



Nepalese
Journal of Management

Workforce Diversity and Productivity of Organization: A Case of Nepalese Commercial Banks

Royal Sethi*

Abstract

This study examines the workforce diversity and productivity of organization: A case of Nepalese commercial banks. Job satisfaction is the dependent variable. The selected independent variables are age diversity, gender diversity, race and ethnicity diversity, education diversity, culture diversity, and physical and mental abilities diversity. The primary source of data is used to assess the opinions of respondents regarding age diversity, gender diversity, race and ethnicity diversity, education diversity, culture diversity and physical and mental abilities diversity towards workforce diversity and productivity of organization. The study is based on primary data of 151 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation and multiple regression models are estimated to test the significance and importance of workforce diversity and productivity of organization: A case of Nepalese commercial banks.

The study showed that age diversity is positively correlated to job satisfaction. It indicates that organization having employee from different age group leads to increase in the satisfaction of employee's satisfaction towards their job. Likewise, gender diversity is positively correlated to job satisfaction. It indicates that equality in gender diversity leads to increase in productivity and job satisfaction of employee. Similarly, race and ethnicity diversity is positively correlated to job satisfaction. It indicates that firm having employee from different racial and ethnic background leads to increase in job satisfaction of employee. Moreover, educational diversity is positively correlated to job satisfaction. It implies that employee from different educational background leads to increase in job satisfaction. Further, cultural diversity is also positively correlated to job satisfaction. It implies that drawing employee from a diverse culture leads to increase in job satisfaction of an employee. Moreover, physical and mental abilities diversity is positively correlated to job satisfaction. It indicates that firm having diversity of physical and mental abilities in an organization have numerous benefits to organization that leads to increase in job satisfaction.

Keywords: age diversity, gender diversity, race and ethnicity diversity, education diversity, culture diversity, physical and mental abilities diversity, job satisfaction

1. Introduction

Workforce diversity can be defined as the differences among employees in terms of gender, race, ethnicity, age, education, background, and other

* Mr. Sethi is a Freelance Researcher, Kathmandu, Nepal. E-mail: sumitmaskeypradhan@gmail.com

personal characteristics. The notion of the diversity is not limited to visible characteristics such as race and gender but also includes less visible aspects such as cultural backgrounds, educational qualifications, and work experiences. Similarly, Phillips (1997) defines that diverse groups performed better than homogeneous groups in problem-solving tasks. A diverse workforce fosters creativity and innovation through the combination of different perspectives and experiences. Likewise, Cox and Blake (1991) demonstrates that diverse teams are more likely to generate creative solutions and ideas. Similarly, Watson (2019) found that diverse groups are more effective in developing innovative strategies. The study also found that workforce diversity has a positive impact on organizational productivity when it is managed effectively. The study also found that diversity have negative effects on organizational productivity.

Likewise, Gupta and Sharma (2015) analyzed the relationship between workforce diversity and organizational productivity. The study found a positive relationship between workforce diversity and organizational productivity. Similarly, Harrison and Klein (2007) examined the meta-analysis of the relationship between workforce diversity and organizational outcomes, including productivity. The study found that diversity has a positive effect on organizational performance. In addition, Hong and Page (2004) revealed a positive impact of diversity on decision-making, problem-solving, and learning processes. Further, Richard and Stokes (2017) examined the impact of diversity on team creativity. The study found that diversity has a positive effect on team creativity, with diversity in education and cultural background having the strongest impact. Likewise, Van and Homa (2013) showed that diversity has a positive effect on team performance, with diversity in gender and age having the strongest impact. Similarly, MOR Barak and Cherin (2001) examined the impact of diversity management on organizational performance: A review of the research and implications for human resource development. The study showed that diversity management practices have positive effects on organizational outcomes when they are implemented effectively.

