



Effects of workforce diversity on employee performance in commercial banks

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Abstract

Workforce Diversity is considered as one of the basic necessities in today's changing environment but managing the same is a challenge. This study applied quantitative approach and used descriptive and causal comparative research design. The study aims to examine the effect of gender, age, educational background, ethnicity, work experience and marital status on employee performance. Data for the study were collected by distributing 204 well-structured questionnaires to all the employees of the banks in Butwal sub-metropolitan city and only 170 questionnaires were obtained. The regression result showed age, educational background, ethnicity and work Experience have insignificant effect on employee performance whereas gender and marital status have positive significant effect on employee performance. Therefore banks should effectively manage gender and marital status diverse workforce to obtain optimum performance from employees.

Keywords: Gender diversity, age diversity, educational background, ethnic diversity, work experiences, marital status, employee performance

Introduction

Workforce diversity means the heterogeneous composition of employees of an organization in terms of age, gender, language, ethnic origin, education, marital status, etc. (Tamunomiebi, 2019). The world's increasing globalization needs a lot of interaction among people from various backgrounds than ever before. This is so because, individuals no longer live and work in narrow surroundings; as they are currently a part of a worldwide economy competing in nearly all part of the world (Robbins, 2009)^[42]. On these grounds, organizations are aiming to become more diversified in order to gain competitive advantage by becoming more creative, innovative and open to useful change.

Workforce diversity refers to when members of a group or organization vary in age, size, color, immigration status, and educational achievement. The workforce is more diversified than previous generations (Erasmus, 2007)^[13]. Globalization, an ageing population, women and minorities in many occupations, knowledge-based professions, work teams, remote employment, and part-time or temporary workers have all contributed to a diverse workforce. (Agrawal, 2016^[3]; Adhikari & Shrestha, 2019)^[2] According to Choi (2007)^[10] diversity leads to synergistic effectiveness because representatives from different organizations can value and understand each other's experiences, talents, and perspectives.

Today's banking and corporate sectors must cope with a wide range of diversity. Diversity refers to gender, age, religion, language, personality, education, culture, social standing, and other differences between employees working in an organization. In addition, workforce diversity in an organization is the differences in employees' demographic, cultural, and personal qualities. Age, gender, race, education, religion, and culture are just some of the differences that affect a task or relationship within an organization (Cherian, 2020). Therefore, businesses, educational systems and other entities are investigating

ways to better serve their constituents to attract and retain the finest and most qualified employees. On these grounds, organizations are aiming to become more diversified in order to gain competitive advantage by becoming more creative, innovative and open to useful change.

Changes in an organization's demographics have an impact on both its operations and the productivity of its staff. Organizations must inspire employees to give more to the development of the company if they are to be productive. The variety of the workforce must be understood by employees, who should also make the most of it. Even more important than simply hiring people from varied backgrounds is learning how to connect and collaborate with them (Al-Ahmad, 2017)^[4]. The workforces in today's workplaces are diverse in terms of things like gender, age, culture, nationality, and religion. From this vantage point, the Organization faces both threats and opportunities. Organizations can improve employee performance to a higher level if they are able to coordinate and manage the diverse workforce.

Most of today's organizations struggle because they are inefficient to galvanize a diverse workforce to function as a team in terms of managing several dimensions, policymaking, training, visibility, and approach to clear and overall goals. Organizations that consider diversity as part of their main strategy will profit much more than the organization that does not and will profit from cost savings in turnover and improved sales (Brown, 2008)^[9]. These discussions indicate that the study dealing with the effect on employee performance of workforce diversity is of greater significance. Workforce diversity awareness can assist current managers in evaluating the effect on employee performance of age, gender, ethnicity, level of education, and the effect of other variables of diversity. Therefore, this research tries to investigate the impact of workforce diversity on employee performance in Nepalese commercial banks.

