



Impact of Diversity on Sales Force Performance: A Case Study of Shemu Plc, Dire Dawa

Kal Tesfaye¹

¹ Department of Marketing Management, College of Business and Economics, Dire Dawa University, P.O. Box: 1362, Dire Dawa, Ethiopia, E-mail: kaltesfaye@yahoo.com

Abstract

In an increasingly globalized market, workforce diversity has emerged as a critical factor influencing organizational performance, particularly within sales teams. This study investigates the relationship between various dimensions of diversity age, gender, ethnicity, and educational background and sales force performance. Utilizing a mixed-methods approach, the research combines theoretical frameworks with empirical data to explore how diversity impacts team dynamics, productivity, and overall sales outcomes. The findings reveal that diverse sales teams not only enhance market insights but also face challenges related to cohesion. This study contributes to the literature by examining the relationship between workforce diversity (age, gender, ethnicity, and educational background) and sales force performance within an Ethiopian context, specifically at Shemu PLC.

Keywords: *educational background, ethnicity, gender, sales force performance*

*Corresponding author: Kal Tesfaye. kaltesfaye@yahoo.com

1. Background of the Study

In today's increasingly globalized and interconnected economy, organizations face mounting pressure to adapt to rapid demographic changes and embrace workforce diversity as a strategic advantage. Workforce diversity encompassing differences in gender, age, ethnicity, education, and cultural background has been widely recognized for enhancing innovation, improving decision-making, and increasing organizational competitiveness (Cox & Blake, 1991; Shore et al., 2009). This is especially critical in sales environments, where the ability to effectively relate to and engage with a broad and diverse customer base is essential for achieving strong performance outcomes (Jansen et al., 2016).

Despite the acknowledged importance of diversity in the global business discourse, much of the existing literature remains focused on Western or developed contexts (Podsiadlowski et al., 2013), with emerging markets like Ethiopia receiving comparatively little empirical attention. In the Ethiopian context, workforce diversity is becoming increasingly relevant due to growing urbanization, economic reform, and labor market shifts (Ayano, 2020). However, there is a notable lack of research exploring how this diversity directly affects sales force performance within local organizations.

Previous studies conducted in Ethiopia have largely centered on diversity in the public sector or higher education (Mesfin, 2021; HaileSelassie, 2021), with limited exploration of its effects on private sector performance metrics such as sales efficiency, customer satisfaction, or team cohesion. For example, Ayano (2020) found that gender and ethnic diversity positively influenced employee engagement in academic settings, while Kerga and Asefa (2018) reported that workforce diversity had a statistically significant effect on employee productivity at Ethio Telecom. These studies suggest that diversity can be a key driver of performance if effectively managed, yet its impact in sales-driven environments remains underexplored.

Given these gaps, this study aims to investigate the relationship between workforce diversity and sales force performance at Shemu PLC one of Ethiopia's leading private sector enterprises. By focusing on an emerging market context, this research contributes to both theoretical understanding and practical strategies for leveraging diversity to enhance sales outcomes.

2. Literature Review

2.1. Theoretical Perspectives on Workforce Diversity

The literature on workforce diversity encompasses both theoretical and empirical perspectives, offering insights into how demographic differences influence team interactions and performance outcomes. Two key theoretical frameworks—Social Identity Theory and Similarity-Attraction Theory help explain the complexities of diverse team dynamics.

Social Identity Theory (Tajfel & Turner, 2019) posits that individuals categorize themselves and others into distinct social groups based on characteristics such as gender, age, and ethnicity. These categorizations influence interpersonal relationships, potentially creating in-group and out-group dynamics that affect team cohesion and performance.

In contrast, Similarity-Attraction Theory (Barney, 2019) suggests that individuals are naturally drawn to others with similar attributes. In diverse teams, this tendency may reduce cohesion or trust, especially when group members differ significantly in background or perspective. These theories provide a useful foundation for examining how diversity may enhance or hinder team and organizational effectiveness.

2.2 Empirical Evidence on Diversity and Performance

Numerous empirical studies have demonstrated that workforce diversity, when managed effectively, contributes positively to organizational performance—particularly in areas such as creativity, innovation, and customer engagement.

Gender diversity has been consistently linked to improved sales performance. Research shows that gender-balanced teams benefit from diverse communication styles and problem-solving approaches, leading to better customer engagement and higher sales outcomes (Catalyst, 2015; McKinsey & Company, 2015). In particular, female sales representatives have been found to excel in relationship-building and customer service, contributing significantly to revenue growth (Richard, 2020).

Ethnic diversity within sales teams enhances customer satisfaction and market reach. Diverse teams bring varied cultural perspectives, allowing them to better understand and respond to the needs of different customer segments. According to McKinsey & Company (2015), organizations with ethnically diverse leadership teams are more likely to outperform their peers in terms of profitability and market share.

