The effects of workforce diversity on Employees' Job performance: The case of commercial Bank of Ethiopia in Jimma town

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JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

A Thesis submitted to the School of Graduate Studies of Jimma University in Partial Fulfillment of the Requirements for the Award of the Degree of Master in Public Management

January, 2021

Jimma, Ethiopia

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DECLARATION

I, the undersigned, declare that this study entitled "The effects of workforce diversity on employees' job performance in Commercial bank of Ethiopia in Jimma town" is my original work and has not been presented for a degree in any other university, and that all sources of materials used for the study have been duly acknowledged.

Declared by:

Name: _____

Signature: _____

Date: _____

CERTIFICATE

This is to certify that this study, "The effects of workforce diversity on employees' job performance in Commercial bank of Ethiopia in Jimma town", undertaken by Ediana Fiseha for the partial fulfillment of Master of Degree in Public Management at Jimma University, is an original work and not submitted earlier for any degree either at this University or any other University.

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Abstract

The purpose of this study was to investigate the effects of work force diversity on employees' job performance in commercial bank of Ethiopia in Jimma town. To achieve this purpose a mixed Research approach is used by applying descriptive and explanatory type of research design. The sample consisted of 195 professional employees were selected from the Commercial bank of Ethiopia (CBE) branches in Jimma Town using simple random sampling techniques to respond the questionnaire. Questionnaire with five-point Likert scale and interview was used to collect primary data. SPSS software 23.0 version is used to analyze the collected data by using descriptive statistics such as frequencies, percentages, mean and standard deviation and inferential statistics such as Pearson's correlation analysis and multiple linear regression to determine the association between the effect of work force diversity and employee job performance. The qualitative data analyzed using thematic content analysis, direct quotation (or verbatim) and narration. The result of this study shows that only 59.4% changes occurred with the fact of explained variable and the rest 40.6% due to unexplained variable which indicated that age; gender, ethnic, and education background diversity were significant to affect employee job performance. Ethnicity (β=0.366), age (β=0.229), education background (β=0.167) and Gender (β=0.105) were made a positive contribution of 36.6%, 22.9%, 16.7% and 10.5% on workforce diversity, respectively. Thus, it can be concluded that the performance of employees working in Jimma town does influence significantly by their age, gender, ethnic and educational background. It is recommended that the organization needs to do more in diversifying the workforce in terms of age, gender, ethnicity, and educational background so as to acquire lots of skill, knowledge and attitude and to increase employees' job performance.

Key Words: Workforce diversity, Job performance, Commercial bank of Ethiopia.

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Acronyms and Abbreviation

SPSS	Statistical Program for Social Sciences
CBE	Commercial Bank of Ethiopia
GLOBE	Global Leadership and Organizational Behavior Effectiveness
JU	Jimma University
HR	Human Resource
HRM	Human Resource Manager
ADCSI	Addis Credit and Saving Institution

CHAPTER ONE
INTRODUCTION

1.1. Background of the Study

Workforce diversity means the heterogeneous composition of employees of an organization in terms of age, gender, language, ethnic origin, education, marital status. Workforce diversity is an important concept that helps businesses appeal to a wider variety of customers and workers. However, it can be very difficult to transition from idea to practice. Workforce diversity is the issue of people, focus on the differences and similarities that people bring to an organization. Workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. No two humans are alike. People are different in not only gender, culture, race, social and psychological characteristics but also in their perspectives and prejudices. Society had discriminated on these aspects for centuries. Diversity makes the work force heterogeneous. In current scenario, employing diversified workforce is a necessity for every organization but to manage such diversified workforce is also a big challenge for management (Ankita, 2014).

The modern workforce is far more varied in its composition than it has been previously, due to demographic factors, such as immigration and economic factors like globalization (Kyalo *et al*., 2015). According to Christian *et al*., (2006), the minority workforce in the United States is expected to rise from 16.5% in 2000 to an estimated 25% in 2050. Diversity has not been as frequently emphasized as a competitive resource in some Asian countries, such as Japan and Korea. These countries have been recognized as homogeneous with respect to ethnic background and highly male dominated in every aspect of social life. With notable economic development in recent decades, and the economic recession of the late 1990s, the labor markets of both Japan and Korea have undergone fundamental changes. More and more companies, either voluntarily or involuntarily, have adopted policies such as downsizings and layoffs in order to survive (Chatman & O'Reilly, 2004).

Diversity management covers many areas of human resource (HR), but perhaps because of the ethnic homogeneity of Japan and Korea, the main debates on diversity management in the two

countries are rooted in gender issues. In the case of Korea, a survey by the National Statistical Office shows that the rate of women's economic participation had reached 48.9% in 2003. As for Japan, a survey by the Ministry of Health, Labor, and Welfare indicates that the rate of women's labor participation was 48.3% in 2004. Women represent only about 30% of full-time workers, a figure remaining almost flat since 1985 (Magoshi & Chang, 2009).

In Kenya, Gacheri (2012) established that workforce diversity was found to affect employee performance at varying degrees considering both managers and non-managerial employees of the Equity Bank. The lack of written workforce diversity policy programs in most Kenyan organizations, especially in the banking industry questions the competence and sensitivity of the Human Resource Managers and organizations to the contemporary changing trends in Human resource Management. It is also surprising that the few organizations having written workforce diversity management policies in place display a clear disparity between the written policies and actual practice. This leads to continued realization of more negative effects of workforce diversity than positive effects.

The diversity of the work force in Egypt is quite admirable and has been taking an ever increasing trend in the past couple of decades. Nowadays, it is very common to find business professionals whom are simultaneously fluent in several languages, such as English, French, German, and of course Arabic while coming from a highly diverse training and education backgrounds (Kochan *et al.*, 2003). On the other hand, Nigeria like many nations of the world is ethnically heterogeneous, and is characterized by other demographic diversities, which are reflective in workplaces. Business organizations in the developed and developing countries are all caught up in the globalization web, which has heralded increased demographic diversity in the workforce.

Banking is a rapidly growing industry in Ethiopia. Currently there are 3 state owned and 16 private commercial banks; Commercial Bank of Ethiopia is the largest, controlling the majority assets of the industry. Despite strict government regulations through lending quota, bond buying, windfall tax and increased capital requirements, banks are reporting strong profit and paying high dividends. The rapid growth in the Banking sector has posed several challenges such as workforce diversity which is a natural phenomenon that has both positive and negative impacts

on organizational effectiveness on how well it is managed it was more affected in the banking sector according to the recent studies, in this context this Research investigates the workforce diversity on organizational performance. Potential of human resources has always been considered as the heart of a business organization, an effective human resource can not only ignite the organizational excellence but it is also a cornerstone for the consistency of optimal level of business performance. Most of the banking organizations fail in this area because galvanizing diverse workforce to work as a team has been ineffective in terms of handling many dimensions, policy making, training, exposure and approach to specific and overall goals (Prasad, 2017). This study therefore seeks to find out the effects of workforce diversity on organizational performance using a banking sector in Jimma town.

1.2 Statement of the problem

The banking industry has witnessed considerable human capital flight despite the growth in profitability for the past five years. The report noted increased competition for qualified, trained and experienced staff to implement bank's strategies. A study by Yego, (2010) also revealed the average workers in the banking sector are changing jobs ten times between ages 18 and 37 continuously.

The banking sector in Kenya has over the years faced a number of challenges including increasing competition, increased regulation by the government and high rate of technological growth especially the mobile phones that now offer banking services. According to Ngui, *et al.*, (2014), the rapid growth of banks, increase in environmental variability and degree of competition, acute shortage of qualified labor and the corresponding increase in labor turnover and costs of employee replacement have forced commercial banks in Kenya to aggressively compete for the best employees.

Studies shows that organizations with high levels of well managed diversity are effective and steering ultimately producing corporate cultures that has new perspectives, pioneering capabilities and fresh ideas necessary to survive. On the other hand, Kochan *et al.*, (2003) argues that diversity within the work place can evoke an array of emotions as some view diversity as something to be dealt rather than a tool to be used to improve the organization. Even though, many will agree that the results of a diversity-conscious organization add value to the employee

and organization. There have been mixed findings on the effect of work diversity on employee performance (Gupta R., 2013).

According to Dahm (2003), diversity within the workplace can evoke an array of emotions as, some view diversity as something to be dealt rather than a tool to be used to improve the organization. Even though, many will agree that the results of a diversity-conscious organization add value to the employee and organization, yet research evaluating diversity for the sake of developing training interventions does not exist (Dahm, 2003). Hilary and Elaine (2000) suggested that organizations should embrace diversity in their workforce and work towards achieving it by creating a culture where difference can thrive, rather than working simply for representatives and assimilation.

Study done by Bethlehem, (2019) has showed that, there is negative attitudes of an individual such as discrimination, lack of ability to manage a diverse workforce and intention to turnover are serious challenges to manage a diverse workforce. On the other hand, Assefa (2014) also argued in his empirical study that business performance is affected when managers fail to understand the workforce diversity. Another issue associated to the problem of workforce diversity management is the use old systems and structures that could potentially maximize bias among employees and reduce workforce diversity and inclusiveness (Saron, 2018).

Research studies have been conducted in the banking industry on work diversity and in relation to work diversity management strategies and organization performance, however, none of them focused on the influence of workforce diversity on employees' job performance. Therefore, this study was designed to fill in the existing gap in the area, as well as to suggest establishing the effect of workforce diversity on employees' job performance commercial bank of Ethiopia in Jimma town.

Based on the statement of the problem, the following research questions are forwarded:

- What is the effect of education background diversity on employee job performance in commercial bank of Ethiopia in Jimma town?
- How does ethnic diversity influence employee job performance in commercial bank of Ethiopia in Jimma town?

- How does gender diversity influence employee job performance in commercial bank of Ethiopia in Jimma town?
- What is the effect of age diversity on employee job performance in commercial bank of Ethiopia in Jimma town?

1.3 Objectives of the study

1.3.1 General Objective

The main objective of the study was to examine the effects of workforce diversity on employees' job performance in commercial bank of Ethiopia in Jimma town.

1.3.2 Specific Objectives

- To determine the effect of education background diversity on employee job performance in commercial bank of Ethiopia in Jimma town.
- To find out how ethnic diversity influences employee job performance in commercial bank of Ethiopia in Jimma town.
- To find out the effect of gender diversity on employee job performance in commercial bank of Ethiopia in Jimma town.
- To find out how age diversity influences employee job performance in commercial bank of Ethiopia in Jimma town.

1.4 Significance of the study

Findings of the research will add to the knowledge and understanding of the subject of workforce diversity and its influence on organizational performance. This study should be significant in the sense that it will:

- Generate greater awareness among organizations on the importance of having a proper and practical workforce diversity framework as a vehicle to organizational performance.
- Assist managers and supervisors to operate from an informed position when dealing with workforce diversity in relation to organizational performance.
- Assist policymakers, consultants and advisors in the area of workforce diversity and its influence on performance of organizations. In additions, the study will be used as a basis for further research on other variables not included in this study.

1.5 Scope of the study

This study was determined the effects of workforce diversity on employees' job performance in the commercial banking industry in Jimma town. The study was limited to four workforce diversities, which include age diversity, gender diversity, ethnic diversity and education background diversity. By finding the relationship between workforce diversity how it influences the employee performance in all branches Jimma commercial banks.

