Impact of Workforce Diversity towards Organizational Performance: A Moderating Role of Organizational Nature

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ABSTRACT

This study aimed to measure the impact of workforce diversity on organizational performance within Nepalese commercial banks. Employing a descriptive and explanatory design, researchers utilized descriptive and inferential statistics to analyze data from 356 employees across head and main offices, measuring diversity through gender, age, education, ethnicity, and culture. Findings revealed a significant positive impact of all diversity dimensions on organizational performance, while moderation analysis indicated no significant effect of the bank's nature on this relationship. These results suggest that Nepalese commercial banks can enhance performance by prioritizing workforce diversity, highlighting the consistent benefits of diversity management across different bank types within the industry.

Keywords: Workforce diversity, Organizational performance, Diversity management, Moderation, Banks.

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https://doi.org/10.53056/njmsr-2025.8.1.011

1. INTRODUCTION

The workforce, additionally termed as personnel, is the property of an organization. Organizations are giving importance to their people to grow in performance. These days, agencies are investing their workers' resources to construct aggressive advantages. Further, the body of workers' variety has been diagnosed as one of the strategic abilities in order to upload cost to the agencies over their competition field (Kumudha & Jennet, 2016). Workforce diversity explains the combination of diversity of an employee, such as gender, age, education, ethnicity, culture, religion, and so on. Further, the differences among the employees in terms of background have become contemporary. In an organization, at the same time, as employees were more precise with each specific in several elements, then it`s known as workforce diversity (Ely & Thomas, 2001). Workforce diversity is the combination of different people in one common workplace. Further, gathering employees from various sectors, backgrounds, and cultures who work together in the same organization is workforce diversity (Makhdoomi & Nika, 2018). The diversified workforce is timely and poses problems for today's organizations. In addition, an organization is an economic activity and can only survive by competing in this fiercely competitive world by increasing profits, so the main concern of all organizations is to improve productivity (Saxena, 2014). Hence, it was important to know the level of diversity factors and their impact on organizational performance. Furthermore, the pertinent research question was raised: what was the impact of diversity on organizational performance?

1.1 Objectives of the Study

The objective of the study was to examine the impact of diversity factors on the performance of commercial banks in Nepal.

2. LITERATURE REVIEW

Gender differences in organizations are reinforced and justified by generalizations and preferences that account for positive traits and higher apparent qualities in men (Jackson et al., 2003)(Cunningham, 2008). According to (Kunze et al., 2011) diversity in age has become an important and integral part of an organization. According to (Watson et al., 2002a) that Companies typically lay off employees who are determined to lack preparation, experience, or training. Ethnicity is an alternative to social foundations and different qualities of ethnicity and can be relied upon to provide creative execution (Østergaard et al., 2011a). (Daft, 2001a) an organization's performance is the sum of all processes carried out by the organization. Further Organizational performance is the result of coordination between organizational strategy and internal environmental factors (Beard & Dess, 1981a).

Gender-based organizational disparities are sustained by generalizations that ascribe superior qualities to males, thereby legitimizing their perceived higher value (Cunningham,

https://doi.org/10.53056/njmsr-2025.8.1.011 https://www.nepjol.info/index.php/njmsr

2008; Jackson, Joshi, & Erhardt, 2003). Specifically, Jackson et al. (2003) reported a positive correlation between gender diversity and intra-group cooperation, particularly within groups exhibiting higher levels of gender heterogeneity. Consistent with this, Eagly and Wood (1991) found that mixed-gender groups outperformed single-gender groups, suggesting that gender diversity positively influences organizational performance. Furthermore, research by McMillan-Capehart (2008) and Frink et al. (2003), utilizing an asset-based approach, corroborated the positive impact of gender diversity on organizational performance.

Conflicting findings exist regarding the impact of age diversity on employee performance. Studies in Singapore's manufacturing sector Joseph R. & Selvaraj (2015), Kenyan banking Kyalo and Gachunga (2015), and the Egyptian pharmaceutical industry Elsaid (2012) found no significant relationship between age diversity and employee performance. Joseph R. & Selvaraj (2015) interpreted their results as indicating a neutral employee perception of age diversity. Elsaid (2012) attributed the lack of correlation to the less pronounced numerical distinction between age groups compared to gender. Conversely, Odhiambo (2014) reported a positive relationship between age diversity and employee performance in the Kenyan education sector, particularly in schools emphasizing innovative tasks over routine ones.

