Impact of Workforce Diversity Management Employee Performance: An Empirical Study on Two Government Hospitals at Akkraippattu in Eastern Province, Sri Lanka

Jamaldeen Fahmitha and Mohamed Ali Mohamed Hussain Ali

Department of Management
Faculty of Management and Commerce
South Eastern University of Sri Lanka, Oluvil.
fathimaJ@seu.ac.lk, hussainm@seu.ac.lk

Abstract

The objective of this study was to investigate whether workforce diversity management significantly relates to performance of the employees of hospitals.
The study was conducted at two selected hospitals, Base Hospital and District Hospital in Akkaraipattu, Eastern Province in Sri Lanka. A hypothesis was formulated to analyze the relationship between the independent variable, Workforce Diversity Management and the dependent variable, Employees Performance. A sample of 80 employees was selected by using simple random method. Structured questionnaires were used to get the primary data collection. The statistical software, SPSS was used to analysis the data and Univariative and Bivariative analyses were used to analyze variables. The results revealed that there is a significant positive relationship between Workforce Diversity Management and Employees Performance. The correlation coefficient of the relationship was 0.936 which was significant at 0.01 levels. This result implies that, though level of workforce diversity management is high, it could be further enhanced in the dimensions of workforce diversity management in order to improve employees' performance.

Keywords: workforce diversity, employee performance, hospitals.

Introduction

In today's world, human resource have played a considerable role in the economic development in all countries. There is a need that every organization should take measure to improve the job performance of the employees. The effective management of workforce diversity is one of the major steps that most organization should consider to enhance employee performance.

The advanced technology and global economy bring the people of the world closer together than ever before. The composition of the workforce will continue to change dramatically in future (Dessler, 1998). This includes being able to attract and retain the best and most qualified workers. Organizations that can develop and employ the necessary

policies and procedures to select and retain the best employees. To achieve success of the organization, we need to find the most important resource such as the skills of the workforce. But, at present, the workforce has different categories of people. With the increasing requirements and needs of diversity in the workforce, we need to study completely this and use appropriate strategies to be successful.

Actually, Sri Lanka has diverse communities. Chandrakumara, (2007) explains: "Sri Lanka's population of 20 million consists of three major ethnic groups: (1) Singhalese (74 percent); (2) Tamils (17 percent); and (3) Muslims (8 percent). Its main religions are Buddhism (69 percent), Hinduism (15 percent), Christianity (8percent) and Islam (8 percent). It is therefore rich in its diversity of culture, race, language and religion, with a recorded history spanning over 2,500 years. In addition to the influence of a traditional Indian civilization and cultural phenomena, Sri Lankan society and culture has been influenced by its British and European colonial heritage and development policies, and the strategies of post-independence governments."

By analysing the trends in labour force participation in Sri Lankan context, it shows that there are various proportionate labour force participation. According to Abeykoon & Anuranga (2010), for the 30- year period from 1971 to 2001, the female rate is relatively low compared to male, and the participation rates in the younger and older ages for males and females have declined, in the case of females however an increased participation is seen in the peak working ages, and the educational level of the employed population has improved significantly.

According to Robbins (2009), workforce diversity has important implications toward management practices and policies. Generally, diversity addresses the issues of race or gender differences, and they associated with the laws providing protected position to certain groups. Currently, management is responsible to lead the employees and fulfill the needs of customers who are more ethnically and culturally diverse. Hodges (2009), Director of the Bureau for Gender Equality, International Labour Organization, explains: "when it comes to everyday life, yes, we continue to see a lot of sex discrimination in the world of work, be in terms of equal employment opportunities, working conditions or pay." Leaders in both the public and the private sectors need more attention on the issues of diversity.

Any organization that intends to perform better must have a broader view and fundamental responsibility to ensure that workforce diversity is part of its day-to-day business (Childs, 2005). Besides, understanding the impact of diversity on organizational outcomes, such as organization, such as organizational performance, employee satisfaction, and turnover, has become essential.

The information shows the significance of study within the Sri Lankan context as there are diverse people living. The study organizes brief review of the factors of workforce diversity, employee performance, effective management of work force diversity and the relationship between effective management of workforce diversity and the employee perfromance.

There are no studies found by researchers in respect of workforce diversity and employee performance in Sri Lankan hospitals. Hence, there is a need to assess to what

extend the workforce diversity management impact on employees performance in Akkarappattu hospitals. This paper focuses on addressing the following two research questions:

1. Is effective workforce diversity management significantly related to employee performance?

2. Is there any level of effective diversity management and employee performance;

The objective of the paper is to investigate whether effective workforce diversity management significantly relate to employee performance at Akkarappattu Hospitals in Sri Lanka.

