

# **The Effect of Workforce Diversity on Job Performance among Private Sector Employees in Malaysia**

## ***Kesan Kepelbagaian Tenaga Kerja terhadap Prestasi Kerja dalam Kalangan Pekerja Sektor Swasta di Malaysia***

Wong Ying Huan  
Universiti Malaysia Sabah

Corresponding author: yinghuan99@gmail.com

Received date: 11 November 2021 / Accepted date: 15 December 2021

Dihantar: 11 November 2021 / Diterima: 15 Disember 2021

DOI: <https://doi.org/10.51200/jpks.v5i1.5698>

Workforce diversity has been gaining concern from organizations worldwide, as it is viewed as the foundation for innovation and creativity that can result in positive organizational outcomes such as excellent job performance. Therefore, the present study aimed to examine the effect of workforce diversity (gender, age, ethnic and educational background diversity) on job performance among private sector employees in Malaysia. Workforce Diversity Scale (WDS) and Individual Work Performance Questionnaire (IWPQ) were used in the study. Data were collected using Google Form. Snowball sampling technique was applied in this quantitative cross-sectional study to recruit 260 private sector servants age 20 years old and above with at least one year work experience. Data analysis showed that all workforce diversity variables (gender, age and educational diversity) except for ethnic diversity significantly predicted job performance. Results indicated that it is essential for organizations to value the diversity among workforce and *implement effective diversity management practices to ensure positive organizational outcomes*.

**Keywords:** workforce diversity, job performance, employees, private sector.

Kepelbagaian tenaga kerja telah menerima perhatian daripada organisasi di seluruh dunia dan dianggap sebagai asas bagi inovasi dan kreativiti yang dapat menyumbang kepada pencapaian organisasi yang positif seperti prestasi kerja yang cemerlang. Oleh itu, kajian ini bertujuan untuk mengkaji pengaruh kepelbagaian tenaga kerja (kepelbagaian jantina, umur, etnik dan latar belakang pendidikan) terhadap prestasi kerja dalam kalangan pekerja sektor swasta di Malaysia. *Workforce Diversity Scale* (WDS) dan *Individual Work Performance Questionnaire* (IWPQ) telah digunakan dalam kajian ini. Data telah dikumpulkan dengan menggunakan *Google Form*. Teknik pensampelan bola salji telah digunakan dalam kajian keratan rentas kuantitatif ini untuk merekrut 260 penjawat sektor swasta berumur 20 tahun ke atas dengan pengalaman kerja sekurang-kurangnya setahun. Hasil analisis data menunjukkan bahawa kesemua pemboleh ubah kepelbagaian tenaga kerja (jantina, umur dan latar belakang pendidikan) kecuali kepelbagaian etnik meramal prestasi kerja secara signifikan. Hasil kajian menunjukkan bahawa setiap organisasi wajib menghargai kepelbagaian dalam tenaga kerja dan melaksanakan pengurusan kepelbagaian yang berkesan bagi menjamin pencapaian positif dalam organisasi.

**Kata kunci:** kepelbagaian tenaga kerja, prestasi kerja, pekerja, sektor swasta.

Workforce diversity has started to become a core strategic value in which many organizations consider they are responsible to promote fairness and equality in the organizations (Li et al., 2020). According to Robbins (2009), workforce diversity brings the meaning that an organization becomes more heterogeneous with mixture of employees from various age, race, gender and educational background. While Mecheo (2016) proposed that diversity among workforce refers to the difference in age, gender, culture, ethnicity, physical ability, education level and religion of employees in organization.

Organizations are also taking account of various diversity issues during the recruitment and selection process as the success of any organization depends on the workforce in that organization. This is because they are the

ones who carry out the operations of the organization. The modern workforce is now far more varied in respect of its composition than it has been previously (Jayawardana & Priyashantha, 2019). In recent years, it is clear that there are increasing organizations proceed to pursue workforce diversity (Cletus et al., 2018; Henry & Evans, 2007; Inegbedion et al., 2020). Organizations are seeing that encouraging diversity in the workplace would bring several tangible benefits for both the organizations and employees.

According to Choi and Rainey (2009), studies have indicated that diversity in workplace provides great opportunity as well as challenge for organizations. Some studies suggested that diversity might lead to miscommunication and dysfunctional adaptation behaviours among employees (Al-Jenaibi, 2012; Joseph &

Selvaraj, 2015; Martin, 2014). Whereas on the other hand, workforce diversity is proclaimed as providing opportunities in building a sound knowledge base with in-house talent (Martin, 2014). Either constructive or destructive impact of diversity is directly connected with the overall performance of organizations (Ahmad & Rahman, 2019).

Yet, even though if diversity is practiced in an organization, failure in identifying the factors that contribute to effective diversity management in order to effectively deal with diversity-related issue will be adversarial to the organization's performance (Jayawardana & Priyashantha, 2019). Employee performance is critical to the outcomes and overall success of a company. Besides, a positive workforce diversity can also encourage employee's engagement, whereby employee engagement is one of the important indicators in gauging their job performance.

Therefore, understanding the impacts of workforce diversity on organizational outcomes, especially employee job performance has become essential (Choi & Rainey, 2009). Malaysia is a multiracial, multi-religious nation with diverse culture. According to Michael Page 2017 Asia Salary and Employment Outlook, diversity and inclusion (D&I) efforts are gaining a strong foothold in the private employment sector in Malaysia (Ismail, 2017). Thus, this study aimed to determine the effect of workforce diversity towards employee performance in private sector organizations in Malaysia. The most common dimensions of diversity are demographic or characteristics differences such as gender age, ethnicity, nationality, education, or work status (Ely & Thomas, 2001; Podsiadlowski et al., 2013). This study focused on gender, age, ethnic and educational background diversity.

## Literature Review

### Workforce Diversity

A diverse workforce is considered as one of the indicators of successful diversity initiatives and a factor in an organization that strives to ensure equal opportunity in employment (Kisaka et al., 2018). People no longer live and work in an insular environment, yet they are now part of a worldwide economy competing within a global framework. Hence, profit and non-profit organizations have to strive to become more diversified in order to remain competitive (Gowrishankar et al., 2017).

