

IMPACT OF WORKFORCE DIVERSITY ON EMPLOYEE SATISFACTION IN NEPALESE COMMERCIAL BANKS

A Dissertation Proposal submitted to the Office of the Dean, Faculty of Management in
Partial Fulfillment of requirement for the Master's Degree

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I, Manish Rana, declare that this Graduate Research Report is my original work and has thoroughly and specifically been acknowledged whenever adapted from other sources. I have also cited all sources from which I obtained data, ideas, or words copied directly or paraphrased in the document. Sources are properly credited according to accepted standards for professional publications.

I certify that I prepared this research project report to partially fulfill the requirements for the MBS degree of the Faculty of Management, Tribhuvan University. I understand that failure to do so will fail this report.

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ABBREVIATIONS

AD	Age Diversity
ANOVA	Analysis of Variance
BFI	Banking and Financial Institution
ESD	Employee Satisfaction Diversity
EBD	Education Background Diversity
Co.	Company
GD	Gender Diversity
GRP	Graduate Research Project
HRD	Human Resources Department
HRM	Human Resources Management
HEI	Higher Education Institute
i.e.	That Is
JS	Job Satisfaction
JP	Job Performance
MSD	Marital Status Diversity
Ltd.	Limited
MBS	Master of Business Studies
INGO	International Non-Governmental Organization
N	Number of Item
NGO	Non-Governmental Organization
PhD	Doctor of Philosophy
Prof.	Professor
Sig.	Significance
SPSS	Statistical Package for the Social Sciences
SST	Strong Social Tie
SBI	State Bank of India
Std.	Standard
V	Variable
VIF	Variance Inflation Factor

ABSTRACT

Diversity in the workforce has been recognized as one of the key competencies that will provide firms an advantage over rivals. The most often observed diverse demographic factors among the workforce of several firms are age, gender, and ethnicity. Diversity in the workforce has been recognized as one of the key competencies that will provide firms an advantage over rivals. The most often observed diverse demographic factors among the workforce of several firms are age, gender, and ethnicity. In practice, globalization results in a more diverse workforce, which in turn causes differences in the norms, values, and modes of thought held by the employees. Because of this, in order for any firm to remain competitive, it must diversify. Effective human resource management is essential to any organization's success as it requires diversification. Making the most of employees' abilities and determining the ideal workforce composition are essential components of human resource management.

This study's main goal is to investigate how employee happiness in Nepalese commercial banks is affected by a diverse staff. The specific goals are to: analyze how employees perceive the impact of workforce diversity (gender, age, and education background diversity) on employee satisfaction within the organization; investigate the relationship between gender, age, and education background diversity and employee satisfaction in Nepalese commercial banks; evaluate the influence of gender, age, and education background diversity on employee satisfaction in Nepalese commercial banks; and identify the main factors that significantly affect employee satisfaction in Nepalese commercial banks.

The study examines the effect of workforce diversity on employee satisfaction in Nepalese commercial banks using descriptive and causal comparative research approaches. The three independent variables are education background, age, and gender. The dependent variable in this case is worker happiness. The analysis is based on 380 observations from Nepal's 11 commercial banks. SPSS has been used to process the gathered data.

Four hundred surveys were sent out in all. 380 answers were gathered from various Nepalese commercial banks out of them. The four components of the questionnaires that were given to the respondents were based on the literature study that was done; the first and second

sections included closed-ended questions, while the third and fourth sections had statements on a Likert scale. The five-point Likert scale was used to assess the various workforce diversity characteristics and employee satisfaction in Nepalese commercial banks. Regression analysis, ANNOVA, correlation analysis, and percentage frequency distribution were used to examine primary data in order to arrive at the study's fact finding.

The study's findings indicate that, among other factors, gender, age, and educational background have a major impact on worker satisfaction in Nepal's commercial banks.

CHAPTER I

INTRODUCTION

1.1 Background of the study

Diversity in the workforce in Nepal refers to the range of demographics that make up the workforce, including age, gender, ethnicity, and level of education. Its goal is to provide a courteous and encouraging work atmosphere that will boost employee loyalty and job satisfaction (Adhikari & Pant, 2021). In addition to ensuring that these qualities are fairly distributed throughout the workforce at all levels, this also entails fostering an inclusive atmosphere that respects and values the various viewpoints and backgrounds of its members, which enhances social cohesion and organizational performance (Khadka, 2020).

In Nepal, the term "workforce diversity" refers to the presence of people working from a variety of backgrounds, such as socioeconomic position, gender, age, religion, and ethnicity. It entails putting in place procedures and policies that support an inclusive workplace where each worker is respected for their distinct contributions (Shrestha, 2019). The operational definition of employee satisfaction is "the extent to which employees feel content, fulfilled, and motivated within their roles and organizational environment, considering factors such as job security, work-life balance, compensation, career growth opportunities, and the overall workplace culture." This definition highlights the importance of both objective measures of job-related well-being and subjective measures of happiness (Dhungel & Gautam, 2019).

Research requests on the impact of gender diversity on company performance and employee perceptions of gender diversity on banking performance in the Kathmandu Valley date back more than thirty years. However, there is currently a dearth of research on the subject in Nepal. Thus, the purpose of this study is to examine the current state of gender diversity in banking performance in the Nepalese environment, taking into account the many advantages, difficulties, and policies and actions that must be implemented to support gender diversity (Devkota, 2022).

Kundu et al. (2017) investigated that employees, regardless of their diverse backgrounds, positively acknowledged diversity and diversity management. Previous research

investigations on workforce diversity have focused heavily on the idea that the term diversity can be positive, strongly expressive, and negative in diverse circumstances for individual employees who execute and carry out day-to-day tasks and assigned assignments within an institution or work environment. Employee commitment was positively impacted by all aspects of teamwork, communications, and organizational culture, according to Bulut et al. (2010). According to Frink et al. (2003), proportionate dominance by either gender is not linked to superior organizational performance than a more balanced gender mix. According to Dex and Smith (2001), an employee's commitment is mostly influenced by the organizational culture of the firm they work for, particularly with regard to the welfare of their families, rather than by how their employer or supervisor treats them.

Bhatti et al. (2007) found that a diverse workforce and a committed work environment are equally important to enhance organizational performance (Schwepker, 2001). This is because the relationship between the two is related to psychosomatic change, which is the mechanism through which a committed and diverse work environment affects organizational performance. HRD professionals, employees, and the firm as a whole must consider the growing trend of racial, ethnic, and gender diversity in the workforce, as well as the growing proportion of workers under 30 and over 55.

This results from aging of the workforce, increasing numbers of women entering the workforce, cultural insensitivity, language barriers, and persistent prejudices (Kochan et al., 2003). Jackson et al. (2003) investigated a positive relationship between intra-bunch cooperation and group sexual orientation differing qualities and just inside those areas which were more different as far as sex. Furthermore, various characteristics of group sexual orientation were unquestionably linked to group execution; nonetheless, this was ultimately real and significant just inside areas ordered by comparatively greater sex difference qualities. Organizations with higher degrees of gender diversity in their management and non-managerial ranks had greater levels of cooperation and teamwork overall.

Workforce diversity is defined as organizations that are becoming more diverse in terms of the individuals they employ, including age, gender, race, ethnicity, and educational background (Pretty et al., 2009). Managing diversity involves leveraging cultural differences as a component of people's abilities, ideas, and creativity to enhance a common goal and

carrying it out in a way that offers the organization a competitive advantage over other organizations (Morrison, 1992). It is becoming widely accepted that the most valuable resource an organization has is its commitment staff—individuals who are extremely driven to devote their time and energy to advancing organizational objectives (Hunjra, 2010).

Moreover, workers who are dedicated to the company and their overall welfare are better suited to create the social capital needed to support organizational learning. An essential component of every manager's work is ensuring employee contentment. Maintaining employee morale is essential to ensuring their dedication and zeal, as management entails obtaining an organization's goals through their cooperation and participation. A manager can encourage commitment and subsequently help to facilitate employee satisfaction by, among other things, ensuring equity and fairness, setting challenging but achievable goals, outlining clear organizational infrastructures and policies, and offering performance-based rewards and incentives (Tahir et al, 2014).

The minimal effects of organizational commitment on job satisfaction and work attitude on job performance were studied by Habib et al. (2010). Chew et al. (2011) discovered that employee performance in an aviation sector company is significantly impacted by the overall impacts of workforce diversity (gender, age, ethnicity, and educational background). According to Fu and Deshpande (2014), diversity management aims to establish and preserve a supportive work environment where people's unique qualities and differences are acknowledged, enabling each person to realize their full potential and make the most contribution to the strategic goals and objectives of the organization.

The tasks that are required of a worker on the job and the quality with which they were carried out are referred to as employee satisfaction. The typical way to measure employee happiness is in terms of results. Workforce diversity is typically overlooked in favor of characteristics like training, skills, motivation, etc. when determining employee happiness. Diversity in the workforce is a key strategy for raising employee happiness. Organizations in the banking industry are those that offer intangible goods (Azim et al., 2013).

According to a 2010 study by Magoshi, employee happiness in Japanese secondary schools was affected by workforce diversity. The study came to the conclusion that employee

happiness and workforce diversity are directly related. While many scholars concur that variety raises contentment, many see diversity more as a problem to be solved than as a means of raising satisfaction.

Regmi (2009) discovered that employees in Nepal experienced discrimination because of their gender or ethnicity. It was discovered that the perceptions of discrimination among employees were positively correlated with higher levels of stress, intentions to look for other jobs, and lower levels of commitment, satisfaction, and civic engagement. In order to combat prejudice and encourage a more diverse workforce, it is crucial to change managers' and workers' attitudes, beliefs, and actions in addition to raising awareness and educating more people. According to Gautam's (2004) research, employees were happier working for second-generation joint venture banks where there was less waiting for both customers and employees and when staff members behaved well.

1.2 Problem Statement

There is a need for more study to fully understand this dynamic and its implications for organizational success because the influence of workforce diversity on employee satisfaction in Nepalese commercial banks has not been thoroughly examined (Rana & Upadhyay, 2021; Sharma, 2020). Diversity in the workforce is seen internationally and has emerged as a fascinating topic in the market and workplace. Any corporation that aims to be more dynamic and lucrative must have a borderless viewpoint and a basic obligation to ensure that workforce diversity to be the part of everyday business conducts and corporate procedures (Childs et al., 2005).

Diversity within an organization can elicit a range of emotions, according to Dahm (2003). Diversity is seen by many scholars as a problem that has to be solved rather than as a means of enhancing organizations. A global mindset and a deep commitment to integrating worker diversity into daily operations are essential for every successful firm (Brown, 2008). Employees at many commercial banks regard diversity as a problem to be solved rather than as a means of raising their level of happiness. Workers' contentment is also evaluated only in terms of their degree of motivation, training, and knowledge—not taking into account the variety of the workforce (Magoshi, 2010).

According to Kiragu (2014), Kenyan commercial banks have been forced to engage in fierce competition for the best employees due to a number of factors, including the country's rapid bank expansion, increased environmental variability and level of competition, a severe labor shortage, rising labor turnover rates, and rising employee replacement costs. Employees at many commercial banks regard diversity as a problem to be solved rather than as a means of raising their level of happiness. Only elements like knowledge, skills, training, and motivation are considered when determining an employee's degree of satisfaction; workforce diversity is not taken into account (Magoshi, 2010).

Ancona and Caldwell (1992) demonstrate negative impacts on organizational performance, however Watson et al. (1993) find beneficial benefits on staff effectiveness. Hoppock (1935), however, emphasized the significance of contextual factors in modeling the link between performance and workplace diversity. Additionally, a number of earlier studies have looked at the diversity employee relationship from the perspective of heterogeneity within the workgroup.

Employees who work in an environment that supports workforce diversity will reap the rewards in the form of increased motivation, improved decision-making, knowledge and skill transfer, and creativity (Amaram, 2007). As a result, they will act as catalysts for the organization's expansion. However, if workforce diversity is not managed effectively, different groups will emerge; this might result in misunderstandings, emotional confrontations, power struggles, and eventually significant employee turnover (Jackson et al., 1991; William & O'Reilly, 1998; Jehn, 1995).

Then, the workforce's diversity will start to impede the organization's ability to develop. The majority of research papers that have been published in the literature have investigated how diversity in the workforce might enhance leadership abilities and organizational effectiveness. In this regard, the attitudes of employers and their higher management have been widely recorded. Research on how employees feel about having a diverse staff in their company has received very little attention. If diversity adoption improves employee performance, then workers will recognize and respect it as a benefit to their company. On the other side, if it has a detrimental effect on their performance, they call it a white elephant.

Workers who voluntarily stay with the organization and put in a lot of effort to accomplish organizational goals are considered devoted to the organization. The similarity-attraction hypothesis and social categorization forecast detrimental outcomes such a decline in within-group communication, a drop in commitment and satisfaction, and a rise in employee turnover. However, beneficial impacts of diversity are theorized from the standpoint of information and decision-making, primarily because more diverse work teams are expected to process information differently, as team members may bring disparate ideas together (Lawler & Hall 1970).

It is anticipated that this will boost performance and inspire more innovation. The influences of age, ethnicity, educational background, marital status, and gender on employee happiness are taken into account while studying workforce diversity and employee satisfaction in Nepal. Research in Nepalese firms is still lacking in regards to worker diversity and organizational effectiveness. The Subedi (2013) assessment of senior-level personnel in particular Nepalese commercial banks was conducted to look into the reasons for attrition in the country's banking industry. The primary goal of the study was to determine employee happiness, and the results indicate that staff at Nepal SBI are generally happy (Dhakal, 2012).