Research Framework

Workforce Diversity

Diversity may be defined as the presence of differences among members of a social unit (Jackson et al., 1995 as in D'Netto, & Sohal, 1999). Diversity is comprised of many dimensions such as race, gender, religious affiliation, and national origin to name a few (Allen et.al, 2008). The diversity consists of visible and non-visible differences which will include factors such as sex, age, background, race, disability, personality and workstyle (Kandola and Fullerton, 1994, as in GroÈschl, & Doherty, (1999). Gobler (2002) states that an organization must perform efforts to understand first the differences between valuing diversity and employment equity. The management identifies the value of diversity for the purpose of its necessity to achieve competitive advantage by using the capabilities of a diverse workforce. Workforce diversity is more significant factor in organizations as organizations locally and globally become more diverse in terms of the gender, race, ethnicity, age, national origin and other personal characteristics of their members (Shaw & Barrett-Power, 1998 as in D'Netto, & Sohal, 1999).

Diversity Management

According to Hays-Thomas, (2004), diversity management involves systematic and planned programs or procedures that are designed to (a) improve interaction among diverse people, especially people of different ethnicities, sexes, or cultures; and (b) to make this diversity a source of creativity, complementarities, and greater organizational effectiveness. Human, (1993) explained that a serious study of the current workforce diversity practices, such as recruitment and selection procedures, criteria for entry into jobs, selection tools, and diversity training programmes, performance appraisal and compensation is also significant and these study contributes to overcome unfairness, remove the glass ceilings and eradicate tokenism and resistance. Successful performance appraisal practices in the area of diversity management should be systematic, relevant to the job and the company, and fair to all employees and offer no special treatment (Schuler, Dowling & DeCieri 1993). Diversity management could include awareness raising to create a climate of respect, training in fair recruitment and promotion processes, and the provision of flexible employment benefits which suit different employees at different points in their lives. (GroÈschl, & Doherty, 1999).

Employees' Performance

Cascio (2006) defines performance as working effectiveness, that is, the approach in which somebody perform a job, judged by its effectiveness. Opatha (2002) indicated that, job performance states how well employee performs task, duties and responsibilities of his or her job. Performance criteria can be developed with respect to the following: traits, behaviours and results (Opatha, 2009). Performance assessments can consider behaviours (how the employee does the job), results (how well the employee accomplished job requirements), or some combinations of them (MilKovich & Boudreau, 2004). According to Putterill & Rohrer (1995), job performance is defined as it focuses straight on employee productivity by assessing the number of units of acceptable quality product by an employee in a manufacturing environment, within a particular time duration. Job performance as the extent to which employees execute tasks, responsibilities, and assignments. (Wetzels et al., 2000, as in Knight, Hae-Jung Kim & Crutsinger, C. 2007).

Diversity management will be offered as a value added instrument by improving the performance of organizations on a variety of factors (Cox, 2001). According to Gomez et. al (2007), if failed to manage effectively, the existence of diversity among employees may creates misunderstanding that have a negative impact on productivity and team work.

In broad terms, workforce diversity is seen as comprising the recruitment, retention, promotion and rewarding of a heterogeneous mix of persons within an organization. Each individual, it is argued, brings to the employment context a unique combination of abilities, characteristics and qualities reflecting his or her background, experiences, skills and so on. The common expressed aim of diversity management accordingly is that of combining the different talents and contributions of disparate employees for the overall benefit of individual workers and the employer (McVittie, et al., 2008). Diversity management stresses building specific skills, creating policies and drafting practices that obtain the best from every employee (D'Netto, & Sohal, 1999). They further explained that it assumes a consistent situation in organisations and aims for effectiveness, productivity and ultimately competitive advantage. Organisations which plan for the anticipated workforce and accept cultural diversity management as a progressive technique will benefit from better employee retention, increased productivity, less absenteeism, better morale, an expanded marketplace and improved customer service (Manning et al., 1996 as in D'Netto, & Sohal, 1999). Organisations can increase productivity considerably through effective management of diversity in the workforce (D'Netto, & Sohal, 1999).

Diversity management brings various benefits put forward range from being better able to meet the needs of diverse customers, improved decision-making, reductions in costs associated with turnover and lawsuits, increased productivity, quality improvements, and enhanced creativity and innovation (GroÈschl, & Doherty, 1999). Fitzgerald, (2001) as in Appelbaum & Fewster, (2002) highlights Airline executives imply one reason the company has posted several years of profits and double digit growth is its aggressive attitude in hiring, training and retaining minority employees and about 23% of its managers and 37% of its employees are minorities".