1.6 Limitation of the study

There are some limitations that were identified during the progress of completing this research study. A major problem in this study was only four variables were selected for the study even if there are many factors that can affect the workforce. Banking industry is a wide industry but this study delimited on Commercial bank of Ethiopia and not include the other private banks so this study may not represent others banks.

1.7 Organization of the paper

In chapter one, the researchers present the overview of the study context and explain the research problem. This chapter addresses the research objective to be achieved, the research question to be answered and briefly explain about the importance or contribution of the research. Chapter two focuses on the literature review of the theoretical argument from secondary sources such as journal and articles. Chapter three is conducted to describe how the research is carried out in terms of research design, population, sample and sampling procedures, data collection methods, operationalization and the methods of data analysis.

The results of the analysis presented in chapter four, finally, chapter five concludes with overall findings and provides the recommendations of the present research.

CHAPTER TWO

2. LITERATURE REVIEW

This chapter reviews the theoretical foundation and summarizes the information from other researchers who have carried out their research in the same field of study.

2.1 Job Performance

In a dynamic environment of much transformation and change, competitive organizations try to provide high service quality to their customers or stakeholders (Al-Hawary& AL-Hamwan, 2017). Organizations operating in volatile environments also recognize that they must provide services in line with the needs and expectations of stakeholders. Successful organizations need to emphasize the quality of services provided to both internal and external customers (Metabis & Al-Hawary, 2013; Al-Hawary & Metabis, 2012; Al-Hawary& Abu-Laimon, 2013). These organizations are conscious enough to anticipate the changing needs of their customers, to focus on their organizational capabilities and provide high-quality services, and to take care of the quality of internal service as a tool for competitive advantage. Therefore, the work performance of the employee is crucial for service organizations and the high performance among employees is a major challenge to manage the provision of excellent services to customers at all levels. Job performance means the effectiveness of employees' activities that make a payment to organizational goals (McCloy *et al*., 2003).

Performance is one of the concepts that have received considerable attention and research in management studies in general, and human resources studies in particular; because of the importance of this concept at the individual and the organization, and the interaction between the influences that affect performance and it is diversity. The term "performance" or performance of the task is the implementation of the functional burdens of responsibilities and duties by the employee (Muchhal *et al*., 2017). Farooqui and Nagendra (2014) believe that job performance plays a critical role in the organization's performance. Lu *et al.,* (2015) refers to the performance term, that behavior, achievement and performance should not be confused. Behavior is the work of individuals in their organization. Achievement is the effect or outcome that individuals make on work. Performance is the interaction between behavior and achievement, that is, the sum of

behavior and results achieved together. Job performance reflects the financial and non-financial outputs of employees directly related to the organizational performance (Anitha, 2014).

Managerial Literature is full of definitions, models and methods to assess and understand the job performance, theories and practices were developed to enable professionals in human resources to enhance job performance directly. Job performance refers to the effectiveness of individual behaviors that contribute to organizational goals, which should consist of task performance and contextual performance (Motowidlo *et al*., 2012).

Awadh and Wan (2012) defined job performance as employee participation to achieve organizational goals. Job performance is one of the important independent variables that have been studied for a long decade. Job performance also means the effectiveness of employees' activities by enhancing organizational goals (McCloy, *et al.,* (2017) defined job performance as: objective functional behavior not only as a result of forces or pressures resulting from the individual, but as a result of the interaction and harmony between the inner powers of the individual and the external forces surrounding him. Many researchers agree that job performance is a multidimensional variable.

2.2 Concept of Work Force Diversity

As a result of globalization, workforce diversity of the organizations has increased. It has become clear through researches that diversity has an impact on the achievement of various organizational tasks and roles, thus providing excellent services to customers, and maintaining a sustainable competitive advantage. Workforce diversity reinforced the vision of managers towards a clear and understandable adoption of the workforce diversity at the various locations of the Organization in order to obtain its advantages. Organization uses workforce diversity to improve its productivity and employees' income. Therefore, some important factors and characteristics must be taken into account. Dike (2013) refers to a number of factors such as the type of organization, where organizations vary in size and activities tend to employ more manpower because of their size compared with other organizations, managerial culture, each organizational culture is unique and different from any other organization, any organization's decision on diversity in the workplace is based on the organization's beliefs and rules, the

organization's location where the organization's position contributes to the decisions of employing a diverse workforce.

Organizations with international branches have greater options for employing human resources from diverse cultures. Workforce diversity is related to gender, age, nationality, scientific qualification, religious ideology, and physical or intellectual disability. While noting that the diversity of the workforce could extend to personal values, characteristics, education, language, physical dimension, social status, lifestyle, beliefs and background characteristics of geographical origin, location or status within the organization and the economic situation. Workforce diversity mentions the employee's specific similarities and differences. It views for individualism that comprises age, working environment, gender, perceptions, ethnicity, marital status, region, work experience, sexual alignment, income, nationality with each other, which support organizational essential values (Kyalo, 2015). Dessler (2011) defined workforce diversity as the multiple demographic characteristics that characterize workforce in the organization, particularly in terms of gender, culture, national origin, age, religion. Workforce diversity such as age, gender, race, education, religion, and culture can affect a task or relationship within an organization.

While Wambui *et al.,* (2013) defined workforce diversity as demographic, physical, biological, social and psychological differences that make a difference between people. Workforce diversity as the division of workforce into different categories such as – ethnicity, gender, race, age, disability – that a) have a perceived commonality within a national and cultural context and that b) influence possibly either detrimental or advantageous the employment outcomes such as job opportunities, treatment in the workplace and promotion prospects regardless of job-related skills. Workforce diversity as labor-force variances around any feature that may lead to self-awareness, with reference to the different social and cultural identity of people who are together in a specific work environment or market. Workforce diversity affects employee performance at varying degrees considering both managers and no-managerial employees of the Bank (Ogbo *et al*., (2014).

2.2.1 Workforce Diversity Measurements

Researchers tackled the concept of workforce diversity from multiple dimensions, such as sex, age, education background, ethnicity, scientific qualification and others.

2.3 Workforce Diversity and Job Performance

Though it is usually known that here is limited research work on exactly how workforce diversity impacts job performance, but there is strong proof that workforce diversity has emotional impact on the working of ijbm.ccsenet.org International Journal of Business and Management Vol. 14, No. 4; 2019 89 organizations in terms of performance, negatively or positively (Ogbo, A.I. and Ukpere, W.I., 2014). Researchers dealt with the workforce diversity in research and analysis by studying its relationship with various managerial concepts. Akinnusi *et al*., (2017) emphasized the concept and importance of workforce diversity, especially the workforce diversity in the workplace in Nigeria. He pointed out that the practice of managing workforce cannot be separated from the social, cultural, economic, political and legal environments of the society. Workforce diversity in the workplace may lead to a lack of communication and conflict if employers fail to manage it, and thus to the performance of employees. Languages and tribe, cultures and values impact on performance of the organization and Education diversity has positive relation with efficiency and effectiveness.

Stazyk *et al*., (2012) also suggests that diversity can benefit agencies by increasing individual and organizational performance. Negative attitudes and behaviors can be barriers to managerial diversity, because they may harm labor relations, morale, and labor productivity (Jepchirchir, B.N., 2015). While Darwin &Palanisamy (2015) concluded that the diversity of age, gender and ethnicity do not impact employees' performance. Thus is because the employees in Singapore neither admire the workforce diversity as a boon to them nor do they criticize it as a white elephant and they have shown a neutral perception about workforce diversity. Gehrels and Suleri (2016) support that a diverse workforce is a crucial factor for the success of “authentic hospitality” The integration of employees with different background can bring within international hospitality industry: creativity, innovation, different abilities and multiple perspectives of solving problems – all of them can contribute to the hotel competitive advantage.

Esty *et al*., (2015) indicates that workforce diversity is of great importance in that it achieves a high level of productivity, the exchange of creative ideas, and the promotion of teamwork. It creates an opportunity for the professional growth of employees based on learning processes, and enhances the relationship of the organization with different market sectors, finally, has a significant advantage for organization by enhancing the response and productivity of the team to

adapt with changing environmental conditions. Okoro, E.A. and Washington, M.C., (2012). Diversity is a powerful tool in Order to attract and retain the best employees and at the same time increasing the level of Organizational competitiveness. Workforce diversity increases creativity and Innovation, and simultaneously has a positive influence on organization's performance. Ehimare and Ogaga-Oghene (2011) found significant correlation between some of the diversity variables as well as individual diversity variables with the measures of organizational effectiveness. Sanyang, L. and Othman, K., (2019) found significant correlations between some of the diversity variables, as well as individual diversity variables and organizational effectiveness. Rizwan *et al.,* (2016) noted that there are many factors that can affect employees' performance such as gender, age, race and educational background of employees as expected variables for employee performance in the banking sector. Saltson and Özgür (2015) noted that workforce diversification has an impact on non-financial performance, and some demographic elements, such as gender, total tenure, and the labor sector, have the ability to influence performance.

2.4 Gender Diversity

McMillan-Capehart (2003) had explained the positive impact of gender diversity with organizational performance using resource based view. The studies examining the effects of gender diversity on group performance outcomes have found negative effects when the sample was male dominated and no effects when the sample was female dominated. Gupta (2013) observed that moderate level of gender diversity increases competitive advantage while a higher level of gender diversity decreases organizational performance.

Richard *et al.,* (2013) has observed an inverted U-shaped relationship between management group gender heterogeneity and productivity, with moderately heterogeneous management groups exhibiting better performance than gender homogeneous management groups. Similarly, results of a study by Frink *et al*., (2003) demonstrated an inverted U-shaped relationship between gender composition and organization performance. Gender diversity showed a positive impact in the services industry and a negative impact on the manufacturing industry. Thus, services industries might benefit more from gender diversity than firms in the manufacturing industries. Therefore, high gender diversity will have a greater positive effect on performance in the services industry than in the manufacturing industry.

H1: The employees' gender diversity has significant influence on employee job performance.

2.5 Ethnic Diversity

Ethnically diverse teams showed poor performance than homogeneous teams (Sturgis *et al*., 2014). Groups were found to be less cohesive than teams; multiculturalism and diversity may have a less positive impact on group performance than team performance. The context of the workplace has significant influence over the impact of diversity on performance. Ethnically diverse teams lead to more creativity and innovation due to complementarities and learning opportunities (Alesina and La Ferrara, 2005). A moderate level of ethnic diversity has no effect on the business outcomes of the teams namely sales, profit, & market share whereas a high level of ethnic diversity improved business outcomes (Selvaraj, P.C., 2015). A similar positive impact of ethnic diversity on sales, productivity, market share, and innovativeness was reported by Gupta (2013) and the team performance of the multidisciplinary teams in oil and gas industry by Van and Bunderson (2005).

H2: The employees' ethnic diversity has significant influence on employee job performance.

2.6 Age Diversity

Firms are not effectively utilizing the talents of old workers due to false assumptions and stereotypes that they are expensive, more prone to health problems, can't adapt to workplace changes and new technology, perform poorly, in comparison to their younger employees and are a poor return on training investment (Davey and Cornwall, 2003; McGregor and Gray, 2002). The study on simple production technology indicated that teams with more diversity in age were significantly less productive. This finding is consistent with observations by Leonard and Levine (2003) that retail stores with greater age diversity among its employees tend to be less profitable.

H3: The employees' age diversity has significant influence on employee job performance.

