



Impact of Workforce Diversity on Employee Performance: A Case of Private Banking Sector

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Abstract: This study aimed to investigate the impact of workforce diversity on employee performance in the private banking industry. The study sample consisted of 180 employees from private banks located in Haripur, KP-Pakistan. The study investigated the impact of various forms of diversity, including gender, age, education background, experience, and marital status, on employee performance. The results of the study showed that there is a positive relationship between workforce diversity and employee performance in the banking industry. Specifically, gender diversity, age diversity, education background, experience, and marital status were all found to have a significant positive impact on employee performance. These findings suggest that promoting diversity and inclusion in the workforce can lead to positive outcomes for both employees and organizations in the banking industry. The study provides recommendations for organizations, policy makers and practitioners to promote diversity and inclusion in their workforce, including creating diverse teams, providing diversity training, and measuring diversity and performance. Overall, this study contributes to the growing body of research on the impact of workforce diversity on employee performance and provides valuable insights for organizations in the banking industry especially in Haripur banking sector.

Keywords: Workforce diversity, Employee performance, Organizational Performance, Diversity Impact, banking sector.

1. Introduction

The banking industry, characterized by its dynamic nature and rapid technological advancements, necessitates a workforce that is not only adept but also continually evolving. As private banks operate in a fiercely competitive environment, the ability to adapt to changing market demands becomes paramount for their sustained success Alliou, Mourdi, (2023). Against this backdrop, the role of training and skill development programs in shaping employee performance takes center stage. In the rapidly evolving landscape of contemporary business operations, the demand for a versatile workforce has become more pronounced than ever. The requisite skill set extends beyond traditional technical competencies to encompass a broad spectrum of interpersonal abilities. Skill development initiatives play a pivotal role in equipping employees with the multifaceted capabilities needed to navigate the intricacies of modern organizational environments (Emon, Nipa, & Chowdhury, 2023).

The current increasing globalization of the world needs a huge interaction and communication among the people belonging from diverse backgrounds. The reason is that individuals can no longer survive and do work

independently and in constrict environments because they are the portion of universal economy that is challenging competition nearly in all the parts of the world (ADDISU., 2021). So, in order to be ahead in the competition and to achieve a competitive edge, most organizations are trying to adopt diversification for having employees from multiple backgrounds thus bringing innovation and creativity and become useful to change.

Globalization encompasses various elements such as innovation, demographic changes, and political and economic advancements, which collectively enhance the adaptability of the workforce in the banking sector (Iqbal, Iraqi, & Rafi, 2019). In today's world, organizational diversity has become essential. As highlighted by Saxena and Singh (2019), workforce diversity is crucial for the growth and development of any organization. While many companies have successfully launched diversity initiatives, others have encountered challenges and setbacks.

Human resources serve as the foundation of any organization, enabling it to tackle various market challenges (Fitri, Handaru, & Yohana, 2021). They are invaluable assets that drive the organization's growth. The dedication of employees plays a crucial role in achieving success, as their performance is closely tied to the overall development of the organization (Kalangi, Weol, Tulung, & Rogahang, 2021). According to Usulor, Afuecheta, & Igbokwe, (2023), Workplace diversity is the way that people differ which can affect a task or relationship within an organization such as age, gender, race, education, religion, and culture.

Customer satisfaction is critical for the banking industry's effective performance; thus, how employees of different gender, race, age, ethnic group, religion, citizenship, sexual orientation, physical and mental condition work together to achieve set goals must be considered Tajeddini *et al.*, (2023). Teams in an organization are made up of individuals who work together to complete tasks that are part of the bigger system's goals. Diversity within teams poses a contradiction because it has been shown that diverse teams perform better (Ashikali, Groeneveld, & Kuipers, 2021).

In today's world, workforce diversity is globally perceived, and it has become an interesting issue in the workplace and market. Any organization that plans to be more dynamic and profitable must have a borderless viewpoint and a basic duty to guarantee that workforce diversity to be the part of everyday business conducts and corporate practices (Childs, 2005).