Diversity can be defined as acknowledging, understanding, accepting, and valuing differences among people with respect to age, class, race, ethnicity, gender, disabilities and others (Esty et al., 1995). Also, Mannix and Neale (2005) claimed that diversity is a complex and multifaceted term. Diversity encompasses a variety of differences among people, such as demographic variables, job-related characteristics, attitudes, values, personality traits and so on, and the positive or negative effects of diversity may be contingent on the variables under investigation as well as the performance criteria (Woehr, et al., 2013).

### Gender Diversity

Significant amount of workforce diversity will still remain ineffective when gender issues are not first recognized, identified and properly managed (Brown, 2008; Carr-Ruffino, 2003, as cited in Chew et al., 2011). Hapompwe, Mulenga, Siwale and Kukano (2020) noted empirical research has found inconsistent results suggesting that diversity can be either good or bad for organizations. While studies in recent years have proposed that gender diversity is a vital factor for organizational performance (Hapompwe et al., 2020; Mwatumwa, 2016). The result of the study done by Odhiambo, Gachoka & Rambo (2018) also revealed that gender diversity is associated with intangible and socially complex resources that guarantee sustained competitive advantage.

In contrast, Jayne and Dipboye (2004) argued that gender diversity does not necessarily lead to positive outcomes like increase motivation and talents, build commitment or decline conflict. The results from the study conclude that benefits from diversity are contingent on situation like organizational culture, environment, strategy, people and the organization as well (Chew et al., 2011). The organizations that do not find gender diversity as a benefit might because of the gender-based imbalances are still persist within workforce.

### Age Diversity

Study by Gupta (2013, as cited in Hapompwe et al., 2020) has suggested that no distinct connection was found between age and employees work performance. Many studies have found that age of employees does not show different in ability. Young employees can be as productive, profitable and skilful as an older employee. Yet, a mixture of various age group of employees in an organization can bring a wide base and variety of experience and problem-solving skills from different age groups.

The benefits of age heterogeneity are also based on additional productivity effects that arise due to interaction among individuals of different ages with differing skill profiles, differing perspectives and perhaps also different personality traits. Therefore, a heterogeneous age group of employees is believed to be more creative, dynamic and gainful than a homogeneous age group (Hapompwe et al., 2020).

In comparison, Gowrishankar et al. (2017) has stated that explanations for negative impacts of age diversity might be derived from the concept of compositional demography, which outlines the social identity and self-categorization theory. These theories of social identity and self-categorization explained that individuals are always likely sort themselves and others into certain groups based on relevant dimensions for them like similar age group.

### Ethnic Diversity

Ethnicity is defined as the tribalistic grouping of people (Makoloo, 2005). Ethnicity labels diversity in religion, language, race and culture (Maingi, 2015). Various studies yield mixed results regarding the relationship between ethnic diversity and job performance. Chew et al. (2011) found that there is a significant relationship between ethnic

diversity and employee performance in the Malaysian airline industries. Ahmad and Rahman (2019) also noted that ethnic differences among members in a work team can lead to innovative and creative performance.

On a different note, Marx et al. (2016) mentioned that managers should have the knowledge and skills to manage diversity in order for organizations to benefit from ethnic diversity, because it will lead to detrimental effects if not managed well. Ethnicity is believed to be a two-edged sword having advantages and disadvantages. According to Ahmad and Rahman (2019), there is possibility for conflicts, clashes and collision to arise due to ethnic diversity and social categorization within workforce.

Therefore, diverse workforce can be imperative in ensuring the performance of organization hence appropriate management should be implemented to eliminate the weakness of ethnic diversity which could lead to adverse effect in employees' performance. Strategic diversity management is especially important for organizations in Malaysia – a multi-racial nation with diverse culture. One of the Malaysia's outstanding characteristics of its population is the highly variegated ethnic mix (Kawangit & Don, 2016). The diversity has directly reflected on the workforce in most organizations in the country. Hence, effective ethnic diversity management in workplace can ensure competitive advantage of an organization (Henry & Evans, 2007).

### ***Educational Background Diversity***

According to Lewis and Sappington (1993), individuals with inadequate training, experience and education for specific job or position are usually rejected from being hired by organizations. Many organizations implement education diversity in the workforce so that the workforce is able to perform effectively and eventually achieve organizational goals. Maingi (2015) suggested that educational background is the key indicator of an employee's knowledge, skills and capability, while different educational background will reflect respective cognitive strength and personality.

According to research by Hickman (2009), it is found that an individual is believed to be more productive depending on their educational level. Glaeser et al. (1995, as cited in Elsaid, 2012) also found that a greater proportion of educated workers will directly catalyse higher economic growth in a city, and it will also help to secure a higher wage among individuals with all educational level. Studies have suggested that diversity in educational background among workforce will contribute to better job performance. For instances, Elsaid (2012) and Zhuwao (2017) noted in their studies that diverse educational background shows a positive relationship with the workforce performance. Besides that, study by Sohail et al. (2019) also found that there is a moderate relationship between educational background diversity and employee performance in higher education sector.

### ***Job Performance***

According to Tinofirei (2011), employee job performance is defined as the successful completion of tasks by an employee, then measured by supervisor or colleague based on predefined standards, meanwhile

efficiently and effectively making use of available resources within a changing work environment. Recent study indicates that employee performance is broadly influenced by various factors and among them is diversity among workforce (Zhuwao et al., 2019). Ahmad and Rahman (2019) suggested that constructive and destructive impact of diversity is directly associated with the performance of employees in any organization.

Good workforce diversity practices are believed to enhance performance as diversity is believed to allow wider range of perspectives, increased creativity, better problem definition, more alternatives and better solutions (Smith, 2010, as cited in Gowrishankar et al., 2017). However, workplace diversity can generate conflicts among employees and the conflict might occur because of the differing behaviours, interest, attitudes, religion as well as political difference and some unjustified distribution of resources. This directly affects the employee job performance as they are unable to work together in a harmonious environment. It is also argued that with increasing heterogeneity in the workforce, it has become crucial for organizations to develop equal opportunities and establish diversity management policies to maintain the skills of employees originated from various backgrounds in order to protect their competitive position in the marketplace (Chew et al., 2011). In the present study, job performance of employees is examined through three dimensions in job performance, which are task performance, contextual performance and counterproductive work behaviour.