2.7 Education background

The dictum of "knowledge is power" states that educated people perform certain tasks more easily and efficiently compared to uneducated or lesser educated people (Muthoni, M.D., 2017). A person with knowledge performs better at specialized tasks, even the common tasks.

Uneducated or poorly trained people usually encounter challenges at the workplace. The goal employees at workplaces, is to perform their jobs efficiently, grow within the organization and possibly advance to higher positions. However when employees are uneducated/poorly educated, they lack the basic understanding on how to perform their jobs. They are unlikely to get promoted; resulting to a dip in their motivation, which in turn decreases their performance. Such employees usually spend a lot of time seeking help from their more skilled counterparts, thereby spending more time on completing their tasks. There is a lot of time wastage in monitoring or supervising such employees. If the working environment consists of equipment and machines, such workers are at a high risk of getting injuries, or injuring their workmates. This may increase the organization's expenditure on medical expenses, compensations or even defective products. Poorly educated employees produce low quality products, and could result to dissatisfy consumers, causing the company a decline in sales.

H4: The employees' educational background diversity has significant influence on employee job performance.

2.8 Review of the Empirical Literature

Ayat Mohammad (2019), conducted to examine the impact of workforce diversity on the job performance in hotels operating in Jordan. Four dimensions of workplace diversity were included in the study: Gender, Age, Nationality, and Education background. The study population consists of all managers working at different managerial levels in hotels in Jordan; samples of 389 managers were selected to represent the study population. Data were collected using a questionnaire developed on the strength of previous studies. Both IMB SPSS 19.0 and AMOS 23.0 were run to examine and test measures, data and hypotheses. The results of the study supported the hypotheses that workforce diversity dimensions; Gender, age, nationality and educational background have a positive impact on job performance. In her study, she recommend that managers and decision makers of hotels in Jordan need to create better diversity management action plans in order to better accommodate the changing business environment.

Nida (2018), conducted to examine the relationship between diversity and Organizational Performance in Bank of New Zealand (BNZ). In his study, Correlation Coefficient analysis and multiple linear regressions used to answer the research question. Data was collected through

primary source i.e. with the help of questionnaires and SPSS was exploited to test the hypotheses. The result shows both impacts on Organizational Performance. All the hypotheses were rejected showing a positive relationship between various types of Diversity & Organizational Performance.

Kyalo, J. & Gachunga H. (2015) conducted to determine the effect of work diversity on employee performance in the banking industry in Kenya. The study also sought to determine the effect of education diversity, ethnic diversity, gender diversity and age diversity on employee performance in the banking industry in Kenya. In their study, a descriptive research design was used in the research. And Correlation Coefficient analysis and multiple linear regressions used to answer the research question. The study target population was all the middle level managers working at the headquarters of all the 43 commercial banks in Kenya. Their study used stratified random sampling to select 30% of the commercial banks. The sample size of this study was therefore 221 middle level managers. The finding showed that there is a positive significant relationship between education, ethnic and gender diversity and employee performance and there is a weak negative and insignificant relationship between age diversity and employee performance in the banking industry.

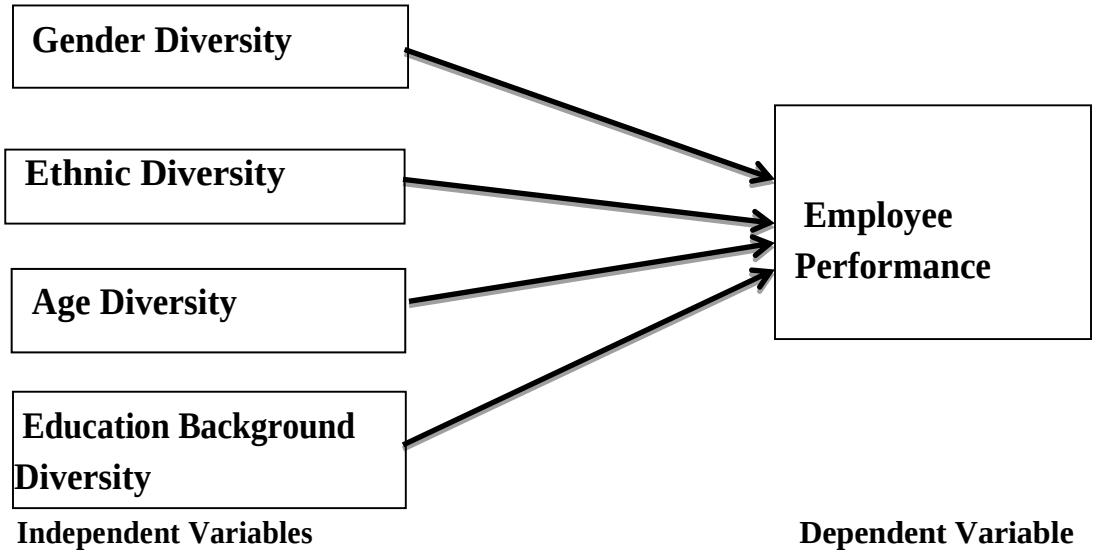
Saron (2018), conducted to examine the effect of workforce diversity towards employee performance in Addis Credit and Saving Institution S.C. In her study, Correlation Coefficient analysis and multiple linear regressions used to answer the research question. To achieve the objective of the thesis, the research method used was explanatory survey design study. Through the use of primary and secondary data sources, the researcher has gathered the necessary information regarding WFD practices of the case study company ADCSI and its effect on employees' performance besides intensive literature review to identify gapes and different scholars' point of view on WFD and demographic diversity model. The finding showed that gender, ethnic and employee performance is positively linked and education diversity has no significant effect on work performance of the employee.

2.9 Conceptual Frame work

In this research the four variables of workforce diversity is very important in affecting employees' job performance so the researcher came out with a framework as stated below. The

study consists independent variables of ethnicity, gender, education background, age and the dependent variable of employee job performance. These relationships are represented in Figure2.1 below.

Figure 2.1 Conceptual Framework



Source: Compiled from literature (Saron, 2017)

CHAPTER THREE

3. RESEARCH METHDOLOGY

3.1 Research design

Based on the study purpose, the descriptive type of research design and explanatory research design were applied. The reason for selected descriptive type is that the research has no control the variables rather it only report what is happened in the area where the research is conducted. According to Kothari (1990) the major purpose of descriptive research is to describe the state of affairs as it exists at present. Descriptive research includes surveys and fact-finding enquiries of different kinds. Moreover, survey method is believed to be appropriate for this study since it is commonly applied to a research designed to collect data from a specific population, or a sample from that population, and typically utilizes a questionnaire and an interview as the survey instrument. The explanatory research design looks for explanations on the nature of certain relationships and investigates the relationship between the independent and dependent variables (Saunders, 2009).

3.2 Research approach

It is generally accepted that the selection and application of a research design is dictated by the problem at hand. Accordingly, to carry out this research and achieve the objectives, a mixed research approach (both qualitative and quantitative) is used. Now a day's mixed method is considered as a tool to triangulate the result of single approach through multiple methods (Johnston, 2010). A quantitative method was used because it is viewed as an effective to gather large data and comprehensive issues at a specified period of time (Ngwenya, 2010). While the qualitative method was used based on the assumption that it enables the researcher generate meanings and phenomena within the real context of the research participants and to fill the gap left by the quantitative one (Kothari, 2004).

3.3 Study Population

According to Cooper and Schindler (2006), a target population is a population having the desired information. The study population was all permanent employees of CBE in Jimma town, from one main branch and fourteen sub branches of CBE with the total permanent employees of 396.

3.4. Sampling Technique and Sample Size determination

There is no universally accepted single formula to determine sample size; different researchers used different formula to determine sample size based on their situation.

3.4.1. Sample size determination for Quantitative Data

The sample size of the study was determined by single population proportion formula assuming, 5% marginal error and confidence interval of 95%. Fifty percent proportion has been preferred due to lack of similar studies in CBE setting regards to the effect of workforce diversity and job performance. Accordingly, the sample size is calculated from total permanent employees of 396.

The final sample size was calculated by using finite population number correction formula by using Kothari, (2004**)** formula size determination. This sample size formula required as follow**:**

$$n = \frac{Z^2 p.q.N}{e^2(N-1)+Z^{2.pq}}$$

n is the sample size

N: the total population size

Zα /2: normal reduced variable at 0.05 level of significance z is 1.96

P: population reliability (or frequency estimated for a sample of size n), where p is 0.5

q = 1-p

e: margin of error considered is 5 % for this study.

$$n = \frac{(1.96)^2 0.5\times0.5\times396}{0.05^2(396-1)+1.96^2 0.5\times0.5} = 195$$

Therefore, 195 of them were identified as a sample size to respond to the questionnaire.

The type of sampling techniques used by researcher is probability sampling technique. Probability samples are characterized by the fact that, the sampling units are selected by chance. In such case, each member of the population has a known, non-zero probability of being selected (Greener, 2008). Accordingly, among 396 permanent employees of CBE in Jimma town, from one main branch and fourteen sub branches of CBE, 195 of them was selected using simple random sampling techniques to respond the questionnaire. This sampling technique is used because it assures to be able to represent not only the overall population, but also key groups of the population; and it gives each possible sample combination an equal probability of being picked up and to have an equal chance of being included in the sample (Trochim, 2001).

Through using R software, data was gathered from Commercial bank of Ethiopia in Jimma town.

		Branches	**Respondents**
Main Branch	1	Jimma main branch	40
Sub-Branches	1	Abajifar branch	14
	2	Jimma District office	12
	3	Hermata Branch	15
	4	Mentina Branch	13
	5	Bisheshe Branch	10
	6	FerenjeArada branch	8
	7	Awayetu branch	22
	8	Sedecha branch	11
	9	Bochobore branch	14
	10	Shenengibe branch	3
	11	Gingogudiru branch	12
	12	Jeren branch	10
	13	Albereka branch	7

	14	Al-amana branch	4
Total			**195**

3.4.2 Sampling size determination for Qualitative Data

Sampling for qualitative data the researcher used none random sampling (None probability sampling) to select the study area, and higher officials for interview was chosen purposively by the researcher. Therefore, the researcher selected one from main branch and four from randomly selected sub-branch bank managers were drawn by non-random sampling technique.

3.5 Data Collection Instruments

Primary data is the data collected directly from actual experience free from processing or any other type of manipulation. Primary data can be obtained by using qualitative data collection tools (Interview guide) which was obtained from main branch and from four randomly selected sub-branch bank managers and quantitative data collection tools (adopted questionnaires) were gathered from permanent employees in CBE, Jimma town. Questionnaires were used in research study to collect primary data. The questionnaires comprised of closed ended questions in order to enable the respondent to express their opinion in relation to the objectives of the study. Kothari (2004) argues that the use of a questionnaire is a cheap method to obtaining information particularly from a large group of respondents and it also permits for anonymity.

3.6 Data Collection Procedure

This study used both primary and secondary data collection method. Primary data were collected through questionnaires that were distributed directly to employees in working position. 5 likert scales were used as a measurement in which respondents indicate their extent of agreement or disagreement in order to measure the variables. By considering respondents experience and knowledge questionnaire was prepared in English. In the secondary data collection process, data were collected from books, journals, articles & prior research works that help the researcher to enlarge the knowledge in the topic this study.

To make the data reliable the data collectors who are working in commercial bank of Ethiopia in Jimma branch was used. During the data collection, sufficient time was given to the respondents to answer the questions adequately and freely.

