

AGE DIVERSITY AND PERFORMANCE OF FEDERAL ESTABLISHMENTS IN RIVERS STATE, NIGERIA.

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ABSTRACT

This study examined age diversity and performance of Federal Establishments in Rivers State, Nigeria. The study adopted descriptive research design. Using a combination of Krejcie Morgan sample determination and Bowley's population proportionate distribution; a sample size of 226 respondents were obtained from a population of 558 staff of ten federal establishments in Rivers State. After validation, 226 copies of structured questionnaire were administered while 214 copies were retrieved. Pie chart was used to present the percentage of the demographic data, mean and standard deviation were used to answer the research questions while Simple Linear Regression was used to test the null hypotheses at 0.05 alpha level. The study revealed that age diversity had positive significant effect on the performance of Federal Establishments in Rivers State. The implications of the results were that any Federal establishment in Rivers State that ignored workforce diversity is bound to experience poor performance. The study encouraged Federal establishments in Rivers State to pay much attention to issues of workforce diversity.

Keywords: Age Diversity, Workforce Diversity, Federal Establishment Performance

INTRODUCTION

Diversity is a subjective phenomenon, created by group members themselves who on the basis of their different social identities categorize others as similar or dissimilar: "A group is diverse if it is composed of individuals who differ on a characteristic on which they base their own social identity" (Odita & Egbule, 2015).

The performance of federal establishments is of great essence to their continuous healthy functioning, where they provide adequate public goods and services as mandated by the government. By performance, it is conceptually the extent to which the operational activities of a corporate entity bring about the achievement of service delivery, innovation and efficiency. Dahiru, Ijeoma and Ahmed (2017) revealed that performance is a measure of how well an establishment achieves its goals. It is a process to enhance both the effectiveness and efficiency of an organization and as well as the wellbeing of its members through planned interventions. Performance is measured in this work in terms of service delivery, innovation and efficiency.

Going further, there are several empirical studies concerning the relationship between workforce diversity and performance of organizations as pointed out by diverse literatures (Abdallah, 2015; Akpakip, 2017; Edeh, Nwakamma & Anigbata, 2017; Ayodotun, Hezekiah, Oyebisi, Odunayo, Maxwell, Taiye, Amaihian, & Fred, 2018; Agbaeze, Nkwonta, & Obiefuna, 2019; John, Babatunde, & Justice, 2019). However, none of them was able to specifically address how dimensions of workforce diversity, such as educational background diversity, gender diversity, marital status diversity, age diversity, and ethnic diversity interact with performance in the context of Federal Government establishments in Rivers State. This suggests that the relationship between workforce diversity and performance has not received adequate research attention within the context of Federal Government Establishments in Rivers State. This study therefore tries to close this knowledge gap.

Research Hypothesis

Ho₁: There is no significant relationship between age diversity and the performance of Federal Establishments in Rivers State.

Age-Diversity

Age diversity has been identified as one of the strategic capabilities that will add value to establishments over their competition. Again, age is one of the most commonly diversified demographic variables observed among the workforce of many establishments. Gellner and Veen (2019) revealed that age heterogeneity on its own has a negative effect on establishment performance. Moreover, in the case of routine tasks, there are no substantial gains from age heterogeneity that could offset the increasing costs resulting from greater age heterogeneity. Thus, in establishments with routine types of work, increasing age heterogeneity overall leads to a decline in performance. The western findings suggested that the older and younger personnel must come together to form coherent and viable corporate culture. These values possessed by different age groups can complement each other in establishments and it tends to achieve better establishment performance. The study by Gellner and Veen however shows that different age groups provide different values for establishment and these values can complement each other which improve establishment performance. Traditional age distributions within establishment structures (younger at the bottom and older in the middle and top) were derived from hiring personnel at a young age and retaining them through most of their working.