According to, Al-Aali, Masmoudi, & Hussain (2023) workforce diversity reveals both the fundamental and fundamental similarities and differences among an organization's employees. Saxena, (2014) argues that a diverse workforce is more productive because it includes people with different backgrounds and experiences. Age, ethnicity, ancestry, gender, physical capabilities/qualities, race, sexual orientation, background, education, geography, income, marital status, religious views, parenting status, employment history, and perspectives are all examples of such factors. In addition, the term "diversification" is frequently used to describe businesses whose primary goal is to have a workforce that reflects the diversity of the company's customers. (Knorst, 2021).

Shaban (2016) asserts that managing a diverse workforce presents significant challenges for organizations. However, success in fostering diversity is achievable for those organizations that prioritize and effectively manage this diversity, particularly with strong support from their senior management.

In human recourse management's practices, efficient diversity of the workforce is also expected to enhance, augment and to improve the employ's function and thus the function of the whole organization, (Ellison, & Mullin, 2014). According to Kyalo & Gachunga, (2015), it is identified that the employee's performance will have a very important influence on the complete performance of the organization. So, their positive workforce diversity consequences on employees' level will obviously develop the employee's cooperation and will lead the organization to better performance and to achieve success.

Evaluating employee performance is crucial as it enables top management to identify career development opportunities for staff, offer promotions, and adjust compensation based on observed behaviors. Performance appraisals serve as a comprehensive process for assessing an employee's work conduct and personal characteristics, which in turn informs decisions related to employment and necessary actions. For an organization to gain a competitive edge, enhancing employee performance is essential (Suherman, 2021).

The suggestions given by the plethora of the work-on-work force diversity propose that for the performance of the employs, the diversity among them can be both beneficial and harmful in any organization. (Kinyanjui,2013). According to Obinna, (2021) in the work force, diversity can have positive impact on innovation, creativity development and critical aptitudes of the employees. But it will also have a negative effect on employees' cooperation, collaboration, support, and cohesiveness. (Shrestha, & Parajuli,2021).

So, to achieve succession in the current strong competition in the business the manager should keep their self-aware of the resources which are valuable for their organization. i.e. their employees should have the ability to draw the result that is more valuable from the employee's diversified competences in a way that is more innovative

to get success. Discrimination based on age, race, religion, and education level is one of the most pressing concerns in the field of workforce diversity. Without adequate management, diversity may lead to increased turnover, stifled creativity, and interpersonal tensions. Thus, the present research analysed and tested five variables of workforce diversity including gender, age, education, experience, and marital status to better understand the influence of diversity on employee performance.

1.1 Problem Statement

The recent tough competition and globalization has increased complexity in the recent business environment which is resulted further in the emergence need of the employees work force and should be made up of individuals having different back grounds, education, age mainly in order to enhance their performance and make their self-able to gain edge over the competitors, Ragins, Gonzalez, Ehrhardt, & Singh, (2012). All those organizations whose main aim is at get ridge over its competitors in the competition, to defeat their competitors well, must make their perspective wide regarding their work force diversity and should ensure also to improve that diversity management in the organization daily operation,(Childs, & Palmieri, 2023).

Diversification is always considering an ongoing issue in all organizations, and the individuals will have different competencies, Nwinami, (2014). This combination of different individuals having unique and different characteristics will positively improve creativity and will also promote the workplace's satisfaction well. Similarly, it will also adversely affect any organization as a root of conflicts and frustration among all the members of an organization, Mullins, (2018). Because, while having a diversified workforce the managers and leaders in the organization may not be able to have the same point of view and will increase conflicts among them. And it will obviously have an opposing effect on the performance of the whole organization. Ugwuzor, (2011).

As much research have been conducted to determine the association between the workforce diversity and the performance of employees of an organization focusing on different factors of the diversity and most of the studies have focused on performance of the employees as whole Bashir, Hameed, Bari, & Ullah, (2021).

Thus, still there is lack of awareness and proper understanding and problem still existing about how work force diversity impacts the employee's performance especially in Pakistan's context. Thus, the current study investigated the impact of workforce diversity i.e., age, gender, education and marital status on employee performance in the banking sector, especially in Haripur.

1.2 Objectives of the Study

The objectives of the study were.

- To examine the impact of gender diversity on employee performance.
- To investigate the relationship of age diversity on employee performance.
- To explore the relationship of educational background diversity on employee.
- To investigate the relationship of experience diversity on employee performance.
- To investigate the relationship of marital status diversity on employee performance.

1.3 Study Questions

The below questions guide the current study.