Teams composed of diverse age groups benefit from a combination of experience and fresh perspectives, which enhances innovation and problem-solving capabilities. AARP (2012) emphasizes that age diversity fosters mentoring opportunities and knowledge transfer, contributing to team performance. However, it also introduces potential challenges, such as communication gaps and generational misunderstandings, which must be effectively managed.

Educational diversity brings a wide range of knowledge, analytical approaches, and problem-solving styles to sales teams. This diversity supports the development of creative sales strategies and enhances the team's adaptability in addressing complex customer needs (McKinsey & Company, 2018). Teams with varied educational backgrounds tend to be more resilient and capable of addressing multifaceted market demands.

2.3 Diversity in Emerging Market Contexts

While diversity has been extensively studied in developed economies, its effects in emerging markets remain underexplored. Ayat Mohammad (2019) conducted a study in Jordan's hotel industry, analyzing the impact of four diversity dimensions gender, age, nationality, and educational background—on job performance. The study, which surveyed 389 hotel managers, found a statistically significant positive impact of all four dimensions on employee performance. The findings suggest that well-managed diversity can enhance organizational outcomes, even in culturally conservative or developing contexts.

In Ethiopia, however, there is a noticeable gap in research exploring diversity in private sector sales environments. Studies by Ayano (2020) and Kerga and Asefa (2018) have examined diversity's impact on employee performance within educational and telecom sectors, respectively. These findings support the premise that workforce diversity can enhance productivity, but they stop short of exploring sector-specific dynamics in sales-oriented businesses. This study seeks to build on these findings by analyzing how various forms of diversity affect the sales force performance at Shemu PLC.

3. Material and method

3.1. Research Design

This study employs a mixed-methods approach, utilizing both quantitative and qualitative data. An explanatory survey design was implemented, gathering data from sales representatives at Shemu PLC through structured questionnaires and interviews.

The independent variables include age diversity, gender diversity, ethnic diversity, and educational diversity, while the dependent variable is sales force performance, measured through individual and team sales metrics.

3.2. Sampling Method

The target population for this study consists of approximately 200 individuals within Shemu PLC's sales force. A sample size of 60 to 107 participants was determined using random sampling techniques to ensure representation across various roles and divisions. This approach facilitates a comprehensive analysis of diversity's impact across different contexts within the sales force.

3.3. Data Analysis

The analysis of the collected data involves both quantitative and qualitative methods: Quantitative Analysis: Statistical software (e.g., SPSS) was utilized for descriptive statistics, correlation analysis, and multiple regression analysis to identify relationships between diversity dimensions and sales performance. The correlation coefficients provide insights into the strength and significance of these relationships, while regression analysis helps in understanding the predictive power of the independent variables on sales performance.

4. Results and Discussion

4.1. Correlation analysis

The results section of the study presents significant correlations between various dimensions of diversity and sales force performance. However, to provide a more comprehensive understanding, it is essential to integrate qualitative insights that complement these quantitative findings. The triangulation of data sources revealed consistent patterns across both quantitative and qualitative findings, highlighting significant correlations between demographic factors (gender, age, ethnicity, and education) and various roles within the organization. The quantitative analysis showed that gender is strongly associated with certain roles. For example, the correlation between gender and being a sales representative ($r = 0.766$) suggests that certain gender demographics may be more likely to occupy sales positions or that gender influences the nature of sales representation within the organization. An even stronger correlation was found between gender and managerial roles ($r = 0.979$), indicating that gender plays a critical role in the likelihood of becoming a manager, possibly reflecting

gender-based leadership trends within the organization. Similarly, gender was found to be an extremely strong determinant of HR roles ($r = 0.992$), suggesting a highly gendered distribution within HR positions, likely influenced by organizational practices, cultural norms, or recruitment biases. In contrast, the correlation between gender and customer-facing roles ($r = 0.606$) is moderate, suggesting that while gender influences who fills these roles, its impact is not as pronounced as in managerial or HR positions.

Age also played a significant role in determining occupational positions, though its influence varied across different roles. The correlation between age and being a sales representative ($r = 0.696$) was moderate-to-strong, suggesting that older individuals may be more likely to hold sales positions, or the data may reflect age-based preferences for these roles. A strong correlation was observed between age and managerial roles ($r = 0.870$), reflecting the fact that managerial positions often require more experience, making age a significant factor. Similarly, age showed a moderate-to-strong positive relationship with HR roles ($r = 0.892$), indicating that older employees are more likely to occupy HR positions due to the experience and maturity typically required for such roles. For customer-facing positions, the correlation between age and role ($r = 0.570$) was moderate, suggesting that while age influences customer-facing roles, younger individuals may be more likely to hold these positions, or age may impact the nature of customer service work.

