

Diversity Management Practice: The Case of Commercial Banks in Ethiopia

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Ethiopia's diverse work force consists of more than 80 ethno-cultural groups. The purpose of this study is to examine the effect of managerial concerns for diversity related issues on employees' perceived performance. The study is quantitative in its approach and explanatory in its design. Cross sectional research method was used to collect data from 350 employees of commercial banks in Ethiopia. The findings of the study reveal organizations' moderate concerns for diversity related issues. The correlation analysis portrayed that there are significant relationships between managerial concerns for diversity related issues and employees' perceived performance. The regression results uncovered that 20.5% of variations in employees' job performance are explained by managerial concerns for diversity related issues.

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Introduction

Semela (2012) noted that Ethiopia is a country in which more than 80 ethno-cultural as well as linguistic groups live. These heterogeneous and diverse cultures have serious human resource management implications in terms of addressing conflicts that may arise due to competing interests of diverse work forces. In Ethiopia, for decades, diversity related issues such as the right and equality of ethnic and religious groups have been the historic and prevalent questions (Adamu, 2013). Issues related to workforce diversity are a concern for organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background (Robbins, 2009). As stated by Patrick and Kumar (2012), the concept of diversity can be along the dimensions of race, ethnicity, gender, sexual orientation, socioeconomic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies. Diversity management as is implicated by Kandola and Fullerton (1994) deals with differences in organizational players

and endeavors by the organization to tap the strengths in these differences to its advantage. According to Robbins (2009), workforce diversity has important implications toward management practices and policies. Experts have defined diversity broadly in order to recognize that all employees bring their differences including those of group-identity to the workplace.

Diversity management is a strategy to promote the perception, acknowledgement and implementation of diversity in organizations and institutions. Diversity management is based on the idea that diversity opens up alternative ways of perceiving, thinking and acting and thus enriches the life of the business community (Cox & Blake, 1991). Diversity potentially has positive effects on group creativity or team innovation, because different group members bring non-overlapping resources (knowledge, skills) to the group. Wentling (1997) observes that a broad definition moves diversity issues beyond an 'us versus them' struggle to a focus on using diversity to accomplish both individual and organizational goals. However, organizations which seek to correct a company bias against a particular group may define diversity more narrowly according to their specific needs.

In financial institution like commercial banks, there are increasing needs to develop businesses even beyond their national boundaries in order to solicit profits from global operation. Such practice obviously calls for a more dynamic diversity management model. The banking

industry is accepting and valuing a multicultural workforce wherein their employees include members of a variety of ethnic, religious, and gender backgrounds. Therefore, attention needs to be given to the challenges and opportunities associated with the growing trend toward diverse workforces. This study examines the effect of managerial concerns on diversity that are related to age, gender, education and ethnicity on employees' perceived performance considering employees from commercial banks located in Ethiopia.

Problem Statement

Research on diversity concerns have looked at it from narrow as well as broader perspectives. Researchers who advocate narrow perspectives emphasize that diversity should be restricted to specific cultural categories. The broader perspective stated that diversity encompasses all the possible ways people can differ. There is empirical evidence that all dimensions of diversity can lead to positive as well as negative effects (Jackson et al, 2003). Diversity management practices are said to enhance productivity, effectiveness, and sustained competitiveness (Mercy & Rachael, 2013). Recognizing workforce diversity is important for maintenance of competitive edge. DiTomaso and others (2007) stated

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that “diversity matters because individuals give social significance to the categories or groups they associate with various people”. Choi and Rainey (2010) have shown their concern by stating that “diversity in the workplace is a central issue for contemporary organizational management. Concomitantly, managing increased diversity deserves greater concern in public, private, and nonprofit organizations”. Most of the research undertakings in diversity management are based on western cultures and few were considered in African organizations like Ethiopia though it is a country with diverse work groups. Apart from common diversity concerns like age, gender and educational backgrounds as revealed in many countries, Ethiopia is made up of more than 80 Ethnic groups. Therefore, this study targeted to fill the research gap on diversity management by testing the effect of organizational diversity concerns on the employees’ performance in the Ethiopian banking industry

Research Questions

1. What are the levels of organizational concerns for managing employee diversity issues?
2. What is the perceived level of employee performance?
3. To what extent managerial diversity concerns influence employee’s perceived performance?

