DHARANA
International Journal of Business

https://doi.org/10.18311/DBIJB/2025/53533

Age Diversity and Its Influence on Team Collaboration and Performance in a Multi-Generational Workplace

Aneendra Sasidaran[1], V. R. Anjanaa[2]* and Hema Harsha[3]

Abstract

21st-century workplaces boast of diversity not just as a compliance, but also to ensure that the business thrives in today's competitive market. A multigenerational workforce brings in diversity in garnering different skill sets, varied perspectives and innovative ideas. The presence of Baby Boomers, Generation X, Millennials and Generation Z at the same time drastically changes the team dynamics. This study aims to analyse how age diversity affects team collaboration and performance, considering other influencers like trust, communication and leadership. The study was conducted in the IT industry, where age diversity is common. Using stratified random sampling, data were gathered and tested to understand the impact of age diversity on team performance. While the differences between generations may be translated into work style, communication style, and technical skill level differences, they are compensated for by experience, creativity, and innovation. The research demonstrates that organisations can make use of age diversity to create better collaboration, improve problem-solving capabilities, and achieve success within teams. It is understood that age diversity may have very little direct influence on the performance, while effective communication and better collaboration enable the team to perform better. With collaboration amongst a multigenerational workforce being a major challenge in organisations today, this study throws light on what factors contribute significantly to the overall productivity of employees.

Keywords: Age Diversity, Collaboration, Communication Strategies, Generational Differences, Leadership, Multi-Generational Workplace, Team Performance, Workplace Innovation

JEL Classification: J15, J24, M12, M54

Cite this article as: Aneendra Sasidaran, Anjanaa, V. R. and Hema Harsha (2025). Age Diversity and Its Influence on Team Collaboration and Performance in a Multi-Generational Workplace. *DHARANA - International Journal of Business, 16*(2), 96–104. doi: https://doi.org/10.18311/DBIJB/2025/53533

Aneendra Sasidaran, V. R. Anjanaa[2]* and Hema Harsha[3]

[1] Student Executive, M P Birla Institute of Management, Bengaluru – 560001, Karnataka, India; aneendrasasi@gmail.com; ORCID ID : https://orcid.org/0009-0003-1721-1082

[2] Student Executive, M P Birla Institute of Management, Bengaluru – 560001, Karnataka, , India; anjanaa201@gmail.com; ORCID ID : https://orcid.org/0009-0006-2311-7932

[3] Associate Professor, M P Birla Institute of Management, Bengaluru – 560001, Karnataka, India; hemaharsha@mpbim.com; ORCID ID : https://orcid.org/0000-0002-0496-4806

Introduction

Over the past several decades, researchers and organisational experts have increasingly focused on the rich and complex nature of workforce diversity, and that is to ensure teams work together effectively, perform, and feel included. Foundational reviews, such as the one by Williams and O'Reilly (1998), which summarised 40 years of diversity research, helped us understand how different demographic factors influence behaviour in organisations. Since then, numerous studies and meta-analyses have expanded this knowledge, highlighting both the advantages and challenges associated with diverse teams (Horwitz & Horwitz, 2007; Pelled *et al.*, 1999; Jehn *et al.*, 1999). Age and generational differences have become significant, shaping what employees expect and how they collaborate at work (Finkelstein *et al.*, 2008; Ng *et al.*, 2010; Pitt-Catsouphes *et al.*, 2009). The way work is structured has also changed, with virtual teams becoming more common (Gibson & Cohen, 2003) and careers becoming less tied to one organisation (Arthur *et al.*, 2005), making the relationship between diversity and performance even more complex. Scholars like Shore *et al.,* (2011) and Jackson *et al.* (2003) highlight the crucial role of inclusion and strategic diversity management, encouraging approaches that consider both identity-based and functional differences.