3.7 Validity Test

According to Creswell (2003) validity is the extent to which results acquired from process of analysis of the data actually embodies the phenomenon in this study. Among different types of validity; two types conducted. Content validity and face validity. Face validity refers to probability that a question is misinterpreted or misunderstood. According to Cooper and Schindler (2006) pre-testing is a proper way to increase the possibility of face validity. On the other hand, content validity, also referred to as logical validity, refers to the degree to which a measure depicts all facets of a given social construct. In this study, the content validity was improved by seeking the opinions of experts in the field of the study, particularly the supervisors.

3.8 Reliability Test

Measurement or questionnaire adopted from several journals was used to ensure higher validity. The questionnaire adopted for this research undertaking, is known as the Workforce diversity survey. The decision to utilize the particular measuring instrument is because its psychometric properties were evident, and the questionnaire had been used in a number of empirical studies Cooper & Schindler (2003). The questions consisted of 5 point Likert scale where the respondent expected to strongly disagree, disagree, neutral, agree and strongly agree with carefully constructed that ranged from very negative to very positive toward an attitudinal phenomenon.

The questionnaire was tested by using Cronbach reliability coefficient testing. Cronbach's Alpha can be interpreted as percentage of variance where the observed scale would explain in hypothetical true scale composed of all possible items in the universe. According to Zikmund *et al.,* (2010) scales with coefficient alpha score of 0.6 and 0.7 indicate fair reliability, a Cronbach's alpha score of 0.70 or higher and considered as adequate to determine reliability. An alpha coefficient of 0.7 was obtained. Thus, the data generation was reliable and free of random error.
The Questionnaires are designed in the following way:

Demographical Data Sheet (Section A)

The demographical section required information with respect to gender, age, ethnic group, level of education, and service year.

Work Force Diversity Survey

(Section B, C, D, and E): consists of four independent variables which are to determine the main effects of workforce diversity towards employees' job performance. Each variable consists of 6 to 9 questions to be answered by respondents. Section F consists of 10 questions that talked about dependent variable employee job performance.

Table 3.1: The origin of construct in the research

Construct	Reliability of the instrument	No of items
Gender diversity	0.871	9
Age diversity	0.885	6
Educational background diversity	0.833	6
Ethnicity diversity	0.777	7
Employee Performance	0.736	10

Thus, as shown in table 3.2 the reliability of the scores was evident by strong Cronbach's alpha coefficients for all variables, which used as independent and dependent variables of the study. The Cronbach's alpha ranged from 0.736 to 0.885, indicating that items are highly reliable to measure the variables they are expected to measure.

3.9 Method of data analysis

The data collected for this study was checked and organized with respect to basic research questions and objectives of the study. The quantitative data was analyzed using descriptive and inferential statistics. Relevant statistical techniques which include tables and descriptive techniques were used. The statistical package for social science (SPSS version 23) was used to process the data obtained from primary sources. Descriptive statistics such as mean, standard deviation, frequency, percentage were used. Descriptive analysis is used to reduce the data into summary format by tabulation. As inferential method of data analysis, multiple linear regressions were used to examine the effect of workforce diversity on employee job performance in commercial bank of Ethiopia in Jimma town. A qualitative data was collected through interview questioner. The questioner was translated into Amharic to make it simple for the respondents those data was analyzed by applying qualitative method like: - narrating, describing, clarifying and interpreting. The data that was collected through interview would be managed, first by

translating the question into text and while interviewing, the researcher, would record the response by the help of audio recorder. Consequently, the researcher farther categorized the transcribed data in terms of their similarity under objective. Finally a subtheme was formed and the data was analyzed with the help of content analysis.

3.10 Data Presentation

After data collection was carried out the next task was to present the findings to the readers using data presentation techniques like: - text, tables, and statistical measures to make the findings simple and clear to understand, and to provide general and ample information in a brief and efficient way (Ranjit Kumar 2011). For this research, the researcher used tables, and qualitative data was presentation in description and in text substance analysis in a ways to present the data properly in order to make the results meaningful and clear for understanding. Based on the final result, summary, conclusion and recommendations was drown to enable users to suggest some basic solutions to reduce the effect of workforce diversity on employee job performance in commercial bank of Ethiopia in Jimma town.

3.11. Model specification

In this study, multiple linear regression models is the appropriate model to apply in order to derive or obtain to identify the effect of workforce diversity on employee job performance in commercial bank of Jimma. Regression analysis was conducted to establish the form of relationship between dependent variable and the independent variables. The regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

$$Y = 0.472 + 0.366X_1 + 0.105X_2 + 0.229X_3 + 0.167X_4 + \varepsilon$$

Where: Y = Employee job performance

X_1= Ethnic diversity

X_2= Gender diversity

X_3= Age diversity

X_4= Educational background diversity

ϵ = error term

β_0 is the intercept term- it gives the mean or average effect on Y of all the variables excluded from the equation, although its mechanical interpretation is the average value of Y when the stated independent variables are set equal to zero.

3.12. Ethical consideration

All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the commencement of distributing questionnaires. The right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant. In all cases, names are kept confidential thus collective names like “respondents “were used.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The aim of this study was to examine the effects of workforce diversity on Employees' Job performance in the case of commercial Bank of Ethiopia in Jimma town. The study adopted and deployed as per the literature and the objectives of the study structured questionnaire to collect data developed based on Kelali (2019). It uses Statistical package for social science for data analysis (SPSS v.23). The collected data was analysed and presented in this part using descriptive statistic such as frequency, percentage, mean and standard deviation, and inferential statistics such as correlation and multiple linear regression.

4.1.1 Data preparation

To address the research objective set, data were collected from commercial bank of Ethiopia in Jimma town from one main branch and 14 sub-branches. Accordingly, the researcher distributed 195 questionnaires. Out of 195 questionnaires, 192 were collected of which its response rate accounted for 98.4%. Moreover, in order to make the data analysis suitable for SPSS, the data collected using the questionnaire was coded for each question. Since, all the collected data had to fit for analysis and proved for that, all collected questionnaire were screened to be complete.

4.2 Respondents demographic profiles

The employees of CBE asked question regarding the major demographic characteristics such as gender, age, educational qualification, ethnicity and working experience and this part provide analysis of these key factors based on frequency analysis.

4.2.1 Demographic profile of the respondent

Table 4.1: Demographic profile of the respondent

Demographic variables	Categories	Frequency	Percentage
Gender	Male	124	64.6
	Female	68	35.4
	Total	192	100.0
Age	18-25 years	79	41.1
	26-35 years	45	23.4
	36-45 years	43	22.4
	46-55 years	25	13.0
	Total	192	100.0
Educational status	Diploma	21	10.9
	1st degree	102	53.1
	2nd degree	69	35.9
	Total	192	100.0
Ethnicity	Oromo	98	51.0
	Amhara	36	18.75
	Tigray	17	8.9
	SNNP	29	15.05
	Others	12	6.3
	Total	192	100.0
Experience	0-5 years	91	47.4
	6-10 years	80	41.7
	11-15 years	12	6.3
	16-20 years	9	4.7
	Total	192	100.0

Source: own survey (2020)

The above table shows that the numbers of males are greater than that of females which stood at 35.4% for females while 64.6 % for males. This signifies that the number of males outnumbers that of females, it indicated that the organization has to do a lot to attract more female employees through the effective utilization of equal opportunities techniques and affirmative action.

Looking at the age of employees, it looked the organization is dominated by young workforce between the age of 18-25 which is 41.1% of the respondent followed by age between 26-35 accounted 23.4% of the respondents. On the other hand, there are very low numbers of

employees between of 46-55 years (accounted 13% or 25 of the respondent). However, the data show cased that the organization need to do more in diversifying the workforce in terms of age so as to tap the potentials of those between the age of 46-55 years, at these variation employees can acquire lots of skill, knowledge and attitude.

Regarding educational status of the respondent majority of the respondent were degree holders 53.1% followed by masters holders which is 35.9% or 69 of the respondent are masters holder and the remaining are 10.9% are diploma holders. The education level of employees varies across their attainments except PhD level.

The table also shows most of the respondents has 1-5 years of experience in the organization (47.4% or almost half of the respondent) followed by 41.7% who worked in the organization between 6 to 10 years. Few employees were worked in the organization from 11 to 15 years (6.3%) and more than 16 years (4.7% of the respondent), respectively. This testifies that the working experience of the employees in the organization is diversified within the given years of range. The organization benefited from both new bloods to the organization who injects new ideas and innovative ways of working and flexibility with the new ones. On the other hand, the organization maximized the knowledge of those who have served in the organization from medium to long years of experience and understanding of the organizational culture as it gave the opportunity to the organization.

Regarding to ethnical diversity table 4.1 shows that the highest proportion of respondents are Oromo 51%, followed by Amhara 18.75%, and the smallest proportion of the respondents are Tigray 8.9% in the organization.

In general demographic profiles for this study show those male participants are more than female participants. And most of the participant were between age (18-25) and most of them involved youngsters and newly graduated individuals who are working in higher institution. The result also express that, most of the participants have experience for one to ten years.

4.3 Descriptive analysis of responses of the questionnaire

In order to see the general perception of the respondents regarding the effects of workforce diversity on employees' job performance in the case of commercial bank of Ethiopia in Jimma

town, the researcher has included the measures stated in the following tables and followed by analysis & interpretation supplemented using mean standard deviation, tables, percentage and frequencies.

Mean was used to analyse the data. Under this circumstance, the maximum mean which is above 3 (three) to 5 (five) indicates the maximum number of respondents those who are agreed and strongly agreed to each question drawn by the researcher and mean whereas, less than 3 (three) indicates the number of respondents those who are disagreed and strongly disagreed to the question drawn by the researcher and 3 (three) is considered as neutral or indifferent to the question. Based on this, the analysis traced here below is outlined according to nomination of mean listed on the table for each question.

Table 4.2 Ethnic Diversity

	Ethnic Diversity	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.
1	CBE attracts and hires employees from all ethnic background	6(3.1)	29(15.1)	30(15.6)	81(42.2)	46(24)	3.68	1.09
2	Opportunities for growth and advancement exist for all ethnic groups	3(1.6)	22(11.5)	23(12.0)	93(48.4)	51(26.6)	3.86	.98
3	The ethnic diversity in our team promoted free flow of information between ethnic groups	2(1.0)	42(21.9)	25(13.0)	89(46.4)	34(17.7)	3.57	1.05
4	Different languages used to communicate don't create problems among employee.	9(4.7)	14(7.3)	41(21.4)	105(54.)	23(12.0)	3.61	.95
5	The ethnic diversity in our team helped to expedite the completion of our task on time	8(4.2)	41(21.4)	31(16.1)	89(46.4)	23(12.0)	3.40	1.08
6	The ethnic differences in work groups do not encourage conflict.	3(1.6)	37(19.3)	31(16.1)	98(51.0)	23(12.0)	3.52	.98
7	I am positive about ethnic diversity at the CBE	5(2.6)	30(15.6)	35(18.2)	84(43.3)	38(19.8)	3.62	1.05
Overall mean							3.60	

About 66.2% (42.2% agree and 24% strongly agree) had accepted CBE attracts and hires employees from all ethnic background whereas 15.6% remained neutral and 18.2% (15.1% disagree and 3.1% strongly disagree) disagreed with the fact. Majority of the respondents were agreed (48.4%) on the statement "opportunities for growth and advancement exist for all ethnic groups" and 26.1% (11.5% disagree and 1.6% strongly agree) did not have that faith. Very few (4.7%) had disagreed with the different languages used to communicate does not create problems among employee while 66% (54% agree and 12% strongly agree) agreed on the statement.