Organizations tend to exclude employees whose training, experience, or education are deemed inadequate for specific roles(Watson et al., 2002). This highlights the perceived necessity of sufficient educational background for both job acquisition and effective performance (Rizwan et al., 2016). Furthermore, varying educational qualifications may correlate with differing wage expectations (Fleischmann et al., 2009). Empirical evidence suggests a positive link between educational diversity and employee performance. Elsaid (2012), in the Egyptian pharmaceutical sector, found a significant positive relationship, attributing this to the potential for increased creativity and innovation. Similarly, Odhiambo (2014) reported a significant association between educational diversity and performance in the Kenyan education sector, suggesting that diverse educational backgrounds enhance problem-solving and decision-making capabilities. Eugene et al. (2011) also found a positive relationship between informational diversity, including education, and work group performance, mediated by task conflict. However, they also noted a potential bias in educational diversity measures, as they often categorize less-educated employees (certificate and diploma holders) into a single group while differentiating among those with higher degrees.

Ethnicity, as a form of social identity, can foster innovation through diverse perspectives Østergaard et al. (2011b; Rothman et al., 2003) defined as a tribalistic grouping with shared historical origins and destiny Makoloo (2005), ethnic diversity presents both potential benefits and challenges for organizations (Dastane & Eshegbe, 2015). Specifically, ethnically diverse teams can enhance problem-solving and generate creative ideas, leading to improved team performance (Martin & Nakayama, 2015; Van Knippenberg et al., 2013). Empirical studies have yielded mixed results. Odhiambo (2014) found a significant positive

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relationship between ethnic diversity and employee performance in the Kenyan education sector, noting that diverse teams in heterogeneous school environments outperformed both homogeneous teams and diverse teams in homogeneous environments. Ngao and Mwangi (2013) and Kyalo and Gachunga (2015) similarly reported a positive association between ethnic diversity and employee performance in the Kenyan Port Authority and banking sectors, respectively, attributing this to inclusive problem-solving and decision-making practices. Conversely, Joseph R. and Selvaraj (2015) found no significant relationship between ethnic diversity and employee performance in Singapore's manufacturing industry, with employees exhibiting a neutral stance toward ethnic diversity.

Cultural diversity is often touted as an organizational asset, fostering diverse perspectives for problem-solving and enhancing team performance when differences are effectively leveraged (Watson et al., 2002). This diversity can provide a rich pool of creative knowledge and innovative abilities (Van Knippenberg et al., 2004), leading to improved problem-solving capabilities Johnson et al. (2004) and broadened creativity (Østergaard et al., 2011). However, high levels of cultural diversity can also generate conflict and clashes due to social categorization (Dahlin et al., 2005). Empirical findings on the impact of cultural diversity on organizational performance are mixed. Fortune 500 firms, found no significant relationship between cultural diversity and firm performance, even when considering culturally related versus unrelated international diversity (Gómez-Mejia & Palich, 1997). Similarly, Kokt (2003), in a study of South African security sector work teams, found that cultural issues were not perceived as major problems, and the study did not reveal significant diversity-related challenges. Instead, Kokt (2003) findings emphasized the crucial role of team leaders and the need for leadership and diversity training to effectively manage diverse teams.

Organizational performance, reflecting the totality of an organization's processes, is impacted by errors at any level (Daft, 2001). The relationship between diversity management and performance outcomes can be examined across individual, group, and organizational levels D'Netto & Sohal (1999; Kossek et al., 2005; Ongori & Evans, 2007; Wambui et al., 2013). Performance measurement encompasses individual, group, and organizational levels (Bontis et al., 2002; Triguero-Sánchez et al., 2018). Respecting diversity facilitates talent acquisition and retention (Wambui et al., 2013). Ogbo et al. (2014) found a strong positive correlation between well-managed diversity and financial performance (sales, market share, profits) in Nigerian firms. Organizational performance is also determined by the alignment of strategy and internal environmental factors (Beard & Dess, 1981). Measures such as market share, sales growth, customer satisfaction, and new product releases are indicators of performance (Marqués & Garrigós-Simón, 2006). This study used items fromH. Lee & Choi (2003), based on Deshpande et al. (1993) and Drew (1997), assessing perceptions of market share, profitability, growth rate, innovativeness, and overall success relative to competitors.