Richard and Johnson (2001) assessed the understanding the impact of human resource diversity practices on firm performance. The study found that there is a positive relationship between workforce diversity and firm performance. Similarly, Herring (2009) investigated the race, gender, and the business case for diversity. The study found that organizations with higher levels of racial and gender diversity experience better financial performance. The study also found that importance of an inclusive organizational culture

in realizing these benefits. In addition, Ali (2010) examined the influence of workforce diversity on organizational commitment and employee productivity. The study found that effects of workforce diversity on organizational commitment and productivity, providing empirical evidence to support the argument that a diverse workforce can positively impact organizational outcomes. Likewise, the study also found a positive relationship between workforce diversity and organizational commitment.

Lauring and Selmer (2012) investigated the multicultural organizations: common language and group cohesiveness. The study found that despite the potential for workforce diversity to boost productivity, many organizations struggle to effectively manage diverse teams due to communication barriers. Likewise, the study also found that having a common language within multicultural organizations can enhance group cohesiveness, thereby mitigating the communication challenges associated with diversity. Likewise, Bezrukova *et al.* (2016) examined the meta-analytical integration on diversity training evaluation. The study found that meta-analysis likely identified gaps and shortcomings in diversity training programs and their effectiveness in improving diversity outcomes in organizations. In addition, Saxena (2014) assessed the workforce diversity within an organization's. The study found that diverse workforce brings together different perspectives, experiences, and backgrounds, which can lead to increased creativity and innovative problem-solving. The study also stated that diverse work environment fosters a sense of inclusion and belonging among employees, leading to higher employee engagement and satisfaction.

In the context of Nepal, Dhakal and Khatiwada (2019) examined the impact of linguistic diversity on organizational performance in Nepal. The study found that linguistic diversity could lead to both positive and negative effects on organizational performance, depending on how it was managed. Similarly, Kharel *et al.* (2017) found that women faced significant barriers to career advancement in the Nepali banking sector due to gender stereotypes and cultural norms. Likewise, Parajuli (2021) indicated that workforce diversity refers to the presence of individuals with different backgrounds, characteristics, and perspectives within an organization. It encompasses various dimensions such as age, gender, ethnicity, race, nationality, education, experience, and more. Similarly, Chaudhary (2018) analyzed the impact of workforce diversity on organizational effectiveness: a study of Nepalese commercial banks. The study found that without strong commitment and support from top management, diversity initiatives may not be successful,

and diverse employees may not feel adequately valued or included. Likewise, the study also found that communication barriers, cultural misunderstandings, and biases that can occur in diverse workforces, potentially impeding organizational effectiveness.

Biswakarma and Gnawali (2020) stated the impact of job satisfaction on performance: A case of frontline employees in Nepalese public banks. The study found that job satisfaction, such as workload, work environment, managerial support, or opportunities for career development, which in turn could impact the performance of frontline employees. Similarly, Joshi and Roh (2009) examined the impact of workforce diversity on productivity is contingent on various contextual factors, such as team size, industry, and task complexity. The study found that understanding these factors can help organizations better manage diversity to maximize its benefits. Likewise, Rajendra and Neupane (2020) investigated the exploring the status of employee empowerment in the commercial banking sectors in Nepal. The study found that the level of employee empowerment in the commercial banking sector in Nepal was moderate. The study also found that there was a significant relationship between employee empowerment and job satisfaction, organizational commitment, and job performance. The study showed that the commercial banking sector in Nepal should focus on enhancing employee empowerment to improve job satisfaction, organizational commitment, and job performance. Moreover, Shrestha and Parajuli (2021) examined the impact of workforce diversity on employee performance. The study found that gender diversity has a positive relationship with employee performance.

The above discussion shows that empirical evidences vary greatly across the studies on the workforce diversity and productivity of organization. Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The major objective of the study is to examine the workforce diversity and productivity of organization: A case of Nepalese commercial banks. Specifically, it examines the relationship of age diversity, gender diversity, educational diversity, race and ethnicity diversity, cultural diversity, physical and mental abilities diversity with job satisfaction in Nepalese commercial banks.