Majority of the respondents were agreed (46.4%) on ethnic diversity in the team helped to expedite the completion of the task on time while 21.4% remained disagree and 16.1% neutral with that belief. About half of the respondents 51% have agreed that ethnic differences in work groups do not encourage conflict whereas 16.1% had no comments and 20.9% did not agree with the statement. About 43.3% of the respondents strongly agreed that they are positive to on ethnic diversity at the CBE whereas 18.2% remained neutral and 18.2% (2.6 and 15.6) of them were not positive on ethnic diversity at the CBE.

The highest standard deviation 1.09 among all the questions reveals that the respondents had a wide difference of opinion about the ethnic diversity related to CBE attracts and hires employees from all ethnic background. The mean value of all questions is in the range of 3.40 -3.86 and the standard deviation is 0.95-1.09. The highest mean value (3.86) is observed for opportunities for growth and advancement exist for all ethnic groups whereas the lowest mean value (3.40) is observed for communicate different language don't create problems among employee. As organizations and institutions become more ethnically diverse, the result has multiple positive outcomes. This result was supported by Jackson *et al*. (2003), ethnicity can bring a multiple positive outcomes. Based on research by Opstal (2009), ethnic diversity can affect organizations positively. Nonetheless, organizations should understand how to manage their diverse workforce where it can increase the pros of such diversity and eliminate its cons. O'Reilly *et al.,* (2011) showed that ethnic diversity attracts and hires employees from all ethnic background over homogeneous teams. Due to social categorization, ethnic diversity will lead to more coordination and thus difficult communication (Morgan and Vardy, 2009).

Table 4.3 Gender diversity

	Gender diversity	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.
1	Employees are not discriminated during hiring and recruitment process on gender basis	2(1.0)	37(19.3)	31(16.1)	98(51.0)	23(12.0)	3.82	.89
2	CBE does a good job of attracting and hiring women	9(4.7)	30(15.6)	35(18.2)	84(43.3)	38(19.8)	3.47	1.13
3	At CBE fair treatment is given to all employees whether male or female.	8(4.2)	23(12.0)	15(7.8)	118(61.5)	34(17.7)	3.93	1.13
4	The transformational leadership style of the female employee contributed to the success of the team.	1(.5)	36(18.8)	27(14.1)	99(51.6)	20910.4)	3.86	.98
5	Gender diverse team showed better problem solving and decision making skills than gender homogenizes teams.	5(2.6)	52(27.1)	25(13.0)	82(42.7)	25(13.0)	3.82	.92
6	A career development that includes women is encouraged at the CBE	15(7.8)	19(9.9)	26(13.5)	105(54.7)	41(21.4)	3.30	1.15
7	Training and development program is structured to meet the criteria/ requirement of male and female gender.	4(2.1)	13(6.8)	32(16.7)	103(53.6)	39(20.3)	3.58	.96
8	Gender diverse teams achieved target due to the good relationship and effective communication	7(3.6)	32(16.7)	52(17.1)	65(43.9)	28(14.6)	3.17	1.04
9	I am positive about gender diversity at the CBE	10(5.2)	23(12.0)	52(27.1)	83(43.2)	30(15.6)	3.42	1.04
Overall mean							3.59	

From the listed questions, with regard to the item on discrimination, 51% of the respondent positively responded that employees were not discriminated at CBE during hiring and recruitment process on gender basis. For the same majority of the respondents who constitutes

above 43.3% agreed with all the statements given under good job of attracting and hiring women.

Thus, more than half of the respondents were agreed (61.5) on fair treatment is given to all employees whether male or female, and the transformational leadership style of the female employee contributed to the success of the team with 51.6%, gender diverse team showed better problem solving and decision making skills than gender homogenizes teams with 42.7%,career development that includes women is encouraged at the CBE with 54.7%, training and development program is structured to meet the criteria/ requirement of male and female with 53.6%, gender diverse teams achieved target due to the good relationship and effective communication with 43.9% and 43.2% of respondents agreed that they are positive about gender diversity at the CBE. This indicates that respondents were positive to the treatment of gender diversity at CBE.

The highest mean score from items was 3.93 for the statement "CBE fair treatment is given to all employees whether male or female." and the item "Gender diverse teams achieved target due to the good relationship and effective communication" has the lowest mean score of 3.17. Regarding standard deviation 1.15 was the highest standard deviation for item "A career development that includes women is encouraged at the CBE" while 0.89 is the lowest standard deviation for item "employees are not discriminated during hiring and recruitment." Based on the information provided in the study the overall feeling is that, for the most part, gender was not an area of concern. The findings of Gellner and Veen (2013) showed that gender group and employee performance is positively linked. Based on the information provided in the research the overall feeling is that, for the most part, gender was not an area of concern. All divisions of the company must meet annual targets for the representation of majority and minority males and females in each employee grade level.

Table 4.4 Age diversity

	Age diversity	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.
1	The expertise of young employees with high tech tools helps older employees to improve their knowledge on the latest technologies	8(4.2)	12(6.3)	50(26.0)	54(28.1)	68(35.4)	2.96	1.02
2	The risk taken by younger employee contributed to the success of the team	10(5.2)	12(6.3)	49(25.5)	63(32.8)	58(30.2)	3.04	1.04
3	The mentoring by older employees benefited young employees in acquiring job skills	7(3.6)	14(7.3)	30(15.6)	105(54.7)	36(18.8)	3.77	.95
4	Older employees mitigated the friction among younger employees in the team and promoted team cohesiveness	8(4.2)	27(14.1)	59(30.7)	81(42.2)	17(8.9)	3.37	.97
5	No emotional conflicts and anxiety with in the team due status difference between young and old employees	5(2.6)	22(11.5)	33(17.2)	107(55.5)	25(13.0)	3.65	.93
6	I did not experience stress in the last 12 months due to age diversity issues in my work place	7(3.6)	25(13.0)	40(20.8)	92(47.9)	28(14.6)	3.56	1.01
	Overall mean						3.39	

About 35.4% of the respondents agree that they received benefit from the expertise of young employees on high technology whereas 28.1% strongly agree and 26% are neutral with the fact. The majority of the respondents accept the contribution from the risk taken by younger

employees whereas only 6.3% disagree with that fact. The advantage of mentoring by older employees during orientation has been well accepted by over 73.5%, while only 7.3% disagree.

The mitigation role played by the older employees during the friction in the team has been recognized by 51.1%, whereas 18.3% disagree and 30.7% remain neutral. About 11.5% has disagreed about the absence of emotional conflicts and anxiety in the team due to age difference of employees whereas 55.5% agree, 13% strongly agree and 17.2% remain neutral.

The highest mean score from items was 3.77 for the statement "The mentoring by older employees benefited young employees in acquiring job skills" and the item "The expertise of young employees with high tech tools helps older employees to improve their knowledge on the latest technologies" has the lowest mean score of 2.96. Regarding standard deviation 1.04 was the highest standard deviation for item "The risk taken by younger employee contributed to the success of the team" while 0.93 is the lowest standard deviation for item "No emotional conflicts and anxiety within the team due status difference between young and old employees".

The mean value of all questions is in the range of 2.96 - 3.77 and the standard deviation is 0.93 - 1.04. The highest mean value (3.77) is observed for mentoring benefit by age diversity whereas the lowest mean value (2.96) is observed to improve their knowledge on the latest technologies. This finding was supported by Gellner and Veen (2013), found that age heterogeneity on its own has a positive effect on individual productivity. Thus, in companies with routine types of work, increasing age heterogeneity overall leads to an increase in productivity. Older and younger employees are regarded as knowledge bearers of organizations Uschi and Stephan (2013) claim that more effective transfer of specific know-how and cultural values from older to younger generations as one of the benefits of age diversity.

Table 4.5 Educational background diversity

	Educational background	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.
1	The recruitment plan of the CBE is based on the educational background of applicants	5(2.6)	11(5.7)	44(22.9)	105(54.7)	27(14.1)	3.72	.83
2	CBE provides paid study leave to employees who further their education	7(3.6)	13(6.8)	48(25.0)	91(47.4)	33(17.2)	3.67	.65
3	At the CBE, opportunities for growth and advancement exist for employees who have low educational qualifications.	0	11(5.7)	15(7.8)	108(56.3)	58(30.2)	3.51	.77
4	At the CBE differences in educational background do not bring conflict among employee	1(.5)	3(1.6)	16(8.3)	53(27.6)	119(62.0)	3.48	.85
5	As an employee of CBE, experience lack of confidence due to my educational background.	0	11(5.7)	39(20.3)	121(63.0)	21(10.9)	3.97	.707
6	CBE gives equal treatment when it comes to educational background.	1(.5)	14(7.3)	19(9.9)	113(58.9)	45(23.4)	3.17	.82
	Overall mean						3.58	

The recruitment plan of the institution is based on the educational background of applicants is favoured by the maximum number of the respondents 68.8%, while 5.7% and 2.6% of the respondents are disagreed and strongly disagreed respectively. Higher number of the respondents 64.6% agreed that CBE provides paid study leave to employees who further their education and only small number of respondents 3.6% strongly disagree to the statement. About 56.3% of the respondents agreed and 30.2% of them strongly agreed and 7.8% of them neither agreed nor disagreed that “opportunities for growth and advancement exist for employees who have lower qualification in education”, while 5.7% of them disagreed with that statement. The same percentage of the respondents 62% strongly agreed and 8.3% of them neither agreed nor disagreed to the item “at the institution differences in educational background do not bring

conflict among employee". About 73.9% of the respondents agreed that at work, they experience lack of confidence due to their education background, while 5.7% of them disagreed with that statement. And 82.3% of the respondents agreed and 9.9% of them neither agreed nor disagreed that their institution gives equal treatment when it comes to the diversity of education background.

The highest average number of respondents ($\bar{x}$=3.97) experience lack of confidence due to their educational background, while the minimum number respondents in average ($\bar{x}$=3.17) didn't have equal treatment when they comes to educational background.

There exist greater variability on the respondents (S = 0.85) at the institution is occurred due to differences in educational background do not bring conflict among them, while the minimum variability of the respondents is existed to the statement "the institution provides paid study leave to employees who further their education" having standard deviation (S = 0.65).

According to Eduard (2001), employees who are less educated are likely to suffer an inferiority complex, which to a large measure may affect their performance. He argued that such employees might develop a persistent feeling of being inferior. Such employees end up feeling socially insecure and they become less confident at work. He concluded that the lack of confidence would greatly impair their performance and could even make them develop a negative attitude toward other employees and the entire organization. Thus, most of the literature observed that there is a significance relationship between educational background and employee performance. Tracy (2011) argued that educational background is important to employees and that they cannot perform well without education. According to Triana, (2010) organizations commonly reject employing people whose training, experience or education is judged to be inadequate. They argued that education background is important to employees and that employees cannot find a job and perform well without adequate educational background.