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2.1 Research Gap

Despite the burgeoning literature on employee diversity and its impact on organizational success, significant research gaps persist. Predominantly, studies tend to isolate single diversity dimensions, such as age, gender, or ethnicity, hindering a comprehensive understanding of their synergistic effects within organizations. Furthermore, research often focuses solely on organizational performance, neglecting the nuanced influence of diversity on individual employee performance. Geographical limitations, with a concentration of studies in specific regions, limit the generalizability of findings, particularly in contexts like the Nepalese banking sector. A notable oversight is the lack of research examining the strategic integration of diversity, preventing a clear understanding of how organizations can effectively leverage it for competitive advantage. Therefore, this study seeks to address these gaps by systematically investigating the multifaceted impact of gender, age, education, ethnicity, and cultural diversity on organizational performance within the Nepalese banking system, providing a more holistic and contextually relevant understanding.

3. METHODOLOGY

This research employed an empirically designed study utilizing both descriptive and analytical research designs. Descriptive statistics were used to characterize the demographic variables, while analytical statistics were applied to assess the impact of workforce diversity on organizational performance through inferential analysis. The sampling frame consisted of employees from the head and main offices of Nepalese commercial banks, considered crucial to organizational operations. A random probability sampling technique was used to select participants from the total population of 4,860 employees across 27 banks, categorized into assistant, officer, and managerial levels. The sample size of 356 was calculated using Daniel's (1995) formula, with a 95% confidence level, an expected proportion of 0.5, and a precision of 0.05. Stratified sampling, proportionate to the employee distribution across job levels (42% assistant, 35% officer, 23% manager), resulted in a sample of 150 assistant, 125 officer, and 82 managerial employees. Additionally, the sample was stratified by bank ownership (state-owned, joint venture private, and domestic private), with approximately 118, 118, and 120 respondents from each category, respectively, to examine moderation effects. Data were collected through self-administered questionnaires utilizing a six-point Likert scale, personally distributed and collected from each participating bank.

4. DATA SCREENING

Missing data detection and treatment

Reviewed each questionnaire at the time of collection and checked if respondents left any questions blank without answering to prevent missing data. Another source of missing data that was addressed is instances of missing data that may arise from the data entry process.

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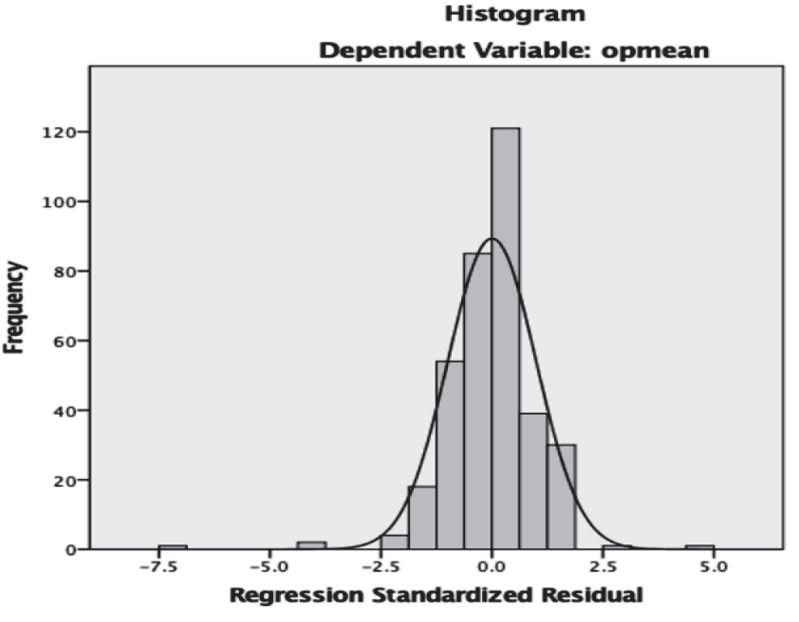
No missing values were found after running the data in R Studio for frequency analysis.