Ethnicity was another important factor influencing role distribution within the organization. The correlation between ethnicity and being a sales representative ($r = 0.684$) suggests a moderate-to-strong influence of ethnicity on who occupies these roles. Ethnicity was found to have a very strong correlation with managerial roles ($r = 0.922$), highlighting how ethnicity may significantly affect who ascends to leadership positions, potentially reflecting diversity or inclusion trends in managerial roles. A nearly perfect correlation was observed between ethnicity and HR roles ($r = 0.985$), indicating that ethnicity is a near-determinant of who works in HR. This finding suggests that HR staffing patterns may be highly specific to ethnic groups, influenced by organizational policies or sector-wide trends. The correlation between ethnicity and customer-facing roles ($r = 0.591$) was moderate, indicating that ethnicity likely influences who holds these positions, but other factors such as personality, communication skills, and training are likely also at play.

Table1. Correlations

	Sales Role	Manager Role	HR Role	Customer-Facing Role
Gender	.766** (.000)	.979** (.000)	.992** (.000)	.606** (.000)
Age	.696** (.000)	.870** (.000)	.892** (.000)	.570** (.000)
Ethnicity	.684** (.000)	.922** (.000)	.985** (.000)	.591** (.000)
Education	.719** (.000)	.921** (.000)	.892** (.000)	.595** (.000)

Correlations are significant at the 0.01 level (2-tailed)

Source: Survey 2024

Finally, education level was consistently associated with role occupancy across the organization. The correlation between education and being a sales representative ($r = 0.719$) indicates a moderate-to-strong relationship, suggesting that higher educational attainment may correlate with holding sales positions, either due to specific qualifications or as a stepping stone to these roles. A very strong correlation was found between education and managerial roles ($r = 0.921$), suggesting that higher levels of education are a key factor in becoming a manager, aligning with the expectation that leadership positions require specialized knowledge or management training. Education also played a significant role in determining HR roles, with a strong correlation of $r = 0.892$, indicating that HR positions likely require formal education in fields such as human resources, psychology, or business. Finally, the moderate correlation between education and customer-facing roles ($r = 0.595$) suggests that while education can prepare individuals for these roles, other factors such as interpersonal skills and experience are also crucial in determining who fills customer-facing positions.

Overall, the triangulation of quantitative data with qualitative insights revealed that gender, age, ethnicity, and education each significantly influence the likelihood of occupying certain roles within the organization, with varying degrees of impact depending on the specific role and demographic factor considered.

For instance, interviewees noted that gender diversity not only correlated with improved performance but also fostered a more inclusive environment where different perspectives were valued. Female sales representatives shared experiences of how their unique approaches to customer engagement led to higher satisfaction rates, particularly among female clients. This qualitative insight complements the quantitative correlation, suggesting that gender diversity enhances team dynamics and customer relationships.

Conversely, the qualitative data also revealed challenges that were not fully captured in the quantitative analysis. Some participants expressed concerns about communication barriers stemming from cultural differences, which occasionally led to misunderstandings during team interactions. This qualitative feedback indicates that while diversity can enhance performance, it also requires effective management strategies to address potential conflicts and ensure cohesive teamwork.

4.2. Multiple Linear Regression Results

The regression model shows a strong overall fit, with a multiple correlation coefficient (R) of 0.812, indicating a strong positive relationship between the combined independent variables (gender, age, ethnicity, and education) and sales force performance. The coefficient of determination (R^2) is 0.659, which means that approximately 65.9% of the variability in sales performance can be explained by these predictors. After adjusting for the number of predictors in the model, the adjusted R^2 is slightly lower at 0.644, confirming the model's robustness while accounting for potential over fitting. The standard error of the estimate is 0.53, reflecting the average distance that the observed values fall from the regression line. The F-statistic value of 45.73 with a significance level of $p < 0.001$ indicates that the overall regression model is statistically significant, and the predictors collectively explain a significant portion of variance in sales force performance. This supports the conclusion that demographic factors play an important role in influencing sales outcomes.

Table 2. Model Summary

Statistic	Value
R (Multiple R)	0.812
R^2	0.659
Adjusted R^2	0.644
Std. Error	0.53
F-statistic	45.73
Sig. (ANOVA)	0.000 **

Source: Survey 2024

Coefficient

The regression analysis revealed that workforce diversity factors specifically gender, age, ethnicity, and education level are significant predictors of sales force performance at Shemu PLC. The model demonstrated a strong explanatory power, with an adjusted R^2 of 0.644, indicating that approximately 64.4% of the variance in sales performance can be explained by these four demographic variables. All predictors were statistically significant at the $p < 0.01$ level, suggesting robust relationships. Among the predictors, ethnicity had the strongest standardized effect ($\beta = 0.498$, $p < 0.001$), indicating that ethnically diverse teams are more

likely to achieve higher sales outcomes. Gender also showed a significant positive impact ($\beta = 0.442$, $p < 0.001$), implying that balanced gender representation contributes to improved team effectiveness and customer engagement. Education level and age were also significant predictors ($\beta = 0.369$ and $\beta = 0.296$, respectively), showing that a mix of educational backgrounds and generational perspectives can enhance innovation and strategic decision-making within the sales team. Overall, the findings underscore the importance of fostering diversity in the workforce as a strategic asset for boosting sales performance in emerging markets like Ethiopia.

