

A Systematic Review on Effect of Surface Level Workforce

Diversity and Organizational Performance

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Abstract

Work force diversity has become an organizational imperative and as such, it is important for organizations to embrace and manage diversity to outperform competitors. Organizations can successful only to the extent they can appreciate and encourage workforce diversity. The study aims to investigate the effect of surface-level workforce diversity and organizational performance. The author reviewed various past published articles between (2016-2023) years conducted on the effect of workforce diversity and organizational performance. The study findings indicated that positive & significant relationship between surface-level workforce diversity and organization performance and leader diversity management strategies determine success. Therefore, formulating inclusive workforce diversity management policy and updating it regularly is vital for today's organizations.

Keywords- Age; Education; Ethnicity; Gender diversities; Organization Performance

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1. Introduction

The contemporary work force is more diverse than ever due to several factors including but not limited to demographic, intense competition, economic factors, demand for best talents, anti-discrimination measures, and to produces quality product and service (Busolo, 2017). Workforce diversity refers to the employees collected from different backgrounds, ethnicities, languages educations, cultures, races, age genders, religions and opinions together at workplace (Backes & Veen 2013). This implies that workforce diversity encompasses people from different backgrounds coming together to achieve the organizational mission and goal. Many literatures argued that workforce diversity utilize employees' strength irrespective of their background characteristic to ensure success of the organization. According to Kossek, et al, (2006) People are diverse in ways that can be seen or unseen through genetic orientation, beliefs, as well as their societal position. Therefore diversity includes all employees at the workplace different irrespective of gender, religion, education, and ethnicity.

According to Usman, (2023) workforce diversity is important as people from diverse background and skill add value to the organization. People from diverse background and sets of skills improve competitiveness and efficiency of the organization through boosting individual commitment that in turn improves organizational performance and productivity as well (Salami, 2010). Organizational workforce diversity brings different knowledge experience and skill that lead to new innovation and achieve competitive advantages (Kalonaityte, 2010). Now, many organizations across the world are on the way of increasing workforce diversities to achieve their competitive advantage and ensure sustainability as a basic requirement (Pollock, 2009). However, the issue of workers diversity & organizational performance is controversial, and scholars have debated on it for a long time. To this end the previous studies are focused on deep-level workforce diversity and organizational

performance. Particularly, research conducted on surface-level worker diversity and organizational performance is limited (Busolo, 2017). Therefore, this systematic review focused to review articles undertaken in the past eight years on effect of surface-level diversity on organizational performance.

2. Literature Reviews

2.1 Workforce Diversity

According to Aydin & Roman (2017), Workforce diversity refers to the collection of different employee in terms of skill, age, gender, education, religion, ethnicity, culture, and attitude, in the workplace. This means workforce diversity refers to the individual characteristics of employees that make them unique. Kirton & Greene (2021) stated that diversity in the workplace means the acceptance and inclusion of employees of all backgrounds. Workforce diversity is an asset that the individual strengths of each employee and the potential they bring to the organization (Barak, 2022). Diversity falls into two broad categories: surface-level diversity and deep-level diversity.

2.2 Surface Level Diversity

Surface-level diversity refers to a sort of diversity in which the features are observable like Age, color, sex, gender, education, ethnicity visible disability, and physical size (Roy,2022). Surface-level diversity consists of demographic characteristic of employees at workplace. Organizations that employ workers of wide range of age have the advantage of creating dynamic. Multi-generational workforce with a range of age is beneficial to organization. Age diversity embraces mutual learning opportunities between seniors and young people to share knowledge and expertise so that they can grow together (Roy, 2022). According to Barak (2022) different pools of experience, skills draw from age-diverse workforce have the opportunity to leverage these resources to mentor, inspire, and support the whole team, giving the business and its people the best chance of success.

