

Effects of Age Diversity on Organizational Performance of Elgeyo Marakwet County, Kenya

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Abstract

County governments face many challenges when dealing with workforce diversity and this prevented them from developing and employing diverse workforce to work with them. Performance of County Governments has largely been influenced by age diversity. County Governments are facing challenges when employing their workforce in terms of age factor. So far there is still limited information as regards to age diversity. The objective of the study was to establish the extent to which age diversity affects organizational performance of Elgeyo Marakwet County, Kenya. The study used descriptive research design. The study location was in Elgeyo Marakwet County, Kenya located in former Rift Valley Province in Northern part of it and the population consisted of 2,155 employees of Elgeyo Marakwet County, Kenya. The sample size was 400 employees. The sample was chosen through simple random sampling. The response rate of the study was 84.3% of the realized target. Reliability of the results was determined by the test-retest approach. Validity of the research instruments was established by using Elgeyo Marakwet County. Data was analyzed using descriptive statistics and inferential statistics. The hypothesis was tested using simple linear regression at 95% confidence level. The study revealed that age diversity has a positive effect on organizational performance of Elgeyo Marakwet County, Kenya.

Keywords: Workforce diversity, organizational performance, age diversity

1.1 Introduction

With the increased globalization and competition, age diversity in all organizations has become increasingly homogeneous. The change in technology on the employment of workforce according to their age has brought the increase in economy in most organizations and has led to increase in organizational performance and the organizational image. Organizations, businesses, educational systems, religious and other entities are looking for ways to better serve their constituents, bring people together and to attract and retain the best and most qualified workforce in organizations. The countries increasing competition requires more interaction among people from diverse age groups than before. People no longer live and work in a narrow marketplace and homogeneous workplace, they are becoming part of the countries competition coming from nearly every part with different age groups, (Gupta, 2013). The study on simple production technology which was done by Barton, (2004) showed that teams with more diversity in age were

significantly less productive in many organizations. The findings were in agreement with those of Leonard & Levine, (2003) that revealed that retail stores with greater age diversity among its employees tend to be less productive. However, in a study which was done by Ilmakunnas, (2012) showed that there was no distinct relationship between age and organizational performance. It was observed from different studies that older employees are less productive and are skilled as young ones in organizations.

Unlike race, ethnic or gender diversity, organizations hardly ever undertake initiatives to increase age diversity. Customary age distributions within organizational structures either young at the bottom and older in the middle and top were derived from hiring of employees at a young age and retaining them in most organizations. The research on age diversity is less developed than that on ethnicity and gender suggesting the need for new measures and new approaches to studying age diversity in organizations. The majority of the studies which had been done in a Western setting by (Joshi & Roh, 2007) showed that age diversity has a negative relationship with organizational performance.

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1.2 Statement of the problem

According to a report by National Cohesion and Integration Commission, (NCIC), 2015, ethnicity in county governments in Kenya have been extremely high during the past few years of devolution, and to maintain continuous success in county governments, they must identify and analyze workforce diversity practices and develop strategies to meet them in order to adopt to the competition both globally and internationally. There has been a debate by numerous researchers whether age diversity has a positive or negative influence on organizational performance. Other study of workforce diversity was conducted in Pakistan on workforce diversity and organizational performance in education sector of Karachi Pakistan by, (Gupta, 2013) which reported that, age diversity has a positive effect on organizational performance. Oghene & Ehimare, (2011) carried a study in Nigeria banks which showed the effect of workforce diversity on organizational effectiveness in Nigerian Banks and he found out that age diversity had a positive and significant on organizational performance.

Reviews of the past studies conducted in Kenya on organizational performance indicate that the researchers examined other contextual issues that influenced employee performance. Another study which was conducted in Kenya by Wanja, (2016) on the effect of workforce diversity and the performance of telecommunication firms showed that there is negative effect between age diversity and performance of the telecommunication firms. Mwatuma, (2016) investigated the effect of workforce diversity on employee work performance in County Government of Mombasa, Kenya. In his research he came out that, age diversity had a positive effect on employee performance.

However, none of the literature focused on the county governments in Kenya a sector that offers essential services to humanity. It is against this background that this study was carried out to address the research gap and also provide a better understanding through the literature of age diversity and its effect on organizational performance from the Kenyan context. This study seeks to answer the questions; does age diversity help the county government of Elgeyo Marakwet County, Kenya to ensure survival of the employees and at the same time enhancing their performance? Are firm's organizational factors crucial in selecting the most effective ways of applying this age diversity for the performance of the organization? This study sought to examine the influence of age diversity on organizational performance of Elgeyo Marakwet County, Kenya. The organization has a great potential to improving on the age diversity.

