



Impact of Demographic Factors on Employees Performance: In Special Context to Small Scale enterprises of Ranchi District

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Abstract

Demography being a vital part of any organisation, this paper aims at finding out the relationship amid the various demographic factors and employee's performance in the Small scale enterprises of Ranchi district. The different demographic factors being examined are – age, gender, education level, marital status and work experience. Descriptive study method was used for the study. A total of 200 employees were studied from various Small scale enterprises of Ranchi area such as Kokar industrial area, Namkum Industrial area. Station Road, Tatisilve etc. Questionnaire method was used for collecting the primary data and Chi square method was used to analyze the collected data. The result of the study indicated a positive relationship between the variable studied and job performance of the employees.

Thus this paper throws light on the extent of effect these demographic factors have on employee's performance in small scale enterprises of Ranchi area.

Keywords: Demographic factors; Job Performance; Small scale enterprises; Demography Employee's performance.

Introduction

Small scale enterprises play a major role in the economic growth of our country in terms of their contribution to the industrial employment, outputs and exports. Small scale enterprises occupy a place of strategic importance in the Indian economy as well. In general Small scale enterprises generate more jobs per unit of capital investment than a large enterprise. Being such a large employment generating sector of the economy, it becomes quite essential to increase the performance of its employees. This means effective and optimum performance of every resource deployed, whether it be man or machine, process or program. Population or demography being a vital component of any organisation, it becomes quite essential to study the various demographic factors that affect the performance of employees in Small scale enterprises

Literature Review

Lopez (1968) finds out that the earliest formal employee performance evaluation program is thought to have originated in the United States military establishment shortly after the birth of the republic.

Pfeffer (1985) suggests that, “sensitivity to demographic effects can help provide a context to understand organisational behavior”. One of the reasons for considering demographics is that some HRM policies and practices target specific groups within a work force.

Tornow (1988) suggested that older employees will consider training and development to be very important. Nevertheless, because older employees supposedly receive fewer such opportunities, it is likely that they will rate the application of HRM practice in this area less favorably than younger employees

Pfeffer (1993) are of the opinion that the length of time spent in an organisation leads to the development of shared understandings and experiences. Studies suggest that increased tenure in an organisation is positively related to employee performance and productivity.

Schaie (1996) suggests that more experienced workers are getting relatively more productive over time. However, any decreases in the labour market value of long experience, is likely to have an even stronger importance on the relative performance of older and younger workers.

Lawrence (1997) points out that despite being important, sometimes critical role of demography, researchers often leave demographic variables “loosely specified and unmeasured, creating a ‘black box’ filled with vague, untested theories”.

McKay (1998) says that there is some evidence that older people face greater recruitment and selection barriers than younger people. The study found that 25 per cent of employers considered a person aged over 50 years to be too old to recruit.

Grant et al. (2004) indicates that the older workers are important to the economy as their participation in the labour market could assist in securing economic productivity as well as sustaining social welfare and pension systems.

Lutz (2006) finds out that the increase in life expectancy is leading to an increase in the population between 55 and 60 years . As a result, by 2050 as much as 20% of population could be above 80 years of age. This will become an important issue in HRM Policies.

Tella et al. (2007) found that age, gender, education level, compensation and benefits, work, advancement opportunities and technological challenges also affect job satisfaction and eventually job performance and productivity.

Qiao et al. (2009) reveals that the employee's perception regarding organizational culture, job security, demographic factors (e.g. age, gender, education) influence the turnover. Moreover the perception of existence varies with demographic factors, like Chinese employees were significantly more affected by the existence of HR practices than female and married employees.

Hypothesis

Hypothesis H₀: There is no significant impact of demographic factors on employee's performance and productivity in Small scale enterprises.

Hypothesis H₁: There is significant impact of demographic factors on employee's performance & productivity in small scale enterprises.

Objective

This study seeks to investigate the nature of the relationship between the demographic features of employees and their work performance in Small scale enterprises of Ranchi District,

Research Methodology

This study examined the nature of the relationship between the demographic factors of employees and their performance level in Small scale enterprises of Ranchi District. For this purpose the required data was collected through a well designed questionnaire. A five point Likert scale was used for the same, which varied from 5- highly agree to 1- highly disagree. The questionnaire was divided into two parts where the first part dealt with the demographic factors of the employees, while the second part dealt with questions related to the nature of relationship existing between the demographic factors and employee's performance. The respondents comprised of employees working in various Small scale enterprises of Ranchi district. A total of 240 questionnaires were administered from which 200 respondents returned the completed questionnaires giving a response rate of 83%. The sample consisted only of employees working in the Small scale enterprises of Ranchi District. Further job performance of employee's was considered as dependent variable while demographic factors were considered as independent variables. The nature of relationship and the direction were tested using Chi square test method. The demographic variables tested in the study against job performance are Age, gender, education level, marital status, and job experience.