A multigenerational workforce brings in greater variability in terms of skillsets, knowledge and strengths to the table, which can be leveraged for creating an inclusive and productive workplace (Bailey & Owens, 2020). The challenges of working in a multigenerational team are related to communication type, varied ideas, beliefs, decision-making process and working style. Effective leadership and better collaboration may ensure greater harmony in functional teams. Policies and processes should facilitate better team cohesion, leading to greater team performance. Organisations should focus on creating an ecosystem that is conducive to handling multi-generational differences effectively.

Review of Literature

Williams et al., (1998): This seminal work highlights that diverse teams, including those with age diversity, can bring a wider range of knowledge, skills, and perspectives, potentially leading to enhanced problem-solving and decision-making.

Horwitz and Horwitz (2007): This meta-analysis suggests that diverse teams can foster creativity and innovation by challenging conventional thinking and promoting the generation of novel ideas. Age diversity can introduce varied life experiences and approaches, stimulating innovative solutions.

Jehn et al., (1999): The authors identified that differences in values, work ethics, and expectations among generations can lead to conflict and tension within teams. Managing these conflicts effectively is crucial for maintaining team cohesion and performance.

Shore et al., (2011): The study concluded that leaders play a crucial role in fostering an inclusive environment that values and leverages age diversity. Inclusive leadership promotes respect, open communication, and equitable opportunities for all team members.

Finkelstein et al., (2008): The study revealed that age-related stereotypes and prejudices

can create barriers to effective teamwork. Negative perceptions about older or younger workers can lead to discrimination and reduced collaboration.

Researchers have focused on the role of every single factor in relation to the multigenerational workforce in isolation. Studies have focused on the outcome of team collaboration and the role of leadership in ensuring that the team functions better. There are studies about the need and challenges of having a multigenerational workforce and how that brings in versatility in cross-generational working. The present study identifies the role of team communication and collaboration amongst a multigenerational workforce, which may directly influence team performance.

Research Design

This study employs quantitative approaches to thoroughly examine the effect of age diversity on team performance and collaboration in multigenerational workplaces. The quantitative part is based on a survey questionnaire that gathers demographic information (*e.g.*, age, gender, role), perceptions of age diversity, levels of collaboration, leadership styles, and communication barriers. These variables are assessed using closed-ended questions and Likert-scale items, allowing for statistical analysis through descriptive statistics and regression modelling to identify correlations and potential causal relationships.

The study uses a stratified random sampling method to ensure proportional representation across different generational groups (Baby Boomers, Gen X, Millennials, Gen Z) and organisational roles. A sample size of 100 respondents was utilised for the purpose of data collection, and it was carried out through structured questionnaires. The questionnaire's design closely aligns with the research aims, capturing key constructs such as team dynamics, leadership effectiveness, and perceived barriers to collaboration. This solid design improves both the internal and external validity of the study, making sure that the findings are both relevant in context and applicable across various organisational settings.

Research Gap

Existing literature review suggests that while earlier work highlights the benefits and drawbacks of age diversity, it works on individual variables like communication or leadership in isolation. There are very few integrated research studies that explore the moderating effect of leadership styles, task complexity, and organisational culture on team performance and teamwork in age-diverse teams. Empirical work is lacking in offering practical recommendations for effective management of multi-generational teams. The present study attempts to fill this void by carrying out an integrated analysis among these variables in organisational settings.

Problem Statement

The study addresses the challenge of managing age diversity in today's multi-generational workplaces, where employees from different age groups often face communication gaps, work style differences, and value conflicts. These differences, if unmanaged, can hinder team collaboration and performance. However, with inclusive leadership and effective communication, age diversity can be turned into

a strength, enhancing creativity, innovation, and team success.

Objectives of the Study

(i) To examine how age diversity affects team collaboration dynamics, such as communication patterns and work processes.
(ii) To examine the impact of age diversity on team performance in a multi-generational work environment.
(iii) To determine the relationship between communication patterns and team collaboration in terms of team performance.
(iv) To provide practical recommendations to organisations to improve team composition, leadership approaches, and collaboration methods in age-diverse teams.