Dahal (2017) found that there is a beneficial relationship between employee happiness and the chain of command. The survey also found that, in the context of Nepal, compensation, growth opportunities, belongingness, and job stability are the main determinants influencing employee happiness.

Though there is various empirical evidence in the context of other countries and in Nepal, no such evidence using more recent data exists in the context of Nepal. Hence this study deals with the following issues in Nepalese commercial banks:

1. What is the status of workforce diversity in Nepalese commercial banks?
2. Do workforce diversity factors relate to employee satisfaction in Nepalese commercial banks?
3. Is there any impact of workforce diversity on employee satisfaction in Nepalese commercial banks?

1.3 Objectives of the study

The major objective of this study is to examine the impact of workforce diversity on employee satisfaction in Nepalese commercial banks. The specific objectives are as follows:

To assess the status of workforce diversity in Nepalese commercial banks.

To measure the relationship of workforce diversity factors with employee satisfaction in Nepalese commercial banks.

1.4 Hypotheses

Gender Diversity and Employee Satisfaction

In the workplace, gender-based disparities are reinforced and validated by stereotypes and preferences that characterize favorable qualities, making them appear more evident to men (Jackson et al., 2003; Cunningham, 2008). Put another way, companies prefer to hire men rather than women for labor contracts because men are expected to perform better and be better at managing their positions.

An inverted U-shaped relationship between gender composition and organizational effectiveness was demonstrated by Frink et al. (2003). Diversity in gender has proven to have a beneficial influence on the services sector and a detrimental effect on the assembly and manufacturing industries. As a result, the service sector may benefit from gender diversity more than industries that involve assembly and production. High levels of gender diversity will thus benefit employee and company performance in the service sector more than it will in the industrial sector.

Within the locations that were typically more diverse in terms of sex, Jackson et al. (2003) investigated a positive association between intra-bunch cooperation and differences in sexual orientation within the group. Furthermore, group sexual orientation varied qualities were unquestionably linked to group execution; nonetheless, this was real and significant just inside areas structured by fairly greater sex different qualities in the conclusion.

Gender diversity, according to Jayne and Dipboye (2004), does not always result in better motivation, enhanced abilities, increased commitment, or a decrease in conflict. The research' findings indicate that the advantages of diversity depend on a number of factors, including

the organization's strategy, culture, and environment, in addition to its members. This study formulates the following hypothesis in light of it:

H₁: There is a significant impact of gender diversity on employee satisfaction.

Age Diversity and Employee Satisfaction

A growing number of companies are incorporating age diversity. This link is explained by the two main theories of social identity and self-categorization. Social identification and self-categorization theory suggests that people categorize themselves into certain groups depending on qualities that are personally significant for them (Kunze et al., 2009).

According to the social uniqueness and self-order hypothesis, people are expected to present themselves in certain groups based on characteristics that are important and distinctive to them (Cunningham, 2008, Kunze, Bohm et al., 2011). According to Bhat (2013), there was no discernible correlation between employee happiness and age diversity. According to Gellner and Veen's (2011) analysis, age variability negatively impacts individual productivity on its own. Furthermore, there are no significant benefits from age heterogeneity in the case of regular jobs that might counteract the rising costs brought on by increased age heterogeneity. The outcome demonstrated that various age groups offer distinct values to businesses, and these values may work in concert to raise business satisfaction.

Age diversity and work performance were shown to have no discernible link, according to Childs et al. (2005). Numerous studies have shown that older workers are just as skilled, lucrative, and productive as their younger counterparts. Accordingly, personnel in a varied age group would be more productive, creative, and dynamic than those in a homogenous age group (Williams & O'Reilly III 1998).

H₂: There is a significant impact of age diversity on employee satisfaction.

Education Background and Employee Satisfaction

According to Hoff's (2014) research, hiring managers frequently turn down candidates whose degree, training, or experience are deemed insufficient. This indicates that an employee's employability is highly dependent on their educational background. Without a sufficient educational foundation, workers cannot get employment and perform poorly.

Additionally, Inmyxai and Takahashi (2010) discovered that stronger economic growth is directly correlated with a city's larger percentage of educated laborers.

Additionally, Fleischmann et al. (2009) found that various educational certificates and degrees of schooling may be associated with varying flexible salary rates. For example, the jobs available to those with practical experience but no degree may not be the same as those for those with that level of education.

According to Tracy and David's (2011) research, hiring managers frequently turn down candidates whose education, training, or experience are deemed insufficient for the position. However, this also meant that workers value a person's educational background. Without a sufficient educational foundation, workers cannot get employment and perform poorly.

Emiko and Eunmi (2009) also discovered that varied educational backgrounds and levels might lead to varying mobility rates. Depending on their educational attainment, a person will produce more. According to Harrison and Klein's 2007 investigation into this theory, towns with larger percentages of workers with postsecondary education will be able to pay people of all educational levels more. This study formulates the following hypothesis in light of it:

H₃: There is a significant impact of education diversity on employee satisfaction

1.5 Rationale of the Study

This study is important because it has the potential to improve knowledge about the relationship between workforce diversity and employee satisfaction in Nepalese commercial banks. This understanding could result in more inclusive and efficient management practices (Gautam & Basnet, 2022). This study gives employees in Nepalese commercial banks a better understanding of the concept of workforce diversity and how it affects employee

satisfaction, which helps them accept, value, and understand one another's perspectives. It also demonstrates the value of having a varied workforce to encourage different approaches to problem-solving at work and, eventually, raise worker productivity. This study aims to investigate the correlation between employee happiness and workforce diversity features in banking sector businesses in Nepal. Therefore, as a means of improving organizational performance, the research can raise awareness among service sector businesses of the need of establishing a sound and practical framework for workforce diversity.

The study can serve as a resource for other students and future research to learn more about the significance of reward in Nepal's commercial banks and the kinds of trends that the country's banks are seeing. The thorough examination of the variables influencing employee performance in commercial banks serves as the foundation for scholars and future research projects that want to examine or conduct further relevant studies in this area. This study focuses on the issue of employee performance that exists in Nepal's commercial banks. The analysis will help the chosen banks understand why they have only implemented the current reward system to improve employee performance, how to reduce employee turnover based on their current workforce, and what tactics they are currently using to keep competent commercial bank employees on staff. The research examined twenty distinct characteristics that enhance the efficacy of the human resource practice system, ultimately leading to a rise in employee productivity.

Numerous studies have found that a staff contributes to employee happiness. Employee happiness is correlated with variety in age, ethnicity, marital status, and gender. While the current study focuses on age, gender, and educational background, earlier research showed the trajectory of employee satisfaction with personal diversity, including external sources alone.

1.6 Limitations of the Study

The research was carried out in the commercial bank only, which limits its sample size (i.e., only respondents inside the Commercial Bank), though they have a large population size. If the samples had been more extensive, the results would have been more beneficial and

enhanced the generalizability of the study. However, the results fit with those of other research work.

Many respondents need an explanation about the questionnaire for the data collection to give their details.

The study has been conducted with limited independent variables that may not generalize entrepreneurs' fundamental personal factors.

The validity or accuracy entirely depends on the respondent's response

CHAPTER II

LITERATURE REVIEW

This chapter covers the theory and a review of empirical research on the relationship between employee satisfaction at certain Nepalese commercial banks and workforce diversity. It comprises knowledge and information on the factors, study methods, and findings related to a specific issue. These reviews are often found in academic publications and are linked to books having an academic focus. A review of the literature is useful for finding results or comparing the variables being studied. The material from other researchers who have conducted research in the same subject of study is summarized in the literature review section. Reviewing various foreign literatures on the subject under investigation is essential in order to facilitate the vital decision-making process.

2.1 Theoretical Review

The theories reviewed for this study are Study identity theory, Cognitive diversity theory and Social exchange theory.

Social Identity Theory

Social Identity Theory posits that individuals derive part of their identity from the social groups to which they belong. In the context of workforce diversity, this theory suggests that when employees see their own social groups represented and valued within an organization, they are more likely to experience higher job satisfaction. In Nepalese commercial banks, diverse representation can foster a sense of belonging and reduce intergroup conflicts, thereby enhancing employee satisfaction (Tajfel & Turner, 1986).

Cognitive Diversity Theory

Cognitive diversity theory emphasizes the benefits of having diverse perspectives within a team. It suggests that diversity in terms of backgrounds, experiences, and problem-solving approaches can lead to more innovative solutions and better decision-making. In Nepalese commercial banks, this diversity can enhance job satisfaction by creating a dynamic and intellectually stimulating work environment where employees feel valued for their unique contributions (Page, 2007).

Social Exchange Theory

Social exchange theory explains that employees' job satisfaction is influenced by the perceived fairness and support they receive from their organization. When workforce diversity is managed effectively, and employees perceive that diversity initiatives are genuine and beneficial, they are likely to reciprocate with higher levels of satisfaction and commitment. This theory underscores the importance of equitable treatment and support in fostering positive workplace attitudes in Nepalese commercial banks (Blau, 1964).

Employee Satisfaction

It is used to indicate whether or not workers are content and getting what they need and want from their jobs, according to Saxena (2014). The key to ensuring employee happiness is that contented workers must perform their duties and contribute in the ways that their employers require. The human capital sector uses a broader word, "employee satisfaction," to refer to how happy or content workers are with things like their employment, their work experiences, and the companies they work for. One important indicator of an organization's general health is employee happiness, which is why many use surveys on a regular basis to gauge employee satisfaction and monitor changes over time.

Saxena (2014) there are several factors that contribute to employee satisfaction including fair compensation, opportunities for growth and development, a positive work environment, good relationship with co-workers and supervisor, work-life balance, recognition and appreciation, and a sense of purpose and meaning in their work. Employers can improve employee satisfaction by addressing these factors and creating a culture that values and prioritizes the well-being and happiness of their employees.

Employee satisfaction can be broadly categorized into the following types:

- Job satisfaction:

Job satisfaction is defined as the level of contentment employees feel with their job. This goes beyond their daily duties to cover satisfaction with team members/managers, satisfaction with organizational policies, and the impact of their job on employees' personal lives.

- **Work-life balance satisfaction:**
Work life balance satisfaction can be defined as the subjective feeling of contentment or fulfillment derived from effectively managing and harmonizing the demands and commitments of one's professional life with those of their personal life. It involves feeling a sense of equilibrium, where neither work nor personal obligation overwhelms or overshadows the other, allowing individuals to enjoy a fulfilling and well-rounded life.
- **Recognition and appreciation satisfaction:**
Recognition and appreciation satisfaction refer to the degree to which individuals feel acknowledged, valued, and respected for their contributions, efforts, and achievements in both professional and personal contexts.
- **Relationship satisfaction:**
Relationship satisfaction refers to the overall contentment and fulfillment individuals experience within their interpersonal relationships, including romantic partnerships, friendships, family connections and professional relationships.
- **Workload satisfaction:**
Workload satisfaction refers to how content individuals feel with the amount, intensity, and balance of tasks and responsibilities they have in their professional roles.

2.2 Empirical review

The study will review some of the related articles on related subject matters with detailed views with the main aim of identifying the factors affecting entrepreneurial success. Hence in this part of the study, various articles related to this subject matter have been studied and reviewed.

Pandey (2023) this study aimed to analyze the impact of workforce diversity on organizational performance in the banking sector of Nepal and the mediating role of managerial expertise. The diversity of the workforce involves gender, age, and ethnic diversity. The study suggested that gender and ethnic diversity had a positive impact on employees' performance among these three variables and managerial expertise positively and significantly moderates the relationship between workforce diversity and organizational performance.

Devkota (2022) investigated how employees in the Kathmandu Valley perceived gender diversity in banking performance. However, there is currently a dearth of research on the subject in Nepal. Thus, the purpose of this study is to examine the current state of gender diversity in banking performance in the Nepalese setting, taking into account the many advantages, difficulties, and necessary policies and actions to support gender diversity. With the use of a survey questionnaire, the study used a descriptive cross-section research approach. A suitable sample strategy was used to purposively pick 300 bank workers from the 27 A-grade commercial banks operating in the Kathmandu valley.

According to the study, gender diversity was known to all of the respondents who worked for commercial banks in the Kathmandu Valley; the majority of these respondents learned about gender diversity from social media and their families. It's interesting to note that this survey also revealed that workers had no difficulties with gender diversity, indicating that Nepalese commercial banks have been promoting gender diversity in a welcoming workplace. Likewise, creating an inclusive work environment may be among the most effective managerial strategies for preserving and advancing gender diversity.

Shrestha and Parajuli (2021) analyzed how employee performance was affected by a diverse workforce. The purpose of this article was to examine the association between employee performance and workforce diversity in Nepal's commercial banks. The workforce is diverse in terms of gender, age, education, and ethnicity. A series of standardized questions were distributed in order to conduct the study. Four commercial banks in Nepal provided useful questionnaires, of which seventy-five percent were used in this study. A model of multi-regression was employed. The study's findings demonstrated a strong positive correlation between employee performance and gender diversity. It suggests that the majority of workers agreed that the company should not discriminate when it comes to employing people of different sexes and that women should have equal opportunities to advance in their professions. Nepalese banks employ people of different ages. On the other hand, the workers claimed that because it boosts productivity, they feel comfortable working with both younger and older coworkers. Thus, age and gender diversity are strong indicators of employee performance in Nepal. Nonetheless, the findings indicated that employees' performance is unaffected by education level or ethnic diversity. Therefore, in order to improve employee

performance, which in turn makes it easier to fulfill organizational goals, businesses need to give diversity management more thought.