Normality test assumption

Two methods were used to inspect the assumption of normality. The first method examined the shape of the data distribution graphically(Tabachnick & Fidell, 2007), and the second method evaluated the skewness and kurtosis value (Garson, 2012). The data followed the normal pattern since all the bars on the histogram were close to a normal curve.

Figure 1

Histogram of Dependent Variable Organizational Performance



Therefore, normality assumptions were not violated in the present study. The accepted range for the absolute values of skewness and kurtosis was ± 2. The values of both Skewness and Kurtosis in this study all fall within the range, implying that there were no issues with skewness and kurtosis in the study.

Common method bias Assessment

The main assumption of Harman's single-factor test was that if a substantial amount of CMB was present, either a single factor may emerge, or one general factor would account for most of the covariance in the predictor and criterion variables (Podsakoff et al., 2003). This data does not have the problem of CMB serious enough to inflate relationships between the variables as the first (largest) factor accounting for 36.816% of the variance which was less than 50% (Kumar, 2011).

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5. MODEL ROBUSTNESS TEST

Nonlinear effects

To test whether or not relationships are nonlinear (Ramsey, 1969) regression equation specification error test (RESET) was performed. (Ramsey, 1969) RESET on the latent variable scores extracted after the convergence of the original model's PLS-SEM algorithm. The partial regression of organizational performance on gender, age, education, ethnicity, and culture ($F(5,345)=0.9826$, $p=0.4283$) and found non-significant interaction term offers evidence of the linear effect's robustness. Therefore, the linear effects model is robust.

Assessment of endogeneity

The results shown in table 4 show that none of the constructs has normally distributed scores(p-value<0.05), allowing to proceed with (Park & Gupta, 2012) Gaussian copula approach.

Table 1

Assessment of endogeneity test using the Gaussian Copula approach

Test	Construct	Coefficients	p value
Gaussian Copula of model 1 (endogeneous variable: Gender)	gender	0.372	0.001
	age	0.388	0.001
	education	0.452	0.001
	ethnicity	0.223	0.001
	culture	0.187	0.001
	gender[c]	-0.163	0.427
Gaussian Copula of model 2 (endogeneous variable: Age)	gender	0.333	0.001
	age	0.350	0.001
	education	0.455	0.001
	ethnicity	0.281	0.001
	culture	0.188	0.001
	age[c]	0.199	0.388
Gaussian Copula of model 3 (endogeneous variable: Education)	gender	0.300	0.001
	age	0.380	0.001
	education	0.530	0.001
	ethnicity	0.223	0.001
	culture	0.188	0.001
	education[c]	-0.222	0.114

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	gender	0.301	0.001
	age	0.370	0.001
Gaussian Copula of model 4	education	0.458	0.001
(endogeneous variable: Ethnicity)	ethnicity	0.307	0.001
	culture	0.180	0.002
	ethnicity[c]	-0.197	0.121
	gender	0.285	0.001
	age	0.384	0.001
Gaussian Copula of model 5	education	0.443	0.001
(endogeneous variable: Culture)	ethnicity	0.202	0.001
	culture	0.321	0.001
	culture[c]	0.705	0.125
	gender	0.306	0.003
	age	0.824	0.005
	education	0.492	0.001
	ethnicity	0.368	0.001
Gaussian Copula of model 5 (endogeneous variable: gender, age, education, ethnicity, and culture)	culture	0.336	0.001
	gender[c]	0.004	0.987
	age[c]	0.141	0.169
	education[c]	-0.182	0.398
	ethnicity[c]	-0.145	0.430
	culture[c]	-0.560	0.092

Note: c indicates the copula term in the model.