Results and Discussions

Table 1. Frequency Table showing Demographic Factors of the respondents

Demographic factors		frequency	percentage
Age	Below 30	34	17
	30-40	40	20
	41-50	82	41
	Above 50	44	22
Gender	Male	133	66
	Female	67	34
Education level	Below Intermediate	82	41
	Intermediate	31	16
	Graduation	53	26
	Above Graduation	34	17
Marital status	Married	121	61
	Unmarried	77	38
	Divorced	1	0.5
	Widowed	1	0.5
Job experience	Less than 1 year	11	6
	1- 5 Years	30	15
	5-15 Years	72	36
	15- 25Years	67	33
	Above 25 Years	20	10

Source: Data Collection (Questionnaire)

The table above shows that the majority of respondents are between the age group 40 years to 50 years. It further shows that majority of them are males. We also notice that most of the respondents are below intermediate level and maximum number of respondent's job experience is between five to fifteen years.

Table 2: Gender and Employee’s Performance
(In Small scale enterprises)

	Male		Female	
	Number	Percentage	Number	Percentage
Very High Performance Total:11	9	6.8	2	2.99
High Performance Total:56	42	31.6	14	20.9
Average Performance Total: 89	61	45.9	28	41.8
Poor Performance Total:29	15	11.3	14	20.9
Very Poor Performance Total:15	6	4.4	9	13.5
Total:200	133	100	67	100

Source: Data Collection (Questionnaire)

Data Interpretation: On observing the data it is inferred that out of 200 employees 133 are male employees whereas 67 are female employees. Further out of total male employees 38.4% are very high and high performers whereas 23.89% of female employees are very high and high performers. When we consider the average performers it is seen that 45.98% of males are average performers whereas 41.8% of females are average performers.

Hypothesis test:

Hypothesis H₀: There is no relationship between the two categorical variables “Gender type” and “Performance level”.	
Degrees of freedom	$(5- 1)*(2 - 1) = 4*1=4$
Chi Square Calculated=9.791	Critical Value Chi Square with p=0.05=9.488
Chi Square calculated > Chi square tabulated. Hence hypothesis H ₀ is rejected.	
Result : There is significant impact of gender type on employee’s performance .	

Table 3: Marital Status & Performance Level
(In Small scale enterprises)

	Married		Unmarried		Divorced		Widow	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Very High Performance Total:11	9	7.5	2	2.6	0	0	0	0
High Performance Total:56	45	37.2	11	14.2	0	0	0	0
Average Performance Total:89	41	33.9	47	61.1	0	0	1	100
Poor Performance Total:29	20	16.5	9	11.7	0	0	0	0
Very Poor Performance Total:15	6	4.9	8	10.4	1	100	0	0
Total:200	121	100	77	100	1	100	1	100

Source: Data Collection (Questionnaire)

Data Interpretation: In case of marital status we see that out of 200 respondents, 121 are married and 77 are unmarried while only 1 belongs to divorced and 1 from the widow category. On seeing the performance level it is seen that 44.7% of all married are amongst very high and high performers, as of 16.8% of unmarried employees. 33.9% of total married are average performers while 61.1% of total unmarried are average performers. The divorcee being only 1, is very poor performer, while the only widow is an average performer.

Hypothesis Test:

Hypothesis H₀: There is no relationship between the two categorical variables “Marital status” and “Performance level”.	
Degrees of freedom	$(5 - 1) * (4 - 1) = 4 * 3 = 12$
Chi Square Calculated=24.211	Critical Value Chi Square with $p=0.05=21.026$
Chi Square calculated > Chi square tabulated. Hence hypothesis H ₀ is rejected.	
Result : There is significant impact of marital status on employee’s performance .	

Table 4: Age and employee’s performance
(In Small scale enterprises)

	Less than30		30-40		40-50		Above 50	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Very High Performance Total:11	0	0	2	5.0	5	5.6	4	9.1
High Performance Total:56	3	8.8	17	4.5	14	16.9	22	50.1
Average Performance Total:89	8	23.5	11	27.5	55	67.9	15	34.1
Poor Performance Total:29	12	35.3	8	20.0	6	7.7	3	6.8
Very Poor Performance Total:15	11	32.4	2	5.0	2	1.9	0	0
Total:200	34	100	40	100	82	100	44	100

Source: Data Collection (Questionnaire)

Data Interpretation: As per the figures it is seen that. 8.8% of employees who are of the age group less than 30 years are very high & high performers. 9.5% of employees who are of the age between 30-40 years are very high and high performers.22.5% of employees whose age is from 40-50 years are very high and high performers 59.2% of employees form the age group above 50 years are very high and high performers. When we see the average performers it is seen that 23.5% of employees from age group less than 30 years are average performers. 27.5% of employees who are of the age group 30-40 years are average performers. 67.9% of employees who are of the age between 40-50 years are average performers.34.1% of employees whose age is above 50 years are average performers.

