CFA is a special case of Structural Equation Modeling. ( Mc Donald, 1978 )

CFA corresponds to the measurement model of SEM and as such is estimated using SEM software. It is common to display confirmatory factor models as path diagrams in which squares represent observed variables and circles represent the latent concepts. Additionally single headed arrows are used to imply a direction of assumed causal influence, and double headed arrows are used to represent covariance between two latent variables.

For the current research ,AMOS software was used to run Confirmatory Factor Analysis. Standardized factor loading has been used by calculating standardized regression weights. Validity and reliability of the data was then checked.

## 5.5 Structural Equation Modeling

Structural Equation Modeling (SEM) has become one of the techniques of choice for researchers across disciplines and increasingly is a 'must' for researchers in the social sciences. SEM is a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables (Hoyle, 1995). It is a methodology for representing, estimating, and testing a theoretical network of (mostly) linear relations between variables (Rigdon, 1998). It tests hypothesized patterns of directional and non directional relationships among a set of observed (measured) and unobserved (latent) variables (MacCallum & Austin, 2000). Assessing whether a specific model 'fits' the data is one of the most important steps in SEM. ( Yuan , 2005 )

For the current research SEM was used to measure the Impact of Workforce Diversity factors on Employee Performance. There are many indices available that reflects some facets of model fit. The indices that were used for the current research are CMIN / DF , SRMR,GFI, AGFI, CFI, RMSEA.

SEM makes it possible to:

- Fit linear relationships among a large number of variables. Possibly more than one is dependent.
- Validate a questionnaire as a measurement instrument.
- Quantify measurement error and prevent its biasing effect.
- Freely specify, constrain and test each possible relationship using theoretical knowledge, testing hypotheses.

### 5.5.1 Fit Indices

Fit indices determine how well a priori model fits the sample data (McDonald and Ho, 2002) and demonstrates which proposed model has the most superior fit. These measures provides the most fundamental indication of how well the proposed theory fits the data. Unlike incremental fit indices, their calculation does not rely on comparison with a baseline model

but is instead a measure of how well the model fits in comparison to no model at all (Jöreskog and Sörbom, 1993).

#### **5. 5. 1.1 RMSEA : Root mean square error of approximation**

The RMSEA is the second fit statistic reported in the LISREL program and was first developed by Steiger and Lind (Steiger, 1990). The RMSEA tells us how well the model, with unknown but optimally chosen parameter estimates would fit the population's covariance matrix (Byrne, 1998). In recent years it has become regarded as 'one of the most informative fit indices' (Diamantopoulos and Siguaw, 2000: 85) due to its sensitivity to the number of estimated parameters in the model. In other words, the RMSEA favours parsimony in that it will choose the model with the lesser number of parameters. One of the greatest advantages of the RMSEA is its ability for a confidence interval to be calculated around its value (MacCallum et al, 1996). This is possible due to the known distribution values of the statistic and subsequently allows for the null hypothesis (poor fit) to be tested more precisely (McQuitty, 2004).

#### **5. 5. 1.2 Goodness-of-fit statistic (GFI)**

The Goodness-of-Fit statistic (GFI) was created by Jöreskog and Sorbom as an alternative to the Chi-Square test and calculates the proportion of variance that is accounted for by the estimated population covariance (Tabachnick and Fidell, 2007). By looking at the variances and covariances accounted for by the model it shows how closely the model comes to replicating the observed covariance matrix (Diamantopoulos and Siguaw, 2000)

By looking at the variances and covariances accounted for by the model it shows how closely the model comes to replicating the observed covariance matrix (Diamantopoulos and Siguaw, 2000). This statistic ranges from **0 to 1** with larger samples increasing its value. When there are a large number of degrees of freedom in comparison to sample size, the GFI has a downward bias (Sharma et al, 2005). In addition, it has also been found that the GFI has an upward bias with large samples (Bollen, 1990; Miles and Shevlin, 1998). Traditionally an omnibus cut-off point of 0.90 has been recommended for the GFI. However, simulation

studies have shown that when factor loadings and sample sizes are low a higher cutoff of 0.95 is more appropriate (Miles and Shevlin, 1998).

#### **5. 5. 1.3 Adjusted goodness-of-fit statistic (AGFI)**

Related to the GFI is the AGFI which adjusts the GFI based upon degrees of freedom, with more saturated models reducing fit (Tabachnick and Fidell, 2007). Thus, more parsimonious models are preferred while penalised for complicated models. In addition to this, AGFI tends to increase with sample size. As with the GFI, values for the AGFI also range between 0 and 1 and it is generally accepted that values of 0.90 or greater indicate well fitting models.

#### **5. 5. 1.4 Standardised root mean square residual (SRMR)**

SRMR are the square root of the difference between the residuals of the sample covariance matrix and the hypothesised covariance model. In order to overcome the limitations of root mean square residual (RMR), SRMR is used. SRMR is much more meaningful to interpret. Values for the SRMR range from 0 to 1.0 with well fitting models obtaining values less than .05 (Byrne, 1998; Diamantopoulos and Siguaw, 2000), however values as high as 0.08 are deemed acceptable (Hu and Bentler, 1999). An SRMR of 0 indicates perfect fit but it must be noted that SRMR will be lower when there is a high number of parameters in the model and in models based on large sample sizes.

#### **5. 5. 1.5 CFI (Comparative fit index)**

The Comparative Fit Index (CFI: Bentler, 1990) is a revised form of the NFI which takes into account sample size (Byrne, 1998) that performs well even when sample size is small (Tabachnick and Fidell, 2007). This index was first introduced by Bentler (1990) and subsequently included as part of the fit indices in his EQS program (Kline, 2005).

Like the NFI, this statistic assumes that all latent variables are uncorrelated (null/independence model) and compares the sample covariance matrix with this null model. As with the NFI, values for this statistic range between 0.0 and 1.0 with values closer to 1.0 indicating good fit.

A cut-off criterion of  $CFI \geq 0.90$  was initially advanced however, recent studies have shown that a value greater than 0.90 is needed in order to ensure that misspecified models are not accepted (Hu and Bentler, 1999). From this, a value of  $CFI \geq 0.95$  is presently recognised as indicative of good fit (Hu and Bentler, 1999). Today this index is included in all SEM programs and is one of the most popularly reported fit indices due to being one of the measures least effected by sample size (Fan et al, 1999).

#### **5.5.1.6 CMIN/DF**

It is also called normal chi square, normed chi-square, or simply chi-square to df ratio. It is the chi-square fit index divided by degrees of freedom. This norming is an attempt to make model chi-square less dependent on sample size. Thus, the indices value in the above table states that the measurement model is a perfect fit for confirmatory factor analysis and Structural Equation Modeling.

### **5.6 Validity of the scale**

#### **5.6.1 Convergent validity**

The items that are indicators of a specific construct should converge or share a high proportion of variance in common is known as Convergent Validity (Hair, 2006). Anderson, J.C. and Gerbing, D.W. (1991) advocate that convergent validity is tested by determining whether the items in a scale converge or load together on a single construct in the measurement model. In other words, convergent validity is the degree of convergence seen when two attempts are made to measure the same construct through maximally different methods. If there is no convergence, either the theory used in the study needs to be analyzed, or the purification of measure needs to be implemented by eliminating the items.

#### **5.6.2 Discriminant Validity:**

Discriminant validity shows that the measure is unique in some way. Discriminant validity gauges the extent to which measures of two different constructs are comparatively distinctive from each other. (Campbell & Fiske, 1959). Discriminant validity assesses the degree to which a concept and its indicators differ from another concept and its indicators. It means that items from one scale should not load or converge too closely with items from a different scale and that different latent variables which correlate too highly may indeed be measuring the same construct rather than different constructs (Garver and Mentzer,1999).

## **5.7 Analysis with respect to objectives**

### **5.7.1 Objective 1 - To identify the factors of workforce diversity that may affect employee performance**

Based on Literature Review and Expert Interviews, factors were identified under workforce diversity and also set of statements were identified to measure each factor . The identification was done conceptually.

Weiliang. (2011) revealed the fact that Workforce diversity in terms of Gender, ethnicity, education positively affects the organizational performance, whereas there is no significant relationship between age and organizational performance.

Gallego, I., Garcia, I. M., & Rodriguez, L. (2010) conducted a survey and found out that Companies with higher level of gender diversity, does not out perform companies with lower levels of the same. So Gender diversity may not impact organizational performance.

Ali et al (n. d ) revealed the fact that Firms in service industry may benefit more because of gender diversity as compared to firms in manufacturing industry.

Garnero & Rycx ( 2013 ) discusses the impact of workforce diversity on wages and productivity of an organization. Three factors were considered as diversity i.e Age, Gender & Education. The conclusion made was that educational (age) diversity is beneficial (harmful) for firm productivity and wages. The consequences of gender diversity are found to depend on

the technological/knowledge environment of firms. While gender diversity generates significant gains in high-tech/knowledge intensive sectors, the opposite result is obtained in more traditional industries. Overall, findings do not point to sizeable productivity-wage gaps except for age diversity.

Ehimare & Oghene ( 2011 ) mentions that gender and ethnicity diversity does not affect the over all performance of an individual or an organization where as gender, age and ethnicity are actually correlated to each other.

Kokemuller, N. (2014). mentions the negative effects of workforce diversity in an organization. If diversity not managed properly, it may lead to severe negative consequences in the form of communication barriers, Cultural resistance, internal discrimination and diversity training costs. The organization should provide an environment where employees develop a tolerant attitude and are ready to accept the differences among each other. These may help the organization to reduce the negative effects of workforce diversity.

Otike et al (n.d.) discusses that Diversity based on health background, Gender, academic qualifications, colour, race, religion affects the organizational performance. Diversity based on demographics and socio cultural differences if not managed well, may affect the organizational performance in a negative manner

Ceren Ozgen, T. D. (2013) Workforce diversity helps in building creativity & innovation in an organization or sector which is capital incentive. In labour and land intensive sectors, the impact of cultural diversity is not so apparent. Large firms benefit from a culturally diverse groups.

Koshy, P. (2010). summarizes that diversity in the form of multiculturalism will enhance the performance level of MSMEs

Moreno, K. (2012) conducted a survey of 321 executives and concluded that a diverse workforce is a key driver to innovation. The respondents felt that they had made progress in Gender Diversity but there was not much difference the areas like disability and age.

Davis M, D. S. (2012) revealed the fact that conscientiousness **personality traits** is the most predictive of job performance as compared to openness to experience, extraversion, agreeableness & emotional stability. Personality traits can be considered as a major criteria to find out the level of job satisfaction and job performance and there by organizational performance. He further recommended to the organization that personality tests should be mandatorily used as a part of recruitment & selection process.

Sims ( 2011 ) reveals the impact of generational and Age diversity on today's workplaces. Issues like delayed retirement of the older people, communication gaps between generations, different ways of working styles, adaptability to latest and modern technologies create a lot of differences between different generations who are working under the same roof. The author also finds out that baby boomers make a large part of workforce and that they are all because of their experience occupying the senior positions in the organizations. Because of this the young people get frustrated as they get minimal opportunities for growth. The management should propogate the benefits of having different generations in an organization and try to reduce the negative impacts diversity training and mentoring are the best possible ways to help these three different generations work together.