The results in Table 5 show that none of the Gaussian copulas (i.e. gender, age, education, ethnicity, and culture) were significant (p-value greater than 0.05). The test of all other combinations of Gaussian copulas was included in the model and none was significant in Table 5. Hence, it was concluded that endogeneity was not present in the study, which supports the robustness of the structural model results in this regard (Hult et al., 2018).

Assessment of unobserved heterogeneity

According to (Sanchez, 2013) Response Based Unit Segmentation (REBUS) was performed to assess an unobserved heterogeneity.

Table 2

REBUS Segments

	Class.1	Class.2	Class.3
Number.units	97	146	113
Proportions (%)	27	41	32

The classes of REBUS segments were taken from the REBUS Dendrogram of Outer and Inner Residuals.

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Table 3

REBUS Goodness of Fit

	Class.1	Class.2	Class.3
Aver.Com			
Com.GD	0.5667683	0.6797683	0.5684599
Com.AD	0.6860139	0.3914130	0.5488915
Com.EBD	0.7445603	0.7438910	0.7462109
Com.ED	0.8470082	0.5969198	0.5506988
Com.CD	0.8996402	0.7937303	0.7624853
Com.OP	0.668349	0.5500162	0.5440041
Aver.Redu			
Red.OP	0.5699195	0.4990321	0.5066975
R2			
R2.OP	0.8527275	0.9073043	0.9314222
GoF			
GoF	0.7918884	0.7536133	0.7599989

The REBUS Segments shows three class to test unobserved heterogeneity. Further, the Goodness of Fit (GoF) was measured along with the R-Square of each group in table 7. The R-Squares of each three classes were closer to each other and the goodness of fit of class 1 was higher than other classes (0.79, 0.75, 0.76) respectively. Therefore, it shows one class in the entire data set and has no issues of unobserved heterogeneity. Hence, the data set was homogeneous in nature.

Descriptive Statistics of Constructs

the descriptive statistics of constructs measured in six scales. The performance of the organization through workforce diversity was above the average (M=4.32, n=356, SD=0.97). Similarly, the constructs of gender diversity were slightly agreed (M=4.10, n=356, SD=1.04). Likely, the constructs of age diversity were about to slightly agree (M=3.63, n=356, SD=0.98). Additionally, the constructs of education background diversity were also slightly agreed (M=4.38, n=356, SD=1.19). Furthermore, the constructs of ethnicity diversity were about to agree (M=4.69, n=356, SD=1.04). Lastly, the constructs of cultural diversity were about to agree (M=4.13, n=356, SD=1.26).

Construct Reliability and Convergent Validity

From table 4, Cronbach's Alpha was greater than 0.7, Composite Reliability was greater than 0.7, and AVE was greater than 0.5 which were greater than acceptable threshold 0.7.

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Table 4

Summary Inner Model

LVs	Type	R2	AVE	CR	C.alpha
Gender Diversity	Exogenous	0	0.612	0.822	0.714
Age Diversity	Exogenous	0	0.563	0.836	0.743
Education Background Diversity	Exogenous	0	0.748	0.899	0.831
Ethnicity Diversity	Exogenous	0	0.721	0.886	0.812
Cultural Diversity	Exogenous	0	0.826	0.934	0.894
Organizational Performance	Endogenous	0.625	0.605	0.882	0.828

The composite reliability (CR) was greater than average variance extracted (AVE) in all constructs, so both the criteria of convergent validity were met (Fornell & Larcker, 1981). Hence, the constructs had a convergent validity.

Factor Loadings

Outer loading is the correlation between the indicator and its construct. The outer loading was examined to test the validity of the constructs.