### ***Task Performance***

According to Borman and Motowidlo (1993), job performance consists of two main factors and one of it is the task performance. Task performance or in-role behaviour describes the core job responsibilities of employee (Nini, 2019). It is defined as the proficiency with which individuals carry out the main substantive or technical tasks of their job position (Campbell, 1990, as cited in Koopmans et al., 2013). According to Kalia and Bhardwaj (2019), definition of task performance highlights the instrumentality of performance for organization's goals. It refers to those required outcomes and behaviours that directly serve the organizational goals. In short, good task performance of employee can contribute to high level of employee job performance in general.

### ***Contextual Performance***

The other main factor of job performance is the contextual performance or discretionary extra-role behaviour. It can be defined as behaviours that support the organizational, social and psychological environment in which the technical core must function (Borman & Motowidlo, 1993). Non-job-specific task proficiency, extra-role performance, organizational citizenship behaviour and also interpersonal relations are several labels exist for contextual performance. Kalia and Bhardwaj (2019) has explained that this dimension of job performance is believed to directly promote the effective functioning of an organization. Hence, high level of contextual performance is also a predictor for overall positive job performance of employee.

## Counterproductive Work Behaviour

In addition to task performance and contextual performance, another important part in employee job performance is the counterproductive work behaviour (CWB). CWB refers to behaviour which is unethical in nature, and often will harm the organizational well-being. CWB includes behaviours like absenteeism, off-task behaviour, theft, and substance abuse (Koopmans et al., 2011). Macovei (2016) has found that high frequency of counterproductive work behaviours correlates with the low quality of work done, as it increases difficulties of employees to concentrate, remember and make decision. It is clear the higher frequency of CWB will hence decrease the job performance level of workforce.

Based on the review of literatures, it can be noticed that previous studies have yielded mix findings on the impact of workforce diversity towards job performance of employees. Therefore, this study would continue to examine these variables in the Malaysian context focusing on the private sector and the following hypotheses were tested:

**H<sub>0</sub> 1:** There is no effect of workforce diversity (gender, age, ethnic and educational background diversity) on employee task performance.

**H<sub>0</sub> 2:** There is no effect of workforce diversity (gender, age, ethnic and educational background diversity) on employee contextual performance.

**H<sub>0</sub> 3:** There is no effect of workforce diversity (gender, age, ethnic and educational background diversity) on employee counterproductive work behaviour (CWB).

## Method

### Research Design

This study employed a cross-sectional online survey using Google Form. The self-reported online survey was disseminated through popular messaging applications including WhatsApp, Facebook Messenger and Telegram.

### Participants and Location

A total of 260 private sector employees in Malaysia involved in the present study. Subjects of this study were selected through snowball sampling method. Only employees with age 20 years old and above and have worked in Malaysia's private sector for at least one year are eligible to be the respondents in this study.

During the data collection process, first, small number of potential subjects were identified and questionnaires

were distributed to these subjects in Google Form. Those subjects were asked to recruit other people which are also private sector servants by distributing the questionnaire to them. Then the other people found by the initial potential subjects were also asked to find other subjects for the study. These steps were repeated. Name of the subjects did not need to be identified.

The Google Form has opened for 30 days. Snowball sampling and distribution of questionnaire were continued to collect responses from target participants for a month and data analysis process was then conducted.

## Research Instrument

Data was collected using Google Form due to the current situation (COVID-19 pandemic) that requires social distancing and Movement Control Order (MCO). The questionnaire has a total of 55 questions which are divided into three parts: Part A (Demographic Information), Part B (Workforce Diversity Scale) and Part C (Employee Job Performance). The instrument is a bilingual questionnaire where all questions are presented in English and Bahasa Malaysia.

Demographic information section consists of eight questions which are gender, age, ethnicity, educational level, work experience, marital status, job position and monthly salary. Workforce Diversity Scale (WDS) established by Chew et al. (2011) was used to examine diversity in the workplace (gender, age, ethnic and educational background diversity) with a total number of 29 items. A 5-point Likert scale is used to indicate the degree of agreement towards each item (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree). Table 1 displayed the subscales, items and Cronbach's alpha of WDS. Cronbach's alpha coefficients for all subscales in WDS ranged from .514 to .924. Generally, the reliability of scales in WDS is acceptable.

Job performance was measured using Koopmans et al. (2013) Individual Work Performance Questionnaire (IWPQ). It is an 18-item instrument which measures three dimensions of individual work performance, namely task performance, contextual performance and counterproductive work behaviour (CWB). Task performance and contextual performance are positive scales. Higher scores in these two scales indicate higher job performance level of the individual. In contrast, CWB is a negative scale. A 5-point Likert type scoring are used to indicate the frequency of occurrence of each situation (1 = seldom, 2 = sometimes, 3 = regularly, 4 = often, and 5 = always) for both task and contextual performance scales and (1 = never, 2 = seldom, 3 = sometimes, 4 = regularly, and 5 = often) for CWB scale. Table 2 showed the dimensions, items and Cronbach's alpha coefficients of the IWPQ. All dimensions in IWPQ have high level of reliability ranging from .878 to .931. Overall, IWPQ showed very high level of internal consistency and reliability.