On the other hand, age diversity can be a valuable establishment resource that renders competitive advantage (Backes-Gellner & Veen, 2013); however, age diversity creates value by cultivating different types of establishment resources. Furthermore, age diversity to enhance establishment performance through the betterment of social capital. As personnels from different age groups develop complementary social ties, they help the establishment form a rich collection of internal and external connections. In addition, establishments vary in the extent to which they capitalize on age-diverse workforces to enhance their performance.

Correspondingly, the impact of age diversity on establishment performance critically depends on the nature of tasks. Although age is associated with cognitive declines in novel problem solving and processing efficiency (e.g., speed, memory, and reasoning; Salthouse, 2019), negative relationships between age and workplace functioning are rarely observed. Again, Salthouse further provides several important explanations for the weak association between age and job performance. First, older personnel disadvantage in terms of less-novel processing can be complemented by their accumulated knowledge, especially when dealing with familiar situations. Second, the existence of factors beyond cognitive ability, such as task specific skills and emotional competence, can be acquired with experience and thus represent a form of experienced-based compensation.

Specifically, fluid intelligence, which is most associated with working memory, abstract reasoning, attention, and processing of novel information, decreases as people age (Bugg, Zook, DeLosh, Davalos, & Davis, 2006). Therefore, younger personnels may find it easier to deal with new situations and are more open to different alternatives and solutions. In contrast, crystallized intelligence, which represents broad aspects of learned or experiential knowledge (e.g., reading, writing, language comprehension, and job-relevant expertise) and involves skilled judgment habits that have become crystallized as the result of earlier learning application of some prior, more fundamental general ability to these fields, increases as people age. Older personnels are thus more likely to make quicker connections to their prior experience, oversee the broader establishment environment, and perceive problems in a more integrative way. Taken together, different age groups may possess varied problem-solving abilities that constitute a more comprehensive portfolio of human skills in the establishment (Kanfer & Ackerman, 2004).

Simply put, personnels from different age groups may vary in their social interaction patterns and form complementary connections for establishment use. Conventionally, younger personnels have more contacts formed through education or based on technology, while older personnels may develop more connections with establishments (McDonald & Mair, 2010). In addition, even when interacting with the same social contacts, younger and older personnels may attend to and obtain different types of information due to their differences in knowledge structure and information processing.

Taken together, an age-diverse establishment tends to have more varied social ties, which help to maintain a more comprehensive structure of internal connections across functional areas, as well as a richer set of connections to diverse segments of external establishment environment and various outside stakeholders (e.g., customers, suppliers, investors, community, and government). Beyond that, personnels from different age groups can complement and learn from each other, facilitating knowledge integration and thus adding value to the internal social capital. For example, older workers may transfer their accumulated training and mentoring and provide younger workers with wisdom on how to address interpersonal conflict and stressful situations (Burmeister & Deller, 2016).

Service Delivery: In the view of Agus, *et al.* (2019), service delivery refers to the process of supplying services from a provider to a client. It also includes the constant interaction between the two parties during the duration of the time in which the provider supplies the service and the customer purchases it. Essentially, a service delivery establishment provides something to a customer they cannot create on their own. It is very essential for a business establishment to pay attention to quality of service it renders. This is because satisfied customers tell others about their pleasant experience as regards the establishment and their product(s) and consequently recommend the products to other consumers as well as potential customers. These results repeat purchases, retention of customers and eventually loyal customers. Variables used to measure service delivery according to Parasuraman, Zeithaml and Berry (2018) include convenience, customer care (customer service), transaction methods/systems (technology based or modern banking services), pricing and product quality (financial services quality). Another indicator of service delivery is customer time saving. Equally important is the fact that the public expect timely service for our Government Agencies and failure to do so would make the citizens and consumers stranded (Salim, 2020).

Therefore, service delivery which is a component of establishment performance is dependent on customer satisfaction as it indicates 'where', 'when' and 'how' the service product is delivered to the customer (Lovelock & Wirtz, 2014). The service delivery process can be broken down into service encounters that comprise the main part of the whole process and some generalization within service types is possible for different services and service providers, and managers may have to consider this in its design. Thus, the power to deliver optimal service quality will get the service firms competitive advantages among others in the same industry.