Pandey (2020) examined the effect of workforce diversity on performance, one of the most important and challenging issues for businesses worldwide is the workforce's evolving character. Individuals from many racial backgrounds, genders, places, cultures, etc. are gathering to compete on the same stage. Ethnicity, age, and gender have all been used to characterize diversity. Accordingly, variety is commonly defined as any characteristic that separates individuals in one or both directions (Hayles, 1996). Because of the variety of Nepal's population, workplaces there are many of opportunities for people of all ages, genders, and ethnic backgrounds. As a result, opinions on diversity and performance are in conflict. Regarding its role in the economy, the insurance sector is among the most important and well-known. Thus, reviewing the impact of workforce diversity on employee performance inside firms is the primary goal of this research. The 2581 people who work for the insurance businesses in the Kathmandu Valley are counted as part of the population. 98 workers were selected as a sample from among them. A questionnaire with a five-point Likert scale was sent in order to gather data. The ANOVA test, percentage, frequency, and mean were used to examine the data. The study's findings showed that employee performance in Nepal's insurance sector is unaffected by workforce diversity.

The impact of workforce diversity on employee performance in the higher education sector was investigated by Khan (2019). The workforce diversity that every organization must embrace allows a diverse work team, each member of which brings unique skills, abilities, and capabilities to improve organizational performance. The goals of this study are to examine the relationship and impact between demographic variables, particularly diversity in age, gender, and educational background, and the dependent variable of employee performance among Higher Education sector employees in Swabi district, KP Pakistan. Cross-sectional data collection was conducted using questionnaires and a basic random sample approach. 440 faculty members from Swabi KP's Higher Education Sector Districts make up the study's population. SPSS software was used to examine the data using a variety of statistical techniques. The study's conclusions demonstrate a favorable correlation between the dependent variable (employee performance) and the independent factors (age, gender,

educational background, and ethnic diversity). The paper concludes by outlining recommendations for more research and application for individuals, organizations, and policy makers.

Workforce diversity management is progressively being used and becoming accepted as a significant organizational resource in regards to whether the objective is to be an employer of choice, to provide exceptional customer service, or to sustain a competitive advantage, according to Olusegun's (2018) examination of workforce diversity management strategies and organizational performance. Additionally, it has been confirmed to have influenced the belief that it is crucial for organizational success, particularly in Nigeria's food and beverage sector. This ultimate belief compels managers to embrace and comprehend the advantages and difficulties of workforce diversity theory. Because of this, this study focused on the food and beverage industry within the broader industrial sector to assess the influence of workforce diversity management on organizational performance. The study also highlights workforce diversity management, which includes talent availability (TA), one of the most important factors among the others, and employee communication (EC), a strategy for decreasing disputes. Primary data were mostly used in the study to revalidate the findings and draw conclusions from secondary sources. Using the questionnaire, primary data was gathered from managers' and workers' perspectives in the food and beverage sectors.

The impact of workforce diversity on employee job performance was measured by Qasim (2017). The present study aimed to examine and evaluate the impact of workforce diversity on job performance of employees in the education sector in Jalalabad, Afghanistan. Workforce diversity is seen as an essential component in accomplishing business objectives. Previous investigations into the diversity of the workforce have focused primarily on the idea that diversity can be both positively and negatively expressed in a variety of contexts for individual workers who perform and carry out daily tasks and assigned assignments within an organization or work environment.

Ali and Hamad (2016) analyzed how employee performance was affected by a diverse workforce. This study aims to explore the connection between employee performance and workforce diversity. The demographics of age, gender, and educational attainment characterize the workforce. The study employed a mixed methods approach, collecting

quantitative data using self-developed questionnaires and qualitative data through in-person interviews. A self-created survey of fourteen items was sent to fifty-five individuals, of whom thirty-six replied. Ten interviews that were chosen at random came after the questionnaire. The results of the study showed a clear correlation between employee performance and age and gender.

The effect of a diverse workforce on worker performance in Singaporean firms is examined by Joseph (2015). Diversity in the workforce has been recognized as one of the key competencies that will provide firms an advantage over rivals. Being one of the most competitive nations in the world, Singapore draws highly qualified and creative individuals to work here. The most often observed diverse demographic factors among the workforce of several firms are age, gender, and ethnicity. As a result, the current study focuses on the impact of age, gender, and ethnicity diversity in the workforce. Positive effects will arise from effectively managing workforce diversity. But it might have unfavorable effects if not handled well. Employee opinions from Singapore's industrial and service sectors were gathered using a self-administered questionnaire. The estimation of Cronbach's alpha was used to assess the survey's reliability. Using the Software Package for Social Science, the empirical association between the employees' age, gender, and ethnicity and their performance was calculated (SPSS). The results of the research show that there is no statistically significant difference between the three factors and employee performance. Employee recommendations for human resource programmers to increase the efficacy of workforce diversity have been made.

Saxena (2014) determined whether increasing workforce diversity may boost productivity. Diversity in the workforce refers to the similarities and differences amongst workers in terms of age, sexual orientation, gender, color, and religion; it also includes physical abilities and impairments. Every individual is unique. Individuals differ not just in terms of their gender, culture, ethnicity, and social and psychological traits, but also in terms of their viewpoints and preconceptions. For generations, society has discriminated in numerous ways. An diverse workforce is a result of diversity. Currently, all organizations must employ a diverse staff; nevertheless, managing a workforce of this kind presents significant managerial challenges. The influence of worker diversity on an organization's productivity is examined thoroughly

in this research. After reviewing the literature and a number of research papers, the researcher came to the conclusion that while a diverse workforce can be an asset to any organization, people will always hold onto their beliefs about caste, religion, and other issues. As a result, diversity is still seen as a problem that, when handled well, can boost productivity.

Rai (2013) investigated the workforce diversity within the Indian environment. range in the workforce is a paradigm of inclusion that represents a worldwide economy and a multicultural workforce where companies exploit the range of viewpoints and ideas based on individual characteristics to foster growth and advancement (Harvey, 2012).Using a critical literature review approach, this study aims to comprehend cultural (effect of national culture), generational, or gender-related elements of "diversity" and its imperatives and restrictions in managing a diverse workforce in India.The study's context stems from the difficulties faced by MNEs and local Indian managers in managing the expectations and aspirations of a globally dynamic and knowledge-intensive workforce that is undergoing a rapid metamorphosis and transition from being solely Indian to being "Global Desis1.

Table 1. Review of empirical studies

Source	Objectives	Methodology	Findings
Pandey and Risal (2023)	To analyze the impact of workforce diversity on organizational performance in the banking sector of Nepal and the mediating role of managerial expertise.	Research Design: Correlational research Population and Sample: 156 managers Nature and source of Data: Primary Data	Gender and ethnic diversity had a positive impact on
Devkota (2022)	To examine the employees' perception on Gender diversity on banking performance in Kathmandu valley	Research Design:- descriptive statistics Population and Sample:- 300 employees Nature and source of data:- Primary Data	All the respondents were aware and had a proper idea regarding gender diversity.

Shrestha and Parajuli (2021)	To analyze the impact of workforce diversity and employee performance in commercial banks of Nepal	Research Design: - descriptive statistics Population and Sample: - 400 employees Nature and source of data: - Primary Data	- The research results showed that gender diversity has a significant positive impact on employee's performance.
Pandey (2020)	To explore the link between workforce diversity and employee performance	Research Design: - descriptive statistics Population and Sample: - 98 employees Nature and source of data: - Primary Data	- The researcher concluded that there is no difference within the performance of employees due to hiring employees from various ethnicity, gender and age
Khan (2019)	To measure the effect of workforce diversity in terms of age, gender, education background and ethnicity.	Research Design: - Quantitative research design Population and Sample: - 440 employees Nature and source of data: - Primary Data	- The result of this study shows that there is a positive and moderate relationship between age diversity and employee performance

(Source: Compiled by Researcher, 2024)

2.3 Research Gap

Saxena (2014) concluded that workforce diversity is a strength for any organization but people still stick to their views related to caste, religion, etc. so considering diversity as a problem if managed properly, can increase productivity. There is a contrasting view Pandey (2020) reported that workforce diversity does not affect the performance of employees in the Nepalese insurance industry.

Shrestha and Parajuli (2021) concluded that gender diversity has a significant positive impact on employee performance. Most of the employees accepted that when it comes to hiring different people in the organization, the organization should be gender biased.

Devkota (2022) found that all respondents working in commercial banks in Kathmandu Valley were aware of gender diversity and most of them have been aware of gender diversity through their family and social media. Pokhrel (2023) concluded that to attract and hire the best-qualified workers from a diverse workforce, workforce diversity is crucial for human resources management in the banking industry.

So, there is a duly analysis needed to check the workforce diversity on employee satisfaction in the Commercial Banking Sector especially. In this regard, the research is designed to analyze how different dimensions of workforce diversity (E.g., gender, age, and educational background) specifically affect employee satisfaction in the commercial banks of Nepal.

CHAPTER III

RESEARCH METHODOLOGY

The research methodology describes the methods and processes applied in the entire aspects of the study. Research methodology helps to resolve systematic problems. It uses various sequential steps to be adopted by the researcher. It is a way to find out the result of a given problem on a specific matter and provides a basic framework on which the study is based. Research methodology is used to collect information and data. Research methodology sets the overall plan associated with the study which may include publications research, interviews, surveys and other research techniques and could include both present and historical information. It provides a basic framework on which the study is based. Before presenting the analysis and interpretation of data, it is necessary to describe the research methodology first. In the absence of research methodology, the research does not work systematically on problem; there would be less probability to find out the final results.

This chapter contains the research methodology presented in terms of research design, methods of data collection, population and sample and sample design, nature and sources of data and the instrument of the data collection, research framework and definition of the variables and methods of data analysis.

3.1 Research Design

The research design applied in the study is analytical in identifying the relationship between independent and dependent variables and also the impact of independent variables on dependent variables (Huarng, Mas-Tur, & Yu, 2012). This study has employed descriptive and causal research design to deal with the fundamental issues associated with the impact of workforce diversity on employee satisfaction in commercial banks of Nepal. The research is quantitative because it is input the data into the mathematical value. The study also deals with descriptive research that describes, explains, and validates findings.

In this study, there is a use of the relational research design because the relational design is used to identify the relationship between the independent variables and dependent variables. In this design, there is an examination of the dependent variables by the effect of changes in the independent variables. The findings of the research will be based on the primary survey.

The entire population is represented by the sample so that the sample is taken out properly. The study is based on various statistical tests such as mean, standard deviation, correlation, and regression. The Statistical Package for Social Sciences (SPSS) and Microsoft Excel are mainly used to analyze the collected data as they serve as the basis for calculation, cross-tabulation, and interpretation (Wisniewski, 2009).

3.2 Population and sample and sampling design

The study has focused on the analysis of the Impact of Workforce Diversity on employee's satisfaction in Nepalese commercial banks. The researcher has used a convincing sampling method. This research has selected the commercial bank as a population sector. Currently, 21 commercial banks are functioning Nepal Rastra Bank works as a regulatory body of commercial banks. The researcher has selected the commercial bank as the sample for the analysis.

Further, for the primary analysis of the respondent's perception, the researcher selected the employees of commercial banks. The sampling technique assumes a homogeneous population which means the members of the population pose similar characteristics. For each of the questions that use the Likert scale, five responses may be checked and a numerical score was assigned to each of the questions ranging from 1 = "Strongly Agree" to 5 = "Strongly Disagree". This study includes 11 commercial banks from all over Nepal. I choose the bank on their establishment date. So select all the oldest class commercial Banks. The target

The population for the study is the entire employees working in Nepalese commercial banks. The total number of observations for the study consists of 380 respondents out of 400 only 380 had respondents completely and 20 of them did not give complete information so the results is based on the responses of 380 respondents out of 400.

The questionnaire was distributed keeping in view the time available to the employee during the bank office interval as well as online and another social sites. The level of employees taken as respondents in the study falls under entry-level, junior-level, senior level and manager level. For data collection, one of the non-probabilistic sampling techniques, i.e. convenience sampling was used. Due to the time and financial constraints, this method was the most useful because it was the best way to reach the respondents. The result of the

questionnaire was compiled by using SPSS. Table 2 shows the list of sample banks for the study along with the total number of observations.

Table 2: List of Sample Banks along with the Total Number of Observations

S.N.	Name of the commercial banks	Observations
1	Nepal Bank Ltd.	50
2	Rastriya Banijya Bank Ltd.	34
3	Agriculture Development Bank Ltd.	30
4	Nabil Bank Ltd.	65
5	Nepal Investment Mega Bank Ltd.	25
6	Standard Chartered Bank Nepal Ltd.	7
7	Himalayan Bank Ltd	25
8	Nepal SBI Bank Ltd.	30
9	Everest Bank Ltd.	55
10	Kumari Bank Ltd.	24
11	Laxmi Bank Ltd.	35
Total observation		380

Thus, the study is based on the 380 observations

3.3 Nature and Sources of data and the instrument of data collection

Primary data are collected from the source where the data originally originates from the respondents through interviews, surveys, experiments, etc. In the collection of data, 400 questionnaires were distributed one for each study unit i.e., employees of the sample unit. For the research 380 samples are acceptable (the remaining 20 respondents' samples are error and many questions are left missing and cross-ticked). Before starting to fill up the questionnaire, I provided the information related to workforce diversity and job satisfaction so that they felt easiness to fill up the questionnaire. Every employee was visited personally in the morning, afternoon and evening time so that they would be available at that time. There were different variations of questions like Yes or No options, multiple choice options, ranking options, and Likert scale options.