Table 1  
*Scales, Items and Cronbach's Alpha Coefficient of Scales in Workforce Diversity Scale (WDS)*

| Scale                  | Items                      |          | Number of items | Cronbach's Alpha Coefficients |
|------------------------|----------------------------|----------|-----------------|-------------------------------|
|                        | Positive                   | Negative |                 |                               |
| Gender                 | 1, 2, 3, 4, 5, 6, 7, 8, 9  |          | 9               | .924                          |
| Age                    | 10, 11, 14                 | 12, 13   | 5               | .514                          |
| Ethnicity              | 15, 16, 17, 18, 20, 21, 22 | 19       | 8               | .854                          |
| Educational background | 23, 24, 25, 26, 28, 29     | 27       | 7               | .669                          |

Table 2  
*Dimensions, Items and Cronbach's Alpha Coefficient in Individual Work Performance Questionnaire (IWPQ)*

|          | Dimension                        | Items                      | Number of items | Cronbach's Alpha Coefficients |
|----------|----------------------------------|----------------------------|-----------------|-------------------------------|
|          |                                  |                            |                 |                               |
| Positive | Task Performance                 | 1, 2, 3, 4, 5              | 5               | .920                          |
|          | Contextual Performance           | 6, 7, 8, 9, 10, 11, 12, 13 | 8               | .931                          |
| Negative | Counterproductive Work Behaviour | 14, 15, 16, 17, 18         | 5               | .878                          |

## Data Analysis

Data collected was analysed using IBM SPSS Statistics Version 27.0 for Windows. Descriptive statistics were used to analyse the demographic data (gender, age, ethnicity, educational level, work experience, marital status, job position and monthly salary). Besides that, regression analysis was applied to test the hypotheses in this study.

## Results

### Demographic Profile

Table 3 displayed the demographic profile of the participants. There are 177 females and 83 males with mean age of 30.30 years old ( $SD = 11.36$ ). Most of the participants are Chinese (51.2%), followed by Malay (21.9%), Indian (9.6%), Bumiputera Sabah (9.6%), other (5%) and Bumiputera Sarawak (2.7%). More than half of the participants are Bachelor's degree holder (68.5%) and single (76.2%). There are 95 of them who chose the option "other" (36.5%) for job position. While the average years of working experience is 7.03 years ( $SD = 9.54$ ) with the average monthly salary of RM 3285.03 ( $SD = 2742.36$ ).

### H<sub>0</sub> 1: Workforce Diversity (Gender, Age, Ethnic and Educational Background Diversity) And Employee Task Performance

The results of regression analysis showed that the regression model including the four variables of workforce diversity (gender, age, ethnic and educational background diversity) can explain significantly as much as 29.3% from the variance in dimension of task performance. Results of the multiple linear regression indicated that there was a collective significant effect of gender, age, ethnic and educational background diversity on task performance, ( $F(4, 255) = 26.40, p < .05, R^2 = .293$ ). Hence, Hypothesis 1 that

stated there is no effect of workforce diversity on employee task performance is rejected. The individual predictors were examined further and indicated that gender diversity ( $t = 4.843, p < .05$ ) was the significant predictor in the model.

### H<sub>0</sub> 2: Workforce Diversity (Gender, Age, Ethnic and Educational Background Diversity) And Employee Contextual Performance

The results of multiple regression analysis revealed that diversity factors (gender, age, ethnic and educational background diversity) explain 20.5% of the variability of contextual performance. There was a collective significant effect of four diversity factors on contextual performance, ( $F(4, 255) = 16.47, p < .05, R^2 = .205$ ). Therefore, Hypothesis 2 of there is no effect of workforce diversity on employee contextual performance is rejected. Individual predictors were examined further and indicated that gender diversity ( $t = 2.528, p < .05$ ) and educational background diversity ( $t = 2.058, p < .05$ ) were the significant predictors in the model. Gender diversity is the strongest predictor of contextual performance.

### H<sub>0</sub> 3: Workforce Diversity (Gender, Age, Ethnic and Educational Background Diversity) And Employee CWB

The regression analysis indicated that regression model including gender, age, ethnic and educational background diversity can explain significantly 7.7% of the variability of CWB. Results indicated that there was a collective significant effect of gender, age, ethnic and educational background diversity on CWB, ( $F(4, 255) = 5.36, p < .05, R^2 = .077$ ). Hence, Hypothesis 3 which stated that there is no effect of workforce diversity on employee CWB is rejected. Moreover, gender diversity ( $t = 2.222, p < .05$ ) and age diversity ( $t = -4.072, p < .05$ ) were found to be the significant predictor of CWB in the model. In this case, age

diversity has been found to be the strongest predictor of CWB.

In general, Table 4 demonstrated the results from multiple regression analysis for all workforce diversity variables with three dimensions of job performance. The workforce diversity variables in the workplace have shown

significant effect on the task performance, contextual performance and CWB among employees working in private sector in Malaysia. In other words, overall workforce diversity has significant influence on employee job performance.

Table 3  
*Demographic Profile*

| Characteristic                   | Frequency ( <i>n</i> ) | Percentage (%) | Mean ( <i>M</i> ) | Std. Deviation ( <i>SD</i> ) |
|----------------------------------|------------------------|----------------|-------------------|------------------------------|
| <b>Gender</b>                    |                        |                |                   |                              |
| Male                             | 83                     | 31.9           |                   |                              |
| Female                           | 177                    | 68.1           |                   |                              |
| <b>Age</b>                       |                        |                |                   |                              |
| 21 – 30 years old                | 192                    | 73.8           | 30.30             | 11.36                        |
| 31 – 40 years old                | 22                     | 8.5            |                   |                              |
| 41 – 50 years old                | 19                     | 7.3            |                   |                              |
| 51 – 60 years old                | 22                     | 8.5            |                   |                              |
| 61 years old and above           | 5                      | 1.9            |                   |                              |
| <b>Ethnicity</b>                 |                        |                |                   |                              |
| Malay                            | 57                     | 21.9           |                   |                              |
| Chinese                          | 133                    | 51.2           |                   |                              |
| Indian                           | 25                     | 9.6            |                   |                              |
| Bumiputera Sabah                 | 25                     | 9.6            |                   |                              |
| Bumiputera Sarawak               | 7                      | 2.7            |                   |                              |
| Other                            | 13                     | 5.0            |                   |                              |
| <b>Educational Level</b>         |                        |                |                   |                              |
| Primary School                   | 1                      | .4             |                   |                              |
| Secondary School                 | 27                     | 10.4           |                   |                              |
| Diploma/Matrikulasi/A-level/STPM | 32                     | 12.3           |                   |                              |
| Bachelor's Degree                | 178                    | 68.5           |                   |                              |
| Master's Degree                  | 18                     | 6.9            |                   |                              |
| PhD                              | 4                      | 1.5            |                   |                              |
| <b>Marital Status</b>            |                        |                |                   |                              |
| Single                           | 198                    | 76.2           |                   |                              |
| Married                          | 62                     | 23.8           |                   |                              |
| <b>Work Experience (years)</b>   |                        |                |                   |                              |
| 1 – 10                           | 208                    | 80.0           | 7.03              | 9.54                         |
| 11 – 20                          | 20                     | 7.7            |                   |                              |
| 21 – 30                          | 24                     | 9.2            |                   |                              |
| More than 30                     | 8                      | 3.1            |                   |                              |
| <b>Job Position</b>              |                        |                |                   |                              |
| Senior Manager                   | 9                      | 3.5            |                   |                              |
| Manager                          | 22                     | 8.5            |                   |                              |
| Senior Executive                 | 28                     | 10.8           |                   |                              |
| Executive                        | 49                     | 18.8           |                   |                              |
| Entry Level                      | 57                     | 21.9           |                   |                              |
| Other                            | 95                     | 36.5           |                   |                              |
| <b>Monthly Salary (RM)</b>       |                        |                |                   |                              |
| 1000 – 3000                      | 167                    | 64.2           | 3285.03           | 2742.36                      |
| 3001 – 6000                      | 64                     | 24.6           |                   |                              |
| 6001 – 9000                      | 18                     | 6.9            |                   |                              |