The remainder of this study is organized as follows: section two describes the sample, data, and methodology. Section three presents the

empirical results and final section draws the conclusion.

2. Methodological aspects

The study is based on the primary data. The data were gathered from 151 respondents through questionnaire. The study employed convenience sampling method. The respondents' views were collected on age diversity, gender diversity, race and ethnicity diversity, education diversity, culture diversity, physical and mental abilities diversity and job satisfaction. This study is based on descriptive as well as causal comparative research designs.

The model

The model used in this study assumes that job satisfaction depends upon workforce diversity and productivity of organization. The dependent variable selected for the study is job satisfaction. Similarly, the selected independent variables are age diversity, gender diversity, educational diversity, race and ethnicity diversity, cultural diversity and physical and mental abilities diversity. Therefore, the model takes the following form:

Job satisfaction = f (age diversity, gender diversity, educational diversity, race and ethnicity diversity, cultural diversity, physical and mental abilities diversity).

More specifically,

$$JS = \beta_0 + \beta_1 GD + \beta_2 AD + \beta_3 RED + \beta_4 ED + \beta_5 CD + \beta_6 PMD +$$

Where,

JS = Job satisfaction

GD = Gender diversity

AD = Age diversity

RED = Race and ethnicity diversity

ED = Educational diversity

CD = Cultural diversity

PMD = Physical and mental diversity

Age diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include "My ability to collaborate effectively with colleagues of various age groups contributes to a more inclusive and productive work environment", "My leadership style embraces and supports age diversity, encouraging employees of different age groups to contribute their unique insights, ultimately enhancing productivity

within the organization” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.752$).

Gender diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “My organization’s productivity is positively influenced by gender diversity,” “I believe that a diverse workforce, including gender diversity, enhances the overall performance of my organization” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.789$).

Race and ethnicity diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “My organization actively promotes and values racial and ethnic diversity, recognizing its positive impact on productivity,” “I believe that a diverse workforce, including representation of different races and ethnicities, positively impacts the overall productivity of my organization” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.864$).

Education diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “My organization recruits employees on the basis of education background,” “The difference in education background does not encourage conflict” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.839$).

Culture diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “My understanding of cultural diversity positively influences my productivity at work,” “I believe that working in a culturally diverse team enhances my creativity and problem-solving abilities” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.863$).

Physical and mental abilities diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I believe that my physical and mental abilities contribute positively to my productivity in the organization,” “My mental resilience and ability to cope with stress positively affect my overall productivity at

work” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.811$).

Job satisfaction was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I feel more satisfied with my job when the organization actively promotes age diversity and treats all employees fairly, regardless of their age,” “My job satisfaction increases when I see the organization maintaining a gender-balanced workforce and providing equal opportunities for career growth” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ($\alpha = 0.815$).

The following section describes the independent variables used in this study along with the hypothesis formulation:

Age diversity

Age diversity refers to the diversity in the ages of employees within an organization (Riach, 2009). Similarly, Kabst (2016) investigated the relationship between age diversity and job satisfaction in teams. The study found that age diversity is positively related to job satisfaction in teams. Likewise, Bell and Narz (2007) found a negative attitudes and perceptions about older workers, such as stereotypes about their declining physical and mental abilities, can create a workplace environment that is hostile to older employees. Further, Drabe (2015) examined the factors influencing job satisfaction among older workers in three countries with aging workforces. The study revealed that age diversity and aging have positive impact on company productivity, particularly in innovative companies. Furthermore, the study found that age diversity is positively related to job satisfaction. Based on it, this study develops the following hypothesis:

H₁: There is a positive relationship between age diversity and job satisfaction.