Hammil, G. (2005).has discussed one more generation. He says that there is an addition to 3 generations and that is the 4<sup>th</sup> one and which is Veterans. He says that organizations have to really work hard to all these four generations. Rewards and recognitions should be tailor made to motivate them as there is an inevitable role of each generation in smooth functioning of an organization.

Once the factors were identified under workforce diversity and also set of statements were identified to measure each factor, expert opinion was taken on the questionnaire and necessary changes were made. Pilot study was then conducted for 30 employees in the city of Ahmedabad. Reliability of the data was checked using Cronbach's Alpha. As per the reliability results three statements were changed from negative to positive terms. Once the same was done questionnaire survey was conducted and data was collected. After data collection was over, data analysis was started. The factor and their respective statement identification was done on the basis of Literature review and Expert opinion in a conceptual



manner. Now, it was very much necessary to validate the same by measuring statistical relationship between the factors and the variables. It was also important to check whether the variables identified under each factor are useful to measure that particular factor or not. And in order to do so, Exploratory Factor Analysis was conducted. Here Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity, Communalities, Total variance explained and Pattern matrix was used in order to measure the statistical relationship between factors and variables. The results obtained by conducting EFA proved that there is a statistical relationship between the factors and variables and that the variables are useful to measure their respective factors.

Hence, following factors were identified: Age Diversity, Gender Diversity, Organizational Tenure diversity, Educational Background diversity, Work Experience diversity, Religion diversity & Regional diversity. The impact of these diversity factors had to be measured on employee performance and so one more factor identified was Employee Performance.

#### **5.7.1.1 Exploratory Factor Analysis**

The following tests were used under EFA

- A ) KMO and Bartlett's test
- B ) Communalities
- C ) Total variance explained
- D ) Pattern Matrix

Data Adequacy, Validity and Reliability was then checked

#### **A ) KMO and Bartlett's test**

Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity is a test to assess the appropriateness and suitability of the data for **Factor Analysis**. Higher KMO value signifies higher correlation among the variables. According to Kaiser and Rice ( 1974 ), KMO value greater than 0.6 can be considered as adequate. KMO measures the sample adequacy criteria

where in low correlation value of variable indicates that they are not fit to be the member of any of the factor.

Bartlett's test of sphericity tests the correlation among the variables ( Hair, 2006 ). A statistically significant Bartlett's Test of sphericity ( sig <0.05 ) indicates that significant correlation exist among the variables.

KMO returns values between 0 and 1. A **rule of thumb** for interpreting the statistic:

- KMO values between 0.8 and 1 indicate the sampling is adequate.
- KMO values less than 0.6 indicate the sampling is not adequate and that remedial action should be taken. Some authors put this value at 0.5, so use your own judgment for values between 0.5 and 0.6.
- KMO Values close to zero means that there are large partial correlations compared to the sum of correlations. In other words, there are widespread correlations which are a large problem for factor analysis.

For reference, Kaiser put the following values on the results:

- 0.00 to 0.49 unacceptable.
- 0.50 to 0.59 miserable.
- 0.60 to 0.69 mediocre.
- 0.70 to 0.79 middling.
- 0.80 to 0.89 meritorious.
- 0.90 to 1.00 marvelous.

**TABLE 5.3 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.917
	Approx. Chi-Square	19081.449
Bartlett's Test of Sphericity	Df	946
	Sig.	.000

Table 5.3 states KMO value to be 0.917 which shows that the data is perfectly suitable for Factor Analysis. And Bartlett's value is 0.000 which shows that the data is multivariate normal and acceptable for data analysis.

### **B ) Communalities**

Factor analysis uses variances to produce communalities between variables. Communalities indicate the amount of variance in each variable that is accounted for.

The goal of extraction is to remove as much common variance in the first factor as possible. ( Child, 2006 ) The extraction method used over here is "Maximum likelihood method" available in SPSS.

**Maximum-LikelihoodMethod.** A factor extraction method that produces parameter estimates that are most likely to have produced the observed correlation matrix if the sample is from a multivariate normal distribution. The correlations are weighted by the inverse of the uniqueness of the variables, and an iterative algorithm is employed.

**TABLE 5.4 Communalities**

	Initial	Extraction
AG1	.715	.662
AG2	.786	.773
AG3	.833	.850
AG4	.852	.881
AG5	.731	.685
AG6	.647	.563
ED1	.449	.523
ED2	.488	.660
ED3	.404	.452
EP1	.662	.561
EP2	.725	.728
EP3	.774	.836
EP4	.628	.562
EP5	.667	.630
EP6	.486	.432

	Initial	Extraction
GN1	.650	.648
GN2	.728	.736
GN3	.771	.827
GN4	.731	.747
GN5	.728	.743
OT1	.516	.404
OT2	.703	.677
OT3	.638	.563
OT4	.629	.605
OT5	.737	.739
OT6	.775	.793
OT7	.520	.497
RG1	.357	.328
RG2	.623	.619
RG3	.509	.449
RG4	.487	.505
RG5	.666	.670
RG6	.617	.622
RL1	.608	.592
RL2	.760	.786
RL3	.723	.733
RL4	.759	.783
RL5	.686	.662
RL6	.664	.615
WE1	.606	.579
WE2	.571	.568
WE3	.580	.608
WE4	.602	.603
WE5	.487	.370

If extraction value of any variable is less than 0.2, then there may be a problem in the data. (Child, 2006)

But as per Table 5.4, all the values are more than 0.2 so the data is suited for factor analysis.

### C ) Total variance explained

Eigenvalue actually reflects the number of extracted factors whose sum should be equal to number of items which are subjected to factor analysis. The next item shows all the factors extractable from the analysis along with their eigenvalues.

The eigenvalue table has been divided into 3 subsections i.e Initial Eigenvalues, Extraction sums of squared loadings and rotation of sums of squared loadings.

The extraction technique used over here is Maximum Likelihood method available in SPSS.

**TABLE 5.5 Total Variance Explained**

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	12.961	29.457	29.457	12.449	28.293	28.293	7.997
2	4.206	9.559	39.015	3.796	8.627	36.920	8.477
3	3.719	8.452	47.468	2.857	6.493	43.413	8.069
4	2.971	6.753	54.221	2.595	5.897	49.310	8.359
5	2.356	5.354	59.575	2.581	5.865	55.176	5.542
6	1.836	4.173	63.747	1.607	3.652	58.828	3.211
7	1.627	3.697	67.444	1.232	2.800	61.628	3.890
8	1.094	2.487	69.931	.755	1.716	63.344	7.570
9	.817	1.857	71.788				
10	.758	1.723	73.511				
11	.700	1.591	75.102				
12	.691	1.570	76.672				
13	.651	1.480	78.152				
14	.575	1.307	79.459				
15	.573	1.302	80.760				
16	.538	1.223	81.983				
17	.508	1.155	83.139				
18	.484	1.100	84.239				

19	.463	1.052	85.292				
20	.447	1.015	86.306				
21	.422	.959	87.265				
22	.408	.927	88.192				
23	.389	.884	89.076				
24	.376	.855	89.931				
25	.343	.780	90.712				
26	.335	.761	91.472				
27	.326	.740	92.212				
28	.313	.711	92.923				
29	.299	.679	93.602				
30	.288	.656	94.257				
31	.271	.616	94.873				
32	.246	.560	95.433				
33	.225	.512	95.946				
34	.218	.497	96.442				
35	.204	.465	96.907				
36	.189	.430	97.337				
37	.178	.404	97.742				
38	.172	.390	98.132				
39	.164	.372	98.504				
40	.156	.355	98.859				
41	.150	.341	99.200				
42	.142	.322	99.522				
43	.121	.276	99.797				
44	.089	.203	100.000				

All the factors in table 5.5 accounted for 63.34% of the variance. Total variance explained (63.34 % ) exceeds the 60 % threshold commonly used in social sciences.( Hair, 2006 )

**D ) Pattern Matrix**

**TABLE 5.6 Pattern Matrix**

<b>Factor</b>								
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>EP3</b>	0.986							
<b>EP2</b>	0.889							
<b>EP4</b>	0.752							
<b>EP4</b>	0.734							
<b>EP1</b>	0.585							
<b>EP6</b>	0.317							
<b>AG4</b>		0.955						
<b>AG3</b>		0.952						
<b>AG5</b>		0.838						
<b>AG2</b>		0.807						
<b>AG1</b>		0.787						
<b>AG6</b>		0.707						
<b>OT6</b>			0.956					
<b>OT5</b>			0.917					
<b>OT2</b>			0.815					
<b>OT3</b>			0.707					
<b>OT4</b>			0.686					
<b>OT7</b>			0.639					
<b>OT1</b>			0.567					
<b>RL2</b>				0.913				
<b>RL4</b>				0.891				
<b>RL3</b>				0.848				
<b>RL5</b>				0.803				
<b>RL6</b>				0.73				
<b>RL1</b>				0.675				
<b>GN3</b>					0.929			
<b>GN5</b>					0.877			
<b>GN4</b>					0.86			
<b>GN2</b>					0.841			
<b>GN1</b>					0.744			
<b>RG5</b>						0.814		
<b>RG6</b>						0.785		
<b>RG2</b>						0.781		
<b>RG4</b>						0.708		
<b>RG3</b>						0.664		

	Factor							
	1	2	3	4	5	6	7	8
RG1						0.569		
ED2							0.807	
ED1							0.701	
ED3							0.662	
WE2								0.677
WE3								0.656
WE1								0.623
WE4	0.360							0.532
WE5								0.393

**The extraction technique used over here is Maximum Likelihood Method available in SPSS software**

Pattern Matrix should not have any cross loading. But table 5.6 states that WE4 has cross loading on factor 1 [which consists of EP variables]. So here a Comparison is made between Lowest EP dimension and WE4. The lowest EP dimension is EP6 : [0.317] and WE4 [0.532]. After comparing EP6 and WE4, it is found that EP 6 has a lower value and so we eliminate EP6 from EFA. As the pattern matrix has cross loading , we remove the variable EP6 and run EFA again



### 5.7.1.2 Exploratory Factor Analysis after removing EP6

#### A ) KMO and Bartlett's test

**TABLE 5.7 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.914
Approx. Chi-Square		18707.621
Bartlett's Test of Sphericity	Df	903
	Sig.	.000

In table 5.7 , KMO value is 0.914 which shows that the data is perfectly suitable for Factor Analysis. And Bartlett's value is 0.000 which shows that the data is multivariate normal and acceptable for data analysis.

#### B ) Communalities

**TABLE 5.8 Communalities**

	Initial	Extraction
AG1	.706	.658
AG2	.785	.773
AG3	.833	.851
AG4	.852	.881
AG5	.731	.684
AG6	.645	.561
ED1	.448	.524
ED2	.487	.656
ED3	.404	.455
EP1	.659	.567
EP2	.725	.730
EP3	.773	.840

	Initial	Extraction
EP4	.622	.557
EP5	.660	.625
GN1	.646	.648
GN2	.728	.736
GN3	.771	.827
GN4	.731	.747
GN5	.728	.743
OT1	.516	.404
OT2	.703	.677
OT3	.638	.563
OT4	.629	.605
OT5	.734	.740
OT6	.774	.793
OT7	.520	.497
RG1	.357	.328
RG2	.622	.619
RG3	.508	.450
RG4	.487	.505
RG5	.666	.670
RG6	.617	.622
RL1	.605	.592
RL2	.760	.786
RL3	.721	.734
RL4	.759	.783
RL5	.686	.662
RL6	.664	.615
WE1	.605	.587
WE2	.563	.558
WE3	.579	.614
WE5	.484	.370
WE4	.600	.599

If extraction value of any variable is less than 0.2, then there may be a problem in the data.