9001 and above

11

4.2

Table 4

*Regression Model Indicating Workforce Diversity Variables with Influence on Employee Job Performance (Task Performance, Contextual Performance and Counterproductive Work Behaviour)*

| Variables                              | <i>t</i> | <i>p</i> | $\beta$ | $R^2$ | <i>F</i> | <i>p</i> |
|----------------------------------------|----------|----------|---------|-------|----------|----------|
| Task performance                       |          |          |         | .293  | 26.40    | .000     |
| Gender diversity                       | 4.843    | .000     | .348    |       |          |          |
| Age diversity                          | 1.890    | .060     | .133    |       |          |          |
| Ethnic diversity                       | 1.422    | .156     | .123    |       |          |          |
| Educational background diversity       | .409     | .683     | .029    |       |          |          |
| Contextual performance                 |          |          |         | .205  | 16.47    | .000     |
| Gender diversity                       | 2.528    | .012     | .192    |       |          |          |
| Age diversity                          | .993     | .322     | .074    |       |          |          |
| Ethnic diversity                       | 1.388    | .166     | .127    |       |          |          |
| Educational background diversity       | 2.058    | .041     | .152    |       |          |          |
| Counterproductive Work Behaviour (CWB) |          |          |         | .077  | 5.36     | .000     |
| Gender diversity                       | 2.222    | .027     | .182    |       |          |          |
| Age diversity                          | -4.072   | .000     | -.326   |       |          |          |
| Ethnic diversity                       | .467     | .641     | .046    |       |          |          |
| Educational background diversity       | .290     | .772     | .023    |       |          |          |

## Discussion

The results suggested that there is collective significant effect of workforce diversity (gender, age, ethnic and educational background diversity) on the dimensions of task performance, contextual performance, and CWB of employees in Malaysia's private organizations. Generally, the workforce diversity factors are valid predictors of employee job performance.

Gender diversity has been found to be the strongest predictor for both task and contextual performance. This finding is in agreement with results of studies by Hapompwe et al. (2020), Mwatumwa (2016) and Odhiambo et al. (2018) which stated that gender diversity is a vital factor for organizational performance, as gender diversity is associated with intangible and socially complex resources which is very helpful for organizations to sustain competitive advantage.

Possible reason for this is because male and female often have different viewpoints and insights which enable better problem solving (Badal, 2014). Gender-diverse workforce will ultimately lead to superior performance because of the different assets and advantages brought by both genders. Besides that, Brown (2018) also suggested that women have strong skills reading non-verbal cues hence they can help to improve team processes and boost group collaboration. When men and women interact and cooperate with each other at the workplace, it will motivate and enable them to learn and acquire knowledge and skills from more outstanding others. Thus, exceptional job performance of employees can be assured. Gender diversity is important as significant amount of workforce diversity

will still remain ineffective if gender issues are not first identified and managed (Chew et al., 2011). Hence, it is important to have equal representation of both genders in the workforce in order to ensure positive impacts on performance across the organization.

Next, the finding of the study revealed that age diversity has a high predictive power on employee performance especially towards the dimension of CWB. The result showed that greater age diversity at workplace will decrease CWB of employees, which indicates better job performance. It was in line the study done by Lau, Au and Hu (2003) which suggested that age is a valid predictor of CWB at workplace. The results of study by Bashir, Hameed, Bari and Ullah (2021) also found that a more positive age diversity in organization ensures better job performance of employees as a positive correlation has been found between them. According to Hapompwe et al. (2020), work group with heterogeneous age group of employees would be more creative, dynamic and gainful.

Organizations would benefit a lot when employees from different age groups are working together and benefiting from mutual learning, mentoring and sharing of ideas and perspectives (Lewis, 2020). This would directly improve individual job performance of employees as they are consistently learning from each other in the diverse environment. In addition, a multigenerational workforce means having a wider diversity of thoughts and knowledge base. Therefore, problems faced could be solved easily and projects could be completed in excellent manner which all will hence reflect in high performance level of employees. Age diversity among workforce is positively related to performance and productivity when groups are involved in

complex decision-making tasks (Mazzota, 2018). Employees of different ages will also be motivated to establish positive relationship between each other and then strive together to achieve excellent results in their work tasks. In short, the case for age diversity is indisputable and it is significant in directing better performance among workforce.

In addition, educational background diversity also has significant impact on employee performance and it is believed that greater educational background diversity will lead to higher job performance or vice versa. Findings from Zhuwao (2017), Elsaid (2012) and Chew et al. (2011) have indicated that diverse educational background shows a positive relationship with the workforce performance.