1.3 Research Objective

To assess the effect of age diversity on organizational performance in Elgeyo Marakwet County, Kenya

1.4 Research Hypothesis

H₀₁: There is no significant effect between age diversity and organizational performance of EMC, county.

2.1 Literature Review

According to a research by different researchers of different age groups differ in skills, attitudes and abilities and that these findings have positive effect on organizational performance (Gellner & Veen, 2013). Young employees in organizations are considered to be more flexible and productive and can depict an attitude of change readiness as compared to older employees. Older employees can be considered as conservation of knowledge carrying the organizational recollection of an organization thus enabling effective and efficient transfer of knowledge and skills to other employees. Furthermore, string planning becomes more effective in age diverse organizations. Modernization has become one of the key strategies of the organization for gaining competitive advantage, expanding market share, and increasing overall performance. Age diversity shows a host of different knowledge, values, perspectives, interpretations and preferences that are fundamentals for innovation (Richard & Shelor, 2002). Moreover, younger managers and employees are likely to have greater knowledge and learning capabilities, because they are recently educated, and are more likely to be more risk-taking, flexible, and innovative. A combination of young and old cohorts of workers with different knowledge pools can therefore increase innovation as compared to having homogeneous work, (Gellner & Veen 2013).

The argument is that in this age of technology, young employees are more creative, learn faster and can drive innovation in an organization as compared with older employees leading to high organization performance. Due to their different ways of socialization and exposure, they can easily embrace change that drives innovation and organizational performance. Certain employees approaching their retirement age may unconsciously begin to disengage with the organizations they work for as they begin to prepare for their retirement. They may constantly absent themselves from work or report late to work. Old employees may also spend more time seeing doctors due to age related illnesses as opposed to younger employees. This in essence could affect their individual contributions on their work performance and subsequently the overall performance of the organization.

2.1.1 Age diversity and organizational performance

In a study which was done by Gellner & Veen, (2013) showed that age heterogeneity on its own has a negative effect on individual productivity and not organizational productivity. 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 organizations with usual kind of work, increasing age heterogeneity will lead to a decline in organizational performance. Different researchers who conducted their research in western part came out that older and younger employees must come together to form rational and viable corporate culture in the organization. These values which are possessed by different age groups can complement each other in organizations and will tend to achieve better organizational performance. In a study which was done by (Winnie, 2008) showed that different age groups provide different values for companies and these values can complement each other which improve organizational performance,

2.1.2 Similarity/Attraction Theory

This theory was proposed by Byrne in 1996 where he argued that demographic variables increase interpersonal attraction and liking. He also said that, individuals with similar backgrounds and age may find that they have more in common with each other than with those from different backgrounds making it more comfortable for them to work together and collaborate towards producing a product or solving a problem. Various researchers from a variety of fields such as marketing, political science, social psychology, and sociology have supported the assumptions of similarity/attraction theory. The argument is that people of similar religious background, ethnicity, age group and gender may tend to prefer to work together due to their common characteristics thus enhancing group cohesiveness and improved performance in organizations. In addition, interactions that may be perceived to be discriminatory on the basis of religion, ethnicity, age and gender may lead to conflict, harmful and negative effects on team cohesiveness among the employees in the organization, (Triana, Garcia and Colella, 2010).

This theory has been criticized that, it cannot fully explain how people perceive others in terms of similarity, particularly in relation to their multiple social categories. For example, in a dyadic relationship, how does a middle-aged Chinese man perceive a middle-aged American male of Anglo-Saxon descent? Another criticism of SAT concerns an assumption that interaction is a necessary condition of the similarity/attraction paradigm which was proposed by Byrne in 1971. In addition, SAT assumes erroneously that people in different social categories should all respond in the same way to being similar or different to others (Chatman and O'Reilly, 2004). For example, the similarity/attraction mechanism between two people at different ages might be different from between two persons having different education backgrounds.

Similarity in organizations encourages interaction among workers and stakeholders in the organization and helps people to interact and discover similarities. Also, we

like similar people like others, we think those people we like are similar and assume that similar people brings love to the organization. Attraction/similarity mutually reinforces each other which results in deeper and intense associations over time among employees. Along parallel lines people may not like others who share negative personality characteristics with them, rather than be constantly reminded of their faults in a given dimension through the presence of someone similar. People may prefer to interact with others who they believe brings out the best in them.