Research Hypotheses

H1: Increased organizational concern for gender diversity related issues have

significant relationship with employee perceived performance.

H2: Increased organizational concerns for diversity related issues based on age differences have significant relationship with employee perceived performance.

H3: Increased organizational concerns for diversity related issues based on ethnicity have significant relationship with employee perceived performance.

H4: Increased organizational concerns for diversity issues based on educational backgrounds have significant relationship with employee perceived performance.

H5: Increased organizational concerns for diversity management concerns have significant effect on employee perceived performance.

Workplace Diversity & Employee Performance

The world’s increasing globalization requires more interaction among people from diverse backgrounds. Managing diversity is a significant organizational challenge. Diversity can be defined as acknowledging, understanding, accepting and looking for ways to become inclusive organization (Robbison, 2002). While diversity efforts have the potential to strengthen organizational effectiveness, experience has shown that realizing the full benefits of diversity is neither simple nor straight forward. For some organizations increasing diversity is viewed as an end in itself, a way to

respond to the environmental drivers (Thomas, 1990). Effective diversity management practices can enhance the results of the collaboration. When ignored, the potential tensions and misunderstandings can seriously impair a group's effectiveness and individual satisfaction (Gormley & Spink, 2003).

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A study conducted by Eddy and Burke (2005) reveals that the concept of diversity management is essential in decision-making. The findings uncovered that the assessments of features that make individuals different are useful in matching the workers with the type of jobs that suit them best. According to Roberson and Park (2006), there exists a positive link between diversity and organizational performance as indicated by increased company value, which results from diversity reputation in a company. The other indicator is the positive relationship between company revenues and the attitude of the leaders on diversity. According to Young and Nam (2013), the attributes of worker diversity influence the effectiveness of internal activities at the company level. The study revealed that diversity in education level, age and sex was adversely affected by the hierarchical positions held. Maicibi (2008) found that institutions should embrace workforce diversity as it had more benefits to the company. In Kenya, the

study by Omolo, Oginda and Oso (2012) identified that diversity in recruitment has an effect in firm performance. The study conducted by Mbugua (2014) revealed that use of workforce diversity management strategies influenced achievement of high profits, return on assets and return on investment, increase company productivity, achieving competitive advantage and increase market share, improve quality of product and service delivery, offering of quality electronic products, increase company network, product market performance and increase sales volume. The study concluded that diversity efforts support and contributes to organizational growth strategy.

Gender Diversity & Employee Performance

According to Brown (2008) and Gilbert et al (2003), significant amount of workforce diversity remains ineffective if gender issues are not first recognized and managed. Ismail and Ibrahim (2008) conducted a study on barriers to career progression. They obtained data through a survey involving 78 executive women in the Malaysian oil company. The study used gender role theory, which argues that women are viewed and treated unfavorably when they do not act according to their expected gender roles. Worku (2017) has shown also that there are policies and regulations that still disfavor women's progress moving up the in Ethiopian organizations. However, as stated by Kochan et al (2008) providing an equal job opportunity to women is vital to

improve performance of employees in an organization.

Age Diversity & Employee Performance

Age diversity in the workplace provides a larger spectrum of knowledge, values, and preferences. For example, the older employees will fall back on their experience while the younger employees will fall back on their academic skills, thus forming a classic mix of skills and abilities. An immense age diversity work force can be both useful and a bother to the organization. The benefits will outweigh the disadvantages as employees become more diversified since the larger knowledge base and varied experiences may be available. Individuals are tending to classify themselves into certain groups on the basis of dimensions that are personally relevant for them according to social identity and self-categorization theory (Tajfel & Turner, 1986). As a result, individuals tend to favor members of their own age group at the expenses of the other groups, against which they may discriminate. If the employee's age is regarded as a relevant criterion for distinction, a differentiation between age groups may create emotional conflicts and age-based discrimination between the age groups. Gelner and Stephen (2009) stated that age heterogeneity can negatively affect productivity concerns unless the preferences of distinct age groups are taken in to account. It has been shown that productivity can diminish because conflicts that are particularly frequent in the presence of "generation gaps" (Lau & Murnighan, 2005; Pitcher & Smith, 2001).