(Child ,2006)

But as per table 5.8 , all the values are more than 0.2, so the data is suited for factor analysis.

**C) Total variance explained**

**TABLE 5.9 Total Variance Explained**

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	12.614	29.335	29.335	12.108	28.158	28.158	8.165
2	4.118	9.577	38.912	3.738	8.692	36.850	7.982
3	3.718	8.647	47.559	2.856	6.642	43.491	8.178
4	2.966	6.897	54.456	2.579	5.997	49.488	7.420
5	2.349	5.462	59.918	2.565	5.965	55.453	5.525
6	1.836	4.269	64.187	1.606	3.736	59.189	3.210
7	1.626	3.782	67.969	1.232	2.865	62.054	7.676
8	1.094	2.545	70.514	.754	1.754	63.808	3.945
9	.802	1.864	72.378				
10	.758	1.762	74.140				
11	.697	1.621	75.762				
12	.691	1.606	77.368				
13	.594	1.380	78.748				
14	.573	1.332	80.080				
15	.558	1.297	81.377				
16	.509	1.184	82.561				
17	.489	1.137	83.698				
18	.473	1.100	84.798				
19	.452	1.050	85.849				
20	.437	1.016	86.865				
21	.419	.975	87.840				
22	.390	.906	88.746				
23	.381	.887	89.633				
24	.344	.800	90.433				

25	.335	.779	91.212				
26	.328	.763	91.975				
27	.313	.727	92.703				
28	.299	.695	93.398				
29	.289	.671	94.069				
30	.277	.643	94.713				
31	.246	.573	95.286				
32	.228	.530	95.815				
33	.223	.518	96.333				
34	.212	.492	96.825				
35	.190	.441	97.267				
36	.178	.414	97.680				
37	.172	.400	98.080				
38	.164	.381	98.461				
39	.159	.369	98.831				
40	.150	.349	99.179				
41	.142	.331	99.510				
42	.122	.283	99.792				
43	.089	.208	100.000				

All the factors in table 5.9 accounted for 63.808% of the variance. Total variance explained (63.80 % ) exceeds the 60 % threshold commonly used in social sciences.( Hair, 2006 )

Residual Value is 3 %

**D ) Pattern Matrix**

**TABLE 5.10 Pattern Matrix**

	Factor							
	1	2	3	4	5	6	7	8
AG4	0.95							
AG3	0.946							
AG5	0.834							
AG2	0.804							
AG1	0.784							

	Factor							
	1	2	3	4	5	6	7	8
AG6	0.704							
OT6		0.955						
OT5		0.918						
OT2		0.815						
OT3		0.707						
OT4		0.685						
OT7		0.639						
OT1		0.567						
RL2			0.912					
RL4			0.889					
RL3			0.846					
RL5			0.801					
RL6			0.728					
RL1			0.675					
EP3				0.971				
EP2				0.867				
EP4				0.731				
EP5				0.717				
EP1				0.54				
GN3					0.929			
GN5					0.877			
GN4					0.861			
GN2					0.841			
GN1					0.745			
RG5						0.814		
RG6						0.785		
RG2						0.781		
RG4						0.708		
RG3						0.664		
RG1						0.569		
WE3							0.704	
WE2							0.704	
WE1							0.673	
WE4							0.567	
WE5							0.426	
ED2								0.807
ED1								0.704
ED3								0.668

**The extraction technique used over here is Maximum Likelihood Method available in SPSS software**

Pattern Matrix should not have any cross loading. As per table 5.10 there is no cross loading in pattern matrix and we have reached to a clean pattern matrix. Hence, the data is suitable for factor analysis.

The next step is to check the Adequacy, Validity and reliability of the data

### **5.7.1.3 Data Adequacy**

In order to check whether the data is adequate to use or not, we take a look at the pattern matrix

In order to check data adequacy, either each value in the pattern matrix should be greater than 0.5 or average of each factor should be greater than 0.7.

As per the pattern matrix ( Table 5.10 ) all the values are greater than 0.5 except WE5. But as maximum values are more than 0.5, the data is adequate.

### **5.7.1.4 Converge Validity**

The items that are indicators of a specific construct should converge or share a high proportion of variance in common is known as Convergent Validity (Hair,2006). Anderson and Gerbing, (1991) advocate that convergent validity is tested by determining whether the items in a scale converge or load together on a single construct in the measurement model. If loading in the pattern matrix is greater than 0.5 on each factor, there is a converge validity.( Hair, 2006) As per the pattern matrix( Table 5.10 ) all the values are greater than 0.5 , so there is a converge validity in the data.

### **5.7.1.5 Discriminant validity**

Discriminant validity shows that the measure is unique in some way. Discriminant validity gauges the extent to which measures of two different constructs are comparatively distinctive from each other. (Campbell and Fiske, 1959). Discriminant validity assesses the degree to

which a concept and its indicators differ from another concept and its indicators. It means that items from one scale should not load or converge too closely with items from a different scale and that different latent variables which correlate too highly may indeed be measuring the same construct rather than different constructs (Garver and Mentzer,1999).

**TABLE 5.11 Factor Correlation Matrix**

Factor	1	2	3	4	5	6	7	8
1	1.000	.356	.482	.535	.247	.052	.523	.276
2	.356	1.000	.546	.337	.393	.006	.468	.380
3	.482	.546	1.000	.393	.248	-.079	.490	.319
4	.535	.337	.393	1.000	.224	-.006	.632	.140
5	.247	.393	.248	.224	1.000	.008	.231	.384
6	.052	.006	-.079	-.006	.008	1.000	-.027	-.005
7	.523	.468	.490	.632	.231	-.027	1.000	.300
8	.276	.380	.319	.140	.384	-.005	.300	1.000

The extraction technique used over here is Maximum Likelihood method available in SPSS.

As per the above pattern matrix ( Table 5.10 ) there is no cross loading of variables and as per table 5.11 all the values are less than 0.7 and hence the data has discriminant validity

**TABLE 5.12 Reliability using Cronbach's alpha , validity**

	Alpha	CR
AG	0.941	0.936
GN	0.93	0.933
ED	0.774	0.777
EP	0.896	0.900
OT	0.913	0.909
RG	0.867	0.853
RL	0.927	0.927
WE	0.84	0.834

As per table 5.12 ,Cronbach's alpha is greater than 0.7, and hence the data is reliable and valid

#### **5.7.1.6 Achievement with respect to objective 1**

The following factors with their respective variables were identified through Literature Review and Expert opinion and the statistical relationship between the factors and the variables was measured through Exploratory Factor Analysis. The factors identified were: Age Diversity, Gender Diversity, Organizational Tenure diversity, Educational Background diversity, Work Experience diversity, Religion diversity & Regional diversity. The impact of these diversity factors had to be measured on employee performance and so one more factor identified was Employee Performance.

#### **5.7.2 Objective 2 : To study the diversity issues of each factor within the organization**

People with different Age groups, Gender ,Organizational Tenure, Educational Background Work Experience, Religion and Region when they work together it leads to both positive as well as negative effect. They have to be managed properly to see that a diverse workforce adds to theirs as well as organization's performance. But still there are lot of issues that may arise of these diverse pool of candidates working together. Those issues are incorporated in the questionnaire in the form of variables under each factor and view point on the same has been collected by conducting a survey through questionnaire

Mean calculation was done through SPSS software inorder to analyse the responses of the employees and address the above objective

Below are the diversity issues that were incorporated in the questionnaire and studied during the survey process



**Age Diversity issues**

- Employees from all age groups are involved in decision making & problem solving processes
- Employees with different age groups bond well
- It is easy for me to adjust to different aged employees

**Gender diversity issues**

- There is no gender bias during the performance appraisal process. Increments and promotions are purely given on the merit basis
- Male & Female employees are treated in a fair & equal manner
- I feel comfortable working with the opposite gender

**Organizational Tenure diversity issues**

- Employees who have spent long time within the organization hold a special importance
- Senior Employees (who have been associated in the organization for more than 5 years )are only involved in the decision making process
- Seniority within the organization is given more importance as compared to Educational qualifications
- Promotions & Increments are awarded on merit basis and not on the basis of Seniority
- Seniority & ego issues often lead to conflicts between employees who have spent long time in the organization as compared to employees who have been in the organization since 1 to 2 years
- I can get along well with my seniors as well as with my juniors

**Educational diversity issues**

- There may be employees with long organizational tenure( Who have been working in the organization for more than 5 years), and whose education is less. Where as newly

joined employees who are more qualified as compared to the old employees. This leads to Conflicts and ego issues among the employees

#### **Work experience diversity issues**

- In case of equally experienced employees, seniority is given more weightage during the performance appraisal process
- Generation gap & ego issues does not lead to conflicts between freshers & experienced people
- Freshers are not involved in the decision making & problem solving process
- Highly experienced employees do not feel a sense of insecurity if the freshers and middle experienced employees are extremely talented

#### **Religion diversity issues**

- Employees from all the religions are involved in decision making process
- Religion is not given consideration during the performance appraisal process
- Employees are treated in a fair & equal manner irrespective of their religion
- It is easy for me to adjust with employees from different religions
- Employees from all the regions/states are involved in the decision making & problem solving process

#### **Regional diversity issues**

- Region / state is not given consideration during the performance appraisal process
- Employees are treated in a fair & equal manner irrespective of the region / state they belong to
- It is easy for me to adjust with employees from different regions

Mean was calculated on the basis of the response received from employees in IT Telecom and FMCG industry in Ahmedabad , Baroda, Surat and Rajkot.

**TABLE 5 .13**

<b>Diversity Issues</b>	<b>Mean</b>
Employees from all age groups are involved in decision making & problem solving processes	3.98
Employees with different age groups bond well	4.04
It is easy for me to adjust to different aged employees	4.08
There is no gender bias during the performance appraisal process. Increments and promotions are purely given on the merit basis	2.21
Male & Female employees are treated in a fair & equal manner	2.24
I feel comfortable working with the opposite gender	2.24
Employees who have spent long time within the organization hold a special importance	2.86
Senior Employees (who have been associated in the organization for more than 5 years )are only involved in the decision making process	2.73
Seniority within the organization is given more importance as compared to Educational qualifications	3.07
Promotions & Increments are awarded on merit basis and not on the basis of Seniority	3.01
Seniority & ego issues often lead to conflicts between employees who have spent long time in the organization as compared to employees who have been in the organization since 1 to 2 years	3.04
I can get along well with my seniors as well as with my juniors	2.90
There may be employees with long organizational tenure( Who have been working in the organization for more than 5 years), and whose education is less. Where as newly joined employees who are more qualified as compared to the old employees. This leads to Conflicts and ego issues among the employees	2.54
In case of equally experienced employees, seniority is given more weightage during the performance appraisal process	3.85
Generation gap & ego issues does not lead to conflicts between freshers & experienced people	4.10
Freshers are not involved in the decision making & problem solving process	3.90
Highly experienced employees do not feel a sense of insecurity if the freshers and middle experienced employees are extremely talented	3.69
Employees from all the religions are involved in decision making process	3.55
Religion is not given consideration during the performance appraisal process	3.73
Employees are treated in a fair & equal manner irrespective of their religion	3.39

<b>Diversity Issues</b>	<b>Mean</b>
It is easy for me to adjust with employees from different religions	3.65
Employees from all the regions/states are involved in the decision making & problem solving process	4.05
Region / state is not given consideration during the performance appraisal process	3.99
Employees are treated in a fair & equal manner irrespective of the region / state they belong to	3.86
It is easy for me to adjust with employees from different regions	3.04

### **5.7.2.1 Achievement with respect to objective**

There are no major issues that arise out when different aged employees work together .There is some sort of inequality between male and female employees and this is often reflected at the time of performance appraisal as well as promotions. There is often a glass ceiling when the question of career advancement arises for females. Seniority is given importance as compared to newly joined employees. Most of the decisions are taken by keeping only senior employees in loop .Often there are conflicts between seniors and juniors. In most of the companies merit is the only criteria for promotion. In case of equally experienced employees seniority (number of years spend in the organization) is given more weightage in most of the organizations. Employees from different regions and belonging to different religion have not been facing serious diversity issues because of their region and religion.