Review of Literature

A number of research findings have showed a harmful correlation linking diversity and group effectiveness. Milliken & Martins (1996)^[39] study on one hand found that workforce diversity (especially ethnicity, age and gender) as having a positive effect on teams as it increases the opportunity for creativity among members. Though, on the other hand the study, it negatively affected team members as it increases the likelihood that team members would be dissatisfied and fail to identify with the group. Their conclusion was that in the short term, there are several negative consequences associated with workforce diversity e.g. lack of commitment from group members, dissatisfaction, lack of identification with the group; perceived discrimination, work related friction; role conflict; role ambiguity; problems with social group integration, etc. whereas in the long term, they predicted negative consequences for organizational performance.

According to Dansby, Stewart, & Webb (2001)^[11] and Kirton & Greene (2016) the findings of researchers on workforce diversity have produce conflicting results. There are lots and mixed and contradictory evident surrounding diversity effects (Leonard & Levine, 2003). The reason is that different dimensions of diversity are often seen to have different effect on team outcomes in different business and organizational contexts. Most of these studies that found a negative effects employed social identity theory as an exploratory framework, arguing that 60 people are drawn to similar other and even work better when they are in groups whose members are similar to them This is often called similarity attraction paradigm (Kirton & Greene, 2016).

Joshi & Roh (2009)^[18] reported a negative association between age diverse workforce and the group job satisfaction, innovation. Companies that encourage and employ a diverse workforce, attracts and keep high talent employees. As a result enlarge its customer loyalty, bearing in mind that customers feel connected to organization when they see and interact with people who are like themselves. They feel better doing business with that company that understands their needs (Durga, 2017)^[12]. Diversity brings about increase in innovation and creativity, improved problem clarity which in turn results in improved deliberation of alternatives and better solution to problem. Gilbert & Ivancevich (2000)^[11] argue that it is essential for management to create a system of equal opportunity for all employees and ensure diversity management policies that would guarantee the maintenance of employee's competence so as to guard the organizations competitive position.

Weiliang, Mun, Fong, & Yuan (2011)^[49] said when diversity increases it poses a challenge to management. For example as the workforce gets older, managers will be struggling with increased medical costs and contribution of annuity. Workforce will have to understand that their benefits move along with the vision of the organization; as such, the level of their commitment will significantly increase. Durga (2017)^[12] argue based on his findings; that no connection exist between workforce diversity and organizations' effectiveness, only a minimal impact was discovered. In contrast, some studies have found a positive correlation between diversity and performance (Wegge *et al.*, 2008). One of such studies is the findings of Weiliang, Mun, Fong, & Yuan (2011)^[49] reporting a link between gender and employee performance. This means that all

employees irrespective of the gender must meet the annual target that is set by the organization. On the other hand, the researchers found no effect of age diversity on workers performance. One reason for this is the fact that age diversity effect is not as pronounced as the numeric distinctiveness between male and female managers.

Darwin & Palanisamy (2015) study on workforce diversity and employee performance showed that age, gender and ethnic diversity have no significant impact the performance of employees. The findings revealed that employees had a neutral perception about workforce diversity. The employees neither think highly of workforce diversity as a benefit to them nor criticize it as something to be avoided. Nevertheless, few studies have been conducted examining the possible moderators of this relationship (Van Dick *et al.*, 2008)^[48]. Whereas the positive effect of age diversity fall in line with expectations drawn from models of information processing in groups. Information and decision making theory assumes that workforce diversity brings about an increase in the amount of information and perspective available during group discussion, which in turn, may facilitate group decisions making and improve performance. The social categorization theory reports a negative effect of age diversity (Tajfel & Turner, 1986)^[46]. Diversity is deemed to foster the use of knowledge and the availability of different (unshared) information by intensifying cognitive conflicts in teams, thus making better and more innovative possible (Antonioni, Cooper, Chrousos, Spielberg, & Eysenck, 2009)^[8].

