Influence of Age Diversity on Organizational Performance: A Case Study of AAR Group

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Abstract

The purpose of the study was to determine the influence of age diversity on organizational performance a case study of AAR group. The study adopted a descriptive research design as it permitted the researcher to describe the influence of organizational performance and age diversity. The population for this study comprised of 90 employees of an insurance company in Nairobi. The study found that the respondents were age diverse, aged between 20 and 55 years. The study also established that the majority of the respondents were males. The study found that the Pearson correlation coefficient value for age diversity and organizational performance was a significant and positive though weak at value; r =0.041, p <0.05. The variables under investigation meet the Cronbach’s threshold since the coefficients were above 0.7 as follows creativity and innovation 0.826, decision making 0.765, perception of quality 0.745, intra organization communication 0.815 and organizational performance 0.812. The study concluded that, age diversity is a very crucial resource for firms that intend to have sustainable workforce. It recommends that managers should perceive age diversity as a source of competitive advantage within the firm. They should embrace age diversity for the potential influence that it has for creativity and innovativeness in the firm.

Keywords: Age Diversity, Organizational Performance, Insurance Group

Introduction

Workplace or organizational diversity has thus become a buzzword for modern corporations and a topic of high importance for organizations, analysis and scholars. It is more so important for firms that are endeavoring to position themselves aggressively for growth and to attain a competitive advantage (Deloitte, 2014). Diversity is a key concept in management of human resources today and therefore many corporate organizations has come up with different policies in order to govern their organizations and adopt best practices that can apply in all organizations. This research dealt with one of the diversities today that is Age diversity. Due to the millennials taking the center stage in organizations today, the current employee's demographics are considered an issue due to the fact that some of the positions within organizations are expected to be held by experienced employees. For the purpose of this study three elements of age diversity were considered that is; creativity and innovation, decision making and problem solving, quality service and products and finally intra organization communication. In contemporary organizations, diversity is perceptible in the cultural, religious, language, gender, ethnic, educational and personality orientations of the workforce and is a matter of great global concern. In Europe, diversity is being embraced in the public sector as standard modus operandi. In 2003, Norway enacted a law that mandated a 40% inclusion of women in the publicly listed companies and the European Commission (EC) has proposed that the members states ensure women presentation in the public listed companies to
30% and 40% by 2015 and 2016 respectively (Christiansen, Lin, Perreira, Topalova & Turk, 2016). Africa has also witnessed transformation in the diversity of the workforce and embrace of the same. According to Mwikali and Kyalo (2015), Nigeria has realized a precedent change in the heterogeneity of organizations’ workforce. They note that Nigeria organizations not only boast of diversity in terms of age and gender but more importantly in the ethnicity and nationality of the workforce. These were considered as sub variables for age diversity.

Age diversity has been identified as one of the strategic capabilities that will add value to organizations over their competition. As the insurance sector is one of is one of the most competitive sectors of the economy, it attracts the best and highly innovative people to work here. Age is one of the most commonly diversified demographic variables observed among the workforce of many organizations. Thus, the present study focuses on the influence of the age diversity and organization performance.

Statement of the Problem

Most studies on organizational performance use a variety of success measures each financial and non-financial. Some specialists have examined the organizational performance theoretically and through empirical observation and the results show different measurement (Muafi, 2009; and Gary, 2009). Performance indicates to the degree of accomplishment of the mission at the work place that builds up an employee job (Cascio, 2006). Daft (2000), mention that organizational performance is the organization’s capability to accomplish its goals effectively and with efficiency using resources.

According to Swiss Re-Sigma (2012), gross premium declined by 1.3% and 0.8% in the emerging and developed markets respectively showing a decrease in organizational performance of the insurance industry. Internally, insurance companies have had to grapple with the increasing diversity of the workforce and the need for diversity management has been an added strain on financial resources which makes it difficult to attract the requisite talents (human capital) that represent the age diversity of millennials in the workplace hence inadequate performance. African Air Rescue (AAR) initialized operations in 1984 as a company focusing exclusively on air rescue activities. However, it later transformed into a health management organization offering both healthcare and insurance services as its two Specific Business Units (SBU) (Zikusooka & Kyomuhangi, 2007). Since then, the company has experienced extensive growth rates growing into multinational corporation (MNC) with affiliates within four East African states, Rwanda, Kenya, Uganda and Tanzania, establishing a branch in Zambia in Southern Africa (AAR Insurance, 2017).