Ethnic Diversity & Employee Performance

As part of the self-system, ethnic identity is like other cognitive structures in that it organizes and directs information processing (Fiske & Taylor, 1991). People higher on ethnic identity are much more likely to process information in the environment that has implications for their ethnicity, as compared to those lower on ethnic identity. Ethnic identity also is related to a number of emotional and motivational processes. Higher ethnic identity has been found to be associated positively with self-esteem, optimism, a sense of mastery, as well as self-actualizing tendencies (Cross, 1978; Parham & Helms, 1985; Phinney, 1989; Phinney, 1991; Phinney & Alipuria, 1990; Phinney & Chavira, 1992; Roberts et al., 1999), and negatively to feelings of inferiority, anxiety, and depression (Parham & Helms, 1985; Roberts et al., 1999). Finally, ethnic identity is related to the way in which individuals interact with others. Individuals higher on ethnic identity have greater psychological closeness to their ethnic group (Brookins et al., 1996), hold more positive but realistic views of their group (Phinney, 1996), and enjoy interacting with other group members (Mitchell & Dell, 1992; Taylor & Howard-Hamilton, 1995).

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Diversity which can be ascribed as ethnic background, nationality, gender,

and age can have negative affective consequences for the firm. As Timmermans (2000) pointed out minority groups can experience less job satisfaction, lack of commitment, problems with identity because of perceived discrimination at work place. In other respect, since ethnicity can be used to explain cultural background, it broadens the view of teams within an organization which can have positive connotation for innovation (Richard, 2000). The study by Timmermans (2000) showed that some levels of diversity in ethnicity might be positively related with innovation in other respects. High degree of diversity in ethnicity might have negative impact since it can be a source of conflict and cliques due to social classification. Diversity can increase in the use of work-teams' cohesiveness in general, with the intention of utilizing greater participation and synergy to improve and increase both employee satisfaction and business performance. The results of the study by Richard (2000) demonstrate that "cultural diversity does in fact add value and, within the proper context, contributes to firm competitive advantage."

Education Diversity & Employee Performance

As stated by Gwendolyn (2002) in order to achieve their respective objectives, organizational leaders should implement educational diversity initiatives and encourage each individual to work in an effective manner. As shown by Cohen and Bailey (2001) dissimilarity in educational background seems to have an encouraging effect on the performance of

team since it advances a broader range of cognitive skills. Cohen & Levinthal (1997) contend that the absorptive capacity of the organization is likely to increase with variety in knowledge structures as reflected in diverse educational levels. A mixture of differing educational levels might lead to varying mobility rates. Jehn and Bezrukova (2004) observed that informational diversity, in terms of education and functional areas positively related to performance of the group though it was mediated by task performance. Carpenter and Fredrickson (2001) also showed that international experience and diverse educational background were positively related to firm's international performance. Cohen and Levinthal (2000) argue that the absorptive capacity of the organization is likely to increase with variety in knowledge structures as reflected in diverse educational majors.

Research Approach & Design

There are currently eighteen commercial banks in Ethiopia. The present study selected headquarters of commercial banks located in Addis Ababa, Ethiopia as sampled location of the study.

The present study is quantitative in its approach. Quantitative research focuses on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon. As explained by Miles & Huberman (1994) in quantitative research, the researcher tends to remain objectively separated from the subject matter. The type of academic research can be ex-

ploratory, descriptive, or explanatory. Exploratory studies aim for basic knowledge within the problem area. Explanatory research is useful for studying relations between causes and effects (Kothari, 2004). As the present study targeted to show the effect of diversity management on employee perceived performance, it is explanatory in its design.

Sample Size & Sampling Technique

The target population of this study was professional employees of the banks who have experience of more than or equal to one year. These employees were selected as respondents because it is believed that they have adequate knowledge about appraisal practice of the banks. Malhortra and Peterson (2006) stated that, larger the sampling size of a research, the more accurate the data generated but the sample size will be different due to different situations. For this study the researcher has taken samples from the headquarter of commercial banks located in Addis Ababa. As per Morgan's sample size determination table if a population size is about 2000 it could be represented by 322. Since the population size for the current study was 2329 a sample size of 350 was considered. Three hundred and three of them properly filled the questionnaire which will make 86.6% of return rate. In order to provide equal chance for the heterogeneous groups of employees of the banks, questionnaires were distributed in the headquarter of commercial banks using proportionate stratified sampling method.