Gender is refers to psychological disparities and experiences that are socially or culturally attached to being female or male in an organization (Busolo, 2017). Mazur (2010) also stated gender diversity has the most impact on groups in the workplace and society. Gender diversity in the workplace is the equal treatment and acceptance of both male and female at organization level. Dike (2013) noted that high productivity was one of the positive benefits of workforce diversity. According to Kochan, (2003) inclusive diversity management approach enables workers to feel belongingness irrespective of their diverse backgrounds that make them loyal and hard workers to increase the organization's productivity and profit. Kochan, added that providing equal job opportunities to women is vital to improving the performance of employees in an organization.

An ethnicity is defined as group of distinct community group by certain characteristics that distinguish them from others. According to social identity ethnicity is demographic attributes which individuals classifying themselves (Joshi & Roh 2009). Busolo, (2017) also stated that Ethnicity diversity refers to the heterogeneity in language, culture, and races exist in workplace

More specifically, Konrad (2003) stated that ethnical diversity is more informative and relevant demographic makeup of the current workforce. Hence, diverse workforce in terms of ethnicity used to bridge cultural boundaries and search for original problem solutions, innovative idea, and finally result in organizational competitive advantages.

2.3 Diversity Management

According to Wegge & Meyer (2020), diversity management has human resource management strategy applied during workforce recruitment, selection, development, and retention processes to realize business goal, and competitive advantage. Managing diversity was initially adopted by United States of America and Canada as a human resource intervention. Some researchers defined diversity management in various contexts. Aronson discovered that organizations to gain positive effect diversity practice conducting training, mentoring and evaluating are important (Patricia, 2008). In other way lack of workforce diversity management can lead to misunderstanding & communication difficulties, leading to low productivity and higher turnover rates (Michalle, 2015). Therefore it is important to implement diversity management practices encourages people to work together peacefully in harmony to foster retention as well as minimize turnover.

2.4 Organizational Performance

Organizational performance refers to how well an organization is doing to reach its mission, and goal (Mazur, 2010). Salthouse (2019) argued that an employee diversity is contributes to the organization performance and improvement. This means diversity involves difference in idea, skill, and ability to enhance performance at individual and organizational levels. Hossain & Khan (2021) noted that there is significant correlation between employee diversity and organizational performance.

3. Objective of the Study

The general objective is to investigate workforce diversity's effect on organizational performance.

The specific objectives of this study are:

To examine effect of age diversity on organizational performance

To identify influence of gender diversity on organizational performance

To determine effect of ethnic diversity on organizational performance

To examine effect of education diversity on organizational performance

4. Research Method and Design

The systematic article review has considered studies published over eight years between 2016-2023 by using SAGE and Research Gate databases to explore research on surface level workforce diversity and organizational performance. The findings performed using standard form of systematic analysis. Many papers have proposed and certain number of publication included in systematic reviews (Junior & Godin-ho Filho 2010).

4.1 Data Collection

The study used several online databases to select the most appropriate articles and 88 articles on effect of workforce diversity and organization performance published on SAGE and Research Gate were conducted using English language and keywords comprised “Effect of Workforce Diversity on Organization Performance” “Effect of Workforce Diversity” “Workforce Diversity” in databases of leading journals from the years 2016 to 2023 were considered.

4.2 Inclusion and Exclusion Criteria

The author employed appropriate inclusion and exclusion criteria based on the study title, keywords, abstract, and contents to identify relevant articles and reduce the possibility of poor reproducibility

4.3 Data Sources and Searching Mechanisms

The study identified 88 studies published on the effect of surface level workforce diversity on organizational performance. None relevant and duplicate titles were eliminated by reading abstracts and 47 relevant to effect of surface level workers diversity on organizational performance were identified. Finally after the constructive review 19 studies related to our objectives and questions selected.

4.4 Timeframe for Data Selection

A systematic article review was carefully and precisely undertaken to identify all relevant related articles conducted between the years 2016 and 2023. The timeframe of the last eight years was chosen because the workforce diversity issues attracted the attention of many organizations & this systematic review includes updated information relevant for today organizations.