When an organization is composed of highly balanced educational types, it has higher possibility to have workforce of more creative and innovative. A workforce with diverse educational background also means that a broader range of cognitive skills is available. Therefore, it directly contributes to positive job performance among the employees. On top of that, workforce will be likely to possess different sets of knowledge that they can share with their fellow co-workers when it is highly diverse in its educational composition. Increased educational diversity within a work group can therefore be expected to increase the potential for improved work performance within the workforce (Tuor Sartore & Backes-Gellner, 2020). Hence, a workforce with diverse educational background can be said to guarantee better job performance of employees in an organization.

On the other hand, ethnic diversity within workforce is the only diversity factor in this study that have no significant effect on job performance among private sector employees in Malaysia. This finding is in line with that of Ali, Metz and Kulik (2010), which found no effect of ethnic diversity on CWB. However, the result is inconsistent with that of Ahmad and Rahman (2019) and Chew et al. (2011), who found that differences in ethnicity within workforce can bring innovative and creative performance among employees.

Usually, the positive effect on performance brought about by ethnic-diverse workforce most probably originates from the consideration of a wider range of perspectives and alternatives by groups with high level of ethnic diversity. Given the results of this study, it seems that possible reason for lack of support of ethnic diversity in employee job performance might because of the failed ethnic diversity management in organizations. Moreover, ethnic composition of less diverse in the organizations of the participants might also contribute to this finding of no significant influence of ethnic diversity on job performance. This is because the private sector employees did not experience ethnic diversity in their workplace hence it does not play a role in predicting their job performance.

Porpoise (2017) explained that when employees recognize diversity is embraced in their workplace, they tend to feel comfortable in being themselves and getting along with diverse others. On top of that, when they feel they can be themselves and harmonious relationship exists within the diverse workforce, then their performance will increase. Organizations are also able to benefit from diverse ethnic background of the workforce as it allows organizations to be able to better serve people who come from various backgrounds. In short, as workforce of

different ethnic backgrounds have differing experiences, skills, lifestyles and beliefs that they would use when formulating strategies and decisions, it results in more diverse and innovative viewpoints which will subsequently affect the employee job performance positively.

## Conclusion

This quantitative study has shed light on issues regarding the effect of various workforce diversity variables on the job performance among employees in Malaysia's private employment sector. Workforce diversity variables such as gender, age and educational background diversity have been found to have significant effect on employee job performance. As expected, positive correlations are also found between the workforce diversity elements and job performance among private sector employees in Malaysia. Diversified workforce represents work teams of greater creative and innovative in terms of viewpoints, problem solving and decision-making skills. This will directly ensure high level of productivity and performance of workforce in the organization. Therefore, diversity management in every organization is vital in preventing adverse diversity issues such as communication issues, inequality, stereotype and discrimination so that benefits brought about by the diversity can be maximized.

This study provides evidences and references to remind business organizations so that they would understand the needs to tackle those demographic variables among their workforce to stay ahead of their competitors. Organizations either in private or public sector should promote diversity in the workplace in order to make diverse work teams for best competition within their respective industry. On top of that, organizations not only need to invest in initiatives to promote diversity in workplace, yet it is also essential for them to manage the diversity properly and strategically after introducing the diversity into the workforce. Diversity management is important to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an organization's strategic goals and objectives (Patrick & Kumar, 2012).

## Limitations and Recommendations

Despite the implications discussed, this study also possesses some limitations. First, self-reported data by the respondents can lead to bias in the final results. Researchers are unable to directly examine the amount or source of bias in the data collected hence decreases the accuracy of the findings. Thus, it is suggested that multiple methods can be used to collect data for future empirical studies such as interviews, peer reports, surveys and observations. Besides, future studies are also recommended to test particular hypotheses with more than one instrument as a mean of comparison and hopefully generate workforce diversity and job performance instruments that are relevant, applicable and accurate in Malaysia's private organizational context.

Lastly, the present study conducted in Malaysia's private employment sector restricts the generalization of the findings. Small number of participants in this study also hinders the generalization of the results across private sector employees in Malaysia. Workforce diversity is

important to any type of organizations around the globe in modern days. Future researchers should endeavour to conduct studies of related topics on a larger sample size. It is also recommended that this study model could be applied in public sector in Malaysia and also in other part of the world. Comparative cross-border and cross-culture studies on impact of workforce diversity on various organizational outcomes not only limited to job performance are also suggested to be done to enable the findings to be generalized over the world populations.

## Acknowledgements

The authors express their gratitude to all the private sector workers who responded to the questionnaires and provided helpful information for this study. Also, sincere appreciation to Universiti Malaysia Sabah for giving the opportunity to the publication of this work.

## Disclaimer

This paper was presented in the 1st Psychology Borneo Seminar on 9th September 2021 but was not published in the proceedings.

