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Research Article

WORKFORCE DIVERSITY AND ITS INFLUENCE ON EMPLOYEES' PERFORMANCE IN COMMERCIAL BANKS IN MYSORE DISTRICT

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ABSTRACT

Objective: Today workforce diversity has become an emotionally engaging and extremely important challenge to the contemporary management. Workforce diversity contributes to creative innovations, broad viewpoints, better problem solving. The primary objective of this study was to find the effect of workforce diversity on employees' performance in the banks located in Mysore district, Karnataka State. The study also sought to determine the impact of gender diversity, age diversity and physical disability on employees' performance of the banks located in Mysore district.

Method: A descriptive research method was used in this study. Employees working in the banks are the target respondents. A convenient random sampling method was used to draw samples from commercial banks located in Mysore district in Karnataka. The data were collected through questionnaire from the sample of 80 employees working the banks. The reliability test was conducted and the data was analysed using SPSS software.

Finding: The result found that there is a significant effect of workforce diversity on employees' performance. Gender diversity and age diversity are positively associated with the performance of the employees in banks. It was also found that physical disability has no significant relationship with employees' performance.

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INTRODUCTION

Workforce diversity is a very complex and complicated phenomenon that will continue to evolve as the world has become a global marketplace. It is mainly emerged as the extension of equal opportunity philosophy in the workplace. It has become very important issue in contemporary management because it has emerged mainly due to the free movement of labour and the recognition of human rights by the governments. Even in the banks also the workforce has become very diverse. Banks are the major player in the service sector of India. It contributes more than 13% to the GDP of the country. The contemporary Indian banking system has under gone very drastic reforms. During last 12 years globalisation, liberalisation, deregulations, adoption of information technology, and mergers and acquisitions have brought about very remarkable changes in the operating environment of the banks in India. During this period many reforming measures were brought in aiming at increasing operational efficiency of the banking sectors. The efficiency of the banking sector as a whole, as well as of individual institution depends on the productivity and performance of the employees working in it.

Workforce diversity implies the perceived difference and similarities among the employees working in an organisation. These differences may in terms of gender, age, religion, language, personality, education, culture, social status and more. Hence, workers working with different demographic differences make diverse workforce. Workforce diversity is a common issue in today's organisations.

Statement of the Problem

Indian workforce exhibits the vast diversity through gender, age, education, language, ethnicity & culture, wherein every organization in itself represents a mini India with its cultural flavors as people from various religion, ethnicity, education, and language working together for a common organizational goal. At present India has become one of the fastest growing economy in the world. Banks plays a very significant role in the development of economy of the country. Indian banks also contributed a lot in shaping the financial system of India. The dynamic business environment and changing demographic factors has affected the working culture of banks. These contributed to increase of diversity in the workplace of the banks. Today like any other organisation the banks also has to take care of this changing workforce. Because diverse

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workforce can bring in positive benefits to the banks such as motivation, creative knowledge, innovative skills, and better decision making. On the other hand, it can also affect negatively such as miscommunication, conflict and clashes among the employees. Hence, the diversity among employees will have positive as well as negative effects on their performance. If the diversity is managed properly it can be leveraged for the success of the organisation. Therefore, managing this diverse workforce has become very crucial for the successful of the banks.

REVIEW OF LITERATURE

Jonathan, David and Aparna (2004) in their study on workforce diversity argued that diversity can be beneficial or harmful for employee performance. Diversity can be positively related with performance by increasing creativity, innovation, and better decision making and negatively associated with employee performance by creating conflict, clashes and less cohesiveness and lack of co-operation (Timmermans, B et al. 2011). However, many studies have shown that organisations with well managed diversity are effective and creating ultimate corporate cultures that has new perspectives, innovative capabilities and fresh ideas necessary for success.

Gender discrimination is one of the largest aspect of diversity. It is the most influencing factor on employee performance. Pelled et al. cited that gender diversity enhances the individual performance to the greater extent within the workplace. Frink et al. argued that gender diversity and organisational performance are positively associated. Richard has identified that there is a relationship between gender diversity and organisational performance as well as individual performance. Further, Elsaid et al. observed that employees' better performance is positively related to the gender diversity. Manjuri et al. also showed that there is a significant relation among gender heterogeneity and employee performance in service sector.