Race and ethnicity diversity

Race and ethnicity diversity refers to the presence and representation of individuals from various racial and ethnic backgrounds within a specific context, such as an organization, community, or society (Kalev, 2006). Pitts (2005) investigated the relationship between workforce diversity and organizational performance, with a specific focus on job satisfaction in public organizations. The study showed a diverse workforce contributes to increased job satisfaction through mechanisms such as social equity, passive representation, and active representation. Similarly, Choi (2013) examined

the relationship between demographic diversity of managers and employee job satisfaction within the federal government context. The study found that there is a positive and significant relationship between demographic diversity of managers and employee job satisfaction in the federal government. McKay (2008) found a positive diversity climate can enhance job satisfaction and reduce racial and ethnic disparities in sales performance. Further, Herring (2009) investigated the relationship between workplace diversity and business outcomes. The study showed that organizations benefit from promoting diversity and inclusion, as they can lead to increased job satisfaction and better financial performance. Moreover, Richard (2007) examined the impact of racial diversity on intermediate and long-term performance: The moderating role of environmental context. The study found that diversity practices are positively correlated with increased racial diversity in management, leading to increased job satisfaction and a more inclusive work environment. Based on it, this study develops the following hypothesis:

H₂: There is a positive relationship between race and ethnic diversity and job satisfaction.

Gender diversity

Gender diversity refers to the variation and representation of different genders within a group or organization (Post, 2015). Similarly, Kaine (2018) examined the impact of gender diversity on job satisfaction. The study revealed that gender diversity has a positive impact on employee engagement and commitment to the organization. Further, Nishii and Raver's (2013) analyzed the relationship between diversity climate, employee engagement, and psychological safety. The study found that there is a positive relationship between gender diversity and job satisfaction. In addition, Ozbilgin and Tatli (2008) revealed that gender diversity has a positive impact on job satisfaction, engagement, and commitment to the organization. Based on it, this study develops the following hypothesis:

H₃: There is a positive relationship between gender diversity and job satisfaction.

Educational diversity

Educational diversity's relationship with job satisfaction could be viewed in a few different ways, but generally speaking, organizations that embrace and promote educational diversity could have employees with higher job satisfaction (MOR Barak and Cherin, 1998). Similarly, Lankau and Scandura (2007) found that educational diversity has a negative impact

on job satisfaction, as employees may experience communication difficulties and feelings of exclusion. In contrast, Cox and Blake (1991) found that educational diversity is positively related to job satisfaction when employees perceive that the organization values and respects diversity. Further, Cho and Park (2011) found that educational diversity can enhance job satisfaction through improved social networks, as employees with diverse educational backgrounds are more likely to form cross-functional relationships. In addition, Gully (1997) stated that educational diversity can lead to conflicts and misunderstandings, which in turn can reduce job satisfaction. Based on it, this study develops the following hypothesis:

H₄: There is a positive relationship between educational diversity and job satisfaction.

Cultural diversity

Cultural diversity promotes mutual respect, understanding, and appreciation among individuals from different backgrounds, fostering social cohesion and the exchange of ideas (Bhagat and Steverson, 2009). Gotsis (2015) examined the relationship between corporate culture and organizational commitment in the context of diversity. The study stated that creating an inclusive culture can lead to increase job satisfaction and commitment. Similarly, Hong and Page (2004) found that diverse groups are better at solving complex problems than homogeneous groups, as diversity contributes to a broader range of perspectives, experiences, and approaches. The study also found that diverse teams can be more innovative and creative, ultimately leading to increased productivity in organizations. Similarly, Mor Barak (2020) stated that organizations that effectively manage diversity create an inclusive work environment, fostering a sense of belonging and satisfaction among employees from diverse backgrounds. Likewise, Guillaume and West (2017) found that moderating effects of cultural diversity on job satisfaction. The study also found that organizations that effectively manage diversity and create an inclusive climate can promote job satisfaction and well-being. Based on it, this study develops the following hypothesis:

H₅: There is a positive relationship between cultural diversity and job satisfaction.