3.1 Methodology

The study was done in Elgeyo Marakwet County, Kenya as at July, 2017 and as such sampling of the population was done through simple random sampling. The results of this method were accurate due to the fact that each unit to be measured was included in the sample. The study was carried out in Elgeyo Marakwet County, Kenya. The population of the study comprised of 2,155 employees of the County. The researcher target to get information from 400 employees who included the Directors, Deputy Directors, Head of Departments, Head of sections and non-management staff. These were chosen because they have the information required for the purposes of the study. Sekaran (2003) states that population refers to the entire group of people, events or things of interests that the researcher wishes to investigate. In this study, the results were subjected to determine the applicability or feasibility and the strength of the effect in the dimension variables. Descriptive method was employed in this study. The questionnaires were distributed in a random method to the respondents. Data was analyzed using descriptive and inferential statistics. The hypothesis was tested using simple linear regression coefficient at 95% confidence level.

4.1 Data analysis and presentation on age diversity and organizational performance

From the responses to the item of age diversity and the correlations of the tested variables, it became clear that age diversity is not well embraced phenomenon at the County Government of Elgeyo Marakwet. It could be deduced from the findings that age diversity at County Government of Elgeyo Marakwet is not fully utilized but it appeared age diversity influence the attitude of worker with respect to performance.

4.1.1 Descriptive statistical analysis

The study sought to assess the effect of age diversity and organizational performance of Elgeyo Marakwet County, Kenya. The respondents responses were rated on a five-Likert scale showing what extent the respondent agree or disagree with the researcher statements on age diversity and organizational performance.

Table 1: Percentage frequencies of responses on age diversity

Statement	SA%	A%	FA%	D%	SD%
My organization provides equal opportunities for training and career development to all employees despite their age differences.	281(83.4%)	34(10.1%)	22(6.5%)	0(0%)	0(0%)
My team leaders include all members at different ages and included in problem solving and decision making.	292(86.6%)	32(9.5%)	8(2.4%)	3(0.9%)	2(0.6%)
At work I experience lack of bonding with people of different age groups	167(49.6)	102(30.3%)	20(5.9%)	15(4.5%)	33(9.8%)
The mentoring by older employees benefited young employees in acquiring job skills.	122(36.2%)	109(32.3%)	46(13.6%)	37(11%)	23(6.8%)
Age diversity has a positive effect on organizational performance.	142(42.1%)	107(31.8%)	31(9.2%)	30(8.9%)	27(8.0%)

Source: Researcher, 2017

Key: Strongly agree (SA)-5, Agree (A)-4, Fairly Agree (FA)-3, Disagree (D)-2, Strongly Disagree (SD)-1

Table 2: Percentage frequencies of responses for Organizational performance of Elgeyo Marakwet County, Kenya

Statement	SA%	A%	FA%	D%	SD%
Organization has good relationship with their customers both outside and within the organization	221(65.6%)	92(27.3%)	24(7.1%)	0(0%)	0(0%)
My organization offers reliable services to their customers without favoring any of them their customers both outside and within the organization.	203(60.2%)	91(27.0%)	33(9.8%)	10(3%)	0(0%)
My organization has a complaint handling procedure in place and promptly addresses customer complaints.	266(78.9%)	71(21.1%)	0(0%)	0(0%)	0(0%)
My organization believes that, opposite gender can perform well in the organizational performance.	122(36.2%)	198(58.8%)	17(5.0%)	0(0%)	0(0%)
Good organizational performance is important for the future growth of my organization and does well in meeting the needs of the customers.	199(59.0%)	134(39.8%)	4(1.2%)	0(0%)	0(0%)

Source: Researcher, 2017

Key: SA-Strongly Agree-5, A-Agree-4, FA-Fairly Agree-3, D-Disagree-2, SD-Strongly Disagree-1

As per table 2, 83.4% of the respondents strongly agreed that the organization provides equal opportunities for training and career development to all employees despite their age differences. 86.6% also strongly agreed that the team leaders include all members at different levels and lastly is 42.1% strongly agreed that age diversity has a positive effect on organizational performance. This shows that age diversity plays a very crucial role in organizations.

As per Table 2, 65.6% of the respondents strongly agreed that the organization has good relationship with their customers both from outside and within the organization. 60.2% strongly agreed that the organization offers reliable services to their customers without favoring any of them. Lastly, 59.0% strongly agreed that good organizational performance is important for the future growth of the organization.

4.1.2 Inferential analysis of the study variable

The study sought to determine the effect of age diversity and organizational performance of Elgeyo Marakwet County, Kenya. Data was analyzed in relation to each research objective by generating correlation and regression coefficients from SPSS version 16 software as tabulated in Table 3 and 4. The main aim of the correlation analysis was to test the strength and significant of the effect between age diversity and organizational performance and regression analysis was meant to test for research hypothesis, whether to accept or reject.

The first objective of the study was to establish the effects of age diversity on organizational performance in Elgeyo Marakwet County, Kenya. To test this objective, the study set out the following hypothesis;

Ho₁: Age diversity has no significant effect on organizational performance in Elgeyo Marakwet County, Kenya.