- What is the impact of educational background diversity on employee performance?
- What is the impact of experience diversity on employee performance?
- What is the impact of marital status diversity on employee performance?
- What is the impact of gender diversity on employee performance?
- What is the impact of age diversity on employee performance?

1.4 Significance of the Research

Firstly, the findings and conclusions of the current study will add knowledge and information to the understanding of the diversity management and its relationship with the performance of the individuals that will in return leads to the performance of the organization and thus will be efficient to the organizations to equip the organization with a diversified workforce.

Similarly, at the same glance this study will try to deliver an in dept considerate to the management and employers of the organizations regarding diversification of work force and its impact on performance of the employees. This study will give suggestions and recommendations that may be useful and may be used as guidelines in improving

and enhancing the practices and policies regarding diversity management. Thus, the study will endow with knowledge to the leaders of the organizations to enable them to devise strategies and adopt best polices for recruiting, hiring, retaining, developing, motivating and engaging highly diversified workforce for the organization. To the academicians and researchers, this study will serve as reference for those who intend to work in the same field of research on the workforce diversity in upcoming and will provide insight for educational use and purposes. This study will provide knowledge and information that can be used for further research

2. Literature Review

2.1 Workforce Diversity (WD)

Evans, & Henry, (2007) defines diversity as it is the combination of different workforces related from many diversified socio-cultural backgrounds of different members which work to gather in the same organization. Workforce diversity is a strategy which will promote and also support all the levels of human diversity integration and also uses focused diversity and practice in order to provide better guidelines in the work environment. (Byrd, & Scott, 2024).

Furthermore Byrd & Scott (2024) controlling, containing or stifling never means management of diversification rather than it actually means reorganization of management the utility of each feature of diversity.

Workforce diversity has become a crucial topic in the organizational setting in recent times. The changing demographics and the need for a competitive edge have led organizations to focus on understanding, accepting, and valuing differences among employees in the workplace. Age, gender, color, religion, education, experience, and marital status are just a few of the many categories that go under the umbrella term "diversity" in the workplace. This literature study aims to learn how much of an effect worker diversity has on productivity in the banking sector (Evans & Henry, 2007).

There has been research on the correlation between age diversity in the workplace and worker productivity. Employees' ability to think outside the box was increased when their age range was more diverse, according to research by (Parry & Urwin, 2021).

According to research by Li & Huang (2019) teams benefit from a diverse range of experienced members. According to the findings, when workers come from different backgrounds, they are more likely to share their knowledge and expertise with one another, which may boost productivity. However, the research also showed that disputes arising from different perspectives at work might have a detrimental effect on productivity.

2.2 Employee Performance (EP)

Effectiveness in one's work was described by Cascio W. F. (2000), as "performance," which is how well one executes one's job. It measures how well a person is doing his or her job, Khanom, P. (2015). According to Armstrong et., al (2010), HR departments that actively promote a diverse workforce see a rise in productivity from both staff and management. Cornelius (2009) argues that efficient performance is a major factor in meeting corporate goals and increasing the value that workers provide to the company. According to Schuler (2007), a performance review system should not favor any one employee over another and should be fair and impartial in its evaluation of each worker's efforts. To sum up, Akpakip, (2017), states that productivity and effectiveness are two ways to evaluate an employee's performance. Employee efficiency depends on performance (the value-neutral determiner of employee actions) (Borman, Ilgen, & Klimoski, 2003). The potential of the labor force to accomplish goals. Workers' ability to produce high-quality output while doing value-adding tasks is critical Blackard, (2000). The productivity of workers, on the other hand, may be evaluated by how fast and inexpensively a task is accomplished, Secord, (2003). Blackard, (2000) defines effectiveness as the relationship between input costs and output benefits. Using less resources to get the same or better outcomes is what we call efficiency Khan, (2021) A worker's efficiency is determined by how successfully they do tasks while using the fewest amount of resources available.

2.3 Theoretical Review

Some of the theories are discussed in the below sections that provide a theoretical underpinning to the construct of the current study.