Good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance (Adler, 1986). There is a strong

correlation between good diversity practices and profits based on recent studies. There is a positive relationship between effective management of workforce diversity and employee performance. Effective management of workforce diversity generates benefits for the employee as well as the organization by positively influencing employee performance through reduces conflict, motivate the employees. Hence, the all these arguments show that there is a relationship between the effective management of workforce diversity and employee performance. These arguments lead to a hypothesis as follows:

Hypothesis: There is a positive relationship between the effective management of workforce diversity and employee performance.

Study Design

The researchers were interested in investigating whether effective management of workforce diversity relates to employee performance. The study doesn't intent to study cause effect relationship between these variables. The type of investigation of this study was correlational rather than causal. Because this study attempted to analyze the relationship between the dependent variable and independent variable, this study was analytical in nature or purpose. Study was conducted in the natural environment of the two selected hospitals with direct interference by the researchers with the normal flow of work. The researchers used a questionnaire to individuals. Hence, the extent of research interference was high as this study was a field study.

The study considers about two government hospitals, Base Hospital and District Hospital in Akkaraipattu. Currently there are 377 employees working at both Hospitals. 80 employees were randomly selected from different functional areas of the hospital. The sample size that is larger than 30 and less than 500 are appropriate for most researches (Sekaran, 2004 as in Hussainali & Opatha, (2008)). The sample size 80 was made up of 15 management assistants, 4 development officers, 5 doctors, 17 nurses, 27 SKS (Sawkiya Kariya Sagara) and 12 attendants. Due to time and resource constraints, the researchers restricted the sample size to 80.

Structured questionnaire was used to collect date form the selected employees and all of them returned the filled questionnaires. As this study is to measure relationship between two variables, the Pearson Product-Moment Correlation technique was used. Two types of analyses were done i.e., Univariate analysis (involving one variable at a time) and Bivariate analysis (involving two variables at a time). Under the Bivariative analysis, Pearson correlation coefficient was used by the researchers to reveal the strength of two variables for interval scale. Questions were developed on a 5-point scale of 'strongly disagree, disagree, neutral, agree, and strongly agree' with the values of 5,4,3,2 and 1 respectively.

Effective workforce diversity management was operationalized into five dimensions such as Leaders commitment, Communication, Workforce education, Fair Performance appraisal, Pay equality (Hays-Thomas, 2004, Gomez et. al (2007), Human, 1993, (Schuler, Dowling & DeCieri 1993, GroÈschl & Doherty, 1999). Employee performance was operationalized into three dimensions such as traits, behaviours and results (Opatha, 2009, Putterill & Rohrer 1995, Knight, et. al.2007, MilKovich, & Boudreau, 2004).

Results

The received data was analyzed to identify the certain characteristics of the employees who have responded for the questionnaire. These characteristics are identified in terms of age, sex, ethnicity, educational level, and current position. The following table 01 shows the respondents Demographic Data:

Table 1. Demographic Data of Respondents

Item	Categories	Sample Size	Percentage
Age	20-25	5	6.2
	26-35	15	18.8
	36-45	29	36.2
	46-55	31	38.8
Gender	51	Male	63.8
	29	Female	36.2
Ethnicity	Muslims	48	60.0
	Hindu	24	30.0
	Christians	8	10.0
Educational Background	A/L	35	43.8
	FD	14	17.5
	HND	11	13.8
	MD	1	1.2
	O/L	19	23.8
Positions	Doctor	5	6.2
	Nurse	17	21.2
	Management Assistant	15	18.8
	Development Officer	4	5.0
	Sawkiya Kariya Sagara	27	33.8
	Attendant	12	15.0

The employee sample represented in the table shows that diversed group of employees our working in these two hospitals.

Based on the result of univariate analysis, the level of effective diversity management and employee performance is as follows (See Table 2 and Table 3):

Table. 2. Descriptive Statistics for Effective Diversity Management and Employee Performance

	Mean	Std. Deviation	N
Performance	4.4475	.65699	80
Diversity management	3.9442	.67682	80

According to the above table, the mean of all the respondents for the variable of diversity management is 3.9442. This value falls under the $3.5<X\leq.5.0$ l of then the level of diversity management is high. In addition, the mean value of 3.9442 with the standard

deviation of 0.67682 in the sample also proves that the effectiveness of diversity management is high. And the mean of all the respondents for the variable of worker performance is 4.4475. This value falls under the $3.5 < X \leq 5.0$ then the level of employee performance is high. In addition, the mean value of 4.4475 with the standard deviation of 0.65699 in the sample also proves that the level of employee performance in hospitals is high.