Age is one the main factor of catagorisation in the workplace. Winnie is of opinion that different age group of employees can form coherent and viable corporate culture. The difference in values of different age group can complement each other and tends to achieve better organisational performance (Kunze, F et al. 2009). According to Gellner et al. age heterogeneity has negative effect on individual performance. In addition, in routine tasks there are no effect of age diversity on performance. Hence, in organisations with routine types of work age diversity may affect negatively on the performance of the employee. Even Joshi et al. are in opinion that age diversity has no effect on employee team performance.

Physical disability one of the factors that categorizes employees into groups. Many organisations started realizing the potential productivity of specially challenged people and are developing policies to provide them comfortable work environment by taking care of their special needs (Joshi, A. et al. 2002). But stereotypes and prejudice among the other employees specially challenged employees make them uncomfortable to socialize and integrate with others (Hogg, M. A. et al. 2000). They may often feel avoided by their co-workers. Stone et al. discusses the role of companies work culture and personal factors in relating to how specially

challenged employees are treated in the workplace. A few studies view disability more positively.

Research Objectives

The main objective of the study is to analyse the effect of the workforce diversity on the performance of the employees of public sector commercial banks of Mysore district.

1. To explore the workforce diversity of the banks in Mysore district.
2. To investigate the impact of gender diversity on the performance of the employees.
3. To study the influence of age diversity on the performance of the employees.
4. The understand the relationship between physical disability and performance on the employees.

Research Hypothesis

In this study gender diversity, age heterogeneity and physical disability of the employees would be independent variables and the performance of the employees is the dependent variable. Based on this the hypothesis of the study would be as follows:

- H₀₁: There is no significant relationship between gender diversity and employees' performance in the banks.
 H₀₂: There is no significant relationship between age diversity and employees' performance in the banks.
 H₀₃: There is no significant relationship between physical disability and employees' performance in the banks.

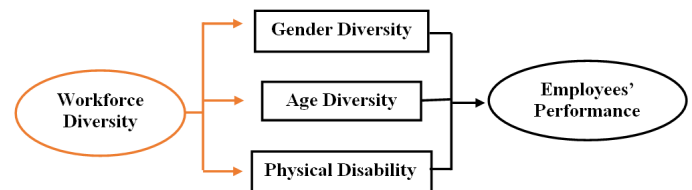


Figure 1 Theoretical Framework

Research Gap

Many studies were carried out on the effects workforce diversity on organisational effectiveness and employee performance. However, none of these studies focused on how gender diversity, age diversity and physical disability influences on employees' performance in the banking sector in Karnataka.

RESEARCH METHODOLOGY

The present study is considered as a descriptive and quantitative in nature. This study is to analyse the impact of workforce diversity in terms of gender, age, and physical disability on the performance of employees working in the banks in Mysore district, Karnataka state. Employees working in the banks are the target respondents. Convenience sampling techniques was adopted in this research. The data were collected through distribution of questionnaire to the respondents. The population size was set to all the employees working in the public sector commercial banks in Mysore district. The sample size was set to 80. The respondents were asked to provide their opinion in the Likert scale of 1-5, 1-Strongly disagree, 2- Disagree, 3-Neutral, 4-Agree, and 5-Strongly disagree. The data was analysed using SPSS software. The Reliability test was conducted the result of which are as follows:

Table 1 Reliability results

No	Variables	Cronbach Alpha	No. of items
1	Gender Diversity	0.739	6
2	Age Diversity	0.792	5
3	Physical Disability	0.812	6

The Cronbach alpha value for gender diversity, age diversity, and physical disability (Specially Challenged) was measured using SPSS software. The alpha values are higher than 0.70 it means the internal consistency of the data is found to be good.

Sample size and sample distribution

Following are the details of samples taken from each public sector commercial banks which are selected for the study.

Table 2 Sample Distribution

No	Name of the Bank	Sample size
1	State Bank of India	20
2	Canara Bank	18
3	Corporation Bank	15
4	Vijaya Bank	15
5	Syndicate Bank	12
	Total	80

Source: Primary Data

Demographic profiles

Demographic profiles of the respondents are tabulated as under in table 3

Table 3 Demographic Profiles of the respondents

	Gender		Service		
	frequency	percent	frequency	percent	
Male	54	67.5	< 10 years	65	81.2
Female	26	32.5	>10 years	15	18.8
Total	80	100	Total	80	100

	Education qualification		Age		
	frequency	percent	frequency	percent	
Graduate	44	55	21-30 Years	43	53.8
Post-graduate	30	37.5	31-40 Years	22	27.5
others	06	7.5	41-50 Years	8	10
Total	80	100	50-60 Years	7	8.7
			Total	80	100

Source: Primary Data

The number of male respondents is 35% is higher than the female respondents. The low response of female may be attributed to their unwillingness to participate in the survey. Out of 80 respondents 53.8% are within the age of 30 years and 27.5% are between 30 to 40 years, and remaining were belong to above 40 years. In terms of education 44 respondents are graduates and 37 are post-graduates and 6 having other stream of education like diploma and other equivalent courses. 81.2% of the respondents have work experience of 1 to 10 years and 18.8% participant were had experience more than 10 years.