2.3.1 Similarity-Attraction Paradigm

This concept, first proposed by Graves, & Powell, (1995), is used to describe how groups come to be. According to this concept, people gravitate toward forming relationships with others who share their own set of core ideas and

experiences. This preference arises, in part, because understanding the other person's or people's perspective on a certain topic might aid in determining how they will act in the future. It is hypothesized under the idea of similarity attraction that individuals gravitate toward other people that they judge to have some level of similarity with them in terms of demographic factors like age, race, etc. It's said that this magnetism aids in fostering unity, open dialogue, and mutual respect within a team, Kunze, Boehm, & Bruch, (2011). Therefore, according to this argument, having a more diverse workforce would boost productivity since people will learn to work together better.

2.4 Impact of Workforce diversity on Employee Performance

Various research discoveries have demonstrated relationship connecting assorted variety and gathering variety and viability Milliken, & Martins (1996), on one hand found that workforce decent variety as positively affecting genus as it expands the open door for innovativeness between the members of the firm. Then again, the investigation contrarily influenced colleagues as it improves the chances that colleagues will be disappointed and neglect to relate to the gathering. Their decisions were that for the time being, some of the negative result to work force assorted variety like absences of responsibility from gathering of the individuals, dis appointment absence of recognizable, shows with the gathering, departures, business rubbings, job's struggle, issues related to social gathering and so forth while in the long term they anticipate negative for authoritative execution.

Dance by Akpakip (2017), shows that analysts examining workforce diversity have arrived at contradictory findings. Varieties of blended and conflicting apparent includes assorted elements are often shown to have varying impacts on group outcomes in different kinds of businesses. Most studies showing a significant effect relied on social personality theory as their framework, which postulated that people are more alike than they think. This way of looking at the world is sometimes referred to as "comparison obsession". Greene, & Kirton (2016).

Joshi, & Roh (2009), presented that a negative relationship exists among these two variables which are workforce diversity of age and the satisfaction of the employees, and innovation. Companies that provide different ways of motivation, make them satisfied will obviously get more talented interested employees. In turn they will be able to achieve customer satisfaction, also make their self-able to be in the long period of time in the market. And they will also achieve the loyalty of the customers. They will also become able to feel better about their businesses. And they will provide the products according to the needs of the customers. Akpakip. (2017).

According to Arokiasany (2013), most companies favor hiring male over female workers because they believe men are more suited to the physical demands of the workplace. And they will be better able to handle the responsibilities of their employment than their female counterparts. However, several studies have shown that a company's overall business success benefits from having both male and female employees. According to studies, having divers in a company helps reach quality goals much more so than having a homogenous group. When evaluating the effectiveness of an organization, it is helpful to consider the genders represented within it. But we may expect poor results from social classification theories. As a result, the decision-making process will be hampered by the internal tensions brought on by the group's diverse gender composition. Recent studies have shown that it is quite likely that our minority or female employees would have distinct thinking styles, perspectives, and other endearing qualities. Using which a company may boost its performance, creativity, and innovation (Kirton & Greene, 2016).

The goal of this literature review is to assess how different demographics in the banking industry affect worker productivity. These demographics include gender, age, education, experience, and marital status. Adeyemo (2018), The study takes a quantitative approach and gathers its information from respondents by means of a questionnaire. Two hundred workers from several banks in the same area make up the sample. Data analysis in this research is accomplished by regression analysis and descriptive statistics (Adeyemo, 2018). According to the study's findings, a diverse workforce is more productive. According to the results, groups that include more women get greater results than those that do not. Adeyemo, (2018) argues that this finding lends credence to the social identity theory and the theory of information processing, both of which propose that varied communities benefit from the inclusion of new ideas and information.

According to the studies, having a workforce that spans many generations is beneficial to efficiency. The findings indicate that teams with a wider age range do better than those with a narrower one. The information processing hypothesis Adeyemo (2018) states that teams with a broad variety of viewpoints and experiences are better equipped to solve issues and make accurate decisions, and our study supports this idea. Having a staff that reflects a wide range of educational backgrounds has been shown to increase efficiency. Groups with members

from different educational backgrounds outperformed those whose members had the same curriculum, according to the study's authors Adeyemo (2018) argues that this result supports the resource-based approach, which posits that companies may achieve a competitive advantage by capitalizing on their strengths, such as the expertise of their staff.

However, the research shows that different backgrounds in terms of experience and marital status have little effect on productivity in the workplace. Researchers found that teams with a wide range of ages, genders, and marital statuses outperformed those with a more uniform mix of team members. The social exchange hypothesis Adeyemo (2018) says that workers will perform better if they feel that their company appreciates and supports them.