Instruments

The primary data collection was done through a questionnaire survey. The questionnaire was divided into different sections where the first section included respondents' details and the rest of the section included multiple choice questions, and Likert scale questions regarding

the subject. Hence, the questionnaires were used as a primary source of data collection and the respondents are the employees of Nepalese commercial banks. The questionnaires were distributed online as well as handed face to face. Online distribution was done through e-mails and social networking sites. The questionnaire used in the survey is presented in the appendix.

Table 3

Constructs and its Source

Constructs	Source
Gender	Jackson et al., (2003) , Cunningham, (2008), Jayne and Dipboye (2004)
Age	Kunze et al., (2009), Bhat (2013), Benschop (2001), Childs et al. (2005)
Education	Hoff (2014), Fleischmann <i>et al.</i> (2009), Tracy and David (2011)
Background	
Employee	
Satisfaction	Davis (2007), Ramman, (2011), Allen et al., (2004).

3.4 Methods of analysis

This study used a quantitative approach. For the reliability and validity of the findings of the study, closed-ended questionnaires were used. The questionnaire was divided into two sections. The first section includes general information and demographic variables of the respondents such as gender, age, marital status academic qualification, level of organization and experience taken as moderating variables. The second section of the questionnaire included variable-related questions that tried to study the relationships between independent variables and moderating variables. There is a total of 24 questions in the questionnaire. This study used the summary of descriptive statistics associated with the primary data analysis, which was carried out based on responses derived from the questionnaire survey. Simple statistical tools, techniques, and methods were used in the analysis of the data. Data have been presented by table and diagram which makes easier to analyze and understand the findings of the study.

All the tabular presentations in the report were totally based on the data provided by the respondents. For the processing of the data, the researcher used Likert’s 5 scales method to

identify the impact of workforce diversity on employee’s satisfaction in Nepalese commercial banks where each scale item response categories ranging from “strongly agree” to “strongly disagree” (Bird, 1988). First collected data were entered into MS Excel and decoded over there and the decoded data are entered into SPSS software version 23. Then entered data were coded and cleaned. Descriptive and inferential tools were applied.

Descriptive statistics were used for variables such as gender, age, education background. SPSS test was used for comparing results with reference to variable. This analysis consisted of frequency and percentage calculation resented in cross taps. Mean, standard deviation, and inferential statics such as correlation coefficient and multiple regression analysis were used.

3.4.1 Reliability test

Reliability refers to the correlation of an item, scale or instrument with a hypothetical one which measures what it is supposed to (Garson, 2016). In other words, high correlation means that results are consistent and therefore they are reliable.

Cronbach’s alpha is a common way to assess the reliability of scales (Gliem & Gliem, 2003). Use of Cronbach’s alpha for reliability test has also been carried out and the coefficient alpha is the average of all possible split-half coefficients resulting from different ways of splitting scale items. The value ranges between 0 and 1 (Gliem and Gliem, 2003). Generally, it is thought that an alpha value of ≥ 0.60 is acceptable, ≥ 0.70 is good and ≥ 0.80 represent excellent scale. In this study, seven constructs were measured for reliability test. The coefficient alpha for the scales measuring each of these constructs is represented in Table 4. Since, most of the values were above 0.60, it can be concluded that the scales are acceptable.

Table 4

Cronbach’s alpha coefficient range

Range	Strength of association
< 0.3	Unacceptable
≥ 0.4	Poor
≥ 0.5	Questionable
≥ 0.6	Acceptable
≥ 0.7	Good
≥ 0.8	Excellent

Source: George and Mallery (2003)

Simple statistical tools, techniques, and methods will be used in the analysis of the data. The statistical tools that will be used in the research are as follow:

3.4.2 Validity analysis

Since all the variables and items were deducted from the questionnaire which was already validated in the past by various research works, this study fulfills the issue of content validity.

3.4.3 Mean

Mean is the average of the given set of values which denotes the equal distribution of values for a given data set (Wisniewski, 2009). The mean of a statistical distribution with a continuous random variable, also called the expected value, is obtained by integrating the product of the variable with its probability as defined by the distribution. The mean is the average or the most common value in a collection of respondents which is a measure of central tendency of a probability distribution. The statistical tool mean is used by the study to find out the average of different responses provided by the respondents regarding the different variables in Likert scale (Wisniewski, 2009).

It is denoted by \bar{x} (Mean) (Wisniewski, 2009).

$$\bar{x} = \frac{\sum fx}{n}$$

Where,

fx =Total number of responses of both dependent and independent variable

n = Number of respondents

3.4.4 Standard deviation

The standard deviation measures the variation or dispersion of a set of values. A low standard deviation indicates that the values tend to be close to the mean (also called the expected value) of the set. In contrast, a high standard deviation indicates that the values spread over a wider range (Wisniewski, 2009). It is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. The standard deviation is calculated as the square root of variance by determining each data point's deviation relative to the mean (Wisniewski, 2009). The standard deviation of a population or sample and the standard error of a statistic, like the example of the sample mean, are quite different, but related (Wisniewski, 2009). There is a bigger deviation within the data set if the data points are farther away from the mean. Therefore, the standard deviation is bigger the more dispersed the data. For all samples in this study, the standard deviation is determined for the replies given on a Likert scale.

$$\sigma = \frac{\sqrt{(x - \bar{x})^2}}{n - 1}$$

(Wisniewski, 2009).

Where:

X= Value of the responses of each dependent or independent variable

\bar{x} = the mean value of the responses of each dependent or independent variable

N=Number of responses

3.4.5 Correlation

Two or more variables are considered to be related, in a statistical context, if their values change so that as the value of one variable increase or decreases so does the value of the other variable (Wisniewski, 2009). It's a common tool for describing simple relationships without stating cause and effect. Correlations are also tested for statistical significance. The strength and nature of any relationship between two or more variables can change over time.

The correlation coefficient ranges from -1 to +1 (Wisniewski, 2009). A high degree of positive correlation is indicated by values close to +1, and a high degree of negative correlation is indicated by values near -1. The study uses correlation analysis to find the relationship between the dependent variable i.e., entrepreneurial success, and the independent variables, which are innovation, motivation, self-efficacy and risk-taking propensity (Chatterjee, Das & Srivastava, 2018).

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$$

Where n= Number of responses

X=Value of independent variable

Y= Value of dependent variable

3.4.6 Regression analysis

A regression is a statistical technique that relates a dependent variable to one or more independent (explanatory) variables (Wisniewski, 2009). A regression model can show whether changes observed in the dependent variable are associated with changes in one or more explanatory variables. The study use regression analysis to identify the impact of independent variables on the dependent variable, entrepreneurial success. The study use regression analysis and try to figure out how strong the association is between one dependent variable and the other more than one independent variable (Wisniewski, 2009). Numerous regression analyses are used in this study because there is one dependent and multiple independent variables. The relationship's theoretical model is extracted from (Chatterjee, Das & Srivastava, 2018).

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon_i$$

Where,

Y= Employee's Satisfaction

a= Intercept

X_1 = Age diversity

X_2 = Gender diversity

X_3 = Education background

β_1 = Coefficient of age diversity

β_2 = Coefficient of gender diversity

β_3 = Coefficient of education background

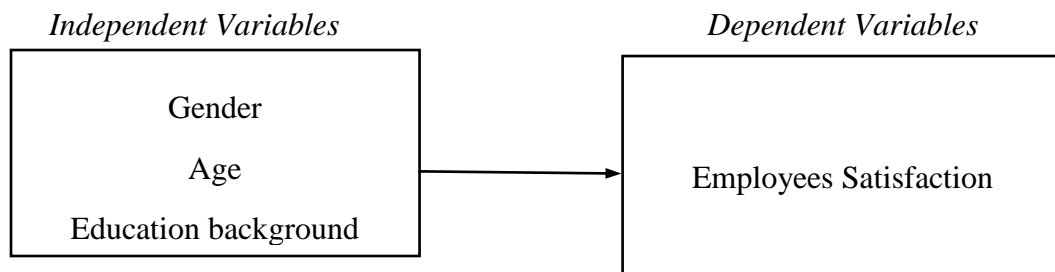
ϵ_i = the error term (the difference between the observed and predicted values of Y).

3.5 Research Framework and definition of variables

The research framework provides a structured outline for investigating the impact of workforce diversity on employee satisfaction in Nepalese commercial banks (Dhungana, 2021; Gautam & Basnet, 2022). This study focuses on the factors influencing employee satisfaction in Nepalese commercial banks. This study has taken employee satisfaction as a dependent variable, whereas age, gender, and educational background are independent variables to measure the impact of employee performance in Nepalese commercial banks. It acts like a map that gives coherence to the empirical inquiry as the research framework is organized around the theory. Variables identified from most of the literature review were used to construct the theoretical framework.

This study has taken employee satisfaction as the dependent variable whereas age, gender, and educational background are the independent variables. Based on this, the relationships between different dimensions of satisfaction and its determinants are constructed to form the study framework for the present study, as shown in Figure.1

Figure 1- Research Framework



Source: *Ibidunni et al. (2018)*

Figure 1 shows that factors like age, gender, and educational background impact employee satisfaction. The three variables are used as independent variables. Employee satisfaction is measured with the help of independent variables such as age, gender, and educational background how these three factors affect employee performance is examined in this study.

Definitions of variables

The following perceptual definition of variables makes it easy to understand them more precisely.

Independent Variable

Workforce Diversity

Workforce diversity in Nepal is characterized by the representation of various demographic groups within the labor market, promoting inclusivity and equity in the workplace (Adhikari, 2020; Shrestha & Koirala, 2019). Workforce diversity is operationally defined as the measurable representation of various demographic characteristics among employees, such as ethnicity, gender, age, religion, and socioeconomic status (Gautam & Basnet, 2022).

Workforce diversity in Nepal encompasses the demographic variety within the workforce, including characteristics such as ethnicity, gender, age, and education. It aims to create a work environment that is supportive and respectful, leading to increased job satisfaction and organizational commitment (Adhikari & Pant, 2021).

Gender Diversity

In the workplace, gender-based disparities are reinforced and validated by stereotypes and preferences that characterize favorable qualities, making them appear more evident to men (Jackson et al., 2003; Cunningham, 2008). Put another way, companies prefer to hire men rather than women for labor contracts because men are expected to perform better and be better at managing their positions.

An inverted U-shaped relationship between gender composition and organizational effectiveness was demonstrated by Frink et al. (2003). Diversity in gender has proven to have a beneficial influence on the services sector and a detrimental effect on the assembly and manufacturing industries. As a result, the service sector may benefit from gender diversity

more than industries that involve assembly and production. High levels of gender diversity will thus benefit employee and company performance in the service sector more than it will in the industrial sector.

Within the locations that were typically more diverse in terms of sex, Jackson et al. (2003) investigated a positive association between intra-bunch cooperation and differences in sexual orientation within the group. Furthermore, group sexual orientation varied qualities were unquestionably linked to group execution; nonetheless, this was real and significant just inside areas structured by fairly greater sex different qualities in the conclusion.

Gender diversity, according to Jayne and Dipboye (2004), does not always result in better motivation, enhanced abilities, increased commitment, or a decrease in conflict. The research' findings indicate that the advantages of diversity depend on a number of factors, including the organization's strategy, culture, and environment, in addition to its members. Gender is described by Eagly and Wood (1991) as a spectrum of distinctions between men and women, ranging from biological to social. Using asset-based evaluation, McMillan (2006) and Robinson et al. (2003) have shown the beneficial impact of gender diversity on employee performance.

Age Diversity

A growing number of companies are incorporating age diversity. This link is explained by the two main theories of social identity and self-categorization. Social identification and self-categorization theory suggests that people categorize themselves into certain groups depending on qualities that are personally significant for them (Kunze et al., 2009). According to the social uniqueness and self-order theory, people are advised to present themselves in a certain way based on attributes that are material to them (Cunningham, 2008, Kunze, Bohm et al., 2011).

According to Bhat (2013), there was no discernible correlation between employee happiness and age diversity. According to Gellner and Veen's (2011) analysis, age variability alone lowers individual output. Furthermore, there are no significant benefits from age heterogeneity in the case of regular jobs that might counteract the rising costs brought on by

increased age heterogeneity. The outcome demonstrated that various age groups offer distinct values to businesses, and these values may work in concert to raise business satisfaction.

According to Benschop (2001), age heterogeneity refers to variations in the values and preferences of various age groups, which might have a detrimental impact on production. Various age groups offer various values to businesses, and these values can complement one another to increase businesses' success, according to research by Inmyxai and Takahashi (2008). Furthermore, age variability alone has a detrimental impact on an individual's productivity. Furthermore, there are no significant benefits from age heterogeneity in the case of regular jobs that might counteract the rising costs brought on by increased age heterogeneity.

Age diversity and work performance were shown to have no discernible link, according to Childs et al. (2005). Numerous studies have shown that older workers are just as skilled, lucrative, and productive as their younger counterparts. Accordingly, personnel in a varied age group would be more productive, creative, and dynamic than those in a homogenous age group (Williams & O'Reilly III 1998).