Table 4.6 Employee work performance

	Item	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std.
1	At the CBE, I enjoy my tasks and the division of work approach.	5(2.6)	31(16.1)	55(28.6)	84(43.8)	17(8.9)	3.14	.94
2	I am always committed to the mission and vision of the CBE	17(8.9)	20(10.4)	38(19.8)	92(47.9)	25(13.0)	3.45	1.12
3	I love my work and l am motivated to complete the tasks that are assigned to me always	6(3.1)	29(15.1)	30(15.6)	82(42.7)	45(23.4)	3.68	1.08
4	I co-operate well with my colleagues of different ethnic backgrounds.	2(1.0)	30(15.6)	34(17.7)	86(44.8)	40(20.8)	3.68	1.01
5	My performance level has effect on my salary level.	2(1.0)	27(14.1)	33(17.2)	94(49.0)	36(18.8)	3.70	.96
6	You are satisfied regarding your associate works	10(5.2)	15(7.8)	48(25.0)	97(50.5)	22(11.5)	3.55	.97
7	At the CBE employees are given a chance to apply their own methods of doing their work.	16(8.3)	24(12.5)	38(19.8)	87(45.3)	27(14.1)	3.44	1.13
8	Training given by the company encourage me to work better	3(1.6)	38(19.8)	39(20.3)	87(45.3)	25(13.0)	3.48	1.01
9	At CBE employees with higher educational qualifications perform better than those with lower qualification.	4(2.1)	27(14.1)	43(22.4)	85(44.3)	33(17.2)	3.60	.99
10	Good employee work performance is important for the future growth of the CBE	5(2.6)	27(14.1)	37(19.3)	98(51.0)	25(13.0)	3.57	.97
	Overall mean						3.52	

From the listed questions, with regard to the item “the tasks and the division of work approach, 52.8% of the respondent positively responded that employees enjoy the tasks and the division of

work approach at CBE. Majority of the respondents who constitutes above 60.9% agreed with statements "employees committed to the mission and vision of the CBE," while 10.4% disagreed and 8.9 strongly disagreed. Thus, almost half of the respondents were agreed (66.1%) on employees motivate to complete the tasks that are assigned to them, while 15.1% disagreed on the statement. Higher number of the respondents 65.6% agreed that co-operate well differ ethnic backgrounds and only small number of respondents 16.6% disagree to the statement. Higher number of the respondents 67.8% agreed that performance level has effect on salary level. Only 15.1% disagree on the statement. Majority of the respondents who constitutes above 62% agreed with statements "employee satisfaction regarding to associate works" while 7.8% disagreed and 5.2 strongly disagreed. Thus, almost half of the respondents were agreed 59.4% on employees are given a chance to apply their own methods of doing their work, while 20.8% disagreed on the statement. From the listed questions, with regard to the item "Training given by the company encourage to work better, 58.3% of the respondent positively responded and 21.4% disagree on the statement. Higher number of the respondents 61.5% agreed that employees with higher educational qualifications perform better than those with lower qualification. 16.2% of the respondents disagree on the statement. Thus, almost half of the respondents were agreed 64% on good employee work performance is important for the future growth of the CBE, while 16.7% disagreed on the statement.

The mean value of all questions is in the range of 3.14 – 3.70 and the standard deviation is 0.94 - 1.13. The highest mean score from items was 3.7 for the statement "employees' job performance level has effect on employees' salary level and the item "employees enjoy the tasks and the division of work approach" has the lowest mean score of 3.14. Regarding standard deviation 1.13 was the highest standard deviation for item "employees are given a chance to apply their own methods of doing their work" while 0.94 is the lowest standard deviation for item "employees enjoy the tasks and the division of work approach." Based on the information provided in the study the overall feeling is that, almost all the employees were agreed on the items given in the table. According to Joseph, and Selvaraj (2015), employee performance can be systematically measured against many factors including cooperation. From the analysis of the responses, employees of CBE were cooperative and happy.

Robbins and Judge, (2011) has argued that the interest stemmed from the common sense belief that the satisfied employees are more productive than those who are dissatisfied. It is also believed that satisfied employees are more committed to their job than the dissatisfied. This perception was also there at CBE according to the analysis above. This was another inference which was consistent result with the responses of employees of CBE. There was a diverse workforce with a satisfying work environment which is highly socialized and there is no discrimination and conflict on the basis of workforce diversity variables under the study.

4.4 Relationship between work force diversity and employee job performance

4.4.1 Correlation Analysis

A correlation analysis was conducted to establish the relationship the independent and dependent variables; this helped to test the hypotheses of the study and show the degree of relationship between the independent and dependent variables. The purpose of doing correlations was to allow the study to make a prediction on how a variable deviates from the normal. Pearson r coefficient was used to determine if there was a significant, positive association between work force diversity and employees' job performance in commercial bank of Ethiopia in Jimma town. Pearson r is a measure of the degree of association between two variables which are both measured in either the interval or ratio scale. Its value ranges from -1.0 to +1.0, with bigger absolute values indicating stronger relationship; the sign denotes the direction of association. A positive correlation indicates that as one variable increases, the other also goes up; meanwhile a negative correlation suggests that as one variable increases, the other correspondingly goes down (Saunders *et.al*, 2009).

Table 4.7: Guideline on Strength of relationship r Value

Pearson correlation	**Interpretation**
0.39 and below	Low positive association
0.4 to 0.69	Moderate positive association
0.7 to 0.99	A high positive association

The Pearson correlation between independent variables workforce diversity and dependent variable employees' job performance are depicted in Table 4.8 below.

Table 4.8 Correlation Analysis between work force diversity and employees' job performance

		Employee Work Performance	Ethnic Background	Gender diversity	Age diversity	Educational Background
Employee Work Performance	Pearson r	**1**	**.709****	**.419****	**.646****	**.500****
	Sig. (2-tailed)		**.000**	**.000**	**.000**	**.000**
	N	**192**	**192**	**192**	**192**	**192**
Ethnic Background	Pearson r	.709**	1	.413**	.699**	.420**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	192	192	192	192	192
Gender diversity	Pearson	.419**	.413**	1	.233**	.388**
	Sig. (2-tailed)	.000	.000		.001	.000
	N	192	192	192	192	192
Age diversity	Pearson	.646**	.699**	.233**	1	.413**
	Sig. (2-tailed)	.000	.000	.001		.000
	N	192	192	192	192	192
Educational Background	Pearson	.500**	.420**	.388**	.413**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	192	192	192	192	192

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

- **Correlation Analysis between ethnic diversity and employee job performance**

Pearson correlation test was conducted to see the degree of relationship between the independent variable ethnic diversity and employee job performance. The results of the correlation between these variables are shown in the table above; there is significant correlation between ethnic diversity and employee job performance. In other hand, employee job performance have strong relationship with ethnic diversity ($r=0.709$ with $p<0.05$).

- **Correlation Analysis between gender and employee job performance**

Pearson correlation test was conducted to see the degree of relationship between the independent variable gender diversity and employee job performance. The results of the correlation between these variables are shown in the table above; the result shows there is significant correlation between gender diversity and employee job performance. In other hand, employee job performance have moderate relationship with gender diversity ($r=0.419$ with $p<0.05$).

- **Correlation Analysis between age diversity and employee job performance**

Pearson correlation test was conducted to see the degree of relationship between age diversity and employee job performance. The results of the correlation between these variables are shown in the table above; the result indicates there is a significant correlation between age diversity and employee job performance. In other hand, employee job performance have moderate relationship with age diversity ($r=0.646$ with $p<0.05$).

- **Correlation Analysis between educational background diversity and employee job performance**

Pearson correlation test was conducted to see the degree of relationship between educational background diversity and employee job performance. The results of the correlation between these variables are shown in the table above; the result indicates there is a significant correlation between educational background diversity and employee job performance. In other hand, employee job performance have moderate relationship with educational background diversity ($r=0.500$ with $p<0.05$).

4.4.2 Multiple Linear Regression Analysis

Multiple regression analysis was then conducted to find out the effect of work force diversity on employees job performance. It gives more detailed analysis as it enabled the examination of the influence of each of the independent variables on dependent variables, controlling for all other factors. It also allowed the researcher to determine the combined effect of the variables (Gay *et al.,* 2006).

4.4.2.1. Multicollinearity Test between independent variables

According to Gujarati (2003) Multicollinearity tests helps to identify the high correlation between explanatory variables and to avoid double effect of independent variable from the model. When independent variables are multicollinear there is overlap or sharing of predictive power. Predictor variable should be strongly related to dependent variable but not strongly related to each other. This may lead to the paradoxical effect, whereby the regression model fits the data well but, none of the explanatory variables (individually has a significant impact in predicting the dependent variable. For this purpose, variance inflation factor (VIF) and tolerance

test were used to check Multicollinearity for variables if the value of VIF is less than 10 there is no Multicollinearity and on the other hand if VIF greater than or equal to 10 there is a serious Multicollinearity problem.

The collinearity statistics for this study revealed that none of the Variance Inflation Factors were above 10 for each independent variable. In research this is said to be an acceptable number to test for multi-collinearity as any number above 10 would be cause for concern. The tolerances are all above 0.2. If a variable has collinearity tolerance below 0.2, it implies that 80% of its variance is shared with some other independent variables (Table 4.9).

Table 4.9 Multi- collinearity test

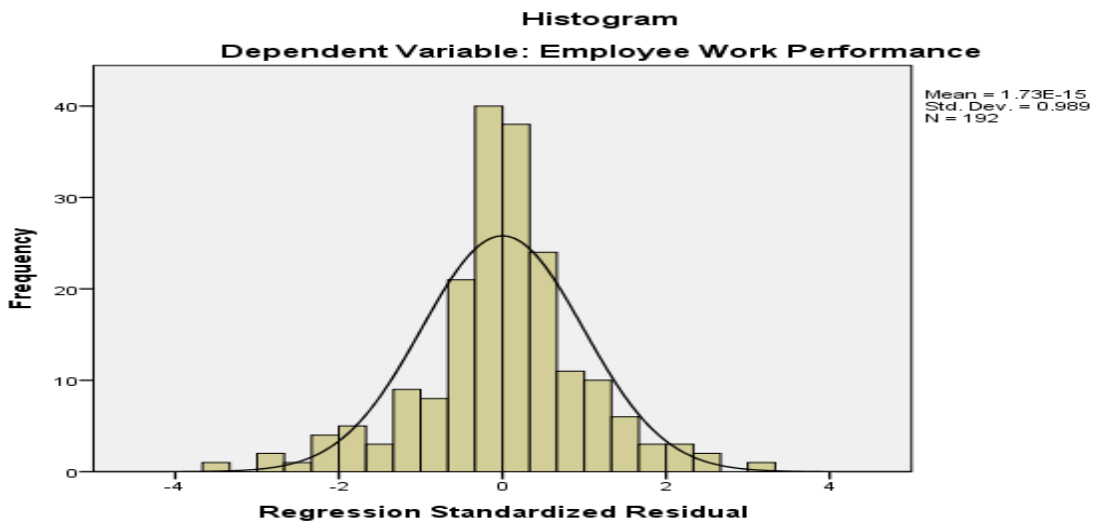
	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Ethnic Background	.441	2.267
Gender diversity	.758	1.319
Age diversity	.484	2.066
Educational Background	.733	1.365

VIF, variance inflation factor

4.4.2.2: Normality test

Normality assumption is around the mean of the residuals is zero and used to determine whether a data set is well modeled by a normal distribution or not and also to indicate un underlying random variable is to be normally distributed (Gujarati.2009). There the researcher was used histogram methods of testing the normality of the data. If the residuals are normally distributed about its mean of zero, the shape of histogram should be a bell-shaped and regression standardized residual plotted between -4 and 4. From the figure below the normality assumption of multiple regressions is satisfied.