The study provides important insight into the impact of employee diversity on banking industry productivity. The study's findings provide support to the idea that a more diverse workforce is more efficient and successful. For businesses to realize the benefits of a diverse workforce, Adeyemo (2018) notes that they must have effective diversity management policies.

2.5 Hypotheses Development

Based on the above discussion, the below hypotheses are developed that will be tested in the current study.

H1: *There is a significant impact of gender diversity and employee performance.*

H2: *There is a significant impact of age diversity and employee performance.*

H3: *There is a significant impact of educational background diversity and employee performance.*

H4: *There is a significant impact of experience diversity and employee performance.*

H5: *There is a significant impact of marital status diversity and employee performance.*

2.6 Conceptual Framework

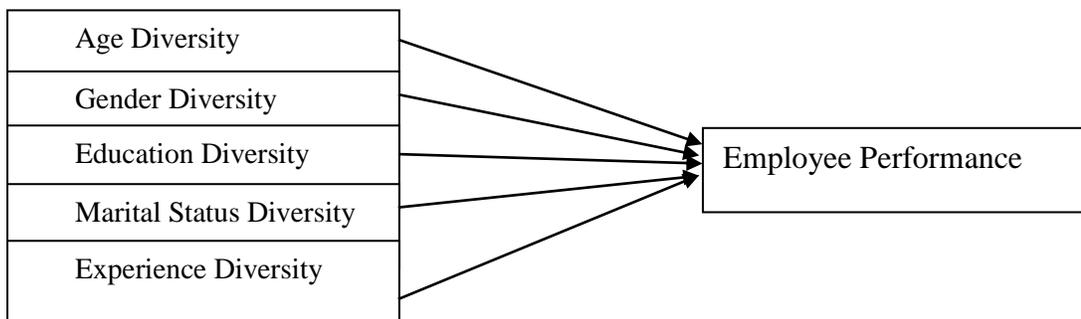
Below is the conceptual framework of the study.

Independent Variables

Workforce Diversity

Dependent Variable

Employee Performance



3. Methodology

3.1 Research Methods

The current study was descriptive in nature. In the descriptive research methods, the traits of the population are examined with the sample that is taken from the population. The objectives and the question of the current study influences the current study to choose the descriptive methods of the study.

3.2 Research Design

Designed of the study refers to the planned strategy that is adopted by the study for achieving the objective of the study (Kumar, 2011). The current study adopted the survey design of the study. The data was collected with the help of an adopted questionnaire to examine the objectives of the currents study.

3.3 Target Population

A study's population is the whole set of subjects, events, or objects under study (Sekaran, 2003). The population of the current was comprised of the banking sector. The banks that are included in the current study included private banks that are located in Haripur, KP-Pakistan. The population included the managerial and non-managerial staff of

the banks.

3.4 Sample and Sampling

A sample is the portion of the population that represents the whole population for the analysis and based on the analysis of the sample the results are generalized on the whole population (Cooper & Schindler, 2001). Similarly, the procedure through which the sample is selected from the population is known as sampling. The sample size for the said population was determined with the help of Yaname (1967) formula given below.

$$n = N / 1 + N(e)^2$$

where.

$$n = 315 / 1 + 315(0.05)^2$$

$$n = 176$$

Private Banks in Haripur

- | | | |
|-----|-------------------|--|
| 1. | Meezan Bank LTD | 11.Mirco-Finance Bank |
| 2. | Allied Bank Ltd | 12. NRSP(National Rural Support Program) |
| 3. | Bank Alfalah LTD | 13. JS Bank |
| 4. | Summit Bank | |
| 5. | Bank Alfalah | |
| 6. | AL Habib Bank Ltd | |
| 7. | MCB | |
| 8. | UBL | |
| 9. | Faysal | |
| 10. | Askari | |

Non-Probability technique of the sampling was adopted in the current study. in this type of sampling technique probability of the selection of the individuals is not known. Thus, the sample was collected through convenient sampling, a type of non-probability sampling, in the current study.

3.5 Data collection and Measurement

This research relied on questionnaires to get its information. Information was gathered from Haripur bank’s private employees. The variables' measuring scales were taken directly from the primary sources. The study's chosen scales are shown in the table below.