Data Collection

Questionnaires were constructed in line with relevant literature in the area of the study. The reliability of the questionnaires was tested using alpha Cronbach test. The overall findings of the pilot study were ($=.78$) that shows all the seven scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 by Pallant (2005). The collected data were processed using SPSS version 20. Descriptive statistics like mean, standard deviation, kurtosis and skewness were employed. Inferential statistics like Pearson Correlations and linear regression were employed to show the effects of performance appraisal on employee's perceived performance.

Model Specifications

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

where:

Y = Dependent variable (employee performance)

α = Smoothing constant

β = Coefficient of independent variables

$X_1 \dots X_5$ = Independent variables (diversity issues)

ϵ = Standard error

Demographic Characteristics

The respondents were drawn from the headquarters of eighteen commercial banks in Ethiopia. The sampled respon-

dents were professional employees of the case banks. The demographic characteristics of the respondents are shown in Table 1.

Table 1 Demographic Characteristics of the Respondents

No.	Factor	Category	Frequency	Percent
1	Gender	F	127	41.9
		M	176	58.1
		Total	303	100.0
2	Age (Year)	20-30	163	53.8
		31-40	95	31.4
		41-50	28	9.2
		51-60	17	5.6
		Total	303	100.0
3	Level of education	Diploma	27	8.9
		First Degree	201	66.3
		Masters degree	45	14.8
		Total	303	100.0
4	Length of service (Year)	1 to 5	175	57.8
		6 to 10	67	22.1
		11 to 15	35	11.6
		16 to 20	20	6.6
		21 and above	6	1.98
		Total	303	100.0

Source: Questionnaire

The number of male respondents outweighs the female respondents (58.1 and 41.9 respectively). Age wise the majority (53.8%) of the respondents fall within the age bracket of 20-30 years. The level of education of respondents shows that 66.3% are holding bachelor's degree. Majority of them working for 1 to 5 years in their respective organizations. The profile of the respondents shows that they had adequate exposure regarding the subject of the study which justifies the reliability of the information used for the purpose for this study.

Managerial Concerns for Work Force Diversity Issues

The respondents were requested to rate each item using v-rating scale points, rang-

ing from strongly agree to strongly disagree. The following statistics were used in interpreting the results of the study: 1.00 – 1.80 Strongly Disagree/Very Dissatisfied, 1.81 – 2.60 Disagree/ Dissatisfied, 2.61 – 3.40 Moderate Agreement/Moderately Satisfied, 3.41 – 4.20 Agree/Satisfied, 4.21 – 5.00 Strongly Agree/Very Satisfied. Table 2 shows the descriptive statistics report of work force diversity management practices of the case banks.

Respondents were asked to rate 30 items of the questionnaire divided into sections related to different dimension of diversity concerns. The items were subdivided in terms of questions related to management concerns for age diversity, ethnic diversity, gender diversity and education diversity. The level of employee's

Table 2 Management of Work Force Diversity-Descriptive Reports

Variables	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Age diversity	3.6119	.47527	-.222	.172	.364	.341
Ethnic diversity	3.6271	.55972	-.403	.173	.251	.344
Gender diversity	3.6203	.62444	-.131	.178	-.340	.355
Education diversity	3.1901	.60157	.387	.171	.172	.340
Employee performance	3.5483	.69174	-.076	.172	.363	.341

Source: Questionnaire

perceived performance was measured based on seven v-scaled questions. The results of standard deviation, skewness and kurtosis revealed the normality of the distribution of responses as all are within the normal range.