## References

- Ahmad, S., & Rahman, F. U. (2019). Effect of workplace diversity on employees' performance in Allama Iqbal Open University. *Pakistan Journal of Distance & Online Learning*, 5(2), 85–100.
- Ali, M., Metz, I., & Kulik, C. (2010). The impact of gender diversity on turnover: The moderating effect of human resource policies and practices. *Academy of Management Annual Meeting Proceedings*, 1–8.
- Al-Jenaibi, B. (2012). The scope and impact of workplace diversity in the United Arab Emirates – A preliminary study. *GEOGRAFIA - Malaysia Journal of Society and Space*, 8(1).  
<https://ejournal.ukm.my/gmjss/article/view/18159/0>
- Badal, S. B. (2014, January 20). *The business benefits of gender diversity*. Gallup.  
<https://www.gallup.com/workplace/236543/business-benefits-gender-diversity.aspx#:~:text=A%20gender%2Ddiverse%20workforce%20provides,information%2C%20and%20wider%20industry%20knowledge.&text=Gender%20diversity%20helps%20companies%20attract,labor%20force%20around%20the%20world>
- Bashir, M., Hameed, A., Bari, M. W., & Ullah, R. (2021). The impact of age-diverse workforce on organization performance: Mediating role of job crafting. *SAGE Open*, 11(1).  
<https://doi.org/10.1177/2158244021999058>
- Borman, W. C., & Motowidlo, S. M. (1993). Expanding the criterion domain to include elements of contextual performance. In N. Schmitt & W. C. Borman (Eds.), *Personnel selection in organizations* (pp. 71-98). John Wiley & Sons, Inc.
- Brown, R. (2018, September 10). *7 benefits of gender diversity in the workplace*. Workplace.  
<https://www.workplace.com/blog/diversity-in-the-workplace>
- Chew, E. W., Lee, K. M., Tan, S. C., Tee, S. F., & Yang, P. Y. (2011). *The effects of workforce diversity towards the employee performance in an organization* [Bachelor's thesis, Universiti Tunku Abdul Rahman].  
<http://eprints.utar.edu.my/450/1/BA-2011-0807009.pdf>
- Choi, S. J., & Rainey, H. (2009). Managing diversity in U.S. federal agencies: Effects of diversity and diversity management on employee perceptions of organizational performance. *Public Administration Review*, 70, 109–121. <https://doi.org/10.1111/j.1540-6210.2009.02115.x>
- Cletus, H. E., Mahmood, N. A., Umar, A., & Ibrahim, A. D. (2018). Prospects and challenges of workplace diversity in modern day organizations: A critical review. *HOLISTICA – Journal of Business and Public Administration*, 9(2), 35–52.  
<https://doi.org/10.2478/hjbpa-2018-0011>
- Dike, P. (2013). *The impact of workplace diversity on organisations* [Unpublished bachelor's thesis]. Arcada University of Applied Sciences.
- Elsaid, A. M. (2012). The effects of cross cultural work force diversity on employee performance in Egyptian pharmaceutical organizations. *Business and Management Research*, 1(4), 162–179.  
<https://doi.org/10.5430/bmr.v1n4p162>
- Ely, R. J., & Thomas, D. A. (2015). Cultural diversity at work: The effects of diversity on work group processes and outcomes. *The Effects of Brief Mindfulness Intervention on Acute Pain Experience: An Examination of Individual Difference*, 1(2), 229–273.
- Esty, K., Griffin, R., & Hirsch, M. S. (1995). *Workplace diversity: A manager's guide to solving problems and turning diversity into a competitive advantage*. Adams Media Corp.
- Gowrishankar, K. L., Kanagaraj, N., & Krishnan, G. (2017). Age diversity of the workforce and employees' performance - A descriptive study. *International Journal of Marketing & Financial Management*, 5(10), 1–11.
- Hapompwe, C. C., Mulenga, M., Siwale, J., & Kukano, C. (2020). Impact of age and gender diversity on employee performance in an organization - A case study of Zambia Compulsory Standards Agency (ZCSA). *International Journal of Scientific and Research Publications*, 10(6), 447–456.  
<https://doi.org/10.29322/IJSRP.10.06.2020.p10253>
- Henry, O., & Evans, A. J. (2007). Critical review of literature on workforce diversity. *African Journal of Business Management*, 1(4), 72–76.  
<https://doi.org/10.5897/AJBM.9000171>
- Hickman, D. C. (2009). The effects of higher education policy on the location decision of individuals: Evidence from Florida's Bright Futures Scholarship Program. *Regional Science and Urban Economics*, 39(5), 553–562. <https://doi.org/10.1016/j.regsciurbeco.2009.04.002>
- Inegbedion, H., Sunday, E., Asaleye, A., Lawal, A., & Adebaniji, A. (2020). Managing diversity for organizational efficiency. *SAGE Open*, 10(1).  
<https://doi.org/10.1177/2158244019900173>
- Ismail, L. (2017, April 16). Workplace diversity: Malaysian companies' back diversity and inclusion efforts. *New Straits Times*.  
<https://www.nst.com.my/news/nation/2017/04/230945/workplace-diversity-malaysian-companies-back-diversity-and-inclusion>
- Jayawardana, H. M. A. S., & Priyashantha, K. G. (2019).