Physical and mental abilities diversity

Physical and mental ability diversity refers to the inclusion and recognition of individuals with different physical and mental capabilities (Hopf and Dew, 2020). Likewise, Milliken and Martins (1996) revealed that

multiple effects of diversity in organizational groups, demonstrating that embracing diversity in the workplace can enhance job satisfaction and group performance. Similarly, Shore (2011) found that inclusive workplace practices can improve job satisfaction and well-being, particularly for employees with different physical and mental abilities. Further, McKay (2008) concluded that organizations that are inclusive and supportive of employees with diverse abilities, experience higher levels of satisfaction. In addition, Nishii (2013) stated that an inclusive climate can lead to increased job satisfaction among workers with diverse physical and mental abilities. Moreover, Mor and Cherin (1998) showed that workplace diversity and organizational support can foster a sense of belonging among employees, which positively impacts to job satisfaction. Based on it, this study develops the following hypothesis:

H_6 : There is a positive relationship between physical and mental abilities diversity and job satisfaction.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with mean and standard deviation has been computed and the results are presented in Table 1.

Table 1

Kendall's Tau correlation coefficients matrix

This table presents Kendall's correlation coefficients between dependent variable and independent variables. The correlation coefficients are based on 151 observations. The dependent variable JS (Job satisfaction). The independent variables are AD (Age diversity), GD (Gender diversity), RED (Race and ethnicity diversity), ED (Educational diversity), CD (Cultural diversity) and PMD (Physical and mental abilities diversity).

Variables	Mean	S.D.	JS	AD	GD	RED	ED	CD	PMD
JS	4.300	0.557	1						
AD	4.330	0.493	0.476**	1					
GD	4.190	0.578	0.609**	0.547**	1				
RED	4.200	0.676	0.571**	0.522**	0.631**	1			
ED	4.320	0.565	0.585**	0.476**	0.577**	0.576**	1		
CD	4.260	0.613	0.634**	0.504**	0.603**	0.685**	0.623**	1	
PMD	4.270	0.577	0.656**	0.511**	0.615**	0.649**	0.593**	0.705**	1

Note: The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent levels respectively.

Table 1 shows the Kendall's Tau correlation coefficients of dependent and independent variables for workforce diversity and productivity of

organization. The study shows that age diversity is positively correlated to job satisfaction. It indicates that organization having employee from diverse age group leads to increase in the satisfaction of employee's satisfaction towards their job. Likewise, gender diversity is positively correlated to job satisfaction. It indicates that gender diversity leads to increase in productivity and job satisfaction of employee. Similarly, race and ethnicity diversity is positively correlated to job satisfaction. It indicates that firm having employee of different racial and ethnic background leads to increase in job satisfaction of employee. Moreover, educational diversity is positively correlated to job satisfaction. It implies that employee from different educational background leads to increase in productivity of organization. Further, cultural diversity is also positively correlated to job satisfaction. It implies that drawing employee from a diverse culture increase job satisfaction of an employee. Moreover, physical and mental abilities diversity is positively correlated to job satisfaction. It indicates that firm having diversity of physical and mental abilities in an organization can have numerous benefits of employees' job satisfaction and ranging from improving creativity to fostering a more inclusive and equitable environment.

Regression analysis

Regression analysis is a statistical process for estimating the relationships among variables. The regression results were estimated where age diversity, gender diversity, race and ethnicity diversity, educational diversity, cultural diversity and physical and mental abilities diversity are used as independent variables and dependent variable is job satisfaction.

The estimated regression result of age diversity, gender diversity, race and ethnicity diversity, educational diversity, cultural diversity and physical and mental abilities diversity on job satisfaction shown in Table 2.

Table 2

Estimated regression result of age diversity, gender diversity, race and ethnicity diversity, educational diversity, cultural diversity and physical and mental abilities diversity on job satisfaction

The results are based on 151 observations by using linear regression model. The model is $JS = \beta_0 + \beta_1 GD + \beta_2 AD + \beta_3 RED + \beta_4 ED + \beta_5 CD + \beta_6 PMD$ + where, dependent variable is JA (Job satisfaction). The independent variable are AD (Age diversity), GD (Gender diversity), RED (Race and ethnicity diversity), ED (Educational diversity), CD (Cultural diversity) and PMD (Physical and mental abilities diversity).