Going further, service delivery is a component of business that defines the interaction between providers and clients where the provider offers a service, and it could be an information or task. The performance of personnels is important to establishment performance, not only in manufacturing but other service sectors. Better performance gives satisfaction to the customers. Services are to be provided with minimum processing and waiting time, proper response, promptness and the desire to handle many customers as the demand arises (Lash, 2019).

In further explanation, service delivery refers to the actual delivery of a service and products to the customer or clients. It is therefore concerned with the where, when, and how a service product is delivered to the customer and whether this is fair or unfair in nature. The service concept defines

the “how” and the “what” of service design, and helps mediate between customer needs and an establishment’s strategic intent (Lovelock & Wright, 2012).

Relationship between age diversification and the performance of Federal Establishments

Kunze (2013) argued that age diversity is defined as the differences in age distribution among staff and is used to describe the composition of the establishment or the composition of workgroups within an establishment. Various researchers argue that age diversity can have both advantages and disadvantages for the establishments. For instance, Mwatumwa (2016) cited examples of age diversity disadvantages as communication problems and conflict. In support of the above, Opstal (2009) further explained that when managers fail to manage generational gaps amongst staff, conflicts are likely to evolve and thus reducing the performance of staff. In addition, according to Backes-Gellner and Veen (2015), argument using a cost- benefit analysis of the establishment, increasing age heterogeneity may result in poor communication, less interaction and reduced establishment performance due to differing values and preferences. Backes-Gellner and Veen (2015) further stated that establishments that focus much on routine tasks rather than creative tasks are likely not to experience any significant gains from age diversity that can counterbalance the increasing costs of a more age diversity.

In contrast to the above, Boehm and Kunze (2015) argued that an age heterogeneous workforce yields a host of multiple skills, intellectual styles, morals, and preferences that may result in increased productivity. This supports Park and Lin (2008) who outlined that the perceptions, cognitive models and interpretations of an age diverse workforce are different hence, if brought together may result in a larger pool of knowledge, a larger problem solving toolbox and increased establishment performance.

Social Identity Theory

This study was guided by Social Identity Theory (SIT) as advocated by Tajfel (1978). The author begins with the premise that individuals define their own identities with regard to social groups and that such identifications work to protect and bolster self-identity. The theory explains that part of a person’s concept of self comes from the groups to which that person belongs. An individual does not just have a personal selfhood, but multiple selves and identities associated with their affiliated groups. A person might act differently in varying social contexts according to the groups they belong to. Social identity theory posits that a portion of one’s self-concept is dependent on the importance and relevance placed on the group membership(s) to which an individual belongs (Turner & Oakes, 1986). The theory suggests that individuals’ drive for positive identity and esteem influences the social comparisons they make. In particular, group/category comparisons that accentuate group distinctiveness in favour of one’s in-group over a relevant out-group are privileged.

According to Hogg and Terry (2000), social identity and intergroup behaviour are guided by the pursuit of evaluative positive social identity; through positive intergroup distinctiveness, which in turn, is motivated by the need for positive self-esteem. In addition to being motivated by self-enhancement, social identity processes are also motivated by a need to reduce subjective uncertainty about one’s perceptions, attitudes, feelings, and behaviours and, ultimately, one’s self-concept and place within the social world. According to Al Jishi (2009), the level of performance depends on the level of motivation that stimulates someone to work and carry out the necessary tasks to achieve the goals. This theory suggests that individuals tend to classify themselves and others into certain groups on the basis of dimensions that are personally relevant for them. These dimensions often include demographic categories such as gender, age, or ethnicity.

Social identity theory presumes that:

- People hastily stereotypes and discriminates people who come from different backgrounds that are dissimilar from theirs. Thus, in a diverse work team or firm, it is anticipated that there will be lack of trust, communication and problems of cooperation in carrying out job assignments.
- As a consequence, the job processes will be very difficult which will result to lower productivity. Therefore, this theory hypothesized a negative association between workforce diversity and performance.