With this growth, the company has witnessed a precedent growth in the diversity of its workforce in terms of age, gender, ethnicity, nationality, race, religion, educational background among others. The extent to which this diversity can account for the company’s growth and expansion is interesting and worth studying. Certainly, the cross-industry realization of the potential positive impacts of workforce diversity has inspired interest in the issue. Deloitte (2014) observes that workforce diversity has become a topic of great importance in organizations and scholars concentrated on the examining its impacts on organizational performce. Agolla (2007) concurs arguing that the workforce diversity management is an indispensable tool in attaining efficiency in firms. Moore (2011), partner and head of London-based Crowe Clar Whitehall contends that diversity is an indispensable tool in the attainment of competitive advantage and optimum organizational performance. Despite the existence of a lot of literature on the relationship between diversity and organizational performance, there is seldom no literature on how age diversity affects organizational performance. Furthermore, the
few studies that have focused on the impact of demographic diversity on organizational performance, have not examined the impacts on non-financial aspects of organizational growth (Darwin, 2014). Consequently, understanding how age diversity affects such performance attributes such as creativity and innovation, decision-making, the quality of services and products, intra-organizational communication and flow of information, management and leadership, corporate culture and reputation, team performance, employee productivity and job satisfaction as well as the competitive advantage is still problematic.

**Objective of the Study**
The objective of the study was determining the influence of age diversity on organizational performance; a case study of AAR group

**Review of Literature**

**Theoretical Review**
The theories that informed the study are resource-based theory and institutional theory of diversity management. The theories have been discussed below.

**Resource Based Theory**
The main focus of Resource Based Theory of Diversity Management is how the implementation of diversity will affect organizational resources. There are four categories of resources that organizations possess: physical capital, financial capital, human capital, and corporate capital resources. These resources can either assist or inhibit the operations of the organization. Organizations attempt to use these resources in ways that will of course assist and improve business. From a business perspective, organizations that are more diverse gain an advantage compared to organizations that are homogenous. Diversity within organizations increases financial performance when a growth or innovation strategy is used (Richard, 2000; Richard, Barnett, Dwyer, & Chadwick, 2004; Richard et al., 2003 as cited in Yang & Konrad, 2011). Richard and Johnson's 1999 study (as cited in Yang & Konrad, 2011) found that firms with more diversity management practices in place experienced lower levels of turnover and that diversity management practices interacted positively with an innovation strategy, resulting in higher productivity and better market performance. Organizations that are diverse gain several advantages over organizations who fail to implement diversity policies.

**Institutional Theory**
This theory, based off of organization theory, recognizes that in order to determine an organization’s structure one cannot separate the social environment found within an organization. In order to understand the structure of the organization it must also be understood that the behavior of employees in organizations and organizations themselves have limiting factors such as legislation, laws, rules, regulations, and social and professional norms. Because organizations are held to similar norms and regulations, they tend to develop similar administrative structures. This conformity shows that organizations are willing to be consistent with these norms and they begin to garner legitimacy for their operations. By proving legitimacy through its actions, organizations prove what their priorities are and can begin to accumulate material resources from others. In summation, because laws require organizations to become diverse, they must prove to both individuals within the organization and individuals outside of the organization that they are conforming to these laws and norms. If an organization fails to follow these laws or norms then its operations will be questioned and it may also be terminated for violating the law.
Age diversity has been found to be a vital and strategic capability that adds value to the firm especially in the face of competition (Darwin, 2014). One way in which age diversity brings value to the firm and increases a firm’s overall performance is by facilitating creativity and innovativeness. Creativity refers to the generation of novel ideas which are both useful and appropriate while innovation is the intentional introduction, within a workteam of novel ideas, procedures and processes that are new (Hertel, and & Zacher, 2015) However, they contend that despite an increase in empirical studies on ages and work, studies focusing on the link between age and creativity or innovation have not been limited. Nonetheless, some of the studies that have been conducted on the issue have found a positive relationship between age diversity and creativity or innovativeness in ideas, procedures and processes in the organization (Darwin & Palanisamy, 2015). Other studies have associated age diversity with more performance in creative tasks. Simons and Rowland (2011) found that diversity produces different perspectives, knowledge and skills that enhance creativity and innovativeness and less conformity with past and existing norms. Gupta (2013) asserts that values that people of different age group possess do complement each other and that this increases the innovativeness and creativity of age-heterogeneous workforces as compared to a more homogeneous one.