Model	Intercept	Regression coefficients of						Adj. R_bar ²	SEE	F-value
		AD	GD	RED	ED	CD	PMD			
1	1.185 (3.821)**	0.719 (10.102)**						0.402	0.431	102.04
2	1.535 (6.320)**		0.662 (11.48)**					0.466	0.407	131.80
3	1.882 (9.154)**			0.575 (11.895)**				0.484	0.399	141.48
4	1.26 (5.123)**				0.703 (12.450)**			0.507	0.392	154.99
5	1.618 (6.995)**					0.629 (11.704)**		0.476	0.403	136.99
6	1.175 (5.307)**						0.732 (14.230)**	0.573	0.363	202.49
7	0.934 (3.277)**	0.301 (3.669)**	0.469 (5.710)**					0.507	0.391	78.14
8	0.926 (3.481)**	0.181 (2.248)*	0.295 (3.478)**	0.374 (4.785)**				0.571	0.365	67.43
9	0.692 (2.659)**	0.096 (1.204)	0.213 (2.558)*	0.351 (3.351)**	0.319 (3.998)**			0.61	0.347	59.72
10	0.594 (2.292)**	0.074 (0.932)	0.209 (2.539)*	0.138 (1.456)	0.283 (3.545)**	0.212 (2.388)*		0.622	0.342	50.45
11	0.488 (1.963)*	0.04 (0.523)	0.129 (1.602)	0.079 (0.87)	0.216 (2.763)**	0.141 (1.638)	0.33 (3.982)**	0.658	0.326	49.29

Note:

- Figures in parenthesis are t-values.
- The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
- Job satisfaction is the dependent variable.

Table 2 shows that the beta coefficients for age diversity are positive with job satisfaction. It indicates that age diversity has a positive impact on job satisfaction. This finding is similar to the findings of Kabst (2016). Likewise, the beta coefficients for gender diversity are positive with job satisfaction. It indicates that gender diversity has a positive impact on job satisfaction. This finding is similar to the findings of Kaine (2018). Further, the beta coefficients for race and ethnicity diversity are positive with job satisfaction. It indicates that race and ethnicity diversity has a positive impact on job satisfaction. This finding is consistent with the finding of Choi (2013). Similarly, the beta coefficients for education background diversity are positive with job satisfaction. It indicates that educational diversity has a positive impact on job satisfaction. This finding is consistent with the finding of Cox and Blake (1991). In addition, the beta coefficients for cultural diversity are positive with job satisfaction. It indicates that cultural diversity has a positive impact on job satisfaction. This finding is consistent with the finding of Hong and Page (2004). Likewise, the beta coefficients for physical and mental abilities diversity are positive with job satisfaction. It indicates that physical and mental abilities diversity has a positive impact on job satisfaction. This finding is

consistent with the finding of Mor Barak and Cherin (1998).

4. Summary and conclusion

Workforce diversity refers to the presence of individuals from various cultural backgrounds and identities within an organization. It involves recognizing, accepting, and valuing the differences in race, ethnicity, gender, age, religion, and other dimensions among employees (Cox and Blake, 1991). Similarly, Jackson (2003) argued that workforce diversity goes beyond mere representation and involves leveraging the unique perspectives and talents that individuals from diverse backgrounds bring to the table. The study also argued that diversity can lead to increased creativity, innovation, and problem-solving capabilities within teams and organizations. Additionally, it can contribute to a broader range of skills, knowledge, and networks, enhancing the organization's ability to adapt and compete in a dynamic environment. Likewise, Thomas and Ely (1996) stated that new paradigm for managing diversity, one that goes beyond just demographic representation.

This study attempts to examine the workforce diversity and productivity of organization: A case of Nepalese commercial banks. The study is based on primary data of 151 respondents.