Social identity theory viewed that one implication of identifying with a particular group is that the closer that individuals feel to a group (the "in-group"), the more uniform their behavior will be and the more likely they will regard members of other groups ("out-groups") as being cut from the same cloth. Social identity theory suggests that managers throw out like their subordinates) are likely to use salient social categories (such as race, gender, and functional specialization) as indicators of value and preference similarity, and thereby the potential for disruptive conflict.

This theory was relevant to this study since:

- Social identity theory predicts the circumstances under which individuals think of themselves as individuals or as group members.
- The theory also considers the consequences of personal and social identities for individual perceptions and group behaviour.

Research Design

The study adopted descriptive research design.

Population of the Study

The total population of Federal Establishments in Rivers State according to Federal Character Commission is one hundred and twenty-four (124). The researcher chose to study twelve (12) Federal Establishments under Information and Communication because they have similar mandate, focus, uniformity and service delivery.

Sample and Sampling Techniques

The sample size of 226 was determined using Krejcie and Morgan sample size table (see appendix c). After determining the sample size of the study, Bowley's (1960) population proportionate allocation formula was used for sample size distribution across the staff of Federal Establishments under Information and Communication in Rivers State.

Research Instrument

Structured questionnaire tagged: Workforce Diversity and Establishment Performance Questionnaire (WDEPQ) was used for the collection of primary data. The copies of the questionnaire were designed in five point Likert rating scale format with the following response options: Strongly Agree (SD) = 5, Agree (A) = 4, Neutral (N) = 3, Disagree (D) = 2 and Strongly Disagree (SD) = 1.

Method of Data Analysis

Pie chart was used to present the percentages of demographic data for the study, items and scores analysis was used to evaluate the Likert scale responses of SA, A, N, D and SD, descriptive statistic was used to determine the mean and standard deviation of the research questions one to five with benchmark of 3 criterion mean value while test of hypotheses was done using Simple Linear Regression at 0.05 significance alpha level with the aid of Statistical Package for Social Sciences (SPSS) version 21.

Hypothesis 1: There is no significant relationship between age diversity and performance of Federal Establishments in Rivers State.

Model Summary of the Relationship between Age Diversity and Performance of Federal Establishments in Rivers State

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.799 ^a	.639	.637	.35134	.225

a. Predictors: (Constant), AD

b. Dependent Variable: PFE

Sources: SPSS 21.0

The model summary of Table 18a reveals that R^2 perfectly measured the effect of independent variable on the dependent variable having the value of .639. Based on the 64% of the variation, the result showed positive relationship between age diversity and the performance of Federal Establishments in Rivers State. This was supported by adjusted R^2 of .637. Furthermore, Durbin-Watson statistics value of .225 which shows that the variables in the model are not autocorrelated and that the model is reliable for predictions of the positive relationship between age diversity and the performance of Federal Establishments in Rivers State.

ANOVA of the Relationship between Age Diversity and Performance of Federal Establishments in Rivers State

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	46.284	1	46.284	374.945	.000 ^b
	Residual	26.170	212	.123		
	Total	72.453	213			

a. Dependent Variable: PFE

b. Predictors: (Constant), AD

Sources: SPSS 21.0

ANOVA result in Table 18b revealed the computed F-value of 374.945 and Sig. value of $.000^b < 0.05$ (which is less than) the chosen level of significant at 212 degree of freedom. Therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted. The study further concludes that there is positive significant relationship between age diversity and the performance of Federal Establishments in Rivers State. Conclusively, the result further showed that staff performs better when they are included in the decision making process irrespective of age differences.

Coefficient Estimates of the Relationship between Age Diversity and Performance of Federal Establishments in Rivers State

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.595	.214		2.784	.006
	AD	.851	.044	.799	19.364	.000

a. Dependent Variable: PFE

Sources: SPSS 21.0

In coefficient of the estimates of Table 18c, the result showed the computed t-value of 19.364 and Sig. value of $.000 < 0.05$ (which is less than) the chosen level of significant at 212 degree of freedom. Therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted. The study further concludes that there is positive significant relationship between age diversity and performance of Federal Establishments in Rivers State. However, the result further showed that staff performs better when they are included in the decision-making process irrespective of age differences.