Education Background Diversity

According to Hoff's (2014) research, hiring managers frequently turn down candidates whose degree, training, or experience are deemed insufficient. This indicates that an employee's employability is highly dependent on their educational background. Without a sufficient educational foundation, workers cannot get employment and perform poorly. According to research by Barrington and Troske (2001), an employee's productivity increases with education level. A worker will be more productive the more education they have received. Additionally, Inmyxai and Takahashi (2010) discovered that stronger economic growth is directly correlated with a city's larger percentage of educated laborers. Additionally, Fleischmann et al. (2009) found that various educational certificates and degrees of schooling may be associated with varying flexible salary rates. For example, the jobs available to those with practical experience but no degree may not be the same as those for those with that level of education.

According to Bhat's (2013) research, cities with larger percentages of educated laborers tend to have faster economic growth. According to Tracy and David's (2011) research, hiring managers frequently turn down candidates whose education, training, or experience are deemed insufficient for the position. However, this also meant that workers value a person's educational background. Without a sufficient educational foundation, workers cannot get employment and perform poorly. Emiko and Eunmi (2009) also discovered that varied educational backgrounds and levels might lead to varying mobility rates. Depending on their educational attainment, a person will produce more. According to Harrison and Klein's 2007 investigation into this theory, localities with larger proportions of workers with postsecondary education will be able to pay those with higher levels of education more.

Dependent Variable

Employee's Satisfaction

The term "job satisfaction" describes how satisfied workers are with their occupations, their attitude toward their work, their emotional reaction to their job obligations, and the social environment in which they operate (Ramman, 2011). According to Davis's (2007) research, employee effort, competence, and ability are all favorably impacted by work satisfaction. Unhappy workers can lead to problems like rising expenses and falling profitability, which would then make consumers unhappy. The capacity of an employee to meet goals, provide quality work, and have high productivity is what determines employee happiness. Because diverse points of view may encourage original and innovative ways to problem-solving, workforce diversity can be a competitive advantage. This increases creativity and innovation, which in turn improves employee happiness (Allen et al., 2004).

CHAPTER IV

RESULTS AND DISCUSSION

This chapter examines how primary data collected from a distributed questionnaire is systematically presented, interpreted, and analyzed in order to determine how employee happiness in Nepalese commercial banks is affected by a diverse workforce. The fundamental procedures for recognizing problems, figuring out if relevant data is available, selecting effective techniques to address the relevant concerns, putting those approaches into practice, and assessing, condensing, and conveying the outcomes. For this reason, a number of the statistical and economic instruments covered in chapter three have been specified.

The comparative analysis for commercial and development banks have been made to grasp the total picture of banking sector. This chapter is divided into five sections. The first section deals with presentation and analysis of data and present the results of questionnaire survey. The second section deals with descriptive statistics, third section deals with correlation analysis, fourth section deals with step wise regression analysis and final section wraps up with this chapter concluding remarks and result derived from data.

4.1 Analysis of data

The key data used to assess how employee happiness in Nepalese commercial banks is affected by workforce diversity are presented in this part. The findings of a questionnaire survey that was distributed across the nation to various employee groups are also included in this section. The purpose of the questionnaire survey was to learn what respondents thought about how employee satisfaction in Nepalese commercial banks was affected by a diverse staff. There were several surveys available, some with multiple choice and others with Likert scale questions. A total of 380 participants are polled and examined in alignment with the study's goal. Below is a presentation of the respondent profile, personal traits, and survey results.

4.1.1 Respondent's Profile

The respondent profile provides insight into the respondents' combined personal traits based on many traits like gender, age group, educational background, marital status, employment status, and experience. Grasp customer behavior involves a thorough grasp of demographic characteristics. As a result, the demographic traits of the Nepalese commercial bank respondents are covered in this section. Table 5 presents the demographic characteristics of the respondents.

Table 5: Demographic Characteristics of Respondents

Respondents character	Number of responses	Percentage
Gender		
Male	213	56.1
Female	167	43.9
Total	380	100
Age group (in years)		
Below 25	104	27.4
26-35	241	63.4
36-45	30	7.9
Above 45	5	1.3
Total	380	100
Marital Status		
Single	210	55.3
Married	162	42.6
Widowed	3	0.8
Divorced	5	1.3
Total	380	100
Academic Qualification		
PhD	5	1.3
Master's degree	214	56.3
Bachelor's degree	117	30.8
10+2 / Inter	44	11.6
Total	380	100
Job position.		
Entry Level	77	20.3
Junior	117	30.8
Senior	161	42.4
Manager	25	6.6
Total	380	100

Experience		
Less than 1 year	96	25.3
1-5 years	237	62.4
6-10 years	39	10.3
Over10years	8	2
Total	380	100

As Table 5 demonstrates, knowing an employee's perception and dependability inside the company is largely dependent on their demographics. Banks must take into account a user's demographic characteristics in order to increase productivity within the company. Respondents from a diverse age group were included in the measurement of organizational perceptions of employees toward workforce diversity and to increase organizational outcomes like employee satisfaction toward their job.

Only 380 of the 400 employees who received questionnaires categorized as manager, officer, or assistant responded; of these, 25 supervisors, 161 senior employees, and 117 junior employees were chosen for further consideration. Compared to supervisors, entry-level workers, and junior employees, higher level personnel respond more frequently. This section covers the respondents' age, gender, marital status, educational background, employment status, and degree of experience.

Gender

When expressing and responding to the issue, gender is a significant variable. For this study, the variable gender was therefore examined. Table 5 displays the gender of the responders. Table 5 shows that male respondents make up the majority (56.1 percent). 43.9 percent of the remaining responders are female.

Age

One of the most crucial factors in determining the respondents' opinions on the specific issues is their age. The respondents' age range is divided into five categories: under 25, 26–35, 36–45, and 45 and above. Table 5 displays the respondents' age-based categorization as a percentage. The age group between 26 and 35 accounted for the largest percentage of respondents (63.4%), while the age group beyond 45 accounted for the smallest percentage (1.3%) of all respondents.

Marital Status

Marital status is one of the most important characteristics in understanding the views about the particular problems. The classification of the respondents by marital status in terms of number and percent is shown in table 5. Among the 380 respondent 210 respondents fall in single status. Similarly, 162 respondents from married status as well as 3 respondents from widowed and 5 respondents from divorced which is shown in the table 4. Of the total respondents, majority of the respondents (55.3 percent) from single status, (42.6 percent) from married status, (0.8 percent) from widowed and finally there is (1.3 percent) respondents of divorced status.

Academic Qualification

Education is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena therefore it becomes imperative to know the educational background of the respondents. The classification of the respondents by academic qualification in terms of number and percent is shown in table 5. Among the 380 respondent 44 respondents fall in intermediate's degree level. Similarly, 117 respondents from bachelor's degree as well as 214 respondents from master's level, and 5 respondents from PhD which is the graphical presentation of the table 5. Of the total respondents, majority of the respondents (1.3 percent) from PhD, (56.3 percent) from master, then bachelor's degree (30.8 percent) and finally intermediate degree (11.6 percent).

Job Position

Designation is one of the most important characteristics in understanding the views about the particular problems. The designation of the respondents is categorized into four levels i.e. assistant level, officer level, manager level and executive level is shown in the table 5.

Majority of the respondents were from the senior level 161 in frequency and 42.4 in percentage. Junior level constitutes 117 respondents 30.8 percent of the total respondents. Entry level constitute 77 respondents 20.3 percentage of total respondents similarly; manager level constitutes 25 respondents representing 6.6 percent of total respondents respectively.

Experience

One of the most crucial elements in comprehending opinions on certain issues is experience. Table 5 displays the designation of the responders, which are divided into four categories: manager, senior, junior, and entry levels. Sixty-four percent of the total responses had experience years ranging from one to five years. 25.3 percent, then less than a year, 10.3 percent, six to ten years, and 2.1 percent, more than ten years.

4.1.2 Reliability Test of the Variable

The association between an item, scale, or instrument and a hypothetical one that measures what it is meant to is known as reliability (Garson, 2016). A high correlation coefficient indicates consistency and dependability in the outcomes. One popular method for evaluating a scale's dependability is to use Cronbach's alpha. The average of all split-half coefficients that may arise from dividing scale items in various ways is known as the coefficient alpha. The value is in the interval of 0 to 1. It is generally accepted that a scale with an alpha value of 0.70 is acceptable, 0.80 is good, and 0.90 is exceptional. The overview of the variables' dependability is provided in Table 6.

Table 6 Reliability Test

Summary of Reliability of all Variables

Items	Cronbach's Alpha	No. of Items
Gender	.718	6
Age	.695	5
Education Background	.737	5
Employee Satisfaction	.806	8

Table 6 shows that the highest Cronbach's Alpha was of employee satisfaction (0.806) and the lowest was of Age (0.695). This reliability of the study is confirmed because all the variables' Cronbach's Alpha was at the desired level of 0.70 and above.

4.1.3 Descriptive Analysis

Descriptive analysis involves summarizing and organizing data so it can be easily understood. This often includes creating graphs, tables, and basic descriptive statistics such as means and standard deviations (Trochim & Donnelly, 2006).

4.1.3.1 Employee Satisfaction on Gender in Nepalese Commercial Banks

This section discusses employee satisfaction with workforce diversity in terms of gender diversity under which different eight questions were prepared. Table 6 shows the number of respondents on the five-point Likert scale items about their opinions regarding workforce and its descriptive statistics are shown with values of the mean and standard deviation. Low mean refers to agreed statements and high mean refers to disagreed statements. Table 7 states the opinions of respondents regarding gender diversity.

Table 7: Descriptive Analysis of Respondent’s Opinion Regarding Gender Diversity in Nepalese Commercial Banks

This table shows the number of responses, standard deviation and mean on the five-point Likert scale. It is calculated based on respondents’ opinions regarding the impact of workforce diversity on employee satisfaction of Nepalese Commercial banks as per the statement.

Table 6: Descriptive Analysis of Gender Diversity

Code	Construct	M	SD
GD1	My organization recruits employees of different genders.	1.73	0.77
GD2	All employees are treated fairly, irrespective of their gender.	1.89	0.73
GD3	Women are equally involved in the organization's decision-making.	1.93	0.73
GD4	Growth opportunities exist for both men and women in my organization.	1.86	0.75
GD5	I perform better while working with people of different gender	1.97	0.76
GD6	I am positive about gender diversity in this workplace.	1.89	0.72
Overall Average		1.87	0.74

The response to the items in Table 7 shows that the highest mean was for the item “I perform better while working with people of different genders” with a mean value of 1.97. At the same time, the item “My organization recruits employees of a different gender.” Has the

lowest mean value of 1.73? The item “My organization recruits employees of a different gender.” Observed the highest standard deviation of 0.771 while the item “I am positive about gender diversity in this workplace.” Possessed lowest standard deviation of 0.7222. The weighted average mean for gender diversity is 1.87 which indicates that gender diversity is properly adopted by Nepalese commercial banks.

4.1.3.2 Employee Satisfaction on Age Diversity in Nepalese Commercial Banks

This section discusses employee satisfaction with workforce diversity in terms of age diversity under which different five questions were prepared. Table 8 shows the number of respondents on the five-point Likert scale items about their opinions regarding the workforce and its descriptive statistics are shown with values of the mean and standard deviation. Low mean refers to the agreed statement and high mean refers to a disagreed statement. Table 8 states the opinions of respondents regarding age diversity.

This table shows the standard deviation, and mean of the employee satisfaction regarding age diversity of Nepalese commercial banks. The statement based is measured in five Likert scales.

Table 8: Descriptive Analysis of Age

Code	Construct	M	SD
AD1	My employer provides me equal opportunity for training and career development in spite of age.	1.84	0.78
AD2	My leader includes all members at different age in problem solving and decision making.	1.89	0.73
AD3	The mentoring by older employees benefited young	1.94	0.75
AD4	I perform better while working with people of different age.	1.99	0.70
AD5	I am positive about age diversity in this workplace.	1.94	0.72
Overall Average		1.92	0.73

The mean value of the statements of age diversity ranges from 1.84 to 1.99. Among them, the most significant observation is “I perform better while working with people of different age.” The item “My employer provides me equal opportunity for training and career development in spite of age.” Observed highest standard deviation of 0.779 while the item “I perform better while working with people of different age.” possessed lowest standard deviation of 0.702. The weighted average mean for age diversity is 1.92 which indicate that the age diversity is properly adopted by Nepalese commercial banks.

4.1.3.3 Employee Satisfaction on Education Diversity in Nepalese Commercial Bank

This section discusses employee satisfaction with workforce diversity in terms of education background diversity under which different five questions were prepared. Table 9 shows the number of respondents on the five-point Likert scale items about their opinions regarding the workforce and its descriptive statistics are shown with values of the mean and standard deviation. Low mean refers to agreed statements and high mean refers to disagreed statements. Table 9 states the opinions of respondents regarding education background diversity.

Table 9: Descriptive Analysis of Education Background

Code	Construct	M	SD
EBD1	My organization recruits employees on the basis of education background.	1.8	0.72
EBD2	The difference in education background does not encourage Conflict	2	0.83
EBD3	My organization gives equal treatment when it comes to the diversity of education background	2	0.72
EBD4	I have found it very good to work with people from different education background.	1.9	0.7
EBD5	At bank opportunities for growth and advancement exist for employee who have low educational qualification	2	0.75
Overall Average		1.9	0.75

Table 9 show that The mean value of the statements of education background diversity range from 1.75 to 1.97 Among them, the most significant observation is “My organization gives equal treatment when it comes to the diversity of education background.” With mean value of 1.97. While at the same time, the item “My organization recruit’s employees on the basis of education background.” Has the lowest mean value of 1.75? Similarly, the item “The difference in education background does not encourage Conflict.” Observed highest standard deviation of 0.830 while the item “I have found it very good to work with people from different education background.” possessed lowest standard deviation of 0. 699. The weighted average mean for education background diversity is 1.914 which indicate that the ethnicity diversity is properly adopted by Nepalese commercial banks.