The study shows that age diversity, gender diversity, educational diversity, cultural diversity, race and ethnic diversity, and physical and mental abilities diversity have positive impact on job satisfaction. Thus, workforce diversity measured by age diversity, gender diversity, educational diversity, cultural diversity, race and ethnic diversity, and physical and mental abilities diversity increase the productivity of organization measured by job satisfaction in Nepalese commercial banks. The study also concludes that physical and mental abilities diversity is the most significant factor followed by age diversity that explain the change in organizational productivity in terms of job satisfaction.

References

- Bell, N. S., and M. Narz, 2007. Meeting the challenges of age diversity in the workplace. *The CPA Journal* 77(2), 56-63.
- Bezrukova, K., C. S. Spell, and J. L. Perry, 2016. A meta-analytical integration of over 40 years of research on diversity training evaluation. *Psychological Bulletin* 142(11), 1227-1274.
- Bhagat, R. S., and P. K. Steverson, 2009. Culture and diversity in organizations: A view from the field. *Journal of International Business Studies* 40(3), 386-401.

- Biswakarma, G., and A. Gnawali, 2020. Impact of job satisfaction on performance: A case of frontline employees in Nepalese public banks. *Journal of Organization and Human Behavior* 9(3), 27-38.
- Chaudhary, S., 2018. Impact of workforce diversity on organizational effectiveness: A study of Nepalese commercial banks. *The Nepalese Management Review* 1(3), 28-35.
- Cho, Y. J., and H. J. Park, 2011. Cross-functional collaboration and new product success: The contingency effects of institutional and market environments. *Journal of Product Innovation Management* 28(3), 343-359.
- Choi, S., 2013. Demographic diversity of managers and employee job satisfaction: An empirical analysis of the federal case. *Review of Public Personnel Administration* 33(3), 275-298.
- Cox, T. H., and S. Blake, 1991. Managing cultural diversity: Implications for organizational competitiveness. *Academy of Management Perspectives* 5(3), 45-56.
- Dhakal, K., and P. Khatiwada, 2019. The impact of linguistic diversity on organizational performance: A case of Nepal. *Journal of Management Development* 38(1), 54-65.
- Drabe, D., 2015. Job satisfaction in aging workforces: An analysis of the USA, Japan and Germany. *The International Journal of Human Resource Management* 26(6), 783-805.
- Gotsis, G., 2015. The role of corporate culture in the relationship between diversity and organizational commitment. Equality, Diversity and Inclusion: *An International Journal of Business* 34(6), 493-515.
- Guillaume, Y. R., and M. A. West, 2017. Harnessing demographic differences in organizations: What moderates the effects of workplace diversity? *Journal of Organizational Behavior* 38(2), 276-303.
- Gully, S. M., 1997. Impact of educational diversity in organizational performance. *Journal of Management* 2(1), 15-29.
- Gupta, P., and S. Sharma, 2015. Workforce diversity and organizational productivity: An empirical study of Indian firms. *Global Business Review* 16(4), 549-562.
- Harrison, D. A., and K. J. Klein, 2007. What's the difference? Diversity constructs as separation, variety, or disparity in organizations. *Academy of Management Review* 32(4), 1199-1228.