Table 3: Effect of age diversity on organizational performance of Elgeyo Marakwet County, Kenya

		Age diversity	Organizational performance
Age diversity	Pearson Correlation	1	.664**
	Sig. (2-tailed)		.000
	N	337	337
Organizational Performance	Pearson Correlation	.664**	1
	Sig. (2-tailed)	.000	
	N	337	337

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

Source: Research study, 2017

The findings in table 2 show that age diversity had a positive significant effect on organizational performance of Elgeyo Marakwet County, Kenya ($r = 0.664; p=0.000$), this shows that age diversity significantly accounted for 66.4% variance in organizational performance of Elgeyo Marakwet County, Kenya. Therefore, the first null hypothesis is rejected and the study affirms that age diversity has a significant effect on

organizational performance of Elgeyo Marakwet County, Kenya.

The findings of this study on age diversity are in agreement with several researchers, Gellner and Veen, (2013) who found that age diversity has a positive effect on organizational performance and also the findings of Wanjiku, (2015) concluded that age diversity had a positive effect on organizational performance and employee performance in the Kenya, school of Government.

Table 4: Regression analysis on age diversity and organizational performance of Elgeyo Marakwet County, Kenya

Model summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.664 ^a	.440	.439	.30111		
a. Predictors: (Constant), Age diversity						
ANOVA ^b						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	23.910	1	23.910	263.718	.000 ^a
	Residual	30.373	335	.091		
	Total	54.283	336			
a. Predictors: (Constant), Age diversity						
b. Dependent Variable: Organizational Performance						
Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.859	.105		27.238	.000
	Age diversity	.396	.024	.664	16.239	.000

a. Dependent Variable: Organizational performance

Source: Research study, 2017

The results on model summary show R-Square is 0.440 indicating that age diversity accounts for 44.0% of the variability in organizational performance in Elgeyo Marakwet County, Kenya. The results also show that there is a positive effect of age diversity on organizational performance $r=0.664$ thus concur with Wanjiku, (2015) who concluded that age diversity had a positive effect on organizational performance and employee performance in the Kenya, school of Government.

The ANOVA show that $F=263.718$, $p=0.05$. The overall results reveal that overall regression model was significant in determining the applicability of the model to measure the study variables. This means that there is a satisfactorily goodness for fit between age diversity and organizational performance of Elgeyo Marakwet County, Kenya. The use of regression model to either accept or reject the research hypothesis is thus justified.

The results in table 4 show the coefficient that reveals to what extent age diversity predicts organizational performance. Based on the results, the equation for linear

regression model can be written as; $Y=2.859+0.396X_1+e$. where Y =organizational performance, H_1 represents age diversity and e represents error term. A beta of 0.396 means that every 0.396 units of use of age diversity contribute to a corresponding 1 unit in organizational performance. The results also show that age diversity is statistically significant $\alpha = 0.000$ and $p\text{-value}=0.05$ thus in explaining organizational performance in Elgeyo Marakwet County, Kenya. The study agrees with those of Gellner and Veen, (2013) who found that age diversity has a positive effect on organizational performance.

5.1 Conclusion

Age diversity as a construct of workforce diversity positively affects organizational performance of Elgeyo Marakwet County, Kenya. Age diversity dimensions which are work experience and inclusion of age groups accounted for 66.4% of the organizational performance of Elgeyo Marakwet County, Kenya. It is true that, a health organization with different workforce from all ages leads to a better organizational performance. This may allow the organization to invest more and increase their performance compared to other organizations. The greatest problem with most counties in Kenya is that, they do not adhere to the younger workforce during their recruitment process. These have hampered the County Governments from improving on their organizational performance. Team building and group training in an organization enhances mutual cooperation, reduces role conflicts and increases sharing among the diverse work force. Moreover efficient communication enhances information sharing among employees which increases organizational performance. Further evaluation programmes are important in the organizational system to serve as a base line for current climate for diversity and improve the organizational performance and image.

5.2 Recommendations

This study could serve as a guide for future researches at the Elgeyo Marakwet County. The focus of this research was on age diversity and organizational performance. The results indicated that organizational performance is significantly affected when the diversity variable of age, is considered. It is therefore important for the County to realize the need to capitalize on this age diversity in order to stay ahead of other Counties. Smith (2010) argued that good workforce diversity practices are believed to enhance organizational performance. However, at the Elgeyo Marakwet County, there seems to be no link between age diversity and organizational performance. To fully understand the scenario at the Elgeyo Marakwet County, further studies need to be conducted in order to unearth the challenges of age diversity.

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