4.5 Papers Classification

The articles are classified according to the criteria Article authors, Year of publications, Titles of Journals, Sectors, and Method used Workforce Diversity functions, and the Study findings.

Table-1 Articles Reviewed

Title	Year	Authors	Journals	Sectors	Methods	Variables	The study findings
The Effect of Diversity Management on Organizational Performance	2021	Mulu, A. & Zewdie, S.	European Journal of Business and Research	Service	Quantitative	Age Gender Ethnicity	Age, Gender, & Ethnicity diversities have a significant relationship with Organizational performance.
The Effect of workforce diversity and its workgroup performance	2021	Kassaye B.	International Journal of Scientific and Research Publications	Service	Quantitative	Gender Ethnic Education	There is significant relationship between Age, Gender, and Ethnicity diversities and organizational performance.
A Study on The Effect of Employee Diversity on Organizational Performance	2023	Regina,S. et al	International Journal of Professional Business Review	Service	Quantitative	Age Gender Education	Age, Gender and Ethnicity diversities have a significant relationship with organizational performance.
The Impact of Age, Gender, and Ethnic Diversity on Organizational Performance	2022	Roy, S.K.	International Journal of Financial, Accounting, &management(IJFAM)	Service	Quantitative	Age Gender Ethnicity	There is significant relationship between Age, Gender, and Ethnicity diversities and organizational performance.
The Impact of Workforce Diversity on Organizational Performance:	2022	Rafaqat, S. et, al	Journal of Economics and Behavioral Studies	Service	Mixed	Age Gender Ethnicity	Age, Gender, and Ethnicity diversities have a significant relationship with organizational performance.
Impact of Workforce Diversity on Organizational Performance	2021	Nida Azam	Journal of Poverty, Investment, and Development	Service	Mixed	Age Gender	There is significant relationship between Age, Gender, and Ethnicity diversities and organizational performance.
Impact of Workforce Diversity on Organizational Performance of the Banking Sector of Nepal:	2023	Dhruba Lal Pandey & Nischal Risal	Contemporary Research: An Interdisciplinary Academic Journal	Service	Mixed	Age Gender Ethnic Education	Age Gender and ethnicity have positive relationship with organizational performance
The Impact of Diversity Management & Leadership on Performance	2021	Keceli et al.	Euro Economica	Service	Qualitative	Age Gender Education Ethnicity	The findings revealed that Age, Gender Ethnicity and Educational diversities have a positive relationship with organizational performance.
Diversity management and organizational performance in deposit money banks in Nigeria	2023	Omotayo, O. et al	Cogent Business & Management	Service	Qualitative	Age Gender Ethnicity Education	The findings revealed that Age, Gender, and Educational diversities have a positive relationship with organizational performance.
Diversity impact on organizational performance: The moderating and mediating role of diversity beliefs and leadership expertise	2022	Turi, J.A. et al	PLOS ONE	Service	Quantitative	Age Gender Education Ethnicity	The findings revealed that Age, Gender, Ethnicity, and Educational diversities have a positive relationship with organizational performance.
Diversity Management: Implications for Organizational Performance	2019	Vito, B., et al	The Strategic Business Change and Journal of Management	Service	Mixed	Age, Gender Ethnic	The findings revealed that Gender, Ethnicity, and Educational diversities have a positive relationship with organizational performance.