Harrison & Klein (2007)^[15] said age diversity is the extent to which the ages of all employees differ. As such it can be said that there is minimum age diversity when all members are of the same age group. The self-categorization theory of Tajfel & Turner (1986)^[46] together with the information processing model, predict age diversity to have a significant impact on several team processes and outcomes (Schlick, Frieling, & Wegge, 2013). The self-categorization theory assumes that age diversity exercises its effect via salient of age differences in teams (e.g. the establishment of age groupings as the origin of self-definition). Information processing model propose that age diversity affects team outcome due to the inherent dissimilarities between older and younger persons with reference to knowledge, skills, and experiences. Age stereotypes are features given to people who belong to a specific age group. They are meant to guide individuals during the process of social interactions. Most of the time, stereotypes are based on incomplete knowledge about changes in skills and competences. In actuality, various age stereotypes are negatively colored. For instance, it is assumed by people that older individuals are flexible, reluctant to change and underperform (Kite, Stockdale, Whitley, & Johnson, 2005). In spite of the prevalence of the negative age stereotype against older people, younger employees are not left out as they are assumed to lack patience, social competence and experiences (Schlick, Frieling, & Wegge, 2013).

Kim, Bhawe, & Glomb (2013) while observing the response focused emotion regulation as an outcome of age diversity, found a positive correlation while sampling 274 work groups. The findings revealed that when people work in a unit that is age diversified, it involve the need for emotional labour and emotional restraint which are caused by the negative feelings towards members of different age groups. The social identity theory and related processes of sub-

group formation and mutual discrimination (Tajfel & Turner, 1986) ^[46], conflicts (task and 62 relationship conflict) have been projected as the likely results of demographic differences (Matthijs, Kooij, & Rousseau, 2015). Regarding relationship conflict, Jehn (1999) ^[17] observed an MBA workgroup to examine the effect of age dissimilarity in relationship conflict, found no correlation between them. However, a positive correlation was found between social category diversity (made up of age and gender) and relationship conflict. In addition, some researchers found that age dissimilarity in work unit often reports high level of emotional conflict among members. Also, age diversity within groups is negatively correlated with the health of individual employees. On the other hand, this effect is extensively higher for younger and older employees while the health of the middle aged employees is not negatively affected by age diversity.

According to Antoniou, Cooper, Chrousos, Spielberger, & Eysenck (2009) ^[8] the harmful effect of age dissimilarity seem stronger than the positive effects based on conclusions from previous studies by several researchers. It was discovered that groups with increased age dissimilarities are often characterized by a bad climate (e.g. lower job satisfaction, less cohesion), have less communication, a higher turnover rate (older people especially leave the group earlier), more problems in decision making and lower performance. Kurtulmus (2016) ^[21], in his study found that diversity management has an impact on the organizational citizenship behaviors of the workforce. The findings revealed that when diversity is valued in the workplace, the commitment of employees is expected to be high. As such, diversity management can help management to predict the organizational citizenship behaviors of the employees. Ng & Feldman (2008) in their study provided an extended meta-analysis on the correlation between age and job performance which included ten aspects of job performance; major task performance, creativity, organizational citizenship behaviors, safety performance, performance in training programs, tardiness, overall counter-productive work behaviors, office aggression, on-the-job substance use, and absenteeism. The findings demonstrated that though age was basically not linked to core task performance, performance in training programs and creativity, it however showed a stronger correlation with the rest of the seven dimensions. Furthermore, findings also stressed that the relationship between age and core task performance, as well as counter-productive work behaviors are curved in nature and some sample distinctiveness and data collection characteristics moderate the relationship of age performance.