### **5.7.3 Objective 3 : To investigate the impact of each diversity factor on employee performance**

#### **H1o : There is no impact of diversity factors on employee performance**

H1ao: There is no impact of Age Diversity on Employee Performance

H1bo: There is no impact of Gender Diversity on Employee Performance

H1co: There is no impact of Organizational Tenure Diversity on Employee Performance

H1do: There is no impact of Educational Diversity on Employee Performance

H1eo: There is no impact of Work Experience Diversity on Employee Performance

H1fo: There is no impact of Religion Diversity on Employee Performance

H1go: There is no impact of Regional Diversity on Employee Performance

As mentioned in the objective 1, Factors identified are Age Diversity, Gender Diversity, Organizational Tenure Diversity, Educational Diversity, Work Experience Diversity , Religion Diversity, Regional Diversity & Employee Performance. Inorder to measure the impact of workforce diversity on employee performance, SEM needs to be used. But before using SEM it was very much necessary to validate the factor structure created through EFA. And in order to validate the factor structure i.e. measuring the relationship between various factors and check whether all the factors fit together in a model or not, Confirmatory factor analysis was used. Once the factor structure was confirmed using CFA, the next step was to use SEM and test the hypothesis to measure the impact of workforce diversity factors on employee performance

The detailed analysis is as below

### 5.7.3.1 Confirmatory Factor Analysis

Standardized factor loading has been used by calculating standardized regression weights.

#### A ) Standardized factor loading

**TABLE 5. 14 Standardized Regression Weights: (Group number 1 - Default model)**

	Estimate
AG4 <--- AG	.904
AG3 <--- AG	.880
AG5 <--- AG	.828
AG2 <--- AG	.886
AG1 <--- AG	.808
AG6 <--- AG	.744
OT6 <--- OT	.801

	<b>Estimate</b>
OT5 <--- OT	.778
OT2 <--- OT	.863
OT3 <--- OT	.771
OT4 <--- OT	.781
OT7 <--- OT	.678
OT1 <--- OT	.686
RL2 <--- RL	.882
RL4 <--- RL	.885
RL3 <--- RL	.852
RL5 <--- RL	.787
RL6 <--- RL	.757
RL1 <--- RL	.770
EP3 <--- EP	.897
EP2 <--- EP	.881
EP4 <--- EP	.714
EP5 <--- EP	.801
EP1 <--- EP	.706
GN3 <--- GN	.902
GN5 <--- GN	.860
GN4 <--- GN	.867
GN2 <--- GN	.854
GN1 <--- GN	.800
RG5 <--- RG	.651
RG6 <--- RG	.711
RG2 <--- RG	.760
RG4 <--- RG	.733
RG3 <--- RG	.732
RG1 <--- RG	.615
WE3 <--- WE	.749
WE2 <--- WE	.700
WE1 <--- WE	.682
WE4 <--- WE	.803

	<b>Estimate</b>
WE5 <--- WE	.597
ED2 <--- ED	.797
ED1 <--- ED	.723
ED3 <--- ED	.675

If the standard loading is greater than 0.6, than the data is suitable for factor analysis. In table 5.14, all the values are above 0.6 and thus the data is suitable for factor analysis. In case the above condition is not fulfilled, modification indices should be used to draw arrows and improve results.

Now we conduct the validity and reliability check for the data.

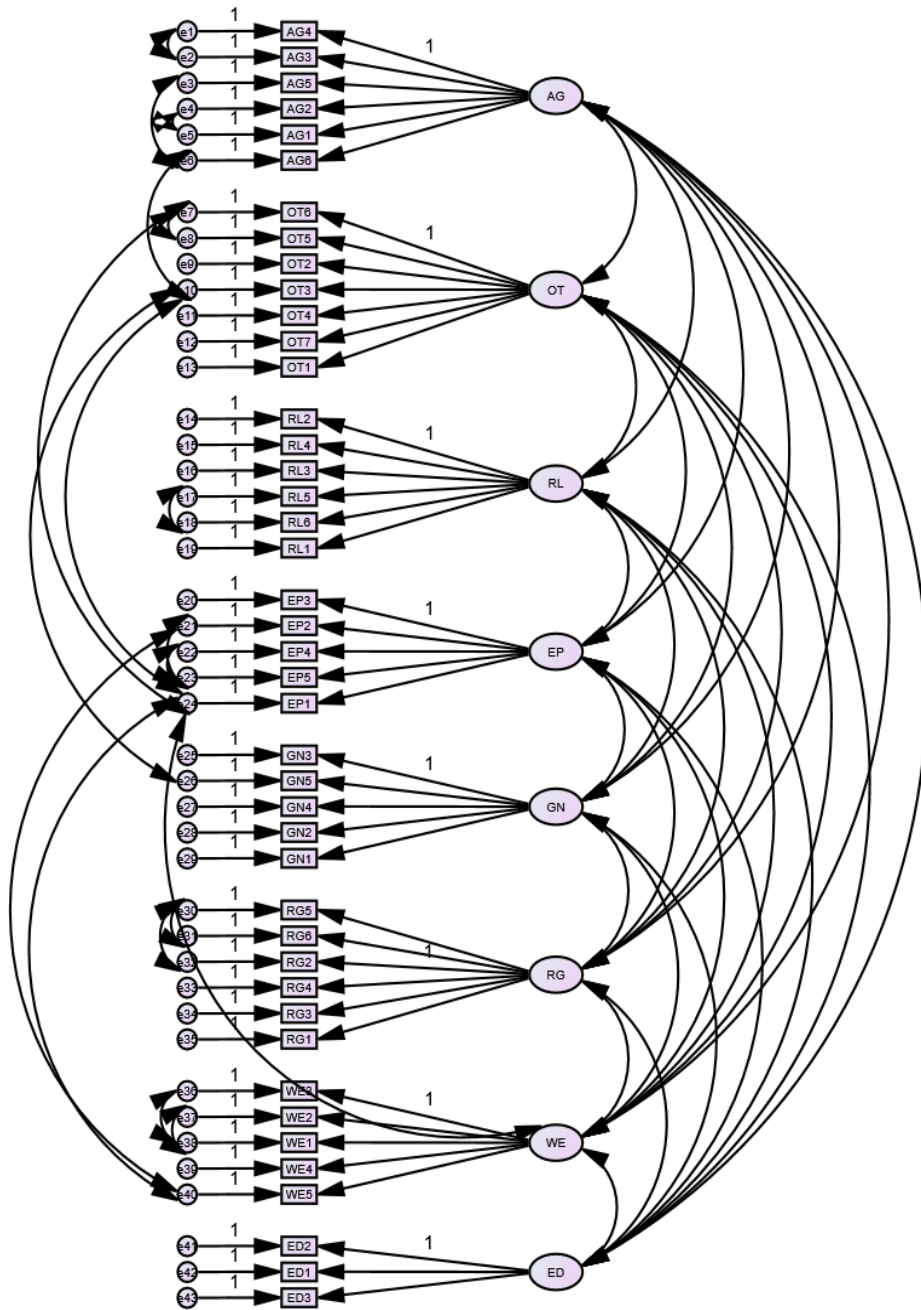
### 5.7.3.2 Validity & Reliability Check

**TABLE 5. 15**

	<b>Alpha</b>	<b>CR</b>	<b>AVE</b>
AG	0.941	0.936	0.711
GN	0.93	0.933	0.735
ED	0.774	0.777	0.538
EP	0.896	0.900	0.646
OT	0.913	0.909	0.589
RG	0.867	0.853	0.493
RL	0.927	0.927	0.679
WE	0.84	0.834	0.503

If Correlation ( CR ) is greater than 0.7 and Average variance extracted ( AVE ) is greater than 0.5 ,then the data is reliable and valid.

The CR and AVE values in Table 5.15, fulfills the mentioned condition and so the above data is reliable and valid.



**FIGURE 5.9**

After conducting CFA the factors structure was confirmed and it was proved that there exists a relationship between various factors and that all the factors can together fit in one model. The next step was to conduct SEM.



### 5.7.3.3 Structural Equation Modeling

**TABLE 5 .16 Model fit for CFA and SEM**

Model Fit			
		CFA model	SEM Model
<b>CMIN/DF</b>	Below 3	2.04	2.523
<b>SRMR</b>	0.05 or less	0.0372	0.0427
<b>GFI</b>	Close to 0 to 1	0.888	0.944
<b>AGFI</b>	Greater than 0.80	0.87	0.889
<b>CFI</b>	$\geq 0.95$	0.954	0.948
<b>RMSEA</b>	< .08	0.042	0.036

The recommended approach to judging the adequacy of a model is to use several fit indices .A model can be considered to have adequate fit if most or all fit indices are acceptable. The adequacy of the models was assessed by the following indices: CMIN/DF , SRMR , GFI , AGFI , CFI , RMSEA

**CMIN/DF** - Kline (1998) says value 3 or less is acceptable and indicates a good fit

**SRMR** - Values for the SRMR range from 0 to 1.0 with well fitting models obtaining values less than 0 .05 (Byrne,1998; Diamantopoulos and Siguaw, 2000)