Table 5

Outer Loadings

LVs	Original	Mean.Boot	Std.Error	perc.025	perc.975
GD-GD1	0.864	0.862	0.037	0.802	0.917
GD-GD2	0.607	0.579	0.116	0.315	0.734
GD-GD3	0.849	0.839	0.050	0.750	0.897
AD-AD1	0.734	0.732	0.033	0.657	0.788
AD-AD2	0.625	0.620	0.051	0.508	0.708
AD-AD3	0.751	0.750	0.028	0.690	0.800
AD-AD4	0.871	0.871	0.016	0.837	0.897
EBD-EBD1	0.814	0.814	0.023	0.764	0.856
EBD-EBD2	0.908	0.908	0.010	0.886	0.925
EBD-EBD3	0.870	0.869	0.016	0.834	0.897
ED-ED1	0.850	0.854	0.022	0.808	0.893
ED-ED2	0.834	0.828	0.034	0.744	0.878
ED-ED3	0.864	0.858	0.036	0.771	0.908
CD-CD1	0.880	0.879	0.016	0.842	0.906
CD-CD2	0.942	0.942	0.009	0.923	0.959
CD-CD3	0.904	0.903	0.012	0.876	0.925
OP-OP1	0.918	0.918	0.010	0.898	0.937

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OP-OP2	0.634	0.632	0.042	0.544	0.707
OP-OP3	0.794	0.794	0.029	0.732	0.845
OP-OP4	0.871	0.871	0.018	0.833	0.904
OP-OP5	0.627	0.626	0.050	0.520	0.712

From the table 5, the outer loading of all observed variables needs to be greater than 0.7, but GD2, AD2, OP2, and OP5 were less than 0.7 and greater than 0.5, and all significant with $p<0.05$, however AVE of all constructs were greater than 0.5 which shows that the loading was fitted in the model (Henseler et al., 2009).

5.1 Discriminant Validity

Fornell-Larcker Criterion

Table 6 shows the Fornell-Larcker Criterion for the validity test of constructs gender diversity, age, diversity, education background diversity, ethnicity diversity, cultural diversity, and organizational performance.

Table 6

Fornell-Larcker Criterion

LVs	GD	AD	EBD	ED	CD	OP
GD	0.782					
AD	0.319	0.750				
EBD	0.054	0.460	0.865			
ED	-0.009	0.408	0.515	0.849		
CD	0.064	0.576	0.461	0.521	0.909	
OP	0.316	0.659	0.632	0.497	0.541	0.778

Note: Square root of AVE on diagnol

The square root of average variance extracted (AVE) of each construct was diagonal and others were correlation. The square root of the average variance (AVE) was greater than their corresponding correlation, which valid the criteria of the discriminant validity (Fornell & Larcker, 1981).

From table 7, the cross-loadings were measured. From the cross loading it was found that the highest loading of observed variables was in their own respective group.

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Table 7

Crossloadings

LVs	GD	AD	EBD	ED	CD	OP
GD						
GD1	0.864	0.401	-0.006	-0.065	-0.005	0.303
GD2	0.607	0.006	0.050	-0.063	-0.006	0.080
GD3	0.849	0.185	0.100	0.074	0.136	0.268
AD						
AD1	0.069	0.734	0.369	0.155	0.391	0.413
AD2	0.069	0.625	0.289	0.257	0.300	0.301
AD3	0.493	0.751	0.333	0.368	0.292	0.581
AD4	0.211	0.871	0.390	0.395	0.693	0.594
EBD						
EBD1	0.106	0.525	0.814	0.556	0.488	0.577
EBD2	0.026	0.322	0.908	0.325	0.337	0.586
EBD3	-0.002	0.332	0.870	0.460	0.363	0.455
ED						
ED1	0.051	0.414	0.429	0.850	0.429	0.502
ED2	-0.009	0.273	0.359	0.834	0.423	0.327
ED3	-0.081	0.324	0.515	0.864	0.475	0.401
CD						
CD1	0.041	0.442	0.341	0.435	0.880	0.452
CD2	0.056	0.617	0.463	0.432	0.942	0.532
CD3	0.076	0.500	0.445	0.556	0.904	0.486
OP						
OP1	0.289	0.641	0.568	0.459	0.542	0.918
OP2	0.490	0.550	0.286	0.307	0.184	0.634
OP3	0.167	0.362	0.733	0.353	0.355	0.795
OP4	0.234	0.572	0.499	0.395	0.483	0.871
OP5	0.041	0.408	0.334	0.413	0.511	0.627

An indicator's loading with its associated latent construct was higher than its loadings with all the remaining constructs (i.e., the cross-loadings) which shows no issues in the cross-loadings, which met the criteria of discriminant validity (Hair et al., 2011).