4.1.3.4 Employee Satisfaction in Nepalese Commercial Banks

This section provides the information regarding employee satisfaction. Employee satisfaction is a measure of how products and services supplied by a company meet employee expectation. Satisfaction is not inherent in the individual or the product but is a socially constructed response to the relationship between an employee, the product and the product provider/ maker. Employees are satisfied when their expectations are met and delighted when their expectations are exceeded. The respondent's opinion regarding the employee satisfaction is presented in table 10

Table 10: Descriptive Analysis of Employee Satisfaction

Code	Construct	M	SD
ESD1	I am satisfied with my work.	1.7	0.64
ESD2	I am motivated to complete the task that is assigned to me.	1.9	0.61
ESD3	I am committed to the mission and direction of my organization.	1.9	0.69
ESD4	My performance is better than that of my colleagues.	2	0.77
ESD5	I am happy the atmosphere in the bank is cheerful.	2	0.78
ESD6	The bank provide good work equipment	2	0.75
ESD7	I am satisfied with reasonable basic salary	2	0.81
ESD8	I am motivated by bank's management system.	2	0.71
Overall Average		1.9	0.72

Table 10 highlights the mean value of the statements of Employee satisfaction range from 1.68 to 2.01 among them, the most significant observation is "My performance is better than that of my colleagues." With mean value of 2.01. While at the same time, the item "I am satisfied with my work." Has the lowest mean value of 1.68? Similarly, the item "I am satisfied with reasonable basic salary. "Observed highest standard deviation of 0.807 while the item "I am motivated to complete the task that is assigned to Me." possessed lowest standard deviation of 0. 614. The weighted average mean for employee satisfaction is 1.916 which indicate that the employee satisfaction is properly adopted by Nepalese commercial banks.

4.1.3.5 Descriptive Analysis of Overall Variable

Table 11 consists of the individual statements of respective questions concerning Gender, Age, Ethnicity, Education background, marital status and employee satisfaction and employee commitment that have been computed into independent and dependent variables. The number of responses collected for each independent and dependent variable was 380. Table 11 presents a descriptive analysis of newly computed variables that will be further used for inferential analysis.

Table 11 Descriptive Analysis of Overall Variable

Construct	Mean	SD
Gender Diversity	1.88	0.48
Age Diversity	1.92	0.49
Education Background Diversity	1.91	0.52
Employee Satisfaction Diversity	1.92	0.46

Table 11 summarizes the overall descriptive analysis of the independent variables and dependent variables of the study, which was measured in a 5-point Likert scale. Upon collection of the response, it is found that the maximum-value response recorded was 5 and the minimum was 1 for the variable Responsiveness. Gender, age, education background, and employee satisfaction has minimum values of 1, while their maximum value is 3.17, 3.40, 3.40, and 3.50, respectively, and the highest mean was for age status with a mean value of 1.9195. While at the same time, Gender has the lowest mean value of 1.8781. The Standard Deviation of all the variables was below 1. The variable Employee satisfaction has the lowest S.D. of 0.46010, at the same time; the variable Education background has the highest S.D. of 0.52124. Employee satisfaction has the highest kurtosis value of 0.336, and gender has the lowest kurtosis value of -0.151. Likewise, Age has the highest skewness value of 0.410, and employee satisfaction has lowest skewness value of 0.214.

4.1.4 Inferential Analysis

In order to gain further insight to data, statistical tests namely Pearson's Correlation Coefficient and Multiple Linear Regression were conducted after descriptive Statistics were done to find out the mean and standard deviation. These inferential analyses are specifically done to test the purposed hypothesis. Pearson's Correlation Coefficient was used to examine the strength of association among variables. In contrast, Multiple Linear Regression was used to test how changes in the combination of two or more independent variables predict the level of change in the dependent variable i.e., turnover intention.

4.1.4.1 Correlation Analysis

Correlations analysis was used to discover relationships between variables. Bivariate Pearson Correlation analysis was used to test the relationship between the dependent and independent variables in appropriate level of significance (George & Mallory, 2009). To evaluate the strength or degree of the link between the research variables, a correlation matrix was created. A positive correlation reveals that the direction of the relationship is positive with one increasing in reaction to the other's increase. Meanwhile, a negative correlation reveals an inverse of the above: an increase in one when the other decreases. Weak correlation is defined as $r < 0.30$, moderate correlation as $0.30 < r < 0.60$, and strong correlation as $r > 0.60$ (Levin & Fox, 2006).

Table 12: Pearson Correlation Analysis on (Employee Satisfaction)

Variables	(a)	(b)	(c)	(d)
Gender Diversity (a)	1			
Age Diversity (b)	.620**	1		
Education Background Diversity (c)	.616**	.648**	1	
Employee Satisfaction Diversity (d)	.588**	.615**	.594**	1

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

Table 12 summarizes the correlation analysis of the variables under study which is conducted for the whole sample.

As shown in the table, the correlation for all samples between employee satisfaction and gender diversity is observed to be positive and significant at a 99 percent confidence level with a correlation coefficient of 0.588, since the p-value is less than 0.01 (i.e., $p=0.00$). The

significance level in the two-tailed test is 0.00. Hence, there is evidence to accept the alternate hypothesis. It shows that gender diversity has a positive and moderate relationship with employee satisfaction.

Table 12 shows a moderate degree of positive correlation (i.e., 0.615**) between employee satisfaction and age diversity and is also significant at 1 percent since the p-value is less than 0.01 (i.e., $p=0.00$) (Levin & Fox, 2006). Hence, there is evidence to accept the alternate hypothesis. Thus, it infers there is a significant relationship between age diversity and employee satisfaction.

The p-value of education background is 0.000 (reported as p-value = 0) which is smaller than the level of significance (reported as 0.05). Hence, there is evidence to accept the alternate hypothesis and the study concluded there is a significant association between education background and employee satisfaction. The table concludes that a moderate degree of positive correlation (i.e., 0.588, 0.615, and 0.594) is significant at 1% since the value is less than 0.01 (i.e., $p=0.00$) (Levin & Fox, 2006).

Thus, it infers there is a moderate positive and significant relationship between employee satisfaction and age diversity, gender diversity and educational background (Levin & Fox, 2006).

4.1.4.2 Regression Analysis

Regression analysis is a statistical method used to analyze the relationship between two or more variables. This analysis is often used to examine the relationship between a dependent variable and one or more than one independent variable. In simple terms, regression analysis is a quantitative method used to test the nature of relationships between a dependent variable and one or more independent variables.

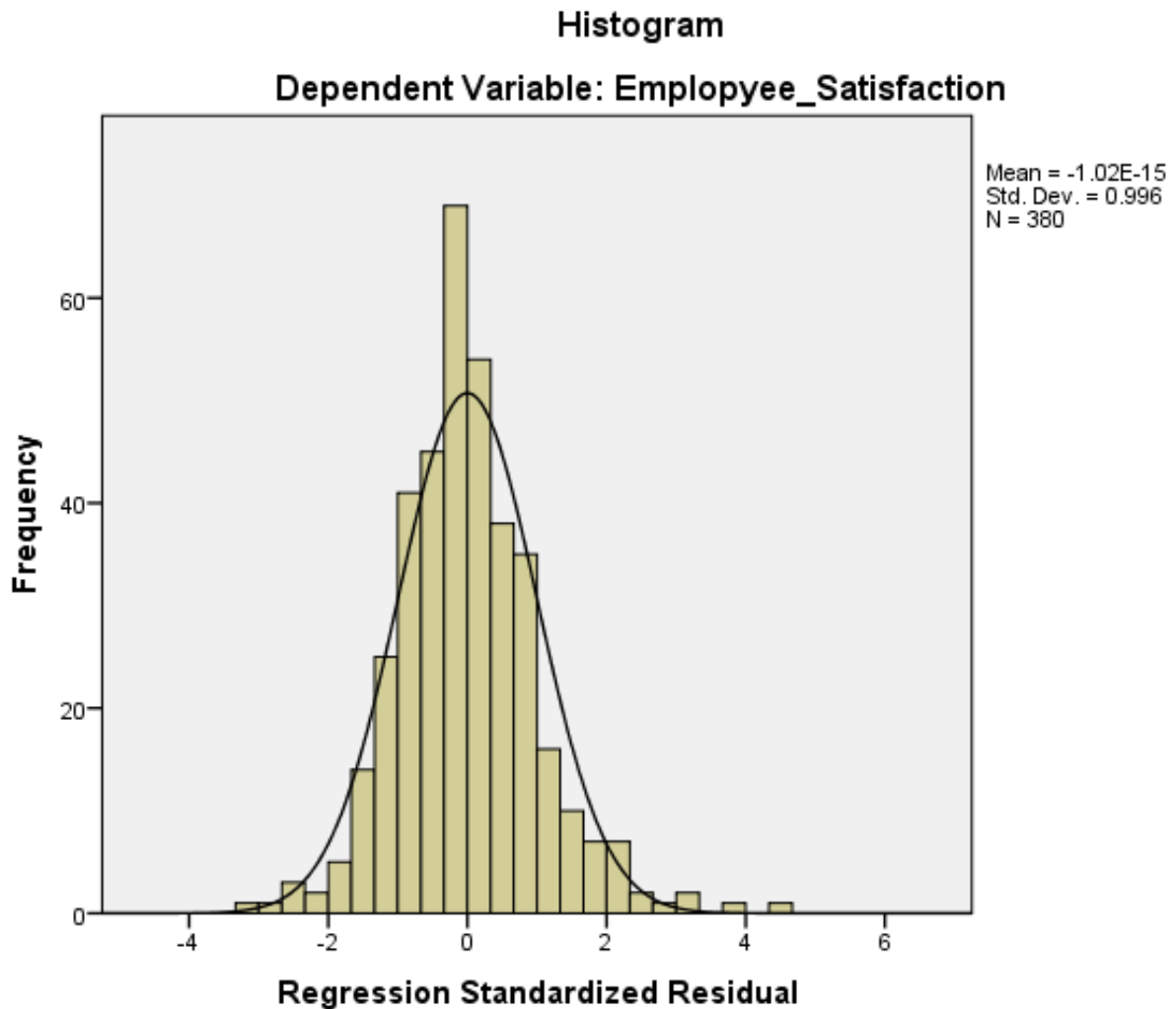
Regression Assumption Tests

Regression assumptions were tested before running a regression analysis. Normality, Linearity, Multi-collinearity, and independence of error showed satisfactory results that regression assumptions were not violated (West & Aiken, 2003).

Normality Test

A normality test is a statistical method used to determine whether a data set collected from various regions or populations within the country follows a normal distribution. This is crucial for ensuring the validity of parametric statistical analyses often used in socio-economic and public health research Joshi, & Khanal (2015). In other words, normality test is a statistical procedure used to determine if a sample or population follows a normal distribution. It assesses the goodness of fit between the observed data and normal distribution (Mendes, & Pala, 2003).

Figure 2 Normality Test



(Source: Calculation Based on SPSS, 2024)

Figure 2 shows that the data from the research results are normally distributed with a concentration of the variables at the histogram.

Linearity Test

The linearity test is a statistical procedure used to determine whether the relationship between two variables, such as economic growth and investment levels, or literacy rates and health outcomes, is linear. This test is crucial for ensuring that linear regression models accurately represent the data, which is vital for policy-making and strategic planning (Shrestha, & Bhandari, 2019).

Figure 3 Linearity test



(Source: Calculation Based on SPSS, 2024)

Multicollinearity Test

Multicollinearity refers to a situation in statistical models, particularly in multiple regression analysis, where two or more predictor variables are highly correlated. This high correlation makes it difficult to determine the individual effect of each predictor on the dependent variable, leading to unreliable and unstable estimates of regression coefficients.

Table 13 *Multi-collinearity Test*

Independent Variables	Tolerance	VIF
Gender	0.537	1.861
Age	0.501	1.996
Education Background	0.506	1.978

(Source: Calculation Based on SPSS, 2024)

The calculation of VIF values for each independent variable has been made via SPSS. The Variance Inflation Factor (VIF) identifies a correlation between independent variables and the strength of that correlation. It is considered to be good and indicates that there is no significant amount of multi-collinearity among the predicted variables. So, we can conclude that the regression analysis can be run.