It is clear from (Mwatumwait, 2010) that gender diversity is positively supported. The performance standard for success at work is expected to be higher for both male and female employees. The report also demonstrates that there is no gender-based discrimination in the hiring and recruitment processes. The study goes on to say that women are given the chance to work in positions that utilize their abilities, education, and training, that employees are treated fairly at all times, and that both men and women are extremely attracted to and hired for these positions. According to Gitonga (2016), there is a favorable correlation between employee performance and gender diversity. Employee performance is influenced by gender equality, the male-to-female ratio, fair treatment, and gender consideration in

recruiting and promotion. Moreover, most of the organization opportunities for growth and advancement exist for both men and women in their organization.

A workforce with a wide range of ages exhibits a variety of information, values, viewpoints, interpretations, and preferences that are necessary for creativity. Additionally, young managers are more likely to be more adaptable, risk-taking, and innovative because they have better learning ability and more recent education. Therefore, as opposed to having a homogeneous workforce, a blend of young and old people with diverse knowledge pools can promote innovations (Winnie, 2008). Kyalo and Gachunga (2016) found a weak negative and negligible correlation between employee performance and age diversity. Young individuals are perceived as being overly ambitious and proud, while older people are seen as having more life experience and being better problem solvers (Kyalo *et al.*, 2016).

According to a study by Padmanabhan (2016) ^[40] entitled "Difference Between Employees Marital Status and Performance Level in the IT Industry," there is a significant difference between employees' marital status and performance, demonstrating that single workers are more likely to perform well than married workers because they are less committed to their families and other obligations. On the other side, there are situations where married workers are required to manage greater stress and perform better than single workers in terms of promotions. In any case, employees who are married and those who are not are treated equally and under the same amount of work pressure that is necessary in the IT sector. One's capacity to manage events and distracting variables that an employee encounters in the job and family life Padmanabhan, (2016) ^[40] is the single factor that determines how well an employee performs regardless of their marital status.

A study conducted by Mwatumwa *et al.* (2016) on the effect of workforce diversity on employee work performance had been evident that ethnicity has no significant effect on work performance at the studied area of country government of Mombasa. Employees are found to be ethnically harmonious. The study further shows over 85% of the respondents feel that ethnic differences in work groups never encourage conflict. However, even though there is harmony, ethnicity has not seemed to have any significant contributory effect, negatively or positively on work performance.

The ultimate goal of recruiting any employee in the organization is extracting the best performance out of him there by leading to organizational development along with his personal and professional development. Employee performance is based on number of factors like intrinsic and extrinsic motivation, organization's culture, financial and non-financial incentives, role clarity, personal development, continuous learning, competitive compensation practices and the employee's efficiency and effectiveness. HR department always try and study the factors that are hindering employee performance and work on eliminating the same to promote smooth, positive and effective employee performance.

Research Methodology

Research Design

This study have employed descriptive research design which is a design which attempts to describe or define a subject, often by creating a profile of a group of problems, people, or

events, through the collection of data and tabulation of the frequencies on research variables or their interaction as indicated by Cooper and Schindler (2003). Thus, this approach is appropriate for this study as it will help to describe the state of affairs as they exist without manipulation of variables which is the aim of the study. Moreover, causal-comparative designs have also been used in this study. It is used to find relationships between independent and dependent variables after an action or event has already occurred. The researcher's goal is to determine whether the independent variable affected the outcome, or dependent variable, by comparing two or more groups of individual's i.e. based on demographic variable. In this method, researcher has used survey method to collect the data from the respondent.

Population and sample, and sampling design

The population of this study is all employees of commercial banks in Butwal sub metropolitan City. There are altogether 26 Commercial banks operating in Nepal at the time of research started. So, all the employee working in the commercial banks of Butwal are considered as population. There are 60 branches of commercial banks in Butwal sub-metropolitan city. There are altogether 60 branches of various commercial banks in Butwal sub-metropolitan city. There are altogether 204 questionnaires among only 170 responded to the questionnaire.

Nature and sources of data

Quantitative nature of primary data has been used. This study is based on the primary source of data and required data have been collected via survey. The survey questionnaire had distributed in various forms of on-line and off-line questionnaire.