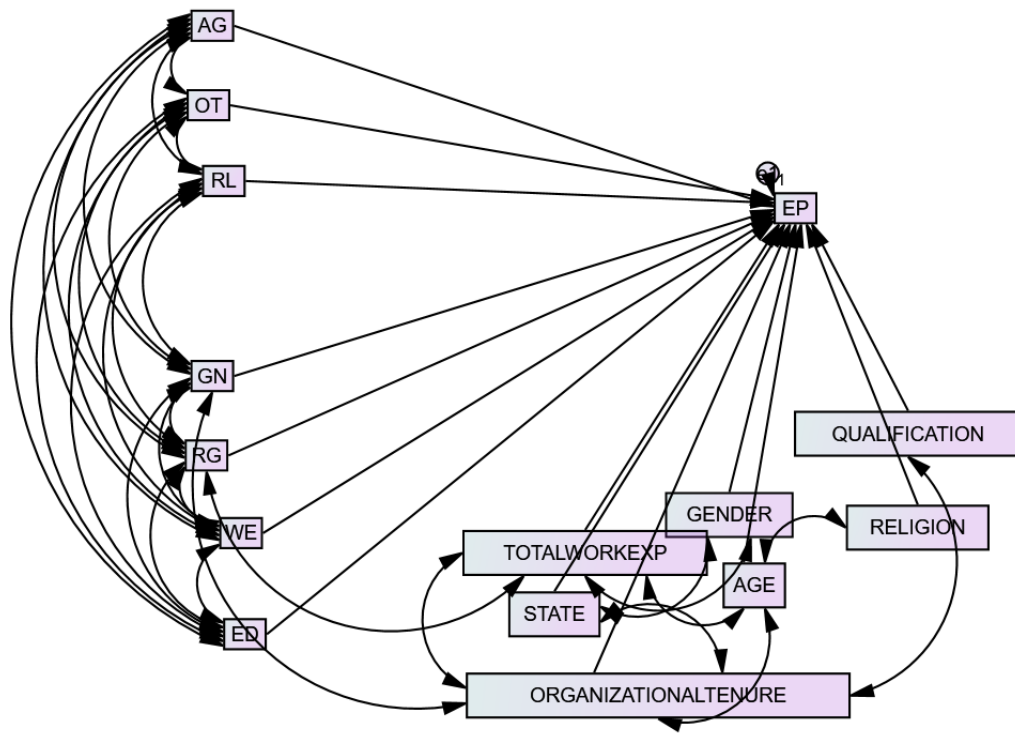
**GFI** - Traditionally an omnibus cut-off point of 0.90 has been recommended for the GFI (Miles and Shevlin, 1998). Values ranging from 0 to 1 indicate a good fit and scores greater than 0.90 are considered representative of a good fit model ( Hu & Bentler ,1995; Jaccard & Wan ,1996; Kline , 1998 )

**AGFI** – Threshold for AGFI indice is above 0.80 ( Chin and Todd ,1995,Segars and Grover ,1993 )

**CFI** - A cut-off criterion of  $CFI \geq 0.90$  was initially advanced however, recent studies have shown that a value greater than 0.90 is needed in order to ensure that misspecified models are

not accepted(Hu and Bentler, 1999). From this, a value of CFI  $\geq 0.95$  is presently indicates a good fit (Hu and Bentler, 1999).

**RMSEA** – RMSEA value of 0.08 or less is indicative of a good fit ( Dilalla, 2000;Jaccard & Wan,1996 )



**FIGURE 5.10**

**TABLE 5 .17 Summary of Hypothesis Testing Objective 3**

<b>Hypothesis</b>	<b>P-Value</b>	<b>Result</b>	<b>Findings</b>
H1ao: There is no impact of Age Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.08	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational Tenure diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance

Hypothesis	P-Value	Result	Findings
H1fo: There is no impact of Religion Diversity on Employee Performance	0.976	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.172	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Region diversity on employee performance

#### 5.7.3.4 Achievement with respect to objective

From the above analysis it is concluded that Age diversity, Organizational Tenure diversity, Educational background diversity, work experience diversity has an impact on employee performance where as Gender diversity ,Religion diversity and Regional Diversity does not have an impact on employee performance. Result has been obtained by using CFA & SEM through AMOS Software.

#### 5.7.4 Objective 4

To study the perception of employees towards impact of workforce diversity on their performance

**H 2o: Employees perceive that working with a diverse group does not help them increase their performance**

Inorder to study the perception of employees towards impact of workforce diversity on employee performance, the factor identified through literature review was Employee

Perception and the variables under the factor were also derived through Literature review and expert opinion. A conceptual framework was ready, but in order to prove the statistical relationship between the factor and the variables and to check whether the variables identified are useful to measure the factor or not, EFA was conducted. Now, in order to study the perception of employees towards impact of workforce diversity on their performance, SEM needs to be used. But before using SEM, it was very much necessary to validate the factor structure created through EFA. And in order to validate the factor structure i.e. measuring the relationship between various factors and check whether all the factors fit together in a model or not, Confirmatory factor analysis was used. Once the factor structure was confirmed using CFA, the next step was to use SEM and test the hypothesis and study the perception of employees towards impact of workforce diversity on their performance

**Detailed analysis is as below**

#### **5.7.4.1 Exploratory Factor Analysis**

**The following tests are used under EFA**

- A ) KMO and Bartlett's test
- B ) Communalities
- C ) Total variance explained
- D ) Pattern Matrix

Once the tests are run Data Adequacy Validity and Reliability are checked

#### **A ) KMO and Bartlett's test**

**TABLE : 5.18 KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.909
Approx. Chi-Square		5510.143
Bartlett's Test of Sphericity	Df	66
	Sig.	.000

In table 5.18, KMO value is 0.909 which shows that the data is perfectly suitable for Factor Analysis. And Bartlett's value is 0.000 which shows that the data is multivariate normal and acceptable for data analysis.

### B ) Communalities

**TABLE 5 .19 Communalities**

	Initial	Extraction
EP1	.476	.483
EP2	.686	.730
EP3	.739	.849
EP4	.572	.541
EP5	.629	.613
AGP	.563	.561
EDP	.725	.749
GNP	.724	.745
OTP	.694	.699
RGP	.743	.729
RLP	.711	.678
WEP	.674	.701

If extraction value of any variable is less than 0.2, then there may be a problem in the data. ( Child, 2006)

But as per table 5.19, all the values are more than 0.2 so the data is suited for factor analysis.

### C ) Total variance explained

**TABLE 5. 20 Total Variance Explained**

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.203	51.689	51.689	5.881	49.005	49.005	5.411
2	2.515	20.960	72.648	2.198	18.319	67.324	4.049
3	.640	5.337	77.985				
4	.523	4.362	82.347				
5	.418	3.480	85.827				
6	.343	2.860	88.687				
7	.303	2.521	91.208				
8	.277	2.306	93.514				
9	.230	1.916	95.430				
10	.205	1.709	97.139				
11	.184	1.531	98.670				
12	.160	1.330	100.000				

All the factors in Table 5.20 accounted for 67.324% of the variance. Total variance explained (67.324 % ) exceeds the 60 % threshold commonly used in social sciences.( Hair, 2006 )

### D ) Pattern Matrix

**TABLE 5. 21 Pattern Matrix<sup>a</sup>**

	Factor	
	1	2
GNP	.873	
WEP	.864	
RGP	.863	

	Factor	
	1	2
EDP	.858	
RLP	.822	
OTP	.790	
AGP	.724	
EP3		.958
EP2		.865
EP5		.743
EP4		.727
EP1		.662

The extraction technique used over here is Maximum Likelihood method available in SPSS.

Pattern Matrix should not have any cross loading. As per Table 5.21, there is no cross loading in pattern matrix and we have reached to a clean pattern matrix. Hence the data is suitable for factor analysis.

#### **5.7.4.2 Data Adequacy**

In order to check whether the data is adequate to use or not, we take a look at the pattern matrix

For data to be adequate, either each value in the pattern matrix should be greater than 0.5 or average of each factor should be greater than 0.7.

As per the above pattern matrix ( Table 5.21 ) all the values are greater than 0.5 and so the data is adequate.

#### **5.7.4.3 Converge Validity**

The items that are indicators of a specific construct should converge or share a high proportion of variance in common is known as Convergent Validity (Hair, 2006). Anderson and Gerbing,



(1991) advocate that in order to test convergent validity it has to be determined whether the items in a scale converge or load together on a single construct in the measurement model.

If loading in the pattern matrix is greater than 0.5 on each factor, there is a convergent validity. (Hair, 2006). As per the pattern matrix above (Table 5.21), all the values are greater than 0.3, so there is a convergent validity in the data.

#### 5.7.4.4 Discriminant validity

Discriminant validity shows that the measure is unique in some way. Discriminant validity gauges the extent to which measures of two different constructs are comparatively different from each other. (Campbell and Fiske, 1959). Discriminant validity assesses the degree to which a concept and its indicators differ from another concept and its indicators. It means that items from one scale should not load or converge too closely with items from a different scale and that different latent variables which correlate too highly may indeed be measuring the same construct rather than different constructs (Garver and Mentzer, 1999).

**TABLE 5. 22**

**Factor Correlation Matrix**

Factor	1	2
1	1.000	.409
2	.409	1.000

The extraction technique used over here is Maximum Likelihood method available in SPSS.

Rotation method used is PROMAX with Kaiser Normalization

If there is no cross loading of variables on factors in pattern matrix and if all the values in correlation matrix are less than 0.7, then there is Discriminant validity.

Table 5.22 fulfills the mentioned conditions which proves that the data has Discriminant Validity

#### 5.7.4.5 Reliability using Cronbach's alpha, validity

**TABLE 5.23**

	Alpha
Perception	0.939
Employee Performance	0.896

If Cronbach's alpha is greater than 0.7, the data is reliable and valid.

By using EFA a factor has been derived from a similar set of variables. Thereafter CFA was used to validate the factor structure. As per Table 5.23, Cronbach's Alpha is greater than 0.7 and hence the data is reliable and valid.

#### 5.7.4.6 Confirmatory Factor Analysis

##### A) Standardized factor loading

**TABLE 5.24**

##### Standardized Regression Weights: (Group number 1 - Default model)

	Estimate
GNP <--- PC	.877
WEP <--- PC	.792
RGP <--- PC	.790
EDP <--- PC	.884
RLP <--- PC	.754
OTP <--- PC	.860
AGP <--- PC	.766
EP3 <--- EP	.892
EP2 <--- EP	.886
EP5 <--- EP	.801

	Estimate
EP4 <--- EP	.711
EP1 <--- EP	.695

Statistical rules states that if the standard loading is greater than 0.6, than the data is suitable for factor analysis. In Table 5.24, all the values are above 0.6 and thus the data is suitable for factor analysis. In case the above condition is not fulfilled, modification indices should be used to draw arrows and improve results.

Now we conduct the validity and reliability check for the data.

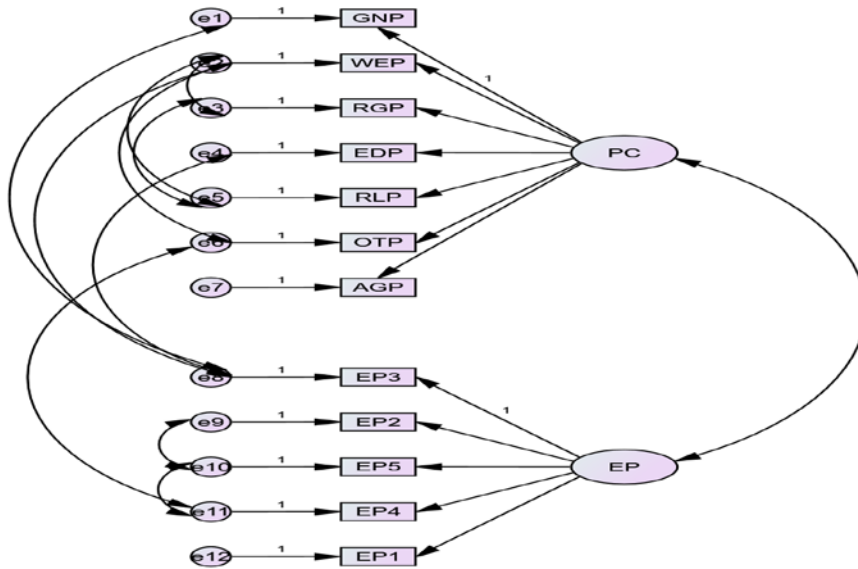
### **B ) Validity & Reliability Check**

**TABLE 5 . 25**

	Alpha	CR	AVE
<b>Perception</b>	0.939	0.934	0.671
<b>Employee Performance</b>	0.896	0.899	0.642

If Correlation ( CR ) is greater than 0.7 and Average variance extracted ( AVE ) is greater than 0.5 then the data is reliable and valid.