HTMT

From the table 8, it was found that the values were less than 0.85 which implies the validity of constructs (Clark & Watson, 1995); (L. Lee et al., 2011); (Hair et al., 2018).

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Table 8

HTMT

LVs	GD	AD	EBD	ED	CD	OP
GD						
AD	0.290					
EBD	0.074	0.578				
ED	-0.034	0.489	0.623			
CD	0.065	0.679	0.528	0.612		
OP	0.353	0.798	0.748	0.591	0.625	

The HTMT analysis shows no issues with discriminant validity.

Findings and Discussion

Path analysis

Table 9

Path analysis and standardized regression estimates

Hypothesis	Path Coefficients	perc.025	perc.975	Supported (Yes/No)
H1: There is significant impact between gender diversity and Organizational Performance	0.190	0.123	0.273	Yes
H2: There is significant impact between age diversity and Organizational Performance	0.315	0.237	0.387	Yes
H3: There is significant impact between education background diversity Organizational Performance	0.359	0.260	0.462	Yes
H4: There is significant impact between ethnicity diversity and Organizational Performance	0.124	0.019	0.219	Yes

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H5: There is significant impact between cultural diversity and Organizational Performance	0.117	0.024	0.214	Yes

PLSPM package was used to analyze the impact, and it was found that gender diversity had a positive significant relationship with organizational performance, which was supported by a previous study by (Rogelberg & Rumery, 1996); (Ali et al., 2011); and (Rizwan et al., 2016). In Nepal, both males and females were working equally, and from the demographic profile, female workers were slightly higher than males in the banking sector. Similarly, there was a positive significant relation between age and organizational performance. It was also found to be similar in the study (Barang'a & Maende, 2019)(Akpakip, 2017). From the demographic analysis, in Nepal, more employees were less than 50 years which shows the diversity of age in banking sectors. Likely, there was a positive significant relation between educational background and organizational performance. From the demographic results, it was observed that education was necessary for the banking sector. The minimum academic qualification of banking employees was a bachelor's degree, which may result in education diversity in the banking sector. It was also supported by (Combs, 2002)); and (Rizwan et al., 2016). Similarly, there was a significant positive relation between ethnicity and organizational performance supported by (Rizwan et al., 2016). In the context of Nepal, the government has given priority to ethnic groups in organizations. Nepalese bank had employees from various ethnic groups and different races. This diversity in gender, age, educational background, and ethnicity has positive effects on organizational performance. Moreover, there was a positive significant relationship between cultural diversity and organizational performance. Further, among the dimensions of workforce diversity, there was no moderation effect between gender, age, education, ethnicity, and culture with the organizational performance shown in Table 10.

Table 10

Moderation Effects

Hypothesis	p-value	supported (yes/ no)
H6: the impact between gender diversity and organizational performance will be moderated by the ownership of bank	0.1679	No
H7: the impact between age diversity and organizational performance will be moderated by the nature of bank.	0.1079	No

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H8: the impact between education background diversity and organizational performance will be moderated by the nature of bank	0.7881	No
H9: the impact between ethnicity diversity and organizational performance will be moderated by the nature of bank	0.5672	No
H10: the impact between cultural diversity and organizational performance will be moderated by the nature of bank	0.1929	No

Similar to the study done previously in different sectors (Figueira et al., 2009), (Liu, 1995), (Estache & Rossi, 2002), and (Altunbas et al., 2001) there was no moderation effect of bank ownership in banking performance.

6. CONCLUSION

There was a positive significant correlation among the covariates gender diversity, age diversity, education background diversity, ethnicity diversity, cultural diversity, and organizational performance along with positive significant relation. From the analysis, it was found that factors of workforce diversity were positively significant with organizational performance and has a significant positive impact too. It was found that education background diversity has the most impact among other dimensions. It may be as in the banking sector financial matters plays a vital role for education is important to deal it with. There was no moderation role between workforce diversity and organizational performance.

https://www.nepjol.info/index.php/njmsr https://doi.org/10.53056/njmsr-2025.8.1.011

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