Data analysis

Both descriptive and inferential analysis statistical tools have been used for analysis in this research. The descriptive statistics contains frequency, percentage, mean and standard deviation. The study was based on various statistical tests and analysis. For this purpose, Statistical Package for Social Science (SPSS) software and Microsoft Excel were used to analyze and interpret the quantitative data. Correlation analysis, Regression analysis and Hypothesis testing were carried out in the process of this research.

Definition of variables and Hypothesis

Employees Performance

Performance in the firms' environment can be defined as the scope in which member of an organization participates reaching organizational goals. Hence, employees are considered as the main source for enhancing service-oriented firms' performance (Luthans and Stajkovic, 1999; Pfeffer, 2005).

The successful fulfilment of one's obligations to achieve sound outcomes," Hashim, Ullah, and Khan (2017) define employee output. It refers to an employee's ability to meet the job's demands. An organization's sound and the healthy worker is usually the foundation for good employee performance. Consider productivity, effectiveness, job quality and performance evaluation (Kyalo & Gachunga, 2015). Human resources managers feel that effective workforce diversity strategies are required to boost

employee and company productivity (Khan & Ullah, 2021; Shaikh Channer & Shaikh, Ullah, 2021)

Gender Diversity

When discussing gender diversity in terms of a work environment, it means that employees from both male and female are hired at alike, receiving equal rewards for the same work, in addition to equal work promotion opportunities. Recently, both women and men work alongside in different careers. Mainly, there are no jobs that are more "female" or others that are more related to "male" roles. Accordingly, both are requested on a daily basis to interact with each other in a fair and equal way. This causes unrest and discomfort for some individuals, which lead to conflict within a certain workgroup.

In Lebanon, women are perceived as non-aggressive, non-competitive, passive, and dependent; and are raised upon such values. They learn to sacrifice for the sake of relationships. While Males might learn how to play an early life role; they are predictable to be controlling, independent, and competitive. Individuals often expect others to react and respond in the same manner, considering different behavior as wrong behavior (Kausar & Tlaiss, 2011). Gender communication raises an opportunity for rectifying wrong ideas. Also, effective communication among a diverse workforce requires neglecting gender differences and offering equal opportunities for different individuals (DuPont, 1999).

H1: There is positive and significant effect of gender diversity on employees' performance.

Age Diversity: The concept of diversity has been expanded and people start recognizing in addition to appreciating demographic variances and how it affects the working relationship between employees towards their performance (Richard, 2007). The researcher confirmed that gender diversity had positive effects towards productive group operations and procedures were boosted through diversity-focused human resources practices.

Age-diverse workforce display a host of different knowledge, values, perspectives, interpretations and preferences that are prerequisites for innovation. Moreover, young managers are more likely to have greater learning capabilities are more recently educated and thus are more likely to be more risk-taking, flexible and innovative. A combination of young and old partners of workers with different knowledge pools can therefore, increase innovation as compared to having homogeneous workers (Winnie, 2008).

H2: There is positive and significant effect of age diversity on employees' performance.

Educational Background Diversity: The educational qualifications mean certification the employees have acquired from his school, institute, college, and university, not only does the education qualify the employee to acquire jobs and positions in the hierarchy in the organization, but also it emphasizes the competency required by them to perform assigned job responsibilities (Deshpande, 2013). Workgroups have become the main structural units of most existing firms (Valls, *et al.*, 2016). The idea that group members have varied perspectives, ideas, proficiencies, level of education, and information, supports this trend. When an organization faces problems, it is diverse workgroups that are better prepared and equipped to deal

with these complex problems (West, 2001). Members of work teams in certain business sectors have been taught common key contents. Members with various educational levels are required due to distinct, complicated teams' jobs. Academic skills can be acquired by people according to availability, capability, and experience. Moreover, educational background impacts the employee's perception of workforce diversity. Hence the educational background of the employee is a secondary dimension, depending upon the type of education acquired and skill acquired can make the person capable of doing the designated jobs (Deshpande, 2013).