- Herring, C., 2009. Does diversity pay? Race, gender, and the business case for diversity. *American Sociological Review* 74(2), 208-224.
- Hong, L., and S. E. Page, 2004. Groups of diverse problem solvers can outperform groups of high-ability problem solvers. *Proceedings of the National Academy of Sciences* 101(46), 16385-16389.
- Jackson, S. E., 2003. Recent research on team and organizational diversity: SWOT analysis and implications. *Journal of Management* 29(6), 801-830.
- Joshi, A., and H. Roh, 2009. The role of context in work team diversity research: A meta-analytic review. *Academy of Management Journal* 52(3), 599-627.
- Kabst, R., 2016. Age diversity and team outcomes: A quantitative review. *Journal of Managerial Psychology* 31(1), 2-17.
- Kaine, S. L., 2018. The impact of gender diversity on employee satisfaction: A review of the literature. *Human Resource Management Review* 28(3), 256-269.
- Kalev, A., 2006. Best practices or best guesses? Assessing the efficacy of corporate affirmative action and diversity policies. *American Sociological Review* 71(4), 589-617.
- Kharel, S. R., S. R. Shrestha, and B. B. Pokharel, 2017. Breaking the glass ceiling: A study of Nepalese women in banking sector. *International Journal of Applied Business and Economic Research* 15(20), 91-103.
- Lankau, M. J., and T. A. Scandura, 2007. An investigation of personal learning in mentoring relationships: Content, antecedents, and consequences. *Academy of Management Journal* 50(4), 687-713.
- Lauring, J., and J. Selmer, 2012. Multicultural organizations: Common language and group cohesiveness. *International Business Review* 21(6), 975-984.
- McKay, P. F., 2008. Mean racial-ethnic differences in employee sales performance: The moderating role of diversity climate. *Personnel Psychology* 61(2), 349-374.
- Milliken, F. J., and L. L. Martins, 1996. Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of Management Review* 21(2), 402-433.
- Mor B. M. E., 2020. The practice and science of social good: Emerging paths to positive social impact. *Research on Social Work Practice* 30(2),

139-150.

- Mor, B. M. E., and D. A. Cherin, 1998. Organizational and personal dimensions in diversity climate: Ethnic and gender differences in employee perceptions. *The Journal of Applied Behavioral Science* 34(1), 82-104.
- Nishii, L. H., 2013. The benefits of climate for inclusion for gender-diverse groups. *Academy of Management Journal* 56(6), 1754-1774.
- Nishii, L. H., and J. L. Raver, 2013. Diversity climate and employee engagement: The role of psychological safety. *Journal of Applied Psychology* 98(1), 151-164.
- Ozbilgin, M. F., and A. Tatli, 2008. The business case for diversity and equality: A review of the literature. *Human Resource Management Review* 18(4), 257-273.
- Parajuli, J., 2021. Workforce diversity and organizational performance: A review of the literature. *Journal of Diversity Management* 16(2), 13-24.
- Phillips, J. M., 1997. Effects of network related diversity on information acquisition and decision making. *Academy of Management Journal* 40(3), 802-825.
- Pitts, D. W., 2005. Diversity, representation, and performance: Evidence about race and ethnicity in public organizations. *Journal of Public Administration Research and Theory* 15(4), 615-631.
- Rajendra, K. C., and A. Neupane, 2020. Exploring the status of employee empowerment in the commercial banking sectors in Nepal. *International Journal of Scientific and Research Publications* 10(4), 340-349.
- Richard, O. C., 2007. The impact of racial diversity on intermediate and long-term performance: The moderating role of environmental context. *Strategic Management Journal* 28(12), 1213-1233.
- Richard, O. C., and J. H. Stokes, 2017. Diversity, creativity, and innovation: A meta-analytic integration. *Journal of Business Research* 77(24), 147-156.
- Richard, O. C., and N. B. Johnson, 2001. Understanding the impact of human resource diversity practices on firm performance. *Journal of Managerial Issues* 13(2), 177-195.
- Saxena, A., 2014. Workforce diversity: A key to improve productivity. *Journal of Economics and Finance* 11(3), 76-85.
- Shore, L. M., 2011. Diversity in organizations: Where are we now and where

- are we going? *Human Resource Management Review* 21(2), 117-133.
- Shrestha, P., and D. Parajuli, 2020. Impact of workforce diversity on employee performance. *International Journal of Management* 12(2), 86-95.
- Van K. D., and A. C. Homa, 2013. Work group diversity and group performance: An integrative model and research agenda. *Journal of Applied Psychology* 98(2), 238-252.
- Watson, T. W., 2019. Workforce diversity and organizational productivity: A review of the literature. *Journal of Diversity Management* 14(1), 1-14.