The CR and AVE values in Table 5.25, fulfills the mentioned condition and so the above data is reliable and valid.



**FIGURE 5 .11**

Once the factor was derived through EFA and factor structure was validated through CFA SEM was used in order to address objective 4. i.e. To study the perception of employees towards impact of workforce diversity on employee performance.

**5 .7. 4.7 Structural Equation Modeling**

**TABLE 5 . 26**

<b>Model Fit for Perception-EP Model</b>			
		CFA model	SEM Model
CMIN/DF	Below 3	2.438	1.819
SRMR	0.05 or less	0.0346	0.0346
GFI	Close to 0 to 1	0.972	0.959
AGFI	Greater than 0.80	0.948	0.925
CFI	$\geq 0.95$	0.989	0.987
RMSEA	$< .08$	0.049	0.026

The recommended approach to judging the adequacy of a model is to use several fit indices .A model can be considered to have adequate fit if most or all fit indices are acceptable. The adequacy of the models was assessed by the following indices: CMIN/DF , SRMR , GFI , AGFI , CFI , RMSEA

**CMIN/DF** - Kline (1998) says value 3 or less is acceptable and indicative of good fit

**SRMR** - Values for the SRMR range from 0 to 1.0 with well fitting models obtaining values less than 0 .05 (Byrne,1998; Diamantopoulos and Siguaw, 2000)

**GFI** - Traditionally an omnibus cut-off point of 0.90 has been recommended for the GFI (Miles and Shevlin, 1998). Values ranging from 0 to 1 indicate a good fit and scores greater than 0.90 are considered representative of a good fitting model ( Hu & Bentler ,1995;Jaccard & Wan ,1996; Kline , 1998 )

**AGFI** – Threshold for AGFI indice is above 0.80 ( Chin and Todd ,1995,Segars and Grover ,1993 )

**CFI** - A cut-off criterion of  $CFI \geq 0.90$  was initially advanced however, recent studies have shown that a value greater than0.90 is needed in order to ensure that misspecified models are not accepted(Hu and Bentler, 1999). From this, a value of  $CFI \geq 0.95$  is presently recognised as indicative of good fit (Hu and Bentler, 1999).

**RMSEA** – RMSEA value of 0.08 or less is indicative of a good fit ( Dilalla, 2000;Jaccard & Wan,1996 )

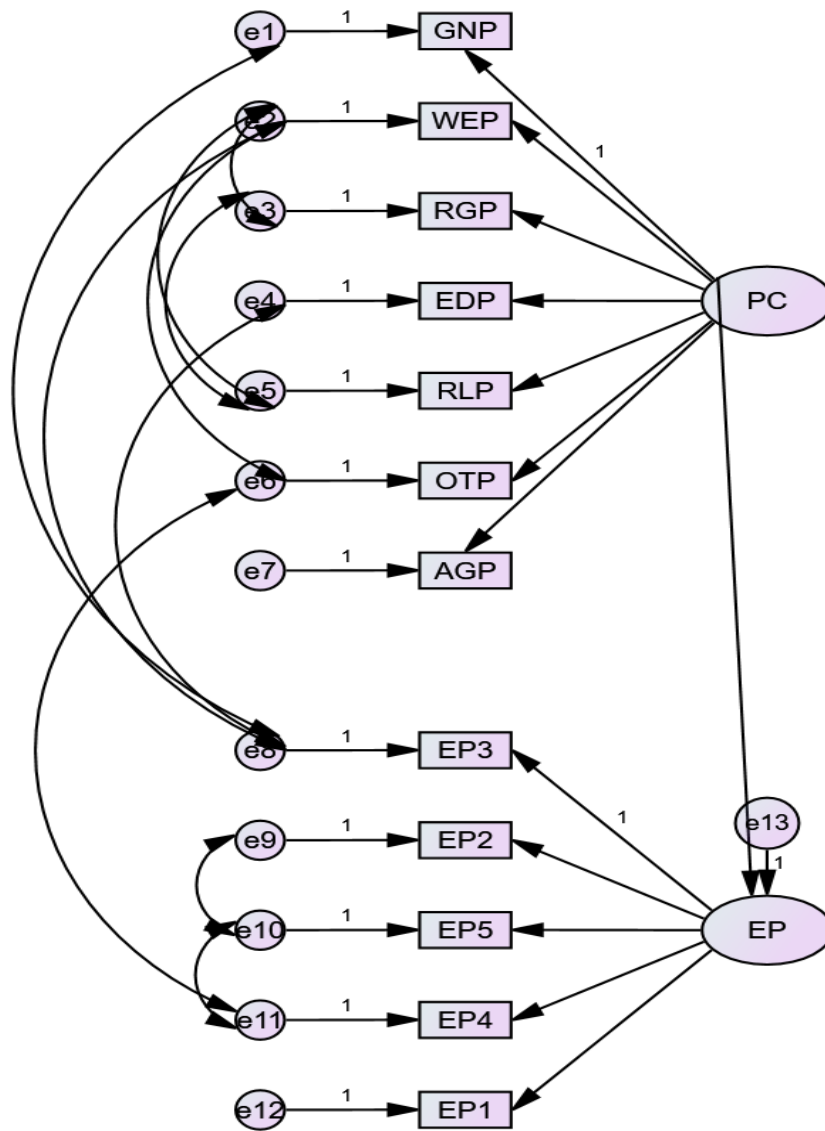


FIGURE 5.12

**TABLE 5 . 27 Summary of Hypothesis Testing Objective 4**

Hypothesis	P-Value	Result	Findings
H2o :Employees perceive that working with a diverse group does not help them increase their performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here the employees perceive that working with a diverse work group helps them increase their performance

**5 .7. 4.8 Achievement with respect to objective**

From the above analysis, it can be concluded that employees perceive that working with a diverse work group helps them increase their performance. The result has been obtained by using EFA through SPSS software and CFA & SEM through AMOS Software

**5 .7. 5 Objective 5 :** To carry out an inter industry comparison & there by study the impact of each factor on employee performance in that particular industry

**Industry wise impact of Diversity Factors on Employee performance**

**TABLE 5 . 28 Telecom Industry**

Telecom Industry			
Hypothesis	P Value	Result	Findings
H1ao: There is no impact of Age Diversity on Employee Performance	0.439	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.07	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance

<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	0.67	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	0.008	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance
H1fo: There is no impact of Religion Diversity on Employee Performance	0.622	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.069	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Regional diversity on employee performance



**TABLE 5 . 29 IT Industry**

<b>IT Industry</b>			
<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1ao: There is no impact of Age Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.093	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational Tenure diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	0.04	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance

<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1fo: There is no impact of Religion Diversity on Employee Performance	0.414	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.074	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Regional diversity on employee performance

**TABLE 5 . 30 FMCG Industry**

<b>FMCG Industry</b>			
<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1ao: There is no impact of Age Diversity on Employee Performance	0.032	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.228	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance

<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	0.026	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational tenure diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance
H1fo: There is no impact of Religion Diversity on Employee Performance	0.365	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.998	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of regional diversity on employee performance

**TABLE 5 . 31**

<b>Industry wise impact of Diversity Factors on Employee performance</b>			
<b>Factors</b>	<b>Telecom</b>	<b>IT</b>	<b>FMCG</b>
Age Diversity	has no impact	has an impact	has an impact
Gender Diversity	has no impact	has no impact	has no impact
Organizational Tenure Diversity	has no impact	has an impact	has an impact
Educational Diversity	has an impact	has an impact	has an impact
Work experience diversity	has an impact	has an impact	has an impact
Religion diversity	has no impact	has no impact	has no impact
Regional Diversity	has no impact	has no impact	has no impact

#### **5 .7.5.1 Achievement with respect to objective**

The Analysis of Inter Industry Comparison states that the diversity factors that impact employee performance are same in IT & FMCG industry where as in Telecom Industry: Age diversity and Organizational Tenure diversity has a different impact on employee performance. The result has been obtained by using EFA through SPSS software and CFA & SEM through AMOS Software.

# CHAPTER 6

## FINDINGS

### 6. 1 Introduction

This chapter summarizes the research procedure and presents a background of the research. The findings discussed in this chapter are in the context of the five research objectives established for the study. The findings are drawn based on the statistical analysis performed in the previous chapter of data analysis

Primary and Secondary data has been used to derive objectives by applying appropriate research methodology as described in Chapter 4.

### 6. 2 Data Source

Secondary data for the study are collected from various online data base journals, magazines, newspapers and books available in the library.

Primary data was collected through interview from experts ( Industry experts and academicians ) and survey was conducted by administrating questionnaire. The expert interview were taken by personal visits to the organizations and questionnaire survey was conducted online as well as by personal visits in some of the organizations. Online survey was conducted in order to meet wider geographical reach. The response was recorded and measured by using Nominal Scale and Likert Scale.

### 6. 3 Data Preparation

Data preparation was first checked preliminary to testify its completeness. The collected data was then edited, coded, tabulated, grouped and organized according to the requirement of the

study and then it was tabulated into SPSS (statistical package for social sciences) and AMOS ( Analysis of Moment Structure ) for analysis.

## **6. 4 Analysis and Interpretation of Data**

Data analysis was done by using SPSS and AMOS software. SPSS software was used to conduct frequency distribution & Exploratory factor analysis and confirmatory factor analysis and Structural equation modeling was conducted by using AMOS software.

## **6. 5 Findings of Research Objective 1**

**6. 5. 1 Research Objective: To identify the factors of workforce diversity that may affect employee performance**

### **6. 5. 2 Explanation:**

Based on Literature Review and Expert Interviews, factors were identified under workforce diversity and also set of statements were identified to measure each factor . The identification was done conceptually. The scale was purified through reliability analysis. Once the same was done data was collected which was followed by Data Analysis. After the conceptual framework of factors and variables from Literature Review and Expert opinion, it was very much necessary to validate the same by measuring statistical relationship between the factors and the variables. It was also important to check whether the variables identified under each factor are useful to measure that particular factor or not. And in order to do so , Exploratory Factor Analysis was conducted. Here Kaiser-Meyer-Olkin (KMO) and Bartlett's Test of Sphericity, Communalities, Total variance explained and Pattern matrix was used in order to measure the statistical relationship between factors and variables. The results obtained by conducting EFA proved that there is a statistical relationship between the factors and variables and that the variables are useful to measure their respective factors.

**6. 5. 3 Findings:** The factors identified were Age diversity, Gender diversity, Organizational Tenure diversity, Educational background diversity, Work Experience diversity , Religion

Diversity & Regional Diversity. The impact of these diversity factors had to be measured on employee performance and so one more factor identified was Employee Performance.

## **6. 6 Findings of Research Objective 2**

**6. 6. 1 Research Objective 2** : To study the diversity issues of each factor within the organization

**6. 6. 2 Explanation:** Companies now a days are investing a lot on recruiting a diverse workforce but it is very much necessary to manage this diverse workforce in an effective way as there are many issues that arise when people from different backgrounds work together. Diversity in the current research focuses on Age diversity, Gender diversity, Organizational Tenure diversity , Educational Background diversity, Work Experience diversity , Religion diversity and Regional diversity. When a diverse group works together it may lead to both positive as well as negative effect and so inorder to avoid negative effects they have to be managed properly. There are lot of issues that may arise because of these diverse pool of candidates working together. To understand the employees view on this, the issues were incorporated in the questionnaire and view point on the same was collected by conducting a survey through questionnaire.