H3: There is positive and significant effect of educational background diversity on employees' performance.

Ethnicity Diversity: Based on research by Opstal (2007), ethnic diversity can affect organizations positively or negatively. Nonetheless, organizations should understand how to manage their diverse workforce where it can increase the pros of such diversity and eliminate its cons. Further, diversity management is essential for organizations to maximize these advantages and minimize its disadvantages that may negatively affect organizational performance.

H4: There is positive and significant effect of ethnicity diversity on employees' performance.

Marital Status Diversity: An employee is adjusted by his legal status, his family state, and his commitment towards his family responsibilities (Deshpande, 2013). Marital status is thought as to whether or not the worker is married, unmarried, widowed, single, live-in relation, separated or unmarried. This has a bearing on the worker's work-life balance and social satisfactoriness within the geographic point and his performance. During this analysis, in this research, the classes of marital status are married, separated, and single.

H5: There is positive and significant effect of marital status diversity on employees' performance.

Work Experience Diversity: Work experience is the extent of experience in a certain job (McDaniel *et al.*, 1988). It's argued that relative individual differences in work experience and not complete ones yield individual differences in work knowledge, and work performance. Meanwhile, Avolio and colleagues (1990) pointed out that work experience can be considered as performance foreteller than age differences.

Experience gives maturity to the employees and makes them

aware of the work processes and the organizational expectations (Deshpande, 2013). Skilled workers are commonly viewed as reliable, faithful, and devoted. They are also seen as entities that have a robust work ethic and performance record. This is owing to long work experience in related fields.

H6: There is positive and significant effect of work experience diversity on employees' performance.

Model

As the first approximation, the model estimated in the study assumes that employee performance of the commercial banks in Butwal sub metropolitan city depends on gender, age, educational background, ethnicity, work experience and marital status.

$$EP = a + \beta_1 CA + \beta_2 CB + \beta_3 CC + \beta_4 CD + \beta_5 CE + \beta_6 CF$$

Where,

EP= Employee Performance

a=y-intercept (Constant term)

β_i = Slope coefficient for each explanatory variable

CA=Gender

CB=Age

CC= Education

CD= Ethnicity

CE=Work Exp.

CF=Marital Status

Results and analysis

Descriptive statistics

Table 1 shows the descriptive-mean and standard deviation values of variables associated sample banks. Firstly, Gender has the mean value of 4.0431 with standard deviation of 0.82297. The variable Age has the mean value of 4.1671 with standard deviation of 0.75108. Likewise, the variable Educational Background has the mean value of 4.1637 with standard deviation of 0.72761. The variable Ethnicity has the mean value of 3.7412 with standard deviation of 0.65973. The variable Work Experience has the mean value of 4.0015 with standard deviation of 0.68506. Similarly, the variable Marital Status has the mean value of 4.0485 with standard deviation of 0.79769. Lastly, the variable Employee Performance has the mean value of 4.0494 with standard deviation of 0.68727. According to the table Reliability test for all component of questionnaire regarding the Effect of WorkForce Diversity on Employee Performance in Commercial Banks were computed through SPSS. Pallant (2001) [41] states Cronbach's Alpha above 0.60 or higher which shows that internal consistency of variable are acceptable or good.

Table 1: Descriptive analysis of all sample banks.

Variables	N	Means	Std. Deviation	Cronchbach's Alpha
Gender	170	4.0431	.82297	0.820
Age	170	4.1671	.75108	0.809
Educational Background	170	4.1637	.72761	0.856
Ethnicity	170	3.7412	.65973	0.671
Work Experience	170	4.0015	.68506	0.760
Marital Status	170	4.0485	.79769	0.803
Employee Performance	170	4.0494	.68727	

Pearson's correlation test

Table2 shows the relationship between the dependent and independent variable. The correlation between Gender and Employee Performance is found to be 0.563 which is

positively correlated. Its p-value is also recorded to be 0.000 which is less than 0.05 i.e. 0.000<0.05). Therefore, it can be concluded that there is positive and significant relationship

between Gender and Employee Performance ($r=0.563$, $P=0.000<0.05$).