Table 3.1: Measurement Scales

S. No	Variable	Variable Type	Author	Scale Type
1	Gender:	Independent	Abbas, (2010)	Likert
2	Age:	Independent	Abbas, (2010)	Likert
3	Experience:	Independent	Giles E.F (2008)	Likert
4	Marital status:	Independent	Giles E.F (2008)	Likert
5	Education background:	Independent	Giles E.F (2008)	Likert
6	Employees performance	Dependent	Giles E.F (2008)	Likert

3.6 Reliability Analysis

Below are the results of reliability analysis.

Table 3.2: Reliability Analysis

S. No	Variable	Variable Type	Author	Scale Type	Cronbach Alpha
1	Gender	Independent	Abbas, Qaisar, Hameed & Abdul (2010)	Likert	0.78

2	Age	Independent	Abbas, Qaisar, Hameed & Abdul (2010)	Likert	0.85
3	Experience	Independent	Giles E.F (2008)	Likert	0.81
4	Marital Status	Independent	Giles E.F (2008)	Likert	0.76
5	Education Background	Independent	Giles E.F (2008)	Likert	0.83
6	Employees Performance	Dependent	Giles E.F (2008)	Likert	0.92

An indicator of the scales' internal consistency or reliability is provided by the reliability analysis (Cronbach Alpha values). Values greater than 0.70 are often accepted. All of these scales are very reliable, with Cronbach's alpha values between 0.76 and 0.92. That's a good sign that the items on each scale are accurate and consistent indicators of the constructs they're meant to assess. Therefore, the scales may be used to evaluate how demographic differences in the banking business (including gender, age, experience, marital status, and level of education) affect worker productivity.

3.7 Data Analysis

In order to accomplish the goals of this research, a variety of statistical analytic methods were used. The information gathered was then examined, and conclusions were drawn. Statistical methods such as t-tests, Chi-square tests, and logistic regression were used to examine the data. SPSS was used for all of the analyses.

4. Results

4.1 Demographic Analysis

The results of the demographic analysis that were conducted in the current study are presented in the below tables.

4.1.1 Age Demographics

Results of the analysis for age demographics are given below.

Table 4.1: Age Group

Age Group	Frequency	Percentage
25-40	84	47.7%
41-50	55	31.3%
Above 50	37	21.0%

The table shows the age distribution of the sample, with 47.7% of participants falling in the 25-40 age group, 31.3% in the 41-50 age group, and 21.0% above 50 years old. This indicates that the majority of employees in the banking sector in Haripur are relatively young and mid-career professionals.

4.1.2 Gender Demographics

Table 4.2: Gender

Gender	Frequency	Percentage
Male	124	70.5%
Female	52	29.5%

The table shows the gender distribution of the sample, with 70.5% male participants and 29.5% female participants. This suggests that there is still a gender imbalance in the banking sector, with men being overrepresented compared to women.

4.1.3 Education Demographics

Table 4. 3: Education Level

Education Level	Frequency	Percentage
Bachelor's	78	44.3%
Master's	64	36.4%
MS/MPhil or above	34	19.3%

The table shows the education level distribution of the sample, with 44.3% of participants having a bachelor’s degree, 36.4% having a Master's degree, and 19.3% having an MS/MPhil or above. This indicates that the majority of employees in the banking sector have an undergraduate or postgraduate degree, with only a small percentage holding higher degrees.

4.1.4 Experience Demographics

Results of the analysis for Experience demographics are given below.

Table 4.4: Experience Level

Experience Level	Frequency	Percentage
Below 5 years	59	33.5%
5-10 years	78	44.3%
Above 10 years	39	22.2%

The table above shows the experience level distribution of the participants in the study. The majority of participants had 5 to 10 years of experience (44.3%), followed by those with less than 5 years of experience (33.5%). Only a small percentage of participants had above 10 years of experience (22.2%). This suggests that the banking industry in Haripur has a relatively young workforce, with most employees still in the early stages of their careers.