- August 15). *The impact of workforce diversity on employee performance* [Paper presentation]. 8th International Conference on Management and Economics (ICME-2019), Matara, Sri Lanka. <http://ir.lib.ruh.ac.lk/xmlui/handle/iruor/208>
- Jayne, M. E. A. & Dipboye, R. L. (2004). Leveraging diversity to improve business performance research findings and recommendations for organizations. *Human Resource Management*, 43(4), 409–424.
- Joseph, D. R., & Selvaraj, P. C. (2015). The effects of work force diversity on employee performance in Singapore organisations. *International Journal of Business Administration*, 6(2), 17–29. <https://doi.org/10.5430/ijba.v6n2p17>
- Kalia, N., & Bhardwaj, B. (2019). Contextual and task performance: Do demographic and organizational variables matter? *Rajagiri Management Journal*, 13(2), 30–42. <https://doi.org/10.1108/RAMJ-09-2019-0017>
- Kawangit, R. M., & Don, A. G. (2016). Assimilation of chitty ethnic in Malaysia. *PONTE - International Journal of Sciences and Research*, 72(12), 270–287. <https://doi.org/10.21506/j.ponte.2016.12.48>
- Kisaka, L. G., Jansen, E. P. W. A., & Hofman, A. W. H. (2018). Workforce diversity in Kenyan public universities: An analysis of workforce representativeness and heterogeneity by employee gender and ethnic group. *Journal of Higher Education Policy and Management*, 41(1), 35–51. <https://doi.org/10.1080/1360080x.2018.1545523>
- Koopmans, L., Bernaards, C. M., Hildebrandt, V. H., Schaufeli, W. B., de Vet, H., C. W., & van der Beek, A. J. (2011). Conceptual frameworks of individual work performance: A systematic review. *Journal of Occupational and Environmental Medicine*, 53(8), 856–866. <https://doi.org/10.1097/JOM.0b013e318226a763>
- Koopmans, L., Bernaards, C., Hildebrandt, V., van Buuren, S., van der Beek, A. J., & de Vet, H. C. W. (2013). Development of an individual work performance questionnaire. *International Journal of Productivity and Performance*, 62(1), 6–28. <http://dx.doi.org/10.1108/17410401311285273>
- Lewis, S. (2020, March 2). *Why age diversity is important for business*. HRZone. <https://www.hrzone.com/performance/people/why-age-diversity-is-important-for-business>
- Lewis, T. R., & Sappington, D. E. M. (1993). Choosing workers' qualifications: No experience necessary? *International Economic Review*, 34(3), 479–502. <https://doi.org/10.2307/2527178>
- Li, W., Wang, X., Haque, M. J., Shafique, M. N., & Nawaz, M. Z. (2020). Impact of workforce diversity management on employees' outcomes: Testing the mediating role of a person's job match. *SAGE Open*, 1–16. <https://doi.org/10.1177/2158244020903402>
- Maingi, J. W. (2015). Effect of workforce diversity on employee performance in Kenya: A case of Kenya school of government. *Strategic Journal of Business & Change Management*, 2(2), 344–364. <https://strategicjournals.com/index.php/journal/article/view/131/137>
- Makoloo, M. O. (2005). *Kenya: Minorities, indigenous peoples and ethnic diversity*. Minority Rights Group International.
- Mannix, E., & Neale, M. A. (2005). What differences make a difference?: The promise and reality of diverse teams in organizations. *Psychological Science in the Public Interest*, 6(2), 31–55. <https://doi.org/10.1111/j.1529-1006.2005.00022.x>
- Martin, G. C. (2014). The effects of cultural diversity in the workplace. *Journal of Diversity Management*, 9(2), 89–92.
- Marx, B., Pons, V., & Suri, T. (2016). *Diversity and team performance in a Kenyan organization*. Harvard Business School. [https://www.hbs.edu/ris/Publication%20Files/16-078\\_e152aad5-0094-47a2-be2b-c5564ad23959.pdf](https://www.hbs.edu/ris/Publication%20Files/16-078_e152aad5-0094-47a2-be2b-c5564ad23959.pdf)
- Mazzota, A. R. (2018, July 10). *3 Reasons why age diversity in the workplace is important*. <https://www.armazzotta.com/blog/2018/07/10/3-reasons-why-age-diversity-in-the-workplace-is-important/#:~:text=%231%20%E2%80%93%20Age%20diversity%20improves%20performance,with%20mixed%20Dage%20work%20teams>
- Mecheo, K. N. (2016). *The effect of employee cultural diversity on organizational performance: A case study of Oilybia-Kenya* [Master's thesis, United States International University]. United States International University – Africa. <http://erepo.usiu.ac.ke/handle/11732/2670>
- Michael Page. (2017). *Malaysia Salary & Employment Outlook*. <https://www.michaelpage.com.my/content/salary-centre/2017-malaysia-salary-employment-outlook/>
- Mwatumwa, A. S. (2015). *Effect of workforce diversity on employee work performance: A study of the county government of Mombasa* [Master's thesis, Technical University of Mombasa]. <https://ir.tum.ac.ke/handle/123456789/6355>
- Nini, M. (2019, December 30). *Job performance: Why task and contextual performance matter an evidence-based management perspective*. CQ Net. <https://www.ckju.net/en/dossier/Job-Performance-Evidence-based-Management-Perspective-Why-Task-and-Contextual-Performance-Matters/1258>
- Odiambo, M. W., Gachoka, H. G., & Rambo, C. M. (2018). Relationship between gender diversity and employee performance of public universities in Western Kenya. *International Journal of Academic Research in Business and Social Sciences*, 8(11), 249–272.
- Patrick, H. A., & Kumar, V. R. (2012). Managing workplace diversity issues and challenges. *SAGE Open*, 2(2). <https://doi.org/10.1177/2158244012444615>
- Podsiadlowski, A., Gröschke, D., Kogler, M., Springer, C., & van der Zee, K. (2013). Managing a culturally diverse workforce: Diversity perspectives in organizations. *International Journal of Intercultural Relations*, 37(2), 159–175. <https://doi.org/10.1016/j.ijintrel.2012.09.001>
- Porpoise. (2017, April 7). *Importance of ethnic diversity in the workplace*. <https://medium.com/@Porpoise/importance-of-diversity-in-the-workplace-4e7ba048b3ef>
- Robbins. (2009). *The equal opportunities handbook: How to recognise diversity, encourage fairness and promote anti-discriminatory practice* (4th Rev. ed.). Kogan Page.
- Sohail, A., Khan, F., Sufyan, M., Uddin, M., & Basit, A. (2019). The effect of workforce diversity on employee

- performance in higher education sector. *Journal of Management Info*, 6(3), 1–8.  
<https://doi.org/10.31580/jmi.v6i3.515>
- Svyantek, D. J., & Bott, J. (2004). Received wisdom and the relationship between diversity and organizational performance. *Organizational Analysis*, 12(3), 295–317.
- Tinofirei, C. (2011). The unique factors affecting employee performance in non-profit organisations [Master's thesis, University of South Africa]. Unisa Institutional Repository (UnisaIR).  
<https://uir.unisa.ac.za/handle/10500/5732>
- Tuor Sartore, S. N., Backes-Gellner, U. (2020). Educational diversity and individual pay: The advantages of combining academic and VET graduates in the workplace. *Empirical Research in Vocational Education Training*, 12, 13.  
<https://doi.org/10.1186/s40461-020-00099-4>
- Uche, I. I., George, O., & Abiola, W. (2017). Counterproductive work behaviors: A socio-demographic characteristic-based study among employees in the Nigerian maritime sector. *Acta Universitatis Sapientiae, Economics and Business*, 5(1), 117–138. <https://doi.org/10.1515/auseb-2017-0006>
- Woehr, D. J., Arciniega, L. M., & Poling, T. L. (2013). Exploring the effects of value diversity on team effectiveness. *Journal of Business Psychology*, 28, 107–121. <https://doi.org/10.1007/s10869-012-9267-4>
- Zhuwao, S. (2017). *Workforce diversity and its effect on employee performance in higher education institution in South Africa: A case study of the University of Venda* [Master's thesis, Univeristy of Venda]. UniVenIR.  
<https://univendspace.univen.ac.za/handle/11602/683>
- Zhuwao, S., Ngirande, H., Ndlovu, W., & Setati, S. T. (2019). Gender diversity, ethnic diversity and employee performance in a South African higher education institution. *SA Journal of Human Resource Management*, 17.  
<https://doi.org/10.4102/sajhrm.v17i0.1061>