The correlation between Age and Employee Performance is found to be 0.524 which is positively correlated. Its p-value is also recorded to be 0.000 which is less than 0.05 i.e. $0.000<0.05$. Therefore, it can be concluded that there is positive and significant relationship between Age and Employee Performance ($r=0.524$, $P=0.000<0.05$).

The correlation between Educational Background and Employee Performance is found to be 0.598 which is positively correlated. Its p-value is also recorded to be 0.000 which is less than 0.05 i.e. $0.000<0.05$. Therefore, it can be concluded that there is positive and significant relationship between Educational Background and Employee Performance ($r=0.598$, $P=0.000<0.05$).

The correlation between Ethnicity and Employee Performance is found to be 0.542 which is positively correlated. Its p-value is also recorded to be 0.000 which is

less than 0.05 i.e. $0.000<0.005$. Therefore, it can be concluded that there is positive and significant relationship between Ethnicity and Employee Performance ($r=0.542$, $P=0.000<0.05$).

The correlation between Work Experience and Employee Performance is found to be 0.667 which is positively correlated. Its p-value is also recorded to be 0.000 which is less than 0.05 i.e. $0.000<0.05$. Therefore, it can be concluded that there is positive and significant relationship between Work Experience and Employee Performance ($r=0.667$, $P=0.000<0.05$).

The correlation between Marital Status and Employee Performance is found to be 0.791 which is positively correlated. Its p-value is also recorded to be 0.000 which is less than 0.05 i.e. $0.000<0.05$. Therefore, it can be concluded that there is positive and significant relationship between Marital Status and Employee Performance ($r=0.791$, $P=0.000<0.05$).

Table 2: Correlation matrix for Showing the relationship between dependent and independent variables

	Gender	Age	Educational Background	Ethnicity	Work Experience	Marital Status	Employee Performance
Gender	1						
Age	.760**	1					
Educational Background	.638**	.728**	1				
Ethnicity	.420**	.515**	.586**	1			
Work Experience	.613**	.656**	.692**	.688**	1		
Marital Status	.584**	.592**	.667**	.603**	.735**	1	
Employee Performance	.563**	.524**	.598**	.542**	.667**	.791**	1

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

Table 3: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808 ^a	.652	.640	.41254

In the model summary section of the table, the value of R2 is 0.652 this means 65.2% of changes in the dependent variable is explained by independent variable after adjusting the value of coefficient of determination

Table 4: ANNOVA

Model	Sum of Squares	df	Means Square	F	Sig.
Regression	52.084	6	8.681	51.007	.000 ^b
Residual	27.741	163	.170		
Total	79.825	169			

The F-value for the model is 51.007 and is significant, as shown by the p-value below 0.05, that the relationship between dependent and independent variables is statistically significant and that the model is a good fit for the data.

Coefficients of regression model

The coefficients of regression model show the different contributing variables to measure the dependent variable. Different contributing variables in this study are Gender, Age, Educational Background, Ethnicity, Work Experience and Marital Status and dependent variable is effect of workforce diversity on employee performance in commercial bank.