Challenges of leading a diverse workforce from a leader perspective.	2023	Nurminen, P.S.	International Business Management	Service	Mixed	Gender Ethnic Education	The findings revealed that Gender, Ethnicity, and Educational diversities have a positive relationship with organizational performance.
Effect of Workforce Diversity and on Organizational Performance	2018	Sanyan L Othman, K	AL-ABQARI: JISSH	Mixed	Qualitative	Gender Ethnic Education	The findings revealed that Gender, Ethnicity, and Education diversities have a positive relationship with organizational performance.
Workforce Diversity and Performance of Kisumu Law Courts, Kenya	2019	Anyango,O. M.& Florah,O.M.	International Journal of Business and Social Science	Service	Qualitative	Gender, Ethnicity, Education	Findings indicated that Gender and Education diversities positively related to organizational performance.
Global Workforce Diversity and its Impact on organizational performance	2023	WENG Zhenxiang	Journal of Economics and Behavioral Studies	Mixed	Qualitative	Gender Education	The result of the research conveys that Gender and Education diversity do play a significant and influential role in many organizations.
Workforce Diversity and Its Impact on Organizational Performance	2020	Lang Sanyang and Khatijah Othman	Journal of Islamic Social Sciences and Humanities	Mixed	Qualitative	Gender, Ethnic Education	The findings show that there is a significant relationship between Gender, racial Education, and organizational performance
Effect of Workforce Diversity on Performance	2018	Kathimba,E M.& Anyieni,A.	International Academic Journal of Human Resource and Business Administration	Service	Quantitative	Age Gender Ethnic Education	The Ethnic, Gender, and Age diversity significantly added up to the performance

5. Results and Discussion

The articles were analyzed based on study topics timeframe variables, research methods and findings

5.1 Publication Years

Based on time horizon of articles conducted and published 13 (68.4%) studies were undertaken and published in last four years (2020-2023). 6 (35.6%) research papers on the subject title were published between the years (2016 to 2019). The result revealed that the study conducted on effect of surface-level workers diversity and organizational performance are increasing and attracted the attention of researchers.

5.2 Research Design Used

According to findings 8(42.6%) of the study used quantitative research method. The qualitative design accounted for 7 (31.5%) and mixed study accounts only for 4(26.3%). The result demonstrate that few researchers were used mixed method to undertake articles on the effect of surface level workforce diversity and organizational performance even though mixed method help to make the strength of each data type while neutralizing their weaknesses.

5.3 Findings of the Study

The results showed that four surface-level workforces diversity variables (Age, Gender, Ethnicity, & Education) addressed by the study. Gender diversity accounts for 17 (89.4%) revealed significant relationship with organizational performance. This indicated that a more gender-diverse workforce brings to the firms, skills, and knowledge that an organization can tap into and base its strategic goal on.

The study findings also shows that 17 (89.4%) of educational diversity significantly influenced organizational performance. The results indicate that various knowledge, skills, experience, and qualifications add to the synergy of the organization and significantly increase their performance.

The study findings indicated that 16(84.2%) ethnicity diversity influence organizational performance. This mean ethnic diversity created skill and learning that the organization can tap into positive performance results. Ethnic diversity increase creativity and innovation in the organization by expanding the perspectives and viewpoints of the organization.

Workforce age compositions are usually expressed in terms of younger, middle, and older age. The study finding indicated that 16 (84.2%) of age diversity creates significant effect on organizational performance.

Conclusion and Recommendations

This study aims to investigate the effect of surface-level diversity on organizational performance. The study findings revealed that surface-level diversities (Age, Gender, Education, and Ethnicity) have a positive and significant correlation with organizational performance. The way leaders manage is predictor of surface-level workforce diversity and determines the success of the organization.

The organization should formulate and implement workforce diversity inclusive policy. The results concluded that leadership management and expertise skills are crucial mechanisms for diversity management and improving organizational performance.

The study recommends leaders should formulate and execute inclusive workforce diversity management policy and monitor implementation to protect discrimination. Organizational leaders should develop laws and regulations on equal employment that ensure the qualified workforce and recruited irrespective of their diversities to encourage creativity and innovations in the organization.

7. Limitations and Study Forward

Despite several strengths, the studies have contained some fundamental limitations. All articles are focused only on age, gender, ethnicity, and education diversities and not into account other surface-level diversities including visible disability, color, sexual orientation, and marital status that impact organizational performance. The study does not consider manufacturing and construction sector that hired various and potential employees. The future researcher should focus on other surface-level diversities such as visible disabilities, color, and sexual orientation and consider manufacturing and construction.

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