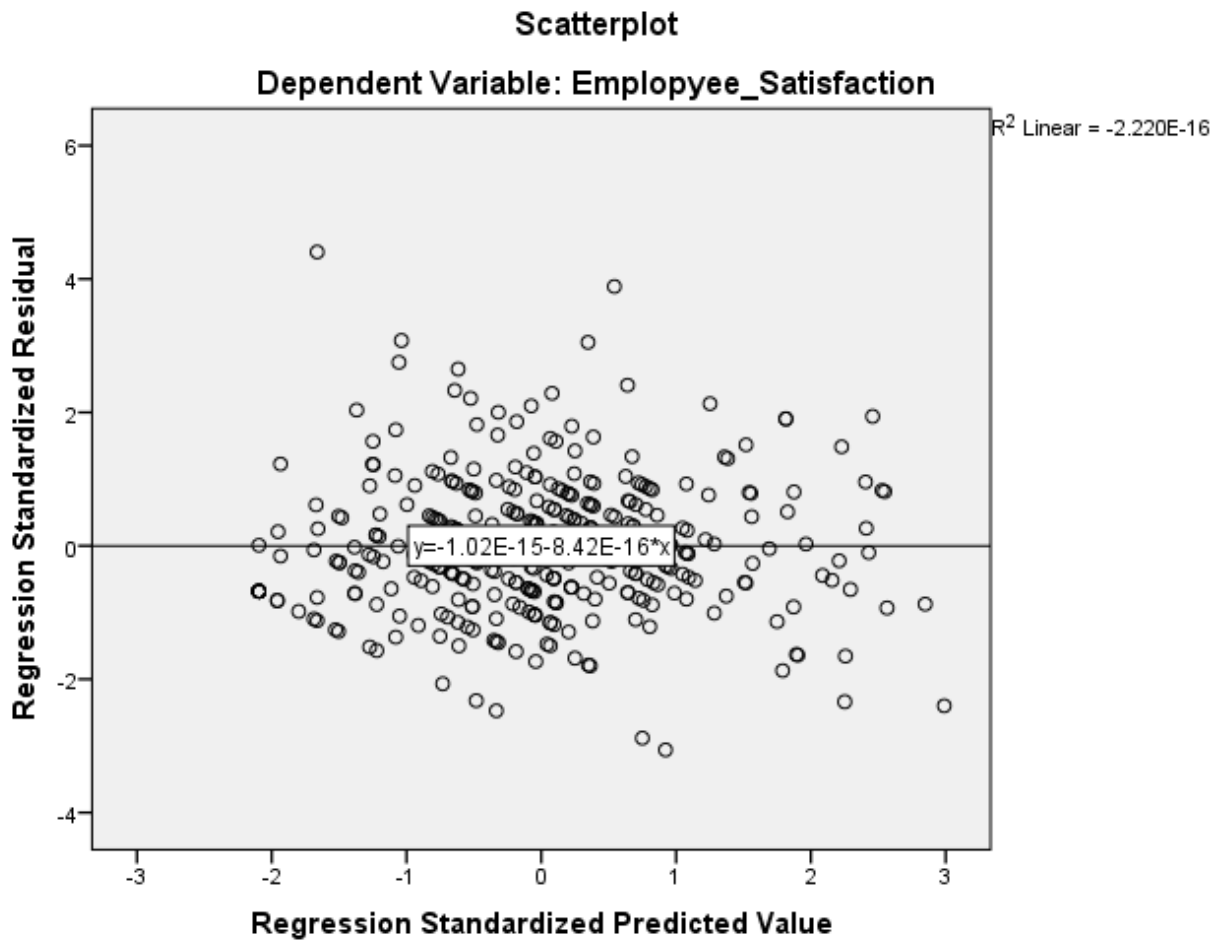
Independence of Error

The independence of error is a key assumption in regression analysis and other statistical models, stating that the errors (or residuals) associated with different observations are independent of each other. This means that the error term for one observation does not predict or affect the error term for another observation. Violation of this assumption can lead to inefficient and biased estimates of the model parameters (Wooldridge, 2016).

Gujarati, and Porter (2009) stipulate that the residuals (errors) of the model should not be correlated with each other. This implies that the error term for one observation should not

provide any information about the error term for another observation. When the errors are independent, it ensures that the model's predictions are unbiased and that the standard errors of the regression coefficients are correctly estimated.

Figure 4 Independence Error



(Source: Calculation Based on SPSS, 2024)

Figure 4 illustrates the scatter plot of the standardized residual and randomly scattered around the horizontal line providing a relatively even distribution showing no pattern. Therefore, it can be concluded that data are homoscedastic and the regression assumption was met.

Analysis of Factors Affecting Employee Satisfaction

Regression analysis results are the statistical tools for data analysis. The outputs of SPSS are shown in the following tables. Tables are explained and shown according to the primary data analysis. Regression analysis is done for the variables of workforce diversity and employee satisfaction. Gender, age, marital status, and educational background are used as independent variables and return on assets and employee satisfaction are used as dependent variables. Table 14 indicates regression analysis of gender diversity, age diversity, ethnicity diversity, education diversity and marital status diversity on employee satisfaction.

Table 14 Model summary of regression

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.712 ^a	0.508	0.501	0.32501

Table 14 above table presents the summary of the regression model. This table summary incorporates vital components like R^2 , Adjusted R^2 , and Standard error of the estimate (SEE). The R Square value refers to the percentage of the dependent variable variation that is explained by the independent variables. The R square value in this study is 0. 508 which implies that 50.8 percent of the variations in the dependent variable are caused by the independent variables. It means that 50.8 percent of the variations in employee satisfaction is explained by Gender, Age, educational background, and the rest, 49.2 percent is explained by factors not incorporated in this study

Table 15 Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T-value	P-value	Collinearity Statistics	
	Coefficients	Std. Error	Beta			Tolerance	VIF
Constant	0.46	0.075		6.137	0		
Gender	0.267	0.047	0.28	5.683	0	0.537	1.861
Age	0.261	0.047	0.281	5.515	0	0.501	1.996
Education background	0.231	0.045	0.263	5.181	0	0.506	1.978

a. Dependent Variable: Employee Satisfaction

Table 15 above table presents the summary of the regression model. This table summary incorporates vital components like R^2 , Adjusted R^2 , and Standard error of the estimate (SEE). The R Square value refers to the percentage of the dependent variable variation that is explained by the independent variables. The R square value in this study is 0.508 which implies that 50.8 percent of the variations in the dependent variable are caused by the independent variables. It means that 50.8 percent of the variations in the employee satisfaction is explained by Gender, Age, Education Background, and the rest, 49.2 percent is explained by factors not incorporated in this study

Similarly, Adjusted R Square is penalized form of R Square to tackle the increment in R Square due to addition of one or more variables. The Adjusted R Square value in this study is 0.501 which means that 50.1 percent of the variations in dependent variable can be explained by additional variable(s) along with three independent variables used in the study. Standard error of estimates shows that chances of correct estimates from the model. Lower the standard error of estimates, higher the chances of correct estimates. For this study, the standard error of estimate is 0.32501 which is less than 1 showing higher chances of correct estimates.

Table 15 also indicates that the applied model is significant because the P-value or Significance of F is less than 0.05 suggesting at least one of the beta coefficients is not equal to zero for computing multiple linear regressions. Thus, all the independent variables i.e. Gender, Age, Education and Background are significant in explaining the variance in employee satisfaction, which is the dependent variable.

The coefficients of the multiple linear regression analysis are also shown in the Table 15. Based on the output, independent variables like Gender, Age, Education and Background, all have a significant effect on the dependent variable, i.e., employee satisfaction, because the p-value of those independent variables is less than 0.05.

The calculation of VIF values for each independent variable has been made via SPSS. The Variance Inflation Factor (VIF) identifies a correlation between independent variables and the strength of that correlation. VIF value less than 5 indicates that there is no problem of multi-collinearity. The SPSS output shown on Table 15 shows that VIF values are less than 5

for all independent variables (Gender, Age, and Education Background). Hence, all independent variables can be used for the fitting model for regression analysis.

From Table 15, $\beta_0 = 0.417$ means that the estimated value of employee satisfaction equals 0.417 when the value of gender, Age and education background are equals to zero. Since β_1 , β_2 , and β_3 s P-value is less than 0.05.

4.2 Major findings

The study examines the effect of workforce diversity on employee satisfaction in Nepalese commercial banks using descriptive and causal comparative research approaches. The three independent variables are education background, age, and gender. Employee happiness is one of the dependent variables. The analysis is based on 380 observations from Nepal's 11 commercial banks. SPSS has been used to process the gathered data.

The main conclusions of the investigation, as determined by the data analysis, are outlined below:

Of the 380 respondents, men make up the majority (56.1%), with male respondents accounting for 43.9 percent of the sample.

Ages 26 to 35 make up the majority of respondents (63.4%) and account for 63.4 percent of the total respondents. The proportion of respondents who are between the ages of 36 and 45, under 25, and over 45 is 7.9%, 27.4%, and 1.3%, respectively, of the total respondents.

A master's degree is held by the majority of respondents, or 56.3% of all respondents. Of the respondents, 30.8 percent have a bachelor's degree, 11.6 percent have an intermediate degree, and 1.3 percent have a doctorate.

The majority of respondents 55.3% are single, followed by respondents who are single (42.6%).

The majority of respondents (42.4%) out of the 380 workers who completed the survey are at the senior level, followed by junior level (30.8%), entry level (20.3%), and management level (6.6%). The majority of respondents also work for commercial banks and have senior level employees.

Of the 380 employees who responded, the majority (62.4%) had experience of one to five years, followed by experience of less than one year (25.3%), experience of six to ten years (10.3%), and experience of more than ten years (2.1%).

The majority of respondents (47.1%) agree with the assertion that organizations hire people of diverse genders; however, 42.4 percent strongly agree with it, and just 3.2 percent dispute that employers used to choose people based on gender. Nonetheless, 7.1% of respondents had a neutral opinion on the statement.

While 3.4 percent of respondents disagreed that all employees are treated fairly regardless of their gender, the majority of respondents (55 percent) agreed with the statement. The remaining respondents (11.8 percent) were found to be neutral on the issue.

The majority of respondents (57.4%) concur that women participate equally in decision-making within the banking industry. Some (12.6%), however, argue that women do not participate equally in decision-making inside the firm. In a similar vein, 12.6% of respondents have no opinion on the statement.

The majority of respondents (54.2%) agreed that there are possibilities for both men and women to progress in the organization, whereas a small percentage of respondents (4.2%) disagreed that employees would rather there be opportunities for both men and women to grow in their business. Nonetheless, 9.7% of the remaining respondents have no opinion about the statement.

The majority of respondents (60.8%) concur that working alongside persons of diverse genders improves employee performance. 6.1 percent of respondents disagree with this statement, while 8.9 percent of respondents are neutral about it.

The majority of respondents (61.1%) believe that there is gender diversity in the workplace, while 6.8% of respondents are indifferent about the statement and the remaining 4.7% of respondents disagree.

The majority of respondents (50.3%) agreed that employers offer equal opportunities for professional growth and training regardless of an employee's age. The remaining respondents (4.5%) disagree with the statement, while the remaining 10% are ambivalent about it.

Only a small percentage of respondents (3.2%) disagreed with the assertion that people of different ages engage in problem solving and decision making, while the majority of respondents (55.8%) agreed. Nonetheless, 11.8 percent of the remaining respondents have no opinion on the remark.

The majority of respondents (60.5%) believe that young employees benefit from senior employees' mentorship in terms of learning job skills in the workplace, whereas 9.5 percent of respondents are indifferent about the statement and the other 4.2 percent disagree.

The majority of respondents (61.8%) concur that working with persons of varied ages improves employee performance. 3.7 percent of respondents disagree with this statement, while 12.9 percent of respondents are neutral about it.

The majority of responders (57.1%) believe that there should be age diversity in the workplace. The workplace exhibits age variety, with 14.2% of respondents having a neutral opinion and the remaining 2.9% disagreeing with the assertion.

Just 2.4 percent of respondents disagree that organizations should hire people from diverse ethnic groups; the remaining 8.4 percent of respondents are indifferent. The majority of respondents (51.3 percent) believe that organizations should hire people from different ethnic groups.

Few respondents (3.9%) disputed that a business should be concerned about the culture and values of its employees, whereas the majority of respondents (60.8%) agreed that such concerns should be addressed. On the other hand, 10.8 percent of the respondents have no opinion on the statement.

The majority of respondents (51.6%) concur that hiring decisions are made by organizations based mostly on an applicant's educational background. On the other hand, 3.2% of respondents disagree with the statement, while 6.8% of respondents have no opinion.

Few respondents (6.1%) disputed that a business should care about the culture and values of its employees, whereas the majority of respondents (51.5%) agreed that differences in educational backgrounds do not increase conflict. The remaining respondents, or 12.4%, had a neutral opinion on the statement.

The majority of respondents (58 percent) concur that the company treats everyone equally regardless of their educational backgrounds, while 13.7% of respondents are neutral about the statement and the other 3.7% disagree with it.

Working with people who have various educational backgrounds may be highly beneficial, according to the majority of respondents (61.6%), while 10.8% of respondents were indifferent and the remaining 2.9% of respondents disagreed.

While 12.1 percent of respondents are indifferent and the remaining 4.2 percent disagree, the majority of respondents (57.9 percent) believe that possibilities for growth and promotion exist at banks for employees with poor educational qualifications.

The gender diversity assertions have mean values ranging from 1.73 to 1.97. The most noteworthy finding among these is that "I perform better while working with people of different genders." Nepalese commercial banks have appropriately embraced gender diversity, as seen by the weighted average mean of 1.87 for gender diversity.

The age diversity assertions have mean values ranging from 1.84 to 1.99. The most important finding among them is that "I perform better when working with people of different ages." The weighted average mean for age diversity is 1.92, indicating that Nepalese commercial banks have appropriately embraced age diversity.

The comments on the variety of educational backgrounds range in mean value from 1.75 to 1.97. The statement "My organization gives equal treatment when it comes to the diversity of education background" stands out among them as the most important. The weighted average mean for academic background is 1.97, indicating that Nepalese commercial banks have appropriately embraced the diversity of educational backgrounds.

The findings of the correlation study indicated a favorable relationship between employee happiness and diversity in terms of age, gender, and educational background.

The findings of the correlation study indicate a favorable relationship between employee dedication and diversity in terms of age, gender, and educational background.

