

**THE EFFECTS OF WORKFORCE DIVERSITY ON
EMPLOYEE PERFORMANCE IN BANKING SECTOR
(WITH SPECIAL REFERENCE TO SELECTED
PRIVATE BANKS IN EASTERN PROVINCE)**

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2017

ABSTRACT

The rapid growth in the Banking industry has posed several challenges such as workforce diversity which is a natural phenomenon that has both negative and positive impacts on employee performance depending on how well it is managed. This has affected the commercial banks, Non-Banking Financial Institutions, and even the Micro-Finance sector. The main objectives of the study are to identify the level of perceived workforce diversity and investigated the relationship between perceived workforce diversity and employee performance in Eastern province private banking sector.

This study considered entire population for this study and used self-administered questionnaire to collect data. The descriptive statistics, correlation and regression analysis were used to analyze the data. A set of hypothesis were developed and tested by regression analysis. The study found level of perceived workforce diversity in terms of gender diversity, age diversity, ethnic diversity and educational diversity are moderate level. Further, overall perceived workforce diversity also moderate level among the employees in Eastern province. However employee performance is high level among the employees. Relationship and influence of selected variables was tested and discussed through correlation and regression analysis and concluded as there is moderate positive relationship between perceived workforce diversity and employee performance. In other word all perceived workforce diversity constructs have an effect on employee performance except for age diversity. Regression results showed that perceived gender diversity was the most contributing variable towards the variation of employee performance, followed by perceived education diversity and perceived ethnic diversity. Perceived age diversity did not have any effect on employee performance.

The results of the study suggest that overall effects of perceived workforce diversity (gender, age, ethnicity and education background) towards employee performance in Eastern province and which was consistent with previous research findings. Therefore the study recommends that the management of commercial banks should put more focus on workforce diversity. The issue of generalizing the findings over the population, time availability and access restrictions to the Banks has been identified as limitations of the study.

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