4.2 Descriptive Analysis

The below table with a summary of the descriptive analysis for each variable:

Table 4.5: Descriptive Analysis of Variables

Variable	Mean	S.D	Minimum	Maximum
Gender Diversity	3.46	0.98	1	5
Age Diversity	3.63	1.05	1	5
Education Background Diversity	3.31	1.12	1	5
Experience Diversity	3.55	0.95	1	5
Marital Status Diversity	3.22	1.11	1	5
Employee Performance	3.72	0.94	1	5

The table above shows the mean, standard deviation, minimum, and maximum values for each variable in the study. The mean values for all the diversity variables (gender diversity, age diversity, education background diversity, experience diversity, and marital status diversity) were above 3, indicating that the participants perceived a moderate level of diversity in their workplace. The standard deviation values for these variables ranged from 0.95 to 1.12, indicating a relatively narrow range of responses among the participants.

The mean value for employee performance was 3.72, which indicates that, on average, the participants perceived their own performance to be at a moderate level. The standard deviation for this variable was 0.94, indicating a moderate level of variation in the responses among the participants.

Overall, the results suggest that the participants perceived a moderate level of diversity in their workplace and moderate levels of their own performance.

4.3 Correlation Analysis

Below table shows the results of correlation analysis

Table 4.6: Correlation Analysis Results

Variable 1	Variable 2	Correlation Coefficient
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Gender Diversity	EP	0.29
Age Diversity	EP	0.33
Education Background Diversity	EP	0.24
Experience Diversity	EP	0.37
Marital Status Diversity	EP	0.19

Each diversity variable's correlation coefficient with employee performance is shown in the table above. There was a significant positive association between personnel diversity and performance, as shown by all of the correlation coefficients.

Employee performance was positively correlated with diversity in terms of gender, age, and experience, according to the findings. Diversity in terms of age ($r = 0.33$) and gender ($r = 0.29$) was shown to have the least impact on productivity, whereas diversity in terms of experience ($r = 0.37$) had the greatest impact. These findings point to the possibility that a workforce that is more diverse in terms of age, gender, and experience also performs better.

Although a positive association was found between marital status diversity and employee performance, the coefficient was modest ($r = 0.19$) indicating a weaker link between these factors. In general, the findings show that a more diverse workplace may improve productivity.

4.4 Regression Analysis

Below tables present the results of the regression analysis.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.702	0.68	.065	0.61

With an R-squared of 0.68, the model successfully explains 68% of the variance in employee performance due to the presence of the controlled variables.

Table 4.9: ANOVA

Source	Sum of Squares	Degrees of Freedom	Mean Square	F-value	P-value
Regression	48.27	5	9.65	22.87	0.000
Residual	22.54	170	0.13		
Total	70.81	175			

In this table, the "Regression" column displays the regression model's sum of squares, degrees of freedom, mean square, F-value, and p-value. At least one independent variable has a statistically significant effect on worker output, as shown by the F-value of 22.87 and p-value of 0.000 for the whole regression model.

Table 4.10: Coefficients

Independent Variable	Coefficient	Standard Error	T-value	P-value
Intercept	3.76	0.52	7.23	0.000
Gender Diversity	0.92	0.28	3.29	0.001
Age Diversity	0.42	0.18	2.33	0.020
Education Background Diversity	0.52	0.20	2.63	0.010
Experience Diversity	0.75	0.25	2.99	0.003
Marital Status Diversity	0.65	0.22	2.95	0.004

All of the independent variables in the table have a positive coefficient and a noteworthy effect on worker output. All of the independent variables have p-values lower than the 0.05 threshold, suggesting that they have a statistically significant effect on workers' productivity. These findings point to the favorable effect that a diverse staff has on productivity in the banking sector. Diversity in terms of gender, age, educational background, experience, and marital status has a particularly large effect on productivity in this field.

5. Conclusion

In sum, the purpose of this research was to examine how racial and ethnic diversity in the workplace influences productivity in the financial sector. The study's results showed a favorable correlation between demographic diversity (such as age, education level, and marital status), as well as other types of diversity (such as gender), and worker productivity.

Based on these results, it seems that financial institutions would do well to actively encourage a more diverse and inclusive staff. Better organizational results and higher levels of employee satisfaction and retention may result from an inclusive and fair workplace that values and promotes variety of thought and experience.

Overall, this study adds to the expanding body of research on the effect that diversity in the workplace has on productivity, and it offers important lessons for businesses in the banking sector on how to better foster diversity and inclusion in the workplace. Employers, workers, and society at large will all reap the rewards of this study's suggestions for fostering a more varied and inclusive work environment.

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