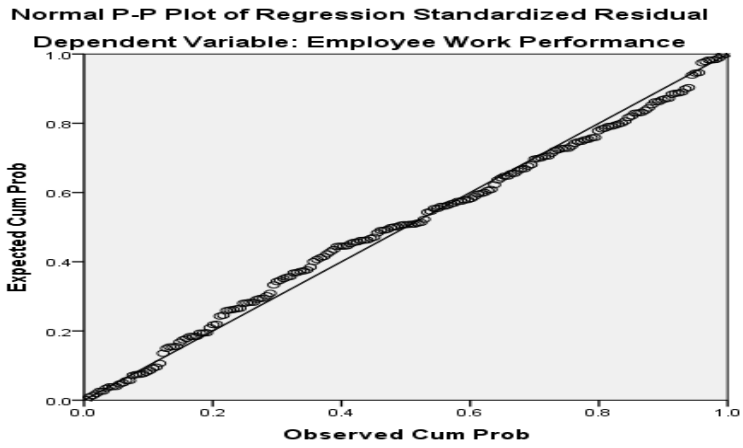
Figure 4.1: Histogram regression standardized residual



4.4.2.3 Linearity Test

Linearity is used to check whether all the estimates of regression including regression coefficients, standard errors and tests of statistical significance are biased or not (Keith, 2006). To check the linearity assumption in multiple linear regressions the normal P-P plot was used, the plot shows all observed values somewhat spread along the straight diagonal line. Figure 4.2 in below shows us most of the observed values are spread very close to the straight line; there is high likelihood that the data are normally distributed and linear.

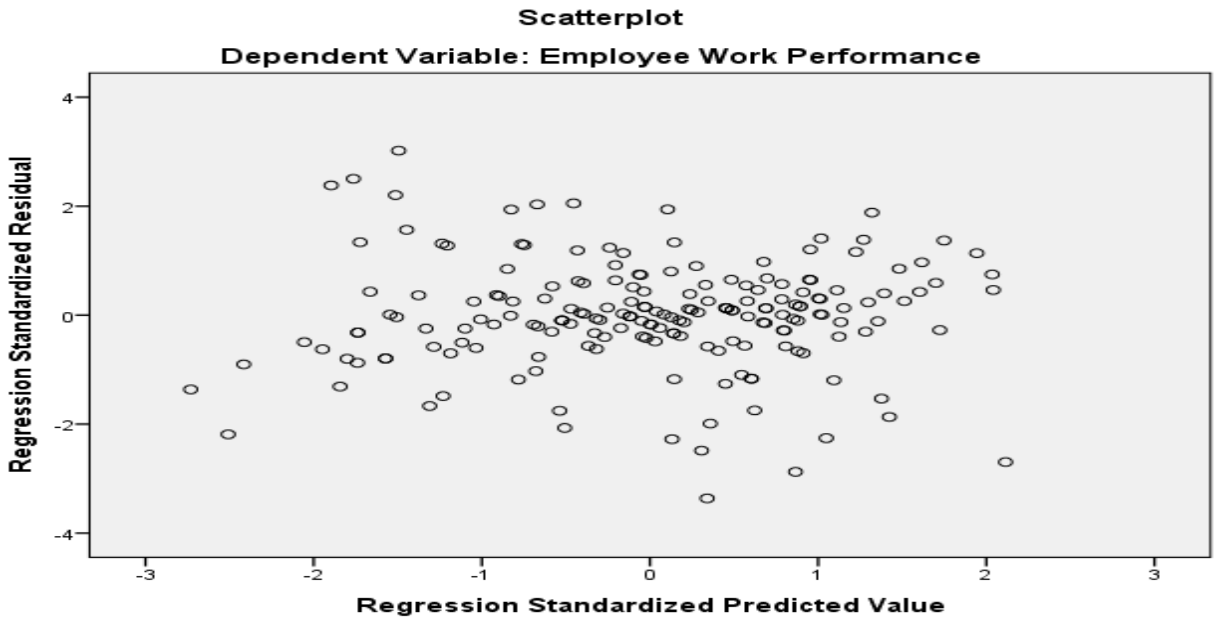
Figure 4.2: p-p plot; Linearity test results



4.4.2.4 Heteroscedasticity test

Heteroscedasticity is the equality or violation of the residuals for every set of values for independent variable. So the researchers assume that errors are spread out constantly between the variables. Heteroscedasticity problem exist when scatter plot is greater than 3.3 and less than -3.3. Therefore, as it was indicated in figure 4.3 below the data did not violate Heteroscedasticity assumption and instead it was homoscedastic.

Figure 4.3: Scatter plot Heteroscedasticity test



4.4.3: Result of the multiple linear Regression analysis

Regression analysis was conducted to empirically determine whether independent variable was a significant determinant of employee job performance.

Table 4.10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.771[a]	.594	.585	.35833

As given in the above test result, the value of R square is 0.594 which states that there is a change of 59.4% in dependent variable due to the effect of the independent variables. It also

shows that only 59.4% changes occurred with the fact of explained variables and the rest 40.6% due to unexplained variables.

Table 4.11 ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	35.113	4	8.778	68.366	.000[b]
	Residual	24.011	187	.128		
	Total	59.123	191			

Analysis of variance in this study was used to determine whether the model was a good fit for the data. The F value of the test for the data in Table 4.11 above is 68.36. The p-value associated with F value .000 which is lower than the alpha value 0.05. In addition, ANOVA table indicates that there was significant impact of the independent variables on the dependent variable and the model applied was significantly suitable to predict the dependent variable.

Table 4.12 Regression analysis of workforce diversity on employees' job performance

	Unstandardized Coefficients		Standardized Coefficients			95.0% CI for B	
	B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
(Constant)	.472	.200		2.356	.019	.077	.868
Ethnic Background(X1)	.366	.065	.398	5.674	.000*	.239	.494
Gender diversity(X2)	.105	.045	.125	2.332	.021*	.016	.194
Age diversity(X3)	.229	.058	.266	3.974	.000*	.115	.343
Educational Background(X4)	.167	.052	.175	3.210	.002*	.064	.269

*Indicates significance (p-value<0.05)

In this study, four explanatory variables were identifying to determine a significant difference on employees' job performance at 5% level of significance.

The estimated regression model was

$$\text{Employee job performance} = 0.472+0.366X_1 + 0.105X_2+0.229X_{3+}0.167X_4 +\varepsilon$$

Hence, the coefficient explains the average amount of change in dependent variable that is caused by a unit of change in the independent variable. Accordingly, the unstandardized beta

coefficients (β) tell us the unique contribution of each factor to the model. A small p value (<0.05) indicate the predictor variable has made a statistically significance contribution to the model. On the other hand, a high p value (p >0.05) indicate the predictor variable has no significant contribution to the model (George and Mallery, 2003). Table 4.11 shows all the p-value for independent variables is less than 0.05 and all the β values are positive, that shows all independent variables have a positive effect on employee job performance.

Ethical diversity, has high positive effect (p<.05, weight=0.366) on employees' job performance. This result shows that for every single unit of increase in ethical diversity result increasing of 0.366 units of employees' job performance. Similarly, age diversity has a second high positive effect (p<.05, weight=0.229) on employees' job performance. This result shows that for every single unit of increase in age diversity result increasing of 0.229 units of employees' job performance. Likewise, educational background has the third high positive effect (p<.05, weight=0.167) on employees' job performance. This result shows that for every single unit of increase in educational background diversity result in an increasing of 0.167 units of employees' job performance. Finally, gender diversity has the least positive effect (p<.05, weight=0.105) on employees' job performance as compared to others. This result shows that for every single unit of increase in gender diversity result in an increasing of 0.105 units of employees' job performance. In general, all the independent variables have a positive and a significant effect on employees' job performance.

4.5 Interview Discussion

In this part of data analysis, the researcher presents the result of in depth interview question made with Human resource Managers from one main branch and four sub-branches (Jiren branch, Awetu branch, Bochobore branch, and Abajifar branch). Five guiding question were designed in order to address the point that cannot be addressed.

1. Does your organization has a diverse workforce and promotes its implementation?

The entire respondent replied that CBE has a diverse workforce that comprises of different background and culture regardless of their gender, age, Ethnicity and educational status. Implementation of equal employment opportunity and affirmative action takes place as per the HR policies of the organization.

2. For the question does your organization have a diversity management policy? If not, how can you insure proper diversity management and inclusion in the workplace?

   Again all the Managers responded that organization doesn't have such a policy. But the companies HR policy, procedure and labor low guide leaders or decision makers to avoid unnecessary biases and discrimination and somewhat help to work towards inclusion.
3. Regarding to the benefits of having diverse workforce in your organization;

   Respondents replied that as a service giving organization the company benefited with a better way to serving its customer (improved service excellence) by adopting new way of doing things employee improve efficiency and also teamwork among others.
4. For the question relating to challenges of having diverse workforce Managers replied that there is no difficulty because of diversity rather it helps the organization positively.
5. Regarding to the question does the organization use equal opportunities approach such as affirmative action? If so, for what purpose? Again all respondent explained that equal opportunity approach is given to all candidates in recruitment and selection from internal and external applicants and affirmative action applied for new entrant females.

4.6. Hypothesis testing and discussion

The study examined the effect of workforce diversity on employees' job performance of commercial bank of Ethiopia, in Jimma town. The study designed to make use of some techniques, questionnaires was distributed among employees in Commercial bank of Ethiopia in Jimma town, for obtaining relevant data from individuals, the reliability found which was satisfactory result and valid enough for collection of the data. The statistics show that majority of participants were male rather than females, all the data analysed through SPSS version 23.

H1: Ethnic diversity has a significant effect on employee job performance

In the above table coefficient on Ethnic diversity (beta = 0.366, t = 5.674, p value<.05) is statistically significant and positive effect on employees' job performance. Pearson correlation also shows that there is a strong positive relationship between ethnic diversity and employee job performance. This finding was supported by Jehn and Bezrukova (2004) they reported that ethnic diversity has a positive effect and there was a significant relationship of ethnic diversity on team performance. Webber and Donahue (2001) in their meta-analysis of 24 studies found that race or

ethnicity had a positive effect on team cohesion or performance. The organizational strategies of individual companies are likely to have an influence on the impact of workforce diversity.

Further study by Mwatumwa *et al.,* (2016) evidenced that the relationship between ethnicity and employee work performance was significant with a correlation coefficient of 0.195, and the result also shows that ethical diversity has a positive effect on job performance. The findings of the study by Rahman *et al.,* (2017) revealed that ethical diversity had a positive effect on employee job performance (beta =.549, t=6.169, p<0.05).

H2: Gender diversity has a significant effect on employee job performance

The coefficient of gender diversity (beta =0.105, t =2.332, p value<.05) is statistically significant positive effect on employees job performance. Pearson correlation also shows that there is a moderate positive relationship between gender diversity and employee performance (r=0.419) falls in the range of 0.4 to 0.69 which is interpreted as "moderate positive association". Similar to this study, there are many reports that observed significant impact of gender diversity. Evidence from Elsaid (2012) study result showed that gender has a positive effect on employee's job performance. A study Mwatumwa *et al.,* (2016) also shows that gender diversity has a positive effect on job performance (beta=0.345, P-value < 0.05). The study is also consistent with the study by Rahman *et al*. (2017) shown that gender has significantly the highest impact on employee performance (beta=0.271, t=4.765, p<0.05).