Hypotheses

H_1: Age Diversity has a positive and significant relationship with Team Collaboration

H_2: Age Diversity has a significant effect on Team Performance

H_3: Communication Pattern has a mediating effect on Team Collaboration and Team Performance

Table 1. Reliability statistics

Cronbach's Alpha	No. of Items
0.829	14

Source: Desk Research

H_4: Team Collaboration has a mediating effect on Age diversity and Team Performance

Data Analysis

The reliability test showed that the 14-item questionnaire came through as solid and consistent, with a Cronbach's Alpha of 0.829 (Table 1). That's well above the usual cutoff of 0.7, so the tool works well for analysing the study's variables.

H1 is accepted, Age Diversity has a significant relationship with Team Collaboration.

When you look at the model summary, there's a weak but positive link between age diversity and team collaboration (R = 0.205) (Table 2). Age diversity accounts for 4.2% of the difference in collaboration (R^2 = 0.042). The model checks out statistically (F = 4.241, p = 0.042) and is stable (Durbin-Watson = 1.731). So, age diversity doesn't blow the doors off, but it does have a small, real impact on how teams work together.

Table 2. Model summary: Age diversity and team collaboration

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson Statistic
					R Square Change	F Change	df1	df2	Sig. F Change	
1	0.205[a]	0.042	0.032	0.90097	0.042	4.241	1	97	0.042	1.731

a. Predictors: (Constant), AgeCo

Source: Desk Research

Table 3. ANOVA Summary: Age diversity and team collaboration

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.443	1	3.443	4.241	0.042[b]
	Residual	78.739	97	0.812		
	Total	82.182	98			

b. Dependent Variable: Team Collaboration

Source: Desk Research

Table 4. Model summary: Age diversity and team performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson Statistic
					R Square Change	F Change	df1	df2	Sig. F Change	
1	0.111[a]	0.012	0.002	0.98848	0.012	1.210	1	97	0.274	1.735

a. Predictors: (Constant), AgeCo

Source: Desk Research

The ANOVA backs this up: age diversity matters for team collaboration (F = 4.241, p = 0.042) (Table 3). The effect isn't huge (regression SS = 3.443 vs. residual SS = 78.739), but age diversity still gives a positive, significant boost to how well employees collaborate. Since the data shows a clear connection, H1 gets the green light.

H2 is rejected, Age Diversity has no significant effect on Team Performance.

Switching to team performance, the model summary tells a different story. There's barely a positive link between age diversity and team performance (R = 0.111), and age diversity only explains about 1.2% of the change (R^2 = 0.012) (Table 4). The stats don't support a real relationship here (F = 1.210, p = 0.274), and the adjusted R^2 of 0.002 pretty much says the same. The Durbin-Watson value (1.735) shows the model's steadiness, but overall, there's just not much of a connection between age diversity and team performance.

The ANOVA results don't show much of a link between age diversity and team performance (F = 1.210, p = 0.274) (Table 5). Age diversity explains just a tiny fraction of the differences in performance (regression SS = 1.182 vs. residual SS = 94.777), so something else is clearly driving team results. In short, age diversity isn't the main factor here, so we're rejecting the alternate hypothesis H2.

When we bring in age diversity perception as the independent variable, team performance as the dependent one, and toss in communication patterns as a mediator (set at 4 or above, so people who agreed or strongly agreed on the Likert scale), the picture changes (Table 6). The R value jumps to 0.641, which points to a pretty solid positive relationship

Table 5. ANOVA summary: Age diversity and team performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.182	1	1.182	1.210	0.274[b]
	Residual	94.777	97	0.977		
	Total	95.960	98			

b. Dependent Variable: Team Collaboration

Source: Desk Research

Table 6. Model summary: Mediating effect of communication pattern on age diversity perception and team performance