Mean calculation was done through SPSS software inorder to analyse the responses of the employees and address the above objective.

### **6. 6. 3 Findings**

There are no major issues that arise out when different aged employees work together. There is some sort of inequality between male and female employees and this is often reflected at the time of performance appraisal as well as promotions. There is often a glass ceiling when the question of career advancement arises for females. Seniority is given importance as compared to newly joined employees. Most of the decisions are taken by keeping only senior employees in loop .Often there are conflicts between seniors and juniors. In most of the companies merit is the only criteria for promotion .In case of equally experienced employees seniority (number

of years spend in the organization) is given more weightage in most of the organizations. Employees from different regions and belonging to different religion have not been facing serious diversity issues because of their region and religion.

## **6. 7 Findings of Research Objective 3**

### **6. 7. 1 Research Objective 3 : To investigate the impact of each diversity factor on employee performance**

**6. 7. 2 Explanation:** Inorder to address the above mentioned objective, Confirmatory factor analysis and Structural equation modeling was used. Once the statistical relationship between the factors and the variables was confirmed and it was proved that the variables under each factor are useful to measure that particular factor as mentioned in the objective 1 , it was now necessary to validate the factor structure created through EFA. And in order to validate the factor structure i.e. measuring the relationship between various factors and check whether all the factors fit together in a model or not, Confirmatory factor analysis was used. Once the factor structure was confirmed using CFA, the next step was to use SEM and test the hypothesis to measure the impact of workforce diversity factors on employee performance. While conducting confirmatory factor analysis, Standardized factor loading was used by calculating regression weights. Then after validity and reliability of the data was checked.

For the final stage which focused toward the achievement of the objective, SEM was used to test the hypothesis about relations among the observed and latent variables. Assessing whether the specific model ‘fits ‘ the data is one of the most important steps in SEM. The indices used to reflect the facet of model fit are CMIN / DF , SRMR,GFI, AGFI, CFI, RMSEA.SEM helped in investigating the impact of workforce diversity on employee performance.

The summary of the same is as below:



**TABLE 6.1**

<b>Hypothesis</b>	<b>P-Value</b>	<b>Result</b>	<b>Findings</b>
H1ao: There is no impact of Age Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.08	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational Tenure diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance

Hypothesis	P-Value	Result	Findings
H1fo: There is no impact of Religion Diversity on Employee Performance	0.976	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.172	Rejected	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Region diversity on employee performance

### 6. 7. 3 Findings:

#### **H1ao: There is no impact of Age Diversity on Employee Performance**

Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance

#### **H1bo: There is no impact of Gender Diversity on Employee Performance**

Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance

#### **H1co: There is no impact of Organizational Tenure Diversity on Employee Performance**

Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational Tenure diversity on employee performance

**H1do: There is no impact of Educational Diversity on Employee Performance**

Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance

**H1eo: There is no impact of Work Experience Diversity on Employee Performance**

Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance

**H1fo: There is no impact of Religion Diversity on Employee Performance**

Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance

**H1go: There is no impact of Regional Diversity on Employee Performance**

Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Region diversity on employee performance

So the **Overall finding** states that Age diversity, Organizational Tenure diversity, Educational background diversity, work experience diversity has an impact on employee performance where as Gender diversity, Religion diversity and Regional Diversity does not have an impact on employee performance.

**6. 8 Findings of research objective 4**

**6.8.1 Research Objective 4:** To study the perception of employees towards impact of workforce diversity on their performance

**6.8.2 Explanation:** In order to address this objective Exploratory factor analysis, Confirmatory factor analysis, structural equation modeling was used.

In order to study the perception of employees towards impact of workforce diversity on employee performance, the factors and their respective variables were identified through literature review and expert opinion. A conceptual framework was ready, but in order to prove the statistical relationship between the factor and the variables and to check whether the variables identified are useful to measure the factor or not, EFA was conducted. Now, in order to study the perception of employees towards impact of workforce diversity on their performance, SEM needs to be used. But before using SEM, it was very much necessary to validate the factor structure created through EFA. And in order to validate the factor structure i.e. measuring the relationship between various factors and check whether all the factors fit together in a model or not, Confirmatory factor analysis was used. Once the factor structure was confirmed using CFA, the next step was to use SEM and test the hypothesis and study the perception of employees towards impact of workforce diversity on their performance. While conducting exploratory factor analysis, KMO and Bartlett's test of sphericity, Communalities, Total variance & pattern matrix was used. Then after data adequacy, validity and reliability was checked. While conducting confirmatory factor analysis, Standardized factor loading has been used by calculating regression weights. Then after validity and reliability of the data has been checked. For the final stage which focused towards the achievement of the objective SEM was used to test the hypothesis about relations among the observed and latent variables. Assessing whether the specific model 'fits' the data is one of the most important steps in SEM. The indices used to reflect the facet of model fit are CMIN / DF, SRMR, GFI, AGFI, CFI, RMSEA. SEM helped in investigating the perception of employees towards impact of workforce diversity on employee performance.

The summary of the same is as below :

**TABLE 6.2**

<b>Hypothesis</b>	<b>P-Value</b>	<b>Result</b>	<b>Findings</b>
H2o :Employees perceive that working with a diverse group does not help them increase their performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here the employees perceive that working with a diverse work group helps them increase their performance

### **6.8.3 Findings :**

**H2o : Employees perceive that working with a diverse group does not help them increase their performance**

Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted, So here the employees perceive that working with a diverse work group helps them increase their performance

## **6.9 Findings of Research Objective 5**

**6.9.1 Research Objective :** To carry out an inter industry comparison & there by study the impact of each factor on employee performance in that particular industry

**6.9.2 Explanation:** The research has been conducted in IT ,Telecom & FCG industry in the state of Gujarat. As three industries have been considered for research an attempt has been made to study the impact of workforce diversity on employee performance in that particular industry and once the same was done for all the industries an inter industry comparison of the same was carried out .The result has been obtained by using EFA through SPSS software and CFA & SEM through AMOS Software.

The summary of the same is as below :

**TABLE 6.3**

<b>Telecom Industry</b>			
<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1ao: There is no impact of Age Diversity on Employee Performance	0.439	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.07	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	0.67	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	0.008	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance
H1fo: There is no impact of Religion Diversity on Employee Performance	0.622	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.069	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Regional diversity on employee performance

## A ) Findings - Telecom Industry

In Telecom industry, Educational diversity and Work experience diversity has an impact on employee performance where as Age diversity, Gender diversity, Organizational tenure diversity ,Religion diversity and Regional diversity does not have an impact on employee performance.

**TABLE 6.4**

<b>IT Industry</b>			
<b>Hypothesis</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1ao: There is no impact of Age Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance
H1bo: There is no impact of Gender Diversity on Employee Performance	0.093	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational Tenure diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	0.04	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Educational diversity on employee performance

Hypothesis	P Value	Result	Findings
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance
H1fo: There is no impact of Religion Diversity on Employee Performance	0.414	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.074	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Regional diversity on employee performance

**B ) Findings - IT Industry**

In IT industry ,Age diversity, organizational tenure diversity, educational diversity and work experience diversity has an impact on employee performance where as Gender diversity, Religion and Regional diversity does not have an impact on employee performance.

**TABLE 6.5**

FMCG Industry			
Factors	P Value	Result	Findings
H1ao: There is no impact of Age Diversity on Employee Performance	0.032	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Age diversity on employee performance



<b>Factors</b>	<b>P Value</b>	<b>Result</b>	<b>Findings</b>
H1bo: There is no impact of Gender Diversity on Employee Performance	0.228	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Gender diversity on employee performance
H1co: There is no impact of Organizational Tenure Diversity on Employee Performance	0.026	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of Organizational tenure diversity on employee performance
H1do: There is no impact of Educational Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of educational diversity on employee performance
H1eo: There is no impact of Work Experience Diversity on Employee Performance	***	Rejected	Results depict P Value which is less than 0.05 which proves that null hypothesis is rejected and alternate hypothesis is accepted , So here there is an impact of work experience diversity on employee performance
H1fo: There is no impact of Religion Diversity on Employee Performance	0.365	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of Religion diversity on employee performance
H1go: There is no impact of Regional Diversity on Employee Performance	0.998	Accepted	Results depict P Value which is more than 0.05 which proves that null hypothesis is accepted and alternate hypothesis is rejected , So here there is no impact of regional diversity on employee performance

### C ) Findings – FMCG Industry

In FMCG industry, Age diversity, organizational tenure diversity, educational diversity and work experience diversity has an impact on employee performance where as Gender diversity, Religion and regional diversity does not have an impact on employee performance.

**TABLE 6.6**

<b>Industry wise impact of Diversity Factors on Employee performance</b>			
<b>Factors</b>	<b>Telecom</b>	<b>IT</b>	<b>FMCG</b>
Age Diversity	has no impact	has an impact	has an impact
Gender Diversity	has no impact	has no impact	has no impact
Organizational Tenure Diversity	has no impact	has an impact	has an impact
Educational Diversity	has an impact	has an impact	has an impact
Work experience diversity	has an impact	has an impact	has an impact
Religion diversity	has no impact	has no impact	has no impact
Regional Diversity	has no impact	has no impact	has no impact

### 6.9.3 Over all finding

The Analysis of Inter Industry Comparison states that the diversity factors that impact employee performance are same in IT & FMCG industry where as in Telecom Industry Age diversity factor and organizational tenure diversity factor has a different impact on employee performance.

# CHAPTER 7

## CONCLUSION, MAJOR CONTRIBUTIONS AND SCOPE OF FURTHER WORK

### 7.1 Conclusion

In the current research an effort was made to study the impact of workforce diversity on employee performance in IT ,Telecom and FMCG industry in the state of Gujarat.

Through personal observations, primary data analysis and secondary data analysis, the following things have been concluded.

After conducting extensive literature review & Expert interview, Diversity factors were identified under workforce diversity and a set of variables were identified to measure each factor. The scale was purified through reliability analysis and then Exploratory factor analysis was used through SPSS to measure the statistical relationship between the factors and variables and create a factor structure. By conducting EFA it was proved that the factors and variables are related and that the variables are useful to measure their respective factor. The following factors were identified: Age Diversity, Gender Diversity , Organizational Tenure Diversity, Educational Background Diversity, Work Experience Diversity , Religion Diversity & Regional diversity. The impact of these diversity factors had to be measured on employee performance and so one more factor identified was Employee Performance. Also Employees' perception towards the impact of workforce diversity on their performance had to be measured and so Employee Perception was also identified as one of the factors.

Workforce diversity is welcomed today across the organizations and a lot of investment have been done by the organizations to have a diverse workforce on board. But this does not always turn out to be a good decision. The organizations sometimes ignores or oversees the issues that

arise out of workforce diversity and so the diverse workforce does not give the desired results and in fact reduces the efficiency of the employee as well as the organization. If the issues arising out of diversity are handled well, resolved cautiously and if the diverse workforce is managed properly, then diversity on board will definitely prove to be one of the biggest strengths of the organization. In order to study various diversity issues and understand and extract the opinion of the same from employees these issues were added in the questionnaire as variables. After receiving the opinion of the employees on diversity issues and conducting data analysis through SPSS software by mean calculation it was concluded that there are no major issues that arise out when different aged employees work together. There is some sort of inequality between male and female employees and this is often reflected at the time of performance appraisal as well as promotions. There is often a glass ceiling when the question of career advancement arises for females. Seniority is given importance as compared to newly joined employees. Most of the decisions are taken by keeping only senior employees in loop. Often there are conflicts between seniors and juniors. In most of the companies merit is the only criteria for promotion. In case of equally experienced employees, seniority (number of years spend in the organization) is given more weightage in most of the organizations. Employees from different regions and belonging to different religion have not been facing serious diversity issues because of their region and religion.