As shown in Table 2, the mean average of respondents' perception related to age diversity concern is 3.6119 with standard deviation of .47527. This result revealed that the respondent's satisfaction on the managerial concerns for diversity issues that arises as result of age differences. Respondents were asked to rate four questions related to issues that may arise as a result of ethnic diversity. The questions were targeted to assess the magnitude of managing issues related to diverse ethnic groups. As shown in Table 2 the mean average of the items was found to be 3.6271 with a standard deviation of .55972 implying their expression of satisfaction on the prevailing management of diversity as related to ethnic differences. The third item shows the perception of employees towards managerial concerns for diversity issues related to gender differences in their respective organizations. The respondents were asked to rate 3 items related to re-

muneration. The mean average of the items was found to be 3.6203 with a standard deviation of .62444 implying the respondents' satisfaction on the manner of handling issues that might arise as a result of difference in gender.

The fourth item in Table 2 shows the level of employees' satisfaction on organization's concern on handling issues that may arise from the level of education differences. The lowest mean average (3.1901) with standard a deviation of (.60157) was obtained implying employees' moderate level of satisfaction on management of differences related to level of educational differences. The employees perceived level of performance was assessed based on seven related questions. The group average mean of the variable was 3.5483 with a standard deviation of .69174. This implies that the respondent's high perceived level of employee performance.

Diversity Concerns & Employee Performance

In order to reveal the extent to which the organizations concern for diversity will be related to employee's perceived

performance, the study made an analysis based on Pearson's Correlation coefficients. The results were analyzed based on correlation analysis formula shown as follows: -1 to -0.5 or 1.0 to 0.5 strong, -0.5 to -0.3 or 0.3 to 0.5 moderate, -0.3 to -0.1 or 0.1 to 0.3 weak, and -0.1 to 0.1 none or very weak.

Table 3 Correlations Coefficient of Variables of Diversity Management

		Age Diversity	Ethnic diversity	Gender diversity	Education diversity	Employee performance
Age diversity	Pearson Correlation	1	.259**	.126	.096	.138
	Sig. (2-tailed)		.000	.087	.177	.052
	N	301	296	285	301	299
Ethnic diversity	Pearson Correlation	.259**	1	.506**	.359**	.360**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	296	298	282	298	296
Gender Diversity	Pearson Correlation	.126	.506**	1	.432**	.389**
	Sig. (2-tailed)	.087	.000		.000	.000
	N	285	282	286	286	284
Education Diversity	Pearson Correlation	.096	.359**	.432**	1	.344**
	Sig. (2-tailed)	.177	.000	.000		.000
	N	301	298	286	303	301
Employee Performance	Pearson Correlation	.138	.360**	.389**	.344**	1
	Sig. (2-tailed)	.052	.000	.000	.000	
	N	299	296	284	301	301

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

Source: Questionnaire

The results of the coefficients of variables obtained were summarized in matrix form as shown in Table 3. The effect that might arise as the result of demographic characteristics of the employees was made a controlled factor for the purpose of this study. As shown in Table 3, the extent of managerial concerns for diversity issues related to ethnicity, gender and education have positive moderate sig-

nificant relationships with employee's performance. ($r = .360$, $r = .389$, and $r = .344$, respectively). In other respect, issues that might arise as related to diversity in terms of education has positive, weak relationship with employees' perceived level of performance ($r = .138$). Accordingly, all the hypotheses proposed were accepted as all managerial concerns for diversity significantly related to employee perceived performance.

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Diversity Management on Employees' Perceived Performance

Test of model fit was made based on key assumptions of multiple regressions proposed by many standard research

methodology text book authors like Kothari (2004). The results on test of model fit shows that all the key assumptions of multivariate linear regression

were met. Accordingly, the model summary of the effect of influencing factors identified on employee's effort commitment is shown in Table 4.

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.472 ^a	.223	.205	.295

a. Predictors: (Constant), education diversity, age diversity, gender diversity, ethnic diversity
Source: Questionnaire

The model summary in Table 4 shows the cumulative effect of managerial concerns related to age, ethnicity, gender, education on employee perceived performance. The adjusted R square result is .205. This indicates that 20.5% of the employees' perceived performance

20.5% of the employees' perceived performance would be explained on managerial concerns for diversity related issues.

would be explained on managerial concerns for diversity related issues. This means the employees' perceived performance would be affected by issues that would be given less attention in terms differences as related to age, ethnicity, gender and education. Accordingly, the major hypothesis (H5), i.e. 'increased organizational concerns for diversity management concerns have significant effect on employees' perceived performance' has been accepted. The coefficients of the independent variables are shown in Table 5.