H3: Age diversity has a significant effect on employee job performance

Based on the results, age diversity has a positive effect on employees' job performance (beta=0.229, t=3.974, P-value < 0.05). Age is one of the characteristics of the employee that triggers categorization among them; this showed that age diversity is an effect on employee performance which agrees with the findings discussed in Williams and O'Reilly (2008) and Jackson *et al.,* (2003). This result is also consistent with the study done by Amdemicheal and Abdilgelil.(2018), shown that age have a beta value of 0.068; this means that the independent variables age has 6.8% contribution to explain employee performance self-sufficiently.

H4: Educational background diversity has a significant effect on employee job performance.

Based on the results, educational background has a positive effect on employees' job performance with the coefficient of educational background (beta =0.167, t =3.210, p value<.05). Pearson correlation also shows that there is a moderate positive relationship between educational background and employee job performance (r=0.50, p-value < 0.05). The findings of the study by Rahman *et al*., (2017) revealed that educational background has a positive effect on employee performance (beta= .103, t=3.089, p-value < 0.05). In addition, Barney (2001) found that education background had a significant positive effect on employee job performance with the correlation coefficient value of 0.190 and p-value of 0.001 which was significant at the alpha value 0.01. The result of other study by Mwatumwa *et al.*, (2016) and Amdemicheal and Abdilgelil (2018) evidenced that education background has a positive effect on employee performance with a coefficient of beta=0.210 and t=1.883.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the discussion of the research findings. The descriptive analysis presented in previous chapter is summarized. In addition, the recommendations of the researcher are included. The last section of this chapter gives the overall conclusion of the entire research project.

5.2 Summary of major finding

From the analysis it became evident that gender diversity was well encouraged. A performance criterion for success at work was equally expected to be higher for female as well as for male employees. It was evident from the research that there was no discrimination during hiring and recruitment process on gender basis at the CBE. It also became apparent that CBE attracted and hired women prodigiously and that employees were given fair treatment throughout, whether male or female. The researcher observed that at the CBE, women were given opportunity to work in positions that utilized their skills, education and training.

The mean of each question above was the moderate level and it infer that respondents were positively responded each item that the age diversity were an accepted at work area. It was evident from the research that there was no emotional conflicts and anxiety within the team due to status difference between young and old employees and there is no experience stress in the last 12 months due to age diversity issues in work place. Respondents were also granted with the statements “CBE provides equal opportunities for training and career development to all age groups”, “Supervisors at different sections include all members at different ages in problem solving and decision making”, “The age differences in work place do not create conflict” and encourages employees to work with employees of different age.

From the responses the researcher found out that difference in educational background did not bring conflict among the employees and gives equal treatment when it comes to educational background. During the study, educational background appeared very crucial since it formed the basis of the recruitment plan at the CBE. However, low educational qualifications seemed not to

lower the esteem of workers since opportunities for growth and advancement existed for all employees regardless of their educational background.

In this study the researcher finding shows that CBE attracts and hires employees from all ethnic background and gives opportunities for growth and advancement for all groups. More than half of the respondents agreed that different languages used to communicate don’t create problems among employee.

From the study, it became evident that employees of the CBE enjoyed their tasks and that they were fully committed to the mission and vision of the organization. According to the responses, the researcher observed that there was motivation of workers at the CBE and that there was full cooperation amongst workers of different ethnic backgrounds. It was also apparent that different gender and age groups worked well and that there was appreciation of one`s performance by members of the opposite group. Higher number of respondents agreed that employees with higher educational qualification performed better. Finally, more than half of the respondents agreed that good employee work performance was important for the future growth of the CBE.

5.3 Conclusion

The objectives of this study have been fulfilled with positive results for all the tested variables. From the findings, workforce diversity has significant effect towards employee job performance at the CBE. There is no discrimination on the basis of ethnicity, gender, age, and educational background. The CBE has a diverse workforce with a satisfying work environment which is highly socialized. It became clear from the study that low or higher employee work performance is influenced by workforce diversity such as gender, age, educational background and ethnicity at the CBE.

This study reviews the literature on workforce diversity and performance link and find different dimensions have a different relation with performance. The descriptive analysis outcome shows, CBE in Jimma town encourages employees to work with various gender, age, ethnicity and education background.

Although, the result of correlation coefficient between each independent variable and dependent variable shown a significant positive relationship, the findings of regression coefficient showed

that age, gender, ethnic and education background were significant to affect employee work performance. Thus, it can be concluded that the performance of employees working in Jimma town does influence significantly by their age, gender, ethnic and educational background.

5.4. Recommendation

The following recommendations are stated as vital actions to be performed by CBE to more diversify its workforce diversity:

- ✓ High gender diversity will have a greater positive effect on job performance in CBE. It indicate that the organization has to do a lot to attract more female employees through the effective utilization of equal opportunities techniques and affirmative action to balance male and female employees in CBE.
- ✓ It is observed from this study that age diversity has a positive effect on job performance. A heterogeneous age group of employees would therefore be more productive than a homogeneous age group. Therefore, the organization needs to do more in diversifying the workforce in terms of age so as to acquire lots of skill, knowledge and attitude.
- ✓ CBE also has to improve educational background of managers as well employees by providing tuition fee and free study leave in doing so lack confidence avoided motivation improved and also turnover intention minimized.
- ✓ The effect of ethical diversity under the study is significant to impact employee job performance. Thus it's advisable to CBE to understand how to manage the diverse workforce in ethnicity where it can increase the advantage of such diversity and eliminate or reduce the disadvantage if any.

5.5 Recommendation for further research

It is supposed that organization cultures, human resource practices, nature of work and business strategy of individual firms, marital status of the employees, and work experience are different from each other and since workforce diversity is a contemporary issue. Therefore, the researcher would like to recommend for those researchers who want to conduct study on the subject, they try to include other variables as possible as they can by extending the study area in other branches. Future researcher can also focus on a specific category i.e. Directors, Managers or Executives of employees. Moreover, the researcher recommends such similar research in other nature of business.

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APPENDIX A

JIMMA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF PUBLIC MANAGEMENT

APPENDIX A: LETTER TO RESPONDENTS

RESEARCH QUESTIONNAIRE

Dear Respondents,

I am a post graduate student of Jimma University College of business and Economics department of Management. Currently under taking a research on "The Effect of Workforce Diversity on Employee Performance" A case study of Commercial Bank of Ethiopia (CBE) in Jimma town as a case study for the partial fulfillment of Master's Degree in Public Management.

You have been selected to participate in this study as a respondent. The information you provide shall be treated entirely for academic purposes and shall be held with high confidentiality.

If you have any questions or comments, please contact Ediana Fiseha

(Mobile +251-913141610 or email- edenfiseha20@gmail.com

Your cooperation shall be highly appreciated. -

Yours sincerely,

Ediana Fiseha

General Instruction

This questionnaire consists of six sections. Sections A is demographic question and from sections B-F require responses ranging from strongly agree to strongly disagree. The respondent is expected to tick (√) whichever is appropriate with his or her opinion. No need to write your name

Section A: Demographic Profile

1. Gender

   Male ☐ Female ☐

2. What is your age interval?

   18-25 years ☐ 26- 35 years ☐
   36- 45 years ☐ 46- 55 years ☐
   Above 56 years ☐

3. How long have you served at the CBE?

   0- 5 years ☐ 6- 10 years ☐
   11- 15 years ☐ 16-20 years ☐

   Above 21 years ☐

4. Ethnicity (please specify your ethnic group)

Ethnicity	Yes	No
Oromo		
Amara		
Tigray		
SNNP		
Somali		
Afar		
Harere		
Other		

5. Education Level accomplished:

Certificate ☐ Diploma ☐

1st Degree ☐ 2nd Degree ☐ PhD ☐

SECTION B

1=strongly disagree, 2=disagree, 3= Neutral 4= Agree, 5=Strongly Agree

Attribute on Ethnic Background

	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	CBE attracts and hires employees from all ethnic background					
2	Opportunities for growth and advancement exist for all ethnic groups					
3	The ethnic diversity in our team promoted free flow of information between ethnic groups					
4	Different languages used to communicate create problems among employee.					
5	The ethnic diversity in our team helped to expedite the completion of our task on time					
6	The ethnic differences in work groups do not encourage conflict.					
7	I am positive about ethnic diversity at the CBE					

SECTION C

<u>Attribute on Gender</u>

1=Strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5= Strongly Agree

	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	Employees are not discriminated during hiring and recruitment process on gender Basis					
2	CBE does a good job of attracting and hiring women					
3	At CBE fair treatment is given to all employees whether male or female.					
4	The transformational leadership style of the female employee contributed to the success of the team.					
5	Gender diverse team showed better problem solving and decision making skills than gender homogenizes teams.					
6	A career development that includes women is encouraged at the CBE					
7	Training and development program is structured to meet the criteria/ requirement of male and female gender.					
8	Gender diverse teams achieved target due to the good relationship and effective Communication					
9	I am positive about gender diversity at the CBE					

SECTION D

<u>Attribute on Age diversity</u>

1=strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5= Strongly Agree

	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	The expertise of young employees with high tech tools helps older employees to improve their knowledge on the latest technologies					
2	The risk taken by younger employee contributed to the success of the team					
3	The mentoring by older employees benefited young employees in acquiring job skills					
4	Older employees mitigated the friction among younger employees in the team and promoted team cohesiveness					
5	No emotional conflicts and anxiety within the team due status difference between young and old employees					
6	I did not experience stress in the last 12 months due to age diversity issues in my work place					

SECTION E

Attribute on Educational Background

1=strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5=strongly agree

	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	The recruitment plan of the CBE is based on the educational background of applicants					
2	CBE provides paid study leave to employees who further their education					
3	At the CBE, opportunities for growth and advancement exist for employees who have low educational qualifications.					
4	At the CBE differences in educational background do not bring conflict among employee					
5	As an employee of CBE, l experience lack of confidence due to my educational background.					
6	CBE gives equal treatment when it comes to educational background.					

SECTION F

Attribute on Employee Work Performance

1=strongly disagree, 2=Disagree, 3= Neutral 4= Agree, 5 =strongly agree

	Item	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
1	At the CBE, I enjoy my tasks and the division of work approach.					
2	I am always committed to the mission and vision of the CBE					
3	I love my work and l am motivated to complete the tasks that are assigned to me always					
4	I co-operate well with my colleagues of different ethnic backgrounds.					
5	My performance level has effect on my salary level.					
6	You are satisfied regarding your associate Works					
7	At the CBE employees are given a chance to apply their own methods of doing their work.					
8	Training given by the company encourage me to work better					
9	At CBE employees with higher educational qualifications perform better than those with lower qualification.					
10	Good employee work performance is important for the future growth of the CBE					

APPENDIX-B

Interview Questionnaire

Jimma University

1. Does your organization has a diverse workforce and promotes its implementation?
2. Does your organization have a diversity management policy? If not, how can you insure proper diversity management and inclusion in the workplace?
3. What are the benefits of having workforce diversity in your organization?
4. What do you see as the most challenging aspect of diverse workforce?
5. Does the organization use equal opportunities approach such as affirmative action? If so for what purpose?

Thank you for your participation!