Data analysis and Result

Table 4 correlations between dependent variable and independent variables

Correlation Analysis					
	Employee Performance	Gender Diversity	Age Diversity	Specially Challenged Diversity	
Employee Performance	1	.188**	.495**	.128	
	Pearson Correlation				
	Sig. (2-tailed)	.006	.000	.062	
	N	80	80	80	80

Gender Diversity	Pearson Correlation	.188**	1	.124	.091
	Sig. (2-tailed)	.006		.071	.189
	N	80	80	80	80
Age Diversity	Pearson Correlation	.495**	.124	1	.251**
	Sig. (2-tailed)	.000	.071		.000
	N	80	80	80	80
Specially Challenged Diversity	Pearson Correlation	.128	.091	.251**	1
	Sig. (2-tailed)	.062	.189	.000	
	N	80	80	80	80

** Correlation is significant at the 0.01 level (2-tailed).
Source: Primary Data

From the above correlation analysis, it is found that there is a significant positive relationship between gender diversity and employees' performance as evident from correlation coefficient of 0.188 and p-value of 0.006. Further, there is also a significant positive relationship between age diversity and employees' performance as the correlation coefficient is 0.495 with a p-value of 0.000. In addition, the finding show that there is positive association between specially challenged diversity and employees' performance as the p-value is 0.062.'

Table 5 Regression analysis Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.813 ^a	.661	.660	.46040

Source: Primary Data

The above table show that the R-Square value is 0.661, which states that there is a change of 66.1% in dependent variable due to the impact of the independent variable. It also shows that the independent variables (gender diversity, age diversity, and specially challenged diversity) explains 66.1% of the independent variable i.e. performance of the employees.

Table 6 Analysis of variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.744	4	3.881	18.542	.000 ^b
Residual	43.867	207	.211		
Total	59.611	211			

Source: Primary Data

The analysis of variance is used to check whether the model is a good fit for the data. From the above table it is proved that the model is good in predicting how the gender diversity, age diversity and specially challenged diversity (independent variables) influence employees' performance in the banking industry of Mysore district in Karnataka. In addition, the F-calculated (18.542) value is greater than the F-critical (2.46) value which proves that the model is fit in predicting the influence of the independent variables on the performance of the employees in the banks.

Table 7 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.323	.308		7.664	.000
Gender Diversity	.319	.063	.115	5.033	.000
Age Diversity	.346	.048	.463	7.229	.000
Physical Disability Diversity	.0117	.0069	-.001	0.157	0.874

Source: Primary Data

In the above table the unstandardized beta value would be taking into consideration. When independent variables are constant, the value of employees' performance in the banks will be 2.323. Holding all the other independent variables constant, a unit increase in gender diversity would lead to increase of 0.319 in employees' performance, and relationship is significant as shown by the p-value which is 0.000. Further holding other independent variables constant, a unit increase in age diversity would increase 0.346 in employees' performance in the banks and the relationship is significant as the p-value is 0.000 which less than 0.05. At last the findings show that there is no significant relationship between specially challenged diversity and employee performance in the banks as the p-value is 0.874 higher than 0.05.

CONCLUSION

Based on the analysis of the data the study concludes that there is a positive and significant relationship between gender diversity and employee's performance in the banks. It is evident from the study that attributes like gender equity, gender ratio, fair treatment and consideration of female employees in hiring and promotion has impact on employees' performance. Further, the study proves that there is a positive association among age diversity and employees' performance in the banks. Expertise and good experience of elder employers and better problem solving skills and equal opportunities for training and career development has an impact on employees' performance. Lastly the study also proved that there is no significant relationship between physical disability and the performance of employees in the banks. The difference in the perception of normal employees towards physically disabled employees about their suitability to work in all positions and prejudice about their working capability has no effect on the performance of the employees in the banks.

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