In the above discussion it has been stated that if a diverse pool of employees is managed well then it will definitely affect the employee's as well as organization's performance. And so in the current research an attempt has been made to measure the impact of workforce diversity on employee performance and it is being tried to check whether there is a relationship between workforce diversity and employee performance. Data analysis was conducted by using Confirmatory factor analysis and SEM. CFA was used to confirm and validate the factor structure derived using EFA and in order to study the impact of workforce diversity on employee performance, Structural Equation modeling was used. After conducting data analysis by using the above mentioned statistical tools it was concluded that Age diversity, Organizational Tenure diversity, Educational background diversity, work experience diversity has an impact on employee performance whereas Gender diversity, Religion diversity and Regional Diversity does not have an impact on employee performance.

There can be a different perception of employees about impact of workforce diversity on their performance .Whatever has been concluded as a result of data analysis may not be the same as what the employees perceive about workforce diversity and it's linkage with performance.Data analysis was conducted by using EFA, CFA and SEM. A factor of employee perception and variables to measure the same was derived from literature Review and Expert opinion & the statistical relationship between the factor and the variables was confirmed through EFA. The factor structure then created by EFA was validated by Confirmatory factor analysis and SEM was used to study the perception of employees towards impact of workforce diversity on their performance .After conducting data analysis by using the above mentioned statistical tools, it was concluded that employees perceive that working with a diverse work group helps them increase their performance.

In all, 3 industries: IT ,Telecom and FMCG industry were selected for the study in 4 cities Ahmedabad ,Baroda, Surat and Rajkot in the state of Gujarat. As multiple industries have been studied ,an attempt was made to carry out inter industry comparison and study the impact of each factor on employee performance in that particular industry .After conducting data analysis and using statistical tools it has been concluded that In Telecom industry ,Educational diversity and Work experience diversity has an impact on employee performance where as Age diversity, Gender diversity ,Organizational tenure diversity, Religion diversity and Regional diversity does not have an impact on employee performance where as In IT industry Age diversity ,organizational tenure diversity ,educational diversity and work experience diversity has an impact on employee performance where as Gender diversity, Religion diversity and regional diversity does not have an impact on employee performance. In FMCG industry, Age diversity , Organizational tenure diversity, educational diversity and work experience diversity has an impact on employee performance where as Gender diversity, Religion and regional diversity does not have an impact on employee performance. So here it can be concluded that the diversity factors that impact employee performance are same in IT & FMCG industry where as in Telecom Industry, Age diversity, and organizational tenure diversity has a different impact on employee performance.

## **7.2 Major Contribution**

The research has contributed to the existing body of knowledge pertaining to the factors of workforce diversity and its impact on employee performance by incorporating new information and related results by both qualitative and quantitative research. A model has been created which helps in studying the impact of workforce diversity on employee performance. With this study the organizations will be able to identify which diversity factors will have an impact on employee performance in IT ,Telecom and FMCG industry in the state of Gujarat .Other industries can also gain insights from the results of the current research and can apply the same in their respective industry. The research will help the organizations especially the HR departments as to which are the issues that bother employees because of diversity and what do the employees perceive about the same and also the implementation issues that are caused because of having a diverse workforce in the organization .The research will help the organizations to understand and know about the perception of employees towards impact of workforce diversity on their performance i.e. the preference of the employees towards working with a diverse workforce.

## **7.3 Recommendations**

While investing on workforce diversity, organizations should also set up mechanisms to administer and manage a diverse workforce effectively.

Organizations should create an environment that will support workforce diversity positively.

Males and Females should be treated in a fair and equal manner. There should be no gender bias at the time of performance appraisal or promotions.

Career paths should be exclusively designed for female employees.

Merits and experience of a newly joined employee should be given due importance and his date of joining in the organization should not be considered as the only criteria at the time of decision making and problem solving.

There should be no fixed and preconceived notions about Gender, Religion or Region of a person at the time of recruitment and interviews. Organizations should give an equal chance to each and every deserving candidate.

Age diversity, Organizational tenure diversity , educational background diversity and work experience diversity has an impact on employee performance and so employees with different age groups, different organizational tenure, different educational background and different work experience when work together, have to be provided a healthy and suitable working environment and their issues and conflicts should be handled properly so that the impact on their performance turns out to be positive.

Every industry should study as to which diversity is the highest in that particular industry and try and study it's impact on employee performance.

#### **7.4 Limitation of the study**

Best possible efforts have been made to guarantee that the research is planned and carried out to optimize the capability to accomplish the research objectives. However there are some limitations that may not authenticate the research however it needs to be acknowledged.

The sample has been taken from 4 major cities of Gujarat and it may not apply to entire state.

The survey has been restricted to 3 industries (IT , Telecom & FMCG ) and so cannot be generalized to all the industries.

There may be several other factors that represent workforce diversity and may or may not have an impact on employee performance and hence the same can be one more limitation of the study.

Likert scale has been used as a major tool for evaluation which has its own limitations.

The evaluation done for data analysis is based on the primary data produced with the help of questionnaire and its findings depend completely on the accurateness of such data.

Different experts have special views on estimating attitude and perceptions. The views that have been used for the current purpose cannot be declared as absolute and perfect.

Respondent's errors may subsist in the study (Malhotra and Das 2005 ) Respondents may not be able to fill out the entire questionnaire due to certain reasons.

## **7.5 Scope of Further Work**

Further studies should apply the study of impact of workforce diversity on employee performance to other cities within Gujarat and other states also.

More number of factors can be studied as a part of workforce diversity.

Impact of workforce diversity on organizational performance can also be studied as here we have considered the impact of diversity factors only on employee performance and no other factor.

An additional research can be done inorder to find out which is the most common diversity factor across the organizations in a specific industry or multiple industries.

In the current research an attempt has been made to study the impact of workforce diversity on employee performance but whether the diversity factors are positively or negatively related is not studied. So a further research can be carried out to find out whether there is a positive or negative impact of workforce diversity on employee performance



# CHAPTER 8

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# **LIST OF PUBLICATIONS**

1. Sheth Himani, (February 2017), “A Study on Workforce Diversity in Organizations”, Indian Journal Of Applied Research , Volume 7 , Issue 2, pg. no. 693-694.

# APPENDIX A – QUESTIONNAIRE

Dear Executive,

I invite you to participate in a research study by completing the attached survey. I am currently pursuing Phd from Gujarat Technology University and the attached questionnaire survey is a part of my doctoral work. The purpose of the research is to determine “Impact of Workforce Diversity on Employee Performance with special reference to IT, Telecom & FMCG industry in India”.

The enclosed questionnaire has been designed to collect information for understanding the relation between Workforce diversity and employee performance. Your response and the company related data will remain strictly confidential and I assure that no one other than the researcher will know your individual answers to this questionnaire.

I request you to spare your valuable time and fill up the attached questionnaire as your opinion is critical to the success of my study.

Looking forward for your assistance in this important Endeavour.

## Questionnaire (To be filled in by the employees)

### Section A : Personal Details

Age :	Native State:	Date Of Joining:
Gender :	Industry:	Qualification:
Religion:	Organization:	Designation:
Marital Status:	Total Work Exp:	

**Please tick mark the most appropriate response as per the scale below.**

- (SA) = Strongly Agree
- (A) = Agree
- (N) = Neutral
- (D) = Disagree
- (SD) = Strongly Disagree

### Section B: Age Diversity

<b>Age Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There is a proper mix of employees from all the age groups in the organization					
The organization recruits freshers every year					
Organization allows the employees to work post retirement Age					
Employees from all age groups are involved in decision making & problem solving processes					
Employees with different age groups bond well					
It is easy for me to adjust to different aged employees					
Working with different age groups help me increase my performance					

### Section C: Gender Diversity

<b>Gender Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There is a proper mix of males and females in the organization					
There are females in Top Management					
There is no gender bias during the performance appraisal process. Increments and promotions are purely given on the merit basis					
Male & Female employees are treated in a fair & equal manner					
I feel comfortable working with the opposite gender					
Working with opposite gender helps me increase my performance					

**Section D: Organizational Tenure Diversity**

<b>Organizational Tenure Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
Most of the employees have been working in the organization for last 5 years					
Employees who have spent long time within the organization hold a special importance					
Senior Employees (who have been associated in the organization for more than 5 years )are only involved in the decision making process					
Seniority within the organization is given more importance as compared to Educational qualifications					
Promotions & Increments are awarded on merit basis and not on the basis of Seniority					
Seniority & ego issues often lead to conflicts between employees who have spent long time in the organization as compared to employees who have been in the organization since 1 to 2 years					
I can get along well with my seniors as well as with my juniors					
Working with employees with varied organizational tenure helps me increase my performance					

**Section E: Educational Background Diversity**

<b>Educational Background Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There are employees with different educational background in the organization					
The organization provides support to the employees to upgrade their qualification and skills ( Sponsoring the employees to attend evening degree / diploma programs )					



<b>Educational Background Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There may be employees with long organizational tenure( Who have been working in the organization for more than 5 years), and whose education is less. Whereas newly joined employees who are more qualified as compared to the old employees. This leads to Conflicts and ego issues among the employees					
Working with employees with different educational background helps me increase my performance					

### **Section F: Work Experience Diversity**

<b>Work Experience Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There is a proper mix of freshers and experienced employees in the organization					
In case of equally experienced employees, seniority is given more weightage during the performance appraisal process					
Generation gap & ego issues does not lead to conflicts between freshers & experienced people					
Freshers are not involved in the decision making & problem solving process					
Highly experienced employees do not feel a sense of insecurity if the freshers and middle experienced employees are extremely talented					
Working with freshers, middle level experienced and highly experienced employees help me increase my performance					

### **Section G: Religion Diversity**

<b>Religion Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There are employees from different religions in the organization					
The top management consists of employees from different religions					
Employees from all the religions are involved in decision making process					

<b>Religion Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
Religion is not given consideration during the performance appraisal process					
Employees are treated in a fair & equal manner irrespective of their religion					
It is easy for me to adjust with employees from different religions					
Working with employees from different religions helps me increase my performance					

### **Section H: Regional Diversity**

<b>Regional Diversity</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
There are employees from different regions / states in the organization					
The top management consists of employees from different regions / states					
Employees from all the regions/states are involved in the decision making & problem solving process					
Region / state is not given consideration during the performance appraisal process					
Employees are treated in a fair & equal manner irrespective of the region / state they belong to					
It is easy for me to adjust with employees from different regions					
Working with employees from different regions / states helps me increase my performance					

### **Section I: Employee Performance**

<b>Employee Performance</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
I always meet the targets assigned to me and deliver results on time					
I always add value to my department and organization					
I always try to explore and learn new techniques to deliver more than my boss's expectations					

<b>Employee Performance</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>
I often meet targets during challenging situations					
Working in a diverse group helps me increase my productivity					
Working in a diverse group helps me enhance my creativity					