However, age diversity does not always generate positive results on organizational performance due to common stereotypes that surround the issue of age. Some of the stereotypes are that old workers are prone to more health problems, are unable to adopt to the current technological demands and organizational changes and are generally offer poor returns on investment (Tolbize, 2008). In fact, some studies have found that more diversity in age has significantly less effect on the overall productivity of the firm. Darwin (2014) argues that due to the stereotypes, firms do not explore the full potential offered by both the old and the young employees in their firm. Nonetheless, as Darwin and Palanisamy (2015) note, some studies have also found no important link between age diversity and a firms’ performance. A similar finding was found by Ng and Felman (2013) when they conducted a bivariate analysis on the relationship between the two: age and innovation (creativity), focusing on creativity “selling” of ideas to customers (idea dissemination) and implementation of the idea and found neither linear nor non-linear association. At the same time, Darwin (2014) found a negative association between employee performance and age diversity. However, it is possible that other contravening factors including the nature of work, the firm’s business strategy as well as the human resource practices that influence employee performance. The limited research on the issue could explain the inconsistencies of current literature on the link between age diversity and creativity, and innovativeness.

Decision Making and Problem Solving
Decision-making is a spectrum of cognitive functions that are performed consciously and which incorporate consideration of environmental elements in a given context and time (Cardelle-Elawar, et al., (2007). It is the fulcrum of the functioning of the firm and therefore a critical aspect of organizational performance. Decision making also involves the interaction the person solving the problem and the problem that requires solving in a given context. Zaidi, et al, (2010) has stated that age diversity is an indispensable asset in modern corporations. He states further that owing to their intuition and experience, older employees bring a vital set of experiences and intuition that help in decision-making. Darwin (2014) considers the young employees as being equally crucial in decision making in modern organization as they are better informed of the information and technological aspects of the modern business.

Empirical Review
Creativity and Innovation
Age diversity has been found to be a vital and strategic capability that adds value to the firm especially in the face of competition (Darwin, 2014). One way in which age diversity brings value to the firm and increases a firm’s overall performance is by facilitating creativity and innovativeness. Creativity refers to the generation of novel ideas which are both useful and appropriate while innovation is the intentional introduction, within a workteam of novel ideas, procedures and processes that are new (Hertel, and & Zacher, 2015) However, they contend that despite an increase in empirical studies on ages and work, studies focusing on the link between age and creativity or innovation have not been limited. Nonetheless, some of the studies that have been conducted on the issue have found a positive relationship between age diversity and creativity or innovativeness in ideas, procedures and processes in the organization (Darwin & Palanisamy, 2015). Other studies have associated age diversity with more performance in creative tasks. Simons and Rowland (2011) found that diversity produces different perspectives, knowledge and skills that enhance creativity and innovativeness and less conformity with past and existing norms. Gupta (2013) asserts that values that people of different age group possess do complement each other and that this increases the innovativeness and creativity of age-heterogeneous workforces as compared to a more homogeneous one.
environment. Therefore, it can be argued that a generational mixture comprising of an older and younger workforce is a vital source of salient and new decisions and problem solving.

Glass (2007) observes that current top leadership and managers of firms tap into the power of age diversity within the firm. In so doing, they are capable of making varied and potentially effective decision having considered the perspectives provided by such a heterogeneous workforce. Further, Zaidi et al. (2010) contends that age heterogeneity in a workforce enhances the level of creativity in the ideas from which the firm’s top management is capable of defining and implementing novel solutions in anticipation of or in response to problems. It also follows that quality decisions can therefore be achieved through teamwork of age-heterogeneous groups. This begs the question about the diversity about age of the employees working in the insurance industries so that it can influence organizational performance.

Yang and Konrad (2011) found that firms with more diversity management practices in place experienced lower levels of turnover and that diversity management practices interacted positively with an innovation strategy, resulting in higher productivity and better market performance. Therefore, organizations that are diverse gain several advantages over organizations who fail to implement diversity policies.

Dezo and Ross (2012) note that age diversity may not always lead to informed decision-making or ease problem solving. They point to the potential of such disparities and the stereotypes that underscore them as a real source of conflict if not effectively managed. Simons and Rowland (2011) concurs pointing to the social attraction paradigm that perceives a more homogenous group as capable of problem solving and making decisions more effectively. It follows also that the potential of communication problems within a group that is more diverse in age is very real, as the values, perspectives, experiences and possibly skills become the flashpoint for intergroup communication (Darwin, 2014; Tolbize, 2008). Consequently, these issues could in fact undercut the potential of age diversity to contribute, positively to decision-making and problem solving leading to persistent conflict and slow or poor decision making instead. Zaidi, et al., (2010, p.5) have boldly stated “Quality problem solving is the result of heterogeneous environment within organizations.”