Discussion on the Impact of Ethnic Diversity on the Performance of Federal Establishments

In the descriptive statistic of research question five (Table above) revealed that responses of items 21 to 25 had positive mean set of 4.8205 which was above the criterion mean value of 3 with an agreed decision. Thus, ethnic diversity have positive impact on the Federal establishment performance whereby staff of different ethnic and culture / religion background introduced diverse knowledge and positive suggestions that would improve the performance of the establishment of engagement. Collaboratively, the analysis of research hypothesis five of (Table above) showed model summary R^2 value of .632 perfectly measured the impact of the independent variable on the dependent variable. This R^2 63% value showed positive variation impact of ethnic diversity on the performance of Federal Establishment in Rivers State. However, this was supported by adjusted R^2 of .631. The Durbin-Watson statistics value of .275 showed that the variables in the model are not auto correlated and that the model is reliable for predictions on how ethnic diversity have positive significant impact on the performance of Federal Establishments in Rivers State. However, (Table above) further showed the F-value of 364.727 and Sig. value of $.000^b < 0.05$ (which is less than) the chosen level of significant at 212 degree of freedom. Therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted. This implies that ethnic diversity has positive significant impact on the performance of Federal Establishments in Rivers State. However, the study revealed that establishments performance depends on the ethnic diversity of staff which may also have positive impact on the Establishments performance in Rivers State. Lastly, (Table above) showed the t-value of 19.098 and Sig. value of $.000 < 0.05$ (which is less than) the chosen level of significant at 212 degree of freedom. Therefore, the null hypothesis is rejected, while the alternate hypothesis is accepted. This implies that ethnic diversity have positive significant impact on the performance of Federal Establishments in Rivers State. Going further, the study revealed that establishment performance depends on the ethnic diversity of staff with different cultural/religion background which may have positive impact on the Establishments performance in Rivers State. However, the study of Martins and Greg (2019) revealed that ethnic diversity has a positive and significant effect on staff behavioral outcome. It was found that ethnic diversity significantly affect behavioural outcomes of staff of Federal parastatals in Edo State. A study by Kyalo (2013) in the banking sector in Kenya reported the same findings that ethnic diversity was positively and significantly related to employee performance. Contrary to the above studies, a study conducted by Selvaraj (2015) in Singapore manufacturing industry revealed that there was no relationship between ethnic diversity and employee performance. Regina and Dishon (2017) revealed that ethnic diversity has a positive effect on organizational performance of Elgeyo Marakwet County, Kenya. Empirically, the studies that supported Impact of Ethnic Diversity on the Performance of Federal Establishments in Rivers State did not also have direct findings rather their findings were based on banking sector in Kenya ethnic diversity related to employee performance; Singapore manufacturing industry related to ethnic diversity and employee performance and how ethnic diversity effect organizational performance of Elgeyo Marakwet County, Kenya.

CONCLUSION

The analysis of data revealed that workforce diversity enhances performance of Federal Establishments in Rivers State, Nigeria. Based on the findings of bio data, it was concluded that there was positive significant relationship between age diversity and the performance of Federal Establishments in Rivers State. The study further concluded that neglect or failure to adopt workforce diversity and its dimensions truncate performance of Federal Establishment in Rivers State, Nigeria.

RECOMMENDATIONS

1. Federal Government should continue to encourage age diversification and performance of Federal Establishments in Rivers State. This can be achieved by organising a conference and workshops on the relationship between age diversity and Federal Establishments under information and communication in Rivers State.
2. Federal Government should ensure proper integration of different ethnic diversity in the various Federal establishments for effective performance. This can be achieved through research, holding of workshop and seminar to enlighten the workforce on the impact of ethnic diversity on work performance of Federal Establishments under information and communication in Rivers State.

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