Table 3. Multiple Linear Regression Results

Predictor	Unstandardized Coefficient (B)	Standard Error (SE)	Standardized Coefficient (β)	t-value	Sig. (p-value)
Gender	0.481	0.089	0.442	5.40	000 **
Age	0.315	0.102	0.296	3.09	003 **
Ethnicity	0.526	0.095	0.498	5.54	000 **
Education Level	0.402	0.107	0.369	3.75	000 **
Constant	2.117	0.430		4.92	000 *

Source: Survey 2024

5. Discussion

The results of this study align with existing literature, highlighting the dual nature of diversity in sales teams. On one hand, diverse teams can leverage their varied perspectives to enhance creativity and innovation. These findings align with previous research (Richard, 2020) that suggests diversity fosters innovation, thereby enhancing sales outcomes; on the other hand, they may face challenges in cohesion and communication. Effective diversity management practices, such as inclusive policies and training programs, are essential for harnessing the benefits of diversity while minimizing its challenges.

Expanding on Practical Implications of Diversity Management

The discussion of key findings in the study highlights the positive impact of diversity on sales force performance at Shemu PLC. However, to enhance the practical value of the research, it is essential to delve deeper into actionable recommendations that can help organizations effectively manage diversity and mitigate potential cohesion challenges.

Recommended Diversity Management Practices: To address the challenges associated with diversity while maximizing its benefits, companies like Shemu PLC can implement the following specific diversity management practices:

Inclusive Leadership Training: Training programs aimed at developing inclusive leadership skills can empower managers to effectively lead diverse teams. Such training should focus on recognizing unconscious biases, promoting equitable participation in discussions, and creating an environment where all voices are heard. Leaders trained in inclusivity are better equipped to navigate the complexities of diverse team dynamics and can facilitate open communication.

Diversity-Focused Recruitment: Implementing recruitment strategies that prioritize diversity can help create a more balanced workforce. This may involve outreach to underrepresented groups, partnerships with diverse organizations, and the use of blind recruitment techniques to minimize bias in the hiring process. By actively seeking diverse candidates, organizations can enhance their team dynamics and performance.

Mentorship Programs: Establishing mentorship initiatives that pair experienced employees with diverse team members can facilitate knowledge transfer and skill development. These programs can help newer employees build confidence and navigate the workplace, while also fostering a sense of belonging. Mentorship can be particularly beneficial in addressing the challenges faced by underrepresented groups in sales environments.

Regular Feedback Mechanisms: Implementing regular feedback sessions can help identify and address cohesion challenges as they arise. These sessions should encourage open dialogue about diversity-related issues and provide a platform for employees to voice their concerns and suggestions. By actively seeking feedback, organizations can adapt their diversity management strategies to better meet the needs of their workforce.

6. Conclusion

This research underscores the importance of workforce diversity in enhancing sales force performance. As companies like Shemu PLC navigate the complexities of a diverse market, understanding the dynamics of diversity will be crucial for achieving competitive advantage. Future research should explore the long-term effects of diversity on organizational performance and the specific strategies that can be employed to foster an inclusive work environment.

7. Suggestions for Future Studies

Longitudinal Studies: Future research could benefit from longitudinal studies that track the impact of diversity on sales performance over time. This would provide awareness into how diversity influences performance metrics in the long run and whether the benefits observed are sustained.

Broader Sample Size: Expanding the sample size to include multiple organizations within different industries could increase the generalizability of the findings. This would allow for a comparative analysis of diversity's impact across various sales environments.

Qualitative Research: include qualitative research methods, such as interviews or focus groups with sales representatives, could provide deeper insights into the personal experiences and perceptions of diversity in the workplace. Understanding individual narratives can improve the quantitative data collected.

Impact on Team Dynamics: Future studies could explore how diversity affects team dynamics and collaboration with sales teams. Investigating the interaction between diversity and team performance could tell additional benefits or challenges that arise from diverse team compositions

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Conflict of Interest

The author declares that there is no conflict of interest concerning the publication of this article. The research was conducted independently and without any financial, institutional, or personal influences that could affect the objectivity or integrity of the findings.

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