Quality of Services and Products

Previous research has determined a link between age diversity and aspect of organizational performance such as quality decision making, creativity and innovation. It follows then that age diversity should also have an impact on the quality of services and products that a firm produces. Mutunga and Gachunga (2013) while commenting on succession planning on firms, contend that workforce age diversity in a firm facilitates the upward (reverse mentoring) and downward (mentoring) exchange of information and ideas across the generational groups.

These exchanges lead to the change or maintenance of a firm’s service or product quality. In fact, as Darwin and Palanisamy (2015) observe the various perspectives, knowledge and experiences that people from different age groups bring to the product or service development may lead to important improvement in the quality of the product or service that the firm eventually produces. Parrotta, Pozzoli and Pytlikova (2011) studied the impact of age diversity in firms and found that such a diverse workforce has benefits in terms of production of quality products and services. They postulate that the younger employees bring their knowledge of Information Technology (IT) while older employees bring their better understanding of the market dynamics to generate products and services that are of high quality, which capture the intended market. Thus, age diversity creates a situation in which generational skills, knowledge and experienced are harnessed in the production process ending the production of good and
quality products. Alesina and La Ferrara (2005) share a similar sentiment arguing that workforce that is heterogeneous in age, precipitates more creativity and productivity which ultimately translates into better goods and serves as well as increased productivity of the firm.

**Intra-Organizational Communication**

Most studies that have examined the impact of age diversity on intra-organizational communications have found little evidence that it has a positive impact (Gupta, 2013; Simons, *et al.*, 2011). In fact, Rietzchel and Zacher (2015) have found that age is an important flashpoint for communication within the firm. According to Darwin (2014), this body of literature finds that age diversity makes communication both difficult and infrequent and may ultimately result in communication breakdown within the firm. Furthermore, the differences between the young and the old employees may result in disparities in the values and preferences of the different age groups making communication difficult. Marx, Pons and Suri (2015) found that the differences in verbal and non-verbal communication evident in the exchanges across generational groups was a hinderance to the exchange of information and communication within Kenyan organizations. While several studies suggest that intra-organizational communication is a victim of generational diversity in a firm, some scholars have argued to the contrary. Darwin (2014) observes that several previous studies have generated empirical evidence that a greater diversity in workforce age has a positive impact on intra-organizational communication.

**Research Methodology**

A descriptive research design permitted the researcher to collect information regarding what the situation is and describe the relationship between organizational performance and the age diversity which was the main focus of the study. The sample size constituted 90 respondents of the insurance companies. This was geared towards addressing the questions that were posed from the variables under the study. The study used structured questionnaires which were in Likert form to obtain data from the respondents. The questionnaire was categorized into four key parts each dealing with a particular set of questions all aimed at obtaining relevant responses. Descriptive statistics were used to test the feel of the data. Reliability test was conducted using Cronbach’s alpha so as to check on the consistency of the data. Inferential statistics that is Pearson correlation coefficient were used to test the influence between the independent and dependent variables (age diversity and organization performance).

**Results**

The study sought to establish the influence of age diversity on organizational performance. The following are the results.

**Most Important Aspect of Performance Affected by Age Diversity**

The researcher asked the respondents to rank from least important to most important from 1 to 5 (with 1 being the least important and 5 being the most important), aspects of organizational performance affected by age diversity. As indicated on Figure 1: Creativity and Innovation had the highest ranking with a percentage mean rating of 82.5%, followed by “Decision-Making” with percentage mean ratings of 80.7%. “Product and Service Quality” and “Intra-Organization Communication” were ranked as the second least important and the least important with percentage mean ratings of 71.9% and 63.2% respectively.
The researcher asked the respondents whether age diversity had an effect on creativity and innovativeness in their firm. As indicated on Figure 2, 7% of the respondents said it had “No Effect”, 3.5% thought the effect was “Mostly Negative”, 66.7% thought it was “Positive” and 22.8% indicated that the effect was “Mostly positive”.

Table 1 indicates the results obtained when the respondents were asked to how easy decision making was in their firm. Two respondents (3.5%) indicated they were “Not Sure”, However 3 respondents (5.3%) answered that it was “Very Hard”, 13 (22.8%) “Hard”, 33 (57.9%) “Easy” and 6 respondents (10.5%) thought it was “Very Easy” to make decisions.