					Change Statistics					Durbin-Watson Statistic
Model	CP >= 4.00 (Selected)	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	CP >= 4.00 (Selected)
1	0.641[a]	0.411	0.403	0.61831	0.411	52.319	1	75	0	2.214

a. Dependent Variable: TP; b. Selecting only cases for which CP >= 4.00; c. Predictors: (Constant), ADP2, ADP1

Source: Desk Research

between how people see age diversity and how the team performs. The R^2 is 0.411, so age diversity perception accounts for 41.1% of performance variation when communication is strong. The F-change is 52.319, with a p-value way below 0.001, so the model holds up statistically. The Durbin-Watson statistic at 2.214 tells us the residuals are independent with no autocorrelation issues, so the model is reliable. The takeaway? When teams communicate well, a positive view of age diversity really does boost performance.

H3 is accepted. Communication Pattern has a mediating effect on Team Collaboration and Team Performance.

Looking at the group with high team collaboration scores (TC ≥ 4.00), the regression model shows a decent but not overwhelming predictive relationship (Table 7). Correlation comes in at R = 0.529, so there's a noticeable positive link between the predictors and the outcome. The R^2 sits at 0.280 (adjusted R^2 = 0.261), meaning these factors together explain 28% of the variation in team performance, dropping a bit after adjusting for model complexity. The standard error of 0.68816 suggests the predictions are fairly tight. Adding both age diversity and team collaboration as predictors makes the model fit much better (R^2 change = 0.280, F-change = 14.393, p = 0.000). The Durbin-Watson value is 1.621, close enough to 2 to rule out major autocorrelation.

Table 7. Model summary: Team collaboration as a mediating factor on age diversity perception and team performance

					Change Statistics					Durbin-Watson Statistic
Model	TC >= 4.00 (Selected)	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	TC >= 4.00 (Selected)
1	0.529[a]	0.28	0.261	0.68816	0.28	14.393	2	74	0	1.621

a. Dependent Variable: TP; b. Selecting only cases for which CP >= 4.00; c. Predictors: (Constant), ADP2, ADP1

Source: Desk Research

So, the model is statistically sound and shows that for teams with strong collaboration, age diversity perception has a moderately strong, positive effect on performance (R = 0.529), with age diversity explaining 28% of the variance. The bottom line: age-diverse teams with good collaboration tend to perform better, probably because they're drawing from a wider range of experiences and perspectives. There's still unexplained variance, but the impact is real.

Hence, H4 is accepted, Team Collaboration has a mediating effect on Age diversity and Team Performance

Findings

This analysis digs into how age diversity, team collaboration, and team performance all connect at work. First off, the questionnaire passed the reliability test with flying colours. Cronbach's Alpha came in at 0.829 for 14 items. So, the data is solid and ready for deeper analysis. Looking at the numbers, age diversity does have a positive effect on team collaboration, but it's pretty weak ($R = 0.205$, $R^2 = 0.042$, $F = 4.241$, $p = 0.042$). Basically, age differences only explain about 4% of how well teams work together. The effect is small, but statistically, it's real. It looks like teams with a mix of ages communicate a bit better and understand each other more, but it's not a dramatic shift. Other dynamics in the team probably matter just as much, maybe even more.

Now, when it comes to team performance, age diversity isn't doing much on its own ($R = 0.111$, $R^2 = 0.012$, $F = 1.210$, $p = 0.274$). Teams with a wide age range don't automatically perform better. Clearly, other things are driving results.

But here's where it gets interesting: Once you factor in collaboration, things change. Teams that are both age-diverse and work well together perform noticeably better ($R = 0.529$, $F = 14.393$, $p < 0.001$). So, it's not just having a mix of ages; it's how those people actually work together that makes the difference. When collaboration clicks, teams tap into different perspectives and experiences, and that really boosts performance.

The big picture is that age diversity by itself doesn't move the needle much on performance.

But when you combine it with strong teamwork, it starts to matter. Teams with a good mix of ages who know how to collaborate get better results and help organisations succeed.

Suggestions

(i) Organisations should promote collaboration among employees of different age groups through mentoring programs, diverse project teams, and inclusive engagement initiatives that utilise the varied strengths of all generations.