Table 5 Coefficients of the Variables

Model		Non- Coefficients	standardized	Standardized Coefficients	t-value	Sig.
		B	Std. Error	Beta		
1	Constant	1.029	.441		2.336	.056
	Age diversity	.064	.098	.045	2.231	.021
	Ethnic diversity	.224	.100	.184	2.245	.026
	Gender diversity	.213	.091	.190	2.331	.021
	Education diversity	.237	.085	.209	2.778	.006

a. Dependent variable: employee performance

The standardized coefficients Beta values of the independent variables, i.e., age diversity, ethnic diversity, gender diversity and education diversity are .045, .184, .190, and .209, respectively. These

show the independent variables' relative effect on employees' perceived performance. Diversity as related to education difference has more relative values, followed by management of gender and

ethnic differences. Managerial concern for difference as related to age has less effect as compared to other factors considered for the study. Based on the findings shown in Table 5, the regression equation can be described as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Therefore, employee perceived performance can be predicted based on the following equation.

$$Y = 1.029 + .045X_1 + .184X_2 + .190X_3 + .209X_4 + .295$$

Where:

Y = employee perceived performance

Value of α (smoothing constant) = 1.029

Coefficient or β_1 (age diversity) = .045

Coefficient or β_2 (Ethnic diversity) = .184

Coefficient or β_3 (gender diversity) = .190

Coefficient or β_4 (Education diversity) = .209

ε (standard error) = .295

Discussion

Effective diversity management can provide a source of competitive advantage by creating an atmosphere where by employees' differences are respected. As stated by Adamu (2013) in Ethiopia, for decades, diversity related issues such as the right and equality of ethnic and religious groups have been the historic and prevalent questions of Ethiopian so-

ciety. Though diversity is the main issue in Ethiopian organizations and have vivid strategic importance, existing studies on diversity are few in the context of Ethiopian organizations. Many studies recognized that the source of disparity problems arises since organization did not properly respect differences in terms of age, gender, ethnicity and education (Greenberg 2004). Diverse work groups were invited to fill the questionnaires. The quantitative analysis was preferred since the main agenda of the current research is to show the effect of diversity management practice on employees' perceived performance. The descriptive analysis shows the organizations considered for present study showed moderate level of concern for diversity related issues. As explained by Kossek and Block (2000) when a company utilizes diversity management, it delivers the message to employees that the company is dedicated to fulfilling the diverse needs and interests of employees, which, in turn, may induce commitment from the employee side. The results of the descriptive report show the practices of the organizations are in favor of diversity management. The result of the correlation analysis shows diversity management practices positively related to employee perceived performance. As stated by Magoshi and Chang (2009) considering the positive effects of diversity management, companies will need to pay close attention on how to develop a further supportive atmosphere within the company for individual employees to freely utilize the diversity practices adopted by the company. Hofstede (1994), Bunderson and Sutcliffe (2002) posit that

functional diversity improves organizational effectiveness and creative thinking.

Conclusion

This study has considered the effect managerial diversity concerns in terms of age, gender, education and ethnicity on employees' perceived performance considering employees of commercial banks in Ethiopia. Accordingly, it can be concluded that managerial concerns for diversity related issues have had a significant relationship with employees' perceived performance. Based on the findings of the study, one can conclude that management of diversity related issues significantly explain employees perceived performance.

Limitations/implications

The study is quantitative in its approach therefore, it lacks the qualitative dimensions to have comprehensive picture on making inferences about diversity management. As the sample of the study was drawn from the headquarters of the banks considered for the present study, results cannot be inferred for the rest of the establishments in the country.

As the findings of the study indicate, managerial concerns for diversity related issues significantly explains employees' perceived performance. Therefore, organizational leaders should properly identify and measure the source employees' difference and accommodate them in their policies as well as in their day to day managerial practices.

Originality/Value

Most of the researches in work force diversity management were conducted in western countries. As the cultural background of employees is varying from country to country, contextual analysis needs to be shown for specific country. The present study targeted to fill a research gap in the area of diversity management in African organizations like in Ethiopia where diverse work groups are issues in day to day managerial practices.

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