The findings indicate a positive correlation between gender diversity, age diversity, and education background diversity and employee satisfaction, as indicated by the positive beta

coefficient. This suggests that as these demographic groups become more diverse, employee satisfaction levels will also rise.

Regression analysis's findings demonstrate that all of the independent variables gender, age, and educational background are positively and significantly correlated with the dependent variable, which is employee satisfaction. At the 1% level of significance, all of the independent variables' beta coefficients are noteworthy.

4.3 Discussion

The purpose of the study is to determine how the independent factors of gender, age, and educational background relate to the dependent variable of employee satisfaction. In a similar vein, the study determined how these independent factors affected the dependent variable. Additionally, the analysis shows a significant difference between the independent and dependent variables.

The goal of the study was to determine the personal characteristics influencing employee happiness through the use of motivational and innovativeness theory. In this regard, variables related to gender, age, and educational background were found to have an impact on employee satisfaction. To get the finding, several hypotheses have been developed and put to the test. As a consequence, the outcome illustrates the connection between the dependent and independent variables as well as how they affect each other.

In summary, diversity in the workforce can have a big impact on how satisfied workers are with their jobs in a business. Organizations may improve employee happiness and well-being by developing inclusive environments, encouraging a sense of belonging, and encouraging cooperation and creativity among diverse teams. However, in order to guarantee that every employee feels appreciated, respected, and supported at work, it is imperative that firms successfully handle the difficulties brought on by diversity.

Following the completion of the data analysis, the initial hypothesis

Accepted is (H1), which discusses the beneficial correlation between gender diversity and worker happiness.

In the workplace, gender-based disparities are reinforced and validated by stereotypes and preferences that characterize favorable qualities, making them appear more evident to men (Jackson et al., 2003; Cunningham, 2008). In Devkota's (2022) investigation into how employees perceive gender diversity in the banking industry in the Kathmandu Valley, it was discovered that all respondents 100% of whom work in commercial banks in the region—were aware of gender diversity, with the majority having learned about it through social media and their families. It's interesting to note that this survey also revealed that workers had no difficulties with gender diversity, indicating that Nepalese commercial banks have been promoting gender diversity in a welcoming workplace. Likewise, creating an inclusive work environment may be among the most effective managerial strategies for preserving and advancing gender diversity.

Nonetheless, the research indicates that providing equal chances for male and female employees in recruiting as well as other domains like growth and opportunity is critical to raising employee satisfaction.

Likewise, the acceptance of the second hypothesis (H2) pertains to the positive correlation between employee satisfaction and age diversity.

According to Bhat (2013), there was no discernible correlation between employee happiness and age diversity. According to Benschop (2001), age heterogeneity can have a detrimental impact on concerns about productivity as well as variations in the values and preferences of different age groups.

Nonetheless, the research demonstrates that the proficiency of youthful workers equipped with sophisticated equipment benefits more senior workers by enhancing their job experience and technological acumen. a powerful means of winning their commitment.

In a similar vein, it is agreed upon that there is a favorable correlation between employee happiness and diversity in educational backgrounds (H3).

According to Hoff's (2014) research, hiring managers frequently turn down candidates whose degree, training, or experience are deemed insufficient. This indicates that an employee's employability is highly dependent on their educational background. Without a sufficient educational foundation, workers cannot get employment and perform poorly. According to

Harrison and Klein's 2007 investigation into this theory, localities with larger proportions of workers with postsecondary education will be able to pay those with higher levels of education more.

But the study demonstrates that in companies, qualification is a discriminating factor. Organizations in Nepal's banking industry value diversity in education and believe it is essential to raising employee happiness.

CHAPTER V

SUMMARY CONCLUSION AND IMPLICATION

This chapter deals with a summary of the entire study. In addition, the major conclusions are discussed in a separate section of this chapter. Likewise, implications regarding the study are also presented in a separate section of this chapter. Lastly, the chapter ends with the Recommendation for future study in the same field.

5.1 Summary of the study

This study's main goal is to investigate how employee happiness in Nepalese commercial banks is affected by a diverse staff. The specific goals are to: analyze how employees perceive that diversity in the workforce (gender and educational background) affects employee satisfaction within the organization; investigate the relationship between gender diversity and diversity in educational background and employee satisfaction in Nepalese commercial banks; evaluate the impact of diversity in education background satisfaction in Nepalese commercial banks; and identify the major factors that significantly influence employee satisfaction in Nepalese commercial banks.

The study examines the effect of workforce diversity on workers' happiness in Nepalese commercial banks using descriptive and causal research approaches. Age, education level, and gender are the independent factors. The variable under consideration is employee satisfaction. The analysis is based on 380 observations from Nepal's 11 commercial banks. SPSS has been used to process the gathered data.

5.2 Conclusions

Diversity in the workforce has been recognized as one of the key competencies that will provide firms an advantage over rivals. Among the workforce of several firms, age, gender, and educational background are the most often seen diverse demographic factors. In reality, globalization produces a more diverse workforce, which causes variations in the norms, values, and modes of thought held by the workers. Because of this, for any firm to remain competitive, it must diversify. Effective management of human resources is essential to any organization's success as it requires diversification. Effective human resource management involves determining the ideal workforce composition and utilizing employees' abilities to

the fullest. Because there is a wide range of labor to be done inside an organization, a diversified workforce in terms of education, experience level, physical stamina, gender, sexual orientation, and ethnicity is frequently required.

The purpose of this study is to ascertain the impact of the independent variables—gender, age, and educational background—on employee satisfaction. Eleven commercial banks from throughout Nepal are included in this study. Bank selected based on when it was founded. in order to choose all of the most established commercial banks. The study's target demographic comprises all personnel employed by Nepalese commercial banks. The findings of the study are based on the replies of 380 out of 400 respondents, of whom 380 had provided all the information required, and 20 did not. The total number of observations for the study is 400. The questionnaire was sent out while taking into account the employee's availability on the internet, other social media platforms, and during the bank office break. Instruments for questionnaire surveys were used to gather the data for the analysis. The SPSS statistical program was thus used to analyze the data that had been gathered.

The study shows that gender diversity, age diversity and education background diversity have positive impact on employee job satisfaction. The study concludes the workforce diversity is a significant way to satisfy the employees in their workplace and make them committed to the organization.

5.3 Implications

5.3.1 General Implications

Studying the impact of workforce diversity on employee satisfaction in Nepalese commercial banks, here are some specific implications mentioned below;

Enhanced employee satisfaction: If diversity positively correlates with satisfaction, it could indicate that banks should prioritize diversity initiatives to improve employee morale and productivity.

Cultural sensitivity: Understanding how diversity influences satisfaction can lead to more culturally sensitive policies and practices within banks, fostering an inclusive environment.

Retention and recruitment: Positive findings may attract diverse talent to the banking sector and help retain employees, reducing turnover costs.

Innovation and creativity: Diverse teams often lead to more innovative solutions and creative problem-solving, potentially giving banks a competitive edge in the market.

Customer satisfaction: A diverse workforce can better understand and serve diverse customer bases, leading to improved customer satisfaction and loyalty.

Training and development: Banks may invest in diversity training programs to educate employees and managers about the benefits of diversity, as well as strategies for effectively managing diverse teams.

Overall, understanding the relationship between workforce diversity and employee satisfaction in Nepalese commercial banks can have far-reaching implications for organizational effectiveness, societal harmony, and economic development.

5.3.2 Implication for Future Studies

Studying the impact of workforce diversity on employee satisfaction in Nepalese commercial banks presents an intriguing area of research with several implications for future studies:

Contextual Understanding: Future studies should delve deeper into the unique cultural, social, and economic context of Nepal. Factors such as caste, ethnicity, gender, and regional diversity play significant roles in workplace dynamics and should be thoroughly explored.

Methodological Rigor: Employing robust research methodologies such as longitudinal studies or experimental designs can provide more conclusive evidence on the causal relationship between workforce diversity and employee satisfaction. Mixed-method approaches, combining qualitative and quantitative data, can offer a comprehensive understanding of the phenomenon.

Diversity Dimensions: Beyond the traditional dimensions of diversity like gender and ethnicity, researchers should explore other dimensions specific to Nepalese society, such as caste, religion, language, and regional background. Understanding how these dimensions intersect and influence employee satisfaction is crucial.

Organizational Culture and Policies: Investigating how organizational culture and HR policies interact with workforce diversity to shape employee satisfaction is essential. This

includes examining the effectiveness of diversity training programs, recruitment practices, promotion policies, and inclusivity initiatives.

Leadership and Management Practices: Future studies could explore the role of leadership and management practices in fostering an inclusive work environment. Examining the attitudes and behaviors of top management towards diversity, as well as their impact on employee satisfaction, would be valuable.

By addressing these areas, future studies can contribute to a deeper understanding of the dynamics between workforce diversity and employee satisfaction in Nepalese commercial banks, ultimately informing evidence-based practices and policies to promote inclusivity and enhance organizational performance.

5.4 Recommendation

Based on the findings of the study, the following recommendations have been made:

The study found a positive relationship between gender diversity and employees satisfaction. Therefore, the banks need to ensure that they give both male and female staff equal opportunities during recruitment and in other areas like growth and opportunities.

The study observed a positive relationship between age diversity and employee satisfaction. Hence, the expertise of young employees with high-tech tools helps older employees to improve their work experience and knowledge on the latest technologies.

The study observed a positive relationship between the level of education background diversity and employee satisfaction. Hence, qualification is a discriminatory factor in the organization. The banking sector organizations of Nepal give importance to education diversity and consider it as vital in increasing employee satisfaction.

The study reveals that workforce diversity leads to better employee satisfaction. The results indicate that it is important for any organization to implement diversity management. Hence, an organization's human resource department needs to focus on diversity management and keep it in their development strategies to be competitive.

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APPENDIX

Survey Questionnaire on

“Impact of Workforce Diversity on Employees Satisfaction in Nepalese Commercial Banks”

Dear Sir/Madam,

I am undertaking a Graduate Research Project to meet the partial fulfillment of the requirements for the Master’s Degree in Business Studies (MBS) from Shankar dev Campus, TU. I would like to request you to provide your genuine response on each of following issues. I expect you will provide the information as you think the best among the mentioned alternatives. I assure you that all information provided by you in this questionnaire will be kept confidential. Your kind cooperation will be highly appreciated.

Thanking You:

Manish Rana

MBS

Shankar Dev Campus, Kathmandu, Nepal

Questionnaire on impact of workforce diversity regarding employee satisfaction of bank

SECTION I: GENERAL INFORMATION (Make the tick (√) mark)

1. Gender: Female Male
2. Age (in years): 18-25 26-35 36-45 above 45
3. Marital Status
Single Married Widowed Divorced
4. Academic Qualification
PHD Masters Bachelors 10+2 / Inter
5. Level in organization:
Entry level Junior Senior Manager
6. Experience

Less than 1 year
 1-5 years
 6-10 years
 Over 10 years

SECTION II: OPINION STATEMENTS

Please mark (√) on the scale below to indicate the extent to which you agree or disagree with each statement.

(Key: 1=Strongly Agree; 2=Agree; 3= Neutral; 4=Disagree; 5= Strongly Disagree)

	Statement	1	2	3	4	5
	Gender					
1.	My organization recruits employees of different gender.					
2.	All employees are treated fairly, irrespective of their gender.					
3.	Women are equally involved in the organization's decision making.					
4.	Opportunities for growth exist for both men and women in my organization.					
5.	I perform better while working with people of different gender.					
6.	I am positive about gender diversity in this workplace.					
	Age					
1.	My employer provides me equal opportunity for training and career development in spite of age.					
2.	My leader includes all members at different age in problem solving and decision making.					
3.	The mentoring by older employees benefited young employees in acquiring job skills.					
4.	I perform better while working with people of different age.					
5.	I am positive about age diversity in this workplace.					
	Education Background					
1.	My organization recruit's employees on the basis of education background.					

2.	The difference in education background does not encourage conflict.					
3.	My organization gives equal treatment when it comes to the Diversity of education background.					
4.	I have found it very good to work with people from different education background.					
5.	At bank opportunities for growth and advancement exist for employee who have low educational qualification.					
	Employee Satisfaction					
1.	I am satisfied with my work.					
2.	I am motivated to complete the task that is assigned to me.					
3.	I am committed to the mission and direction of my organization.					
4.	My performance is better than that of my colleagues.					
5.	I am happy the atmosphere in the bank is cheerful.					
6.	The bank provide good work equipment.					
7.	I am satisfied with reasonable basic salary.					
8.	I am motivated by bank's management system.					

Impact of Workforce Diversity on Employee Satis...

By: Manish Rana

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ABSTRACT Diversity in the workforce has been recognized as one of the key competencies that will provide firms an advantage over rivals. The most often observed diverse demographic factors among the workforce of several firms are age, gender, and ethnicity. Diversity in the workforce has been recognized as one of the key competencies that will provide firms an advantage over rivals. The most often observed diverse demographic factors among the workforce of several firms are age, gender, and ethnicity. In practice, globalization results in a more diverse workforce, which in turn causes differences in the norms, values, and modes of thought held by the employees. Because of this, in order for any firm to remain competitive, it must diversify. Effective human resource management is essential to any organization's success as it requires diversification. Making the most of employees' abilities and determining the ideal workforce composition are essential components of human resource management. This study's main goal is to investigate how employee happiness in Nepalese commercial banks is affected by a diverse staff. The specific goals are to: analyze how employees perceive the impact