Hypothesis Test:

Hypothesis H₀: There is no relationship between the two categorical variables “Marital status” and “Performance level” .	
Degrees of freedom	$(5 - 1) * (4 - 1) = 4 * 3 = 12$
Chi Square Calculated=24.211	Critical Value Chi Square with $p=0.05=21.026$
Chi Square calculated > Chi square tabulated. Hence hypothesis H ₀ is rejected. Result: There is significant impact of marital status on employee’s performance .	

Table 5: Education level and employee’s performance
(In Small scale enterprises)

	Below Intermediate		Intermediates		Graduation		Postgraduate	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Very High Performance Total:11	0	0	1	3.2	5	9.4	5	14.7
High Performance Total:56	7	8,5	9	29.1	20	37.8	20	58.8
Average Performance Total:89	34	41.5	18	58.1	28	52.8	9	26.5
Poor Performance Total:29	26	31.7	3	9.6	0	0	0	0
Very Poor Performance Total:15	15	18.3	0	0	0	0	0	0
Total:200	82	100	31	100	53	100	34	100

Source: Data Collection (Questionnaire)

Data Interpretation: As per the figures it is seen that out of the total 34 postgraduates, 73.5% are very high and high performers, out of total 53 graduates 47.2% are very high and high performers. From a total of 31 intermediate employees 32.3% are considered to be very high and high performers. 8.5% of employees who have not done intermediate (out of a total of 82 employees) are high & very high performers. On looking at the average performers it is found that 26.5% of postgraduates are average performers. 52.8% of graduates are average performers. Out of total intermediate employees 58.1% are average performers. 41.5% of total below intermediate employees are average performers.

Hypothesis Test:

Hypothesis Ho: There is no relationship between the two categorical variables “Marital status” and “Performance level” .	
Degrees of freedom	$(5 - 1) * (4 - 1) = 4 * 3 = 12$
Chi Square Calculated=24.211	Critical Value Chi Square with $p=0.05=21.026$
Chi Square calculated > Chi square tabulated. Hence hypothesis Ho is rejected.	
Result : There is significant impact of marital status on employee’s performance .	

Table 6: Job Experience and Employee’s Performance level
(In Small scale enterprises)

	Less than 1 year		1-5 years		5-15 years		15-25 years		Above 25 Years	
	number	percentage	number	percentage	number	percentage	number	percentage	number	percentage
Very High Performance Total:11	0	0	2	6.6	2	2.7	3	4.6	4	20.0
High Performance Total:56	0	0	2	6.6	9	12.5	34	50.7	11	55.0
Average Performance Total:89	1	9.2	12	40.0	46	63.8	25	37.3	5	25.0
Poor Performance Total:29	5	45.4	8	26.8	12	16.7	4	5.9	0	0
Very Poor Performance Total:15	5	45.4	6	20.0	3	4.2	1	1.5	0	0
Total:200	11	100	30	100	72	100	67	100	20	100

Source: Data Collection (Questionnaire)

Data Interpretation: 75% employees are very high and high performers amongst those who have an experience of more than 25 years. 55.3% of the employees who have an experience of 15-25 years are very high and high performers. 15.2% of employees with 5-15 years experience, are very high and high performing. 13.2% of employees having an experience of 1-5 years are amongst very high and high performers and none of the employees with an experience of less than 1 year, are amongst high performers. When we see at the average performers, 25% of employees with an experience of more than 25 years, 37.3% of 15-25 years experience, 63.8% of 5-15 years experience, 40.0% of 1-5 years work experience and 9.2% of less than 1 year experience, falls in the category of average performers.

Hypothesis Test:

Hypothesis H₀: There is no relationship between the two categorical variables “ Working experience ” and “ Performance level ”.	
Degrees of freedom	$(5 - 1) * (5 - 1) = 4 * 4 = 16$
Chi Square Calculated=65.16968	Critical Value Chi Square with $p=0.05=26.296$
Chi Square calculated > Chi square tabulated. Hence hypothesis H ₀ is rejected.	
Result : There is significant impact of Working experience on employee’s performance.	

Conclusion and Implication

The study shows a positive relation between the demographic factors & employees performance. Further the managers have a great role to play in the arrangement for improvement. People are different, they differ widely & different factors affect them in different ways. These differences should be taken into consideration in selecting the best

way to motivate subordinates, which would ultimately increase their performance. Managers should be sensitive to variation in employee's needs & abilities based on demographical characters & not applying a blanket treatment to all.

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