Table 3. Correlation between the effective diversity management and employee performance

		Performance	Diversity management
Performance	Pearson Correlation	1	.936**
	Sig. (2-tailed)		.000
	Sum of Squares and Cross-products	34.099	32.889
	Covariance	.432	.416
	N	80	80
Diversity management	Pearson Correlation	.936**	1
	Sig. (2-tailed)	.000	
	Sum of Squares and Cross-products	32.889	36.189
	Covariance	.416	.458
	N	80	80

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

According to the Pearson correlations analysis (see table 3), the correlation is r = 0.936, it is a positive and very strong relationship between the effective diversity management and employee performance. The significant value is p =0.000; It is less than the test alpha value (α) of 0.01. So the correlation is significant. Hence alternative hypothesis can be accepted while rejecting the null hypothesis. Therefore, there is statistical evidence to claim that there is a strong positive significant relationship between effective diversity management and employee performance. The study found empirical evidence to support the hypothesis of effective diversity management is significantly and positively related to employee performance.

Regression between the effective diversity management and employee performance

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.936a	.877	.875	.23232

a. Predictors: (Constant), diversity management

Table. 4 shows the model summary. Adjusted R Square is 0.875. If R2 is more than 50%, then the model can be good fit. R^2 is 87.5%, which indicates 87.5% of the variability in worker performance (Depended variable–y) is explained by its linear relationship with the satisfaction (Independent variable–x). The balance 13.5 % could be due to other factors which are not taken into consideration for this research.

Conclusion

The study has reviewed comprehensive literature related to diversity management, employee performance and relationship between diversity management and employee performance. The objectives of this research have been achieved that how workforce diversity management affect their employee performance.

The findings derived from the Univariate analysis of data on the dependent and independent variables are summarized below:

1. Level of effective diversity management is high.

2. Level of employee performance is high.

The research has found that effective diversity management for Hospital employee's performance in satisfactory level. This element has higher mean value of 4.4 and standard deviation of 0 .65699 respectively. By analyzing the diversity management, the researchers have determined that the hospitals have effectively managed the diverse workforce to improve their employee's performance. The mean values of Employee performance are high. To get very high level of employee performance, there is a need to improve the way of managing diverse employee's in an effective way.

Based on the above survey, employees showed high performance. According to the research hypotheses we believed that effective management of workforce diversity has positive relationship with employee performance. Available literature also proved it. Accordingly, employee's performance can be increased when they are effectively managed by the organizations.

Through an empirical investigation, this study has identified five aspects that are perceived to be major contributors to the effective workforce diversity management. Then, this study identified the extent to which workforce diversity management related to the employee performance in the hospitals. Hence, workforce diversity management needs to upgrade to achieve very higher employee performance in the hospitals.

The recommendations in the light of findings of the research for improving employee performance through effective diversity management will uplift the employee performance of the Akkarappattu hospitals. The study suggests that leaders have to demonstrate positive attitude towards diverse employees and respect all employees' values and believes. Good communication should be adopted among diverse employees and learn more about individuals in lunch time and informal setting. People from diverse backgrounds have to be truly respected, supported, and appreciated by hospital management. All information needs

to be communicated to the employees in their own languages. Good workforce diversity practices should be implemented in relation to human resources. Number of training programs related to workforce diversity can be organized by hospital management. Management needs to organize programs to educate cultural differences to the workforce (GroÈschl, & Doherty, 1999) and ensures fair employee performance evaluation, systematic recruitment and fair selection. Further it is important to give fair treatment to all employees without considering their background and to offer more opportunities to minorities to express their opinions openly. Minorities can be regularly included on panels that evaluate, select, and promote managers (D'Netto, & Sohal, 1999). This minority participation in the panel may increase the efficiency of human resource management practices such as employee selection, performance appraisal (D'Netto, & Sohal, 1999). Performance appraisal techniques should focus on appraising the individual's performance, not personality (D'Netto, & Sohal, 1999). These activities will contribute to achieve the fair performance appraisal. These activities can be improved the employee performance.

Implications for Future Research
The findings of this study have several implications for future research. First, this study focussed only on five aspects of workforce diversity management. Future research can assess the use of diversity management in other aspects such as recruitment, promotion, decision making, etc. Second, the respondents of this study were employees in the two government hospitals in Akkaraippattu. This study can be replicated using employees as a sample from all hospitals in eastern province or island wide.

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