Table 1: Ease of Decision-Making within the Firm

<table>
<thead>
<tr>
<th></th>
<th>Frequency (n)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not Sure</td>
<td>2</td>
<td>3.5</td>
</tr>
<tr>
<td>Very hard</td>
<td>3</td>
<td>5.3</td>
</tr>
<tr>
<td>Hard</td>
<td>13</td>
<td>22.8</td>
</tr>
<tr>
<td>Easy</td>
<td>33</td>
<td>57.9</td>
</tr>
<tr>
<td>Very Easy</td>
<td>6</td>
<td>10.5</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>
**Effect of Age Diversity on Decision-Making Process**

Table 2 indicates the results obtained when the respondents whether age diversity had made decision-making easier or hard within the firm. As indicated in the figure, 20 respondents (35.1%) thought it had “No Effect”, 1 respondent (1.8%) thought it made it “Very hard”, 10 (17.5%) thought it made it “hard”, 25 (43.9%) thought that it made it “Easy” while another respondent (1.8%) answered that age diversity made decision-making “very easy”.

**Table 2: Impact of Age Diversity on Decision-Making Process**

<table>
<thead>
<tr>
<th>Impact of Age Diversity</th>
<th>Frequency (n)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Effect</td>
<td>20</td>
<td>35.1</td>
</tr>
<tr>
<td>Makes it very hard</td>
<td>1</td>
<td>1.8</td>
</tr>
<tr>
<td>Makes it hard</td>
<td>10</td>
<td>17.5</td>
</tr>
<tr>
<td>Makes it easy</td>
<td>25</td>
<td>43.9</td>
</tr>
<tr>
<td>Makes it very easy</td>
<td>1</td>
<td>1.8</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>

**Perception of Quality of Firm’s Products and Services**

The researcher asked the respondents to comment about the quality of their firm’s products and services. As indicated on Figure 3, 3.5% of the respondents answered they were “Not Sure”, 1.8% “somewhat quality products and services”, 57.9% “good or quality products and services” and 36.8% thought their firms had “very high-quality products and services.”

**Figure 3: Perception of Quality of Firm’s Products and Services**

**Perception of Effect of Age Diversity on Product and Service Quality**

The researcher asked the respondents to indicate their opinion about whether age diversity in their firm had an effect on product and service quality. As indicated on Table 3, 4 respondents (7.0%) were “Not Sure”, 33 (57.9%) thought it had a “Positive effect”, and 20 (35.1%) thought that the effect was “Mostly positive”.

**Table 3: Perception of Age Diversity on Product and Service Quality**

<table>
<thead>
<tr>
<th>Perception of Age Diversity</th>
<th>Frequency (n)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Effect</td>
<td>4</td>
<td>7.0</td>
</tr>
<tr>
<td>Positive effect</td>
<td>33</td>
<td>57.9</td>
</tr>
<tr>
<td>Mostly positive effect</td>
<td>20</td>
<td>35.1</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td>100</td>
</tr>
</tbody>
</table>
Perception of Ease of Communication within the Organization

The respondents were asked to indicate their opinion on whether communication within their firm was easy and the following was their responses, 18 respondents (31.6%) “Strongly” agreed, 35 (61.4%) agreed while 4 (7.0%) disagreed. The results were as shown in Figure 4.

![Figure 4: Perception of Ease of Communication within the Organization](image)

Effect of Age Diversity on Communication within the Firm

Table 4. Shows the results when the respondents were asked whether they thought there was an impact of age diversity on communication within the firm had been positive or negative. As shown on the table 4, 13 respondents (22.8%) thought it had “No Effect”, 6 (10.5%) that the effect was “Negative”, 24 (42.1%) “Positive” and 14 (24.6%) “Mostly positive”. Meaning that the respondents felt that communication has a positive effect on age diversity of employees working at the insurance company.