Table 5: Regression Coefficient

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.901	.214		4.200	.000
Gender_	.127	.062	.152	2.035	.043
Age_	-.083	.076	-.091	-1.099	.273
Educational Background	.051	.073	.054	.702	.484
Ethnicity	.049	.069	.047	.710	.479
Work Experience	.121	.083	.120	1.449	.149
Marital Status	.519	.063	.602	8.181	.000

a. Dependent Variable: Employees' Performance

In above table, higher beta value indicates higher dominant influence of independent variable on dependent variable. Under this study, it can be inferred that marital status has

significant positive impact over key success drivers with beta value of highest value 0.602.

$$EP = 0.901 + 0.152*CG - 0.091*CH + 0.054*CI + 0.047*CJ$$

$$-0.120*CK + 0.602*CL$$

Where, EP=Employee Performance; CG= Gender; CH= Age; CI= Educational Background; CJ= Ethnicity; CK=Work Experience; CL= Marital Status

The constant score indicates that coefficient of effect of workforce diversity on employee performance other than the independent variables considered under the study are 0.901. From this table, it is found that gender has positive and statistically significant impact on employee performance. Age has negative and statistically insignificant impact on employee performance. Educational Background, Ethnicity and Work Experience have positive and statistically insignificant impact on employee performance. Marital status has positive and significant impact on employee performance.

Table 6: Hypothesis test result

Hypothesis	(P-value)	Accept/Reject
H ₁ : There is significant effect of Gender diversity on employee’s performance.	0.043	H1 accepted
H ₂ : There is significant effect of Age diversity on employee’s performance.	0.273	H2 rejected
H ₃ : There is significant effect of Educational Background on employee’s performance.	0.484	H3 rejected
H ₄ : There is significant effect of Ethnicity on Employee’s performance.	0.479	H4 rejected
H ₅ : There is significant effect of Work Experience on employee’s performance.	0.149	H5 rejected
H ₆ : There is significant effect of Marital status on employee’s performance.	0.000	H6 accepted

Discussion

The study result shows that there is positive relationship between marital status and employees performances which is consistent to the findings from the study of (Padmanabhan, 2016)^[40]. There is positive and significant relationship between gender and employees performance which is similar to the finding of (Gellner *et al.*, 2016). The study shows that age has negative impact and insignificant on the employees performance of the banks. The result is consistent to the findings of (kvalo *et al.*, 2016).The study shows that educational background have positive impact and insignificant on employees performance to the finding of Mwatumwa *et al.* (2016). The study shows that Work Experience has positive impact and insignificant of employees performance. The result is consistent to the findings of (Quinones *et al.*, 2001). The study shows that Ethnicity has positive impact on employee’s performance. A study conducted by Mwatumwa *et al.* (2016) on the effect of workforce had been evident that ethnicity has no significant effect on work performance at the studied area of country government of Mombasa.

Conclusion and implications

The study intended to examine the effect of Gender, Age, Educational Background, Ethnicity, Work Experience and Marital Status on Employees Performances. The study result shows Educational Background, Ethnicity and Work Experience has positive and statistically insignificant effect on employees’ performance. Age has negative and statistically insignificant effect on employees’ performance. Gender and marital status have positive and significant

effect on employees’ performances. Out of all the variables taken in the study marital status has greater effect on employees’ performance. Therefore, it is concluded that if organization focuses on managing marital status, gender and work experience with regard to different dimension of workforce diversity then there is a higher chance of enhancement in employees’ performance.

This research indicates that there is scope to further developing for both workgroup diversity concept and research concerned with organizational benefits resulting from studying the diversity of workgroup. Workgroup diversity has very quickly become a concept and relative new issue for managers in the organization’s workplace. The organization would make diverse workgroup for the best competition, moreover, the global economy requires a diverse workgroup to efficiently deal with a diverse customer.

The study result implies Commercial banks should prioritize effectively managing gender and marital status diversity among other diversity within the workforce to enhance employee’s performance. In terms of gender diversity, managers must offer equal opportunity for men and women to participate in the decision making process. Organizational strategy should focus on creating a culture that enhance and manage diversity at the will of both; the management and the human resources department.

This study has some limitations as other variables that influence the change in employee performance are not explained by this research. Therefore, further research must be held, to investigate other diversity dimensions.

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