(ii) Regular team-building activities, effective communication channels, and recognition of collective achievements should be emphasised to strengthen teamwork and mutual understanding.

(iii) Management should cultivate a work environment that values respect, equality, and inclusion, ensuring that employees from all age brackets feel valued and supported.

(iv) Age diversity and collaboration should be strategically incorporated into HR and Green HRM policies to improve overall team performance, innovation, and organisational sustainability.

Conclusion

The present study aimed to examine the relationship between age diversity, team collaboration, and team performance within organisational settings. The study concludes that age diversity can help team collaboration, but it does not directly lead to better team performance. Teams made up of members from different age groups show slightly better collaboration because of their varied experiences and perspectives. However, any performance improvements mainly come from strong collaboration, which includes effective communication, coordination, and mutual trust. When age diversity exists alongside a cooperative environment, team outcomes improve significantly. These findings highlight the need to promote inclusive teamwork practices to unlock the potential of age-diverse teams. This aligns with the aims of sustainable and strategic human resource management. The study concludes that fostering collaboration within age-diverse teams can enhance performance, productivity, and innovation, thereby supporting the principles of sustainable and strategic human resource management.

References

Arthur, M. B., Khapova, S. N., & Wilderom, C. P. (2005). Career success in a boundaryless career world. *Journal of Organizational Behavior*, *26*(2), 177-202. https://doi.org/10.1002/job.290

Bailey, E., & Owens, C. (2020). *Unlocking the benefits of multigenerational workforces*. Harvard Business Publishing, Corporate Learning. https://www.harvardbusiness.org/wp-content/uploads/2020/08/Unlocking-the-Benefits-of-Multigenerational-Workforces_Aug-2020.pdf

Finkelstein, L. M., Burke, L. A., & Ramos, K. (2008). Age diversity in the workplace: A review. *Research in Personnel and Human Resources Management*, *27*, 1-37.

Gibson, C. B., & Cohen, S. G. (Eds.). (2003). *Virtual teams that work: Creating conditions for virtual team effectiveness*. John Wiley and Sons.

Horwitz, S. K., & Horwitz, I. B. (2007). The effects of team diversity on team outcomes: A meta-analytic integration. *Journal of Management*, *33*(6), 987-1015. https://doi.org/10.1177/0149206307308587

Jackson, S. E., Joshi, A., & Erhardt, N. L. (2003). Recent research on team and organizational diversity: SWOT analysis and implications. *Journal of Management*, *29*(6), 801-830. https://doi.org/10.1016/S0149-2063_03_00080-1

Jehn, K. A., Northcraft, G. B., & Neale, M. A. (1999). Why differences make a difference: A field study of diversity, conflict, and performance in workgroups. *Administrative Science Quarterly*, *44*(4), 741-763. https://doi.org/10.2307/2667054

Ng, E. S., Schweitzer, L., & Lyons, S. T. (2010). New generation, same expectations? A study of generational values in the Canadian workplace. *Journal of Business and Psychology*, *25*(2), 243-256. https://doi.org/10.1007/s10869-010-9159-4

Pelled, L. H., Eisenhardt, K. M., & Xin, K. R. (1999). Exploring the black box: An integration of work-group diversity and performance. *Journal of Management*, *25*(3), 309-330.

Pitt-Catsouphes, M., Matz-Costa, C., & Brown, M. (2009). *Generational differences in the workplace*. Boston College Centre on Ageing and Work.

Shore, L. M., Randel, A. E., Chung, B. G., Dean, M. A., Ehrhart, K. H., & Singh, G. (2011). Inclusion and diversity in work groups: A review and model for future research. *Journal of Management*, *37*(4), 1262-1289. https://doi.org/10.1177/0149206310385943

Williams, K. Y., & O'Reilly, C. A. III. (1998). Demography and diversity in organizations: A review of 40 years of research. *Research in Organizational Behavior*, *20*, 77-140.