<table>
<thead>
<tr>
<th>Frequency (n)</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Effect</td>
<td>13</td>
</tr>
<tr>
<td>Negative</td>
<td>6</td>
</tr>
<tr>
<td>Positive</td>
<td>24</td>
</tr>
<tr>
<td>Mostly positive</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
</tr>
</tbody>
</table>

Reliability Analysis of the Variables

The reliability analysis was done by use of Cronbach’s alpha and the results indicate that all the four variables meet the threshold of 0.7 and above and therefore they were considered for subsequent analysis. The overall Cronbach alpha was 0.782 as shown in the table below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s alpha</th>
<th>Overall Cronbach alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Creativity and innovation</td>
<td>0.826</td>
<td></td>
</tr>
<tr>
<td>Decision making</td>
<td>0.765</td>
<td>0.792</td>
</tr>
<tr>
<td>Perception of Quality</td>
<td>0.745</td>
<td></td>
</tr>
<tr>
<td>Intra organization Communication</td>
<td>0.815</td>
<td></td>
</tr>
<tr>
<td>Organization performance</td>
<td>0.812</td>
<td></td>
</tr>
</tbody>
</table>
Correlation Analysis
The correlation analyses were conducted between age diversity (creativity and innovation, decision making, perception of quality) and organizational performance. The study conducted a correlation analysis between Age diversity and organizational performance. As indicated on Table 5, the Pearson co-efficient correlation value obtained was a weak positive value was, r = .041, p <.05. This was as a result combining the four variables of age diversity that is (creativity and innovation, decision making, perception of quality and intra organization communication). This weak value indicates that the relationship between age diversity and organizational performance was only slightly positive meaning that an increase in age diversity will result in a very small positive change in organizational performance. The weak nature of the correlation could be accounted for by other contravening variables such as conflicts within the firms and ease or difficulty in decision-making.

Table 5: Correlation of Age Diversity Correlation with Organizations Performance

<table>
<thead>
<tr>
<th>Age Diversity</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Performance</td>
<td>Pearson Correlation</td>
<td>.041</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.763</td>
</tr>
<tr>
<td>N</td>
<td>57</td>
<td></td>
</tr>
</tbody>
</table>

Discussion
Studies have associated age diversity with more performance in creative tasks. Simons and Rowland (2011) found that diversity produces different perspectives, knowledge and skills that enhance creativity and innovativeness and less conformity with past and existing norms. However, according to study findings it only explains 13.1%. The finding is therefore in confirmation of a previous finding by Tolbize (2008), which suggested that consensus building in response to a problem or conflict is also hard within a heterogeneous workgroup. It follows also that the potential of communication problems within a group that is more diverse in age is very real, as the values, perspectives, experiences and possibly skills become the flashpoint for intergroup communication (Darwin, 2014; Tolbize, 2008). Consequently, these issues could in fact undercut the potential of age diversity to contribute, positively to decision-making and problem solving leading to persistent conflict and slow or poor decision making instead. Zaidi, et al, (2010) have boldly stated “Quality problem solving is the result of heterogeneous environment within organizations.” The study found that the communication within the firm was easy and therefore age diversity had made communication easy.

The study findings regarding effect of age diversity on decision-making however, contravenes the assertion by Gupta (2013) that values that people of different age group possess do complement each other and that this increases the innovativeness and creativity of age-heterogeneous workforces as compared to a more homogeneous one. It also refutes Zaidi, et al., (2010) observation that owing to their intuition and experience, older employees bring a vital set of experiences and intuition that help in decision-making. Dezo and Ross (2013) note that age diversity may not always lead to informed decision-making or ease problem solving. They point to the potential of such disparities and the stereotypes that underscore them as a real source of conflict if not effectively managed.

The study also established that age diversity and organizational performance was positive though not significant. The study confirms Mutunga and Gachunga (2013) suggestion that contend that workforce age diversity in a firm facilitates the upward (reverse mentoring) and downward (mentoring) exchange of information and ideas across the generational groups.
According to Darwin and Palanisamy (2015), age diversity leads to greater product and service quality due to the various perspectives, knowledge and experiences that people from different age groups bring to the product or service development may lead to important improvement in the quality of the product or service that the firm eventually produces.

**Conclusion**

Age diversity is a very crucial resource for firms that intends to sustain a sustainable workforce though it had a positive but insignificant relationship with organizational performance. For most organization, age diversity facilitates the development of a leadership pipeline within the firm as younger employees are available for training by the aged employees on organizational processes. By allowing the establishment of a leadership pipeline, age diversity not only facilitates the creation of a pool of competent employees but allows the firm to sustain its way of doing business include “best practices”. Moreover, age diversity within the firms allows the technologically savvy younger employees to share their technical competencies with the older generation within the firm. The older workforce on the hand bequeath the younger workforce with the business standard and operation procedures that add to the sustenance of productivity and performance within the firm. Additionally, for firms that either want to achieve or retain a competitive advantage, age diversity allows for opportunities for creativity and innovation that precipitate product and service enhancements.

**References**


