ST. MARY’S UNIVERSITY
SCHOOL OF GRADUATE STUDIES

WORKFORCE DIVERSITY MANAGEMENT PRACTICES
AND CHALLENGES
THE CASE OF COMMERCIAL BANK OF ETHIOPIA

BY
BETELHEM DEMSEW
ID SGS/0063/2009B

JULY, 2019
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APPROVED BY BOARD OF EXAMINERS

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Dean, Graduate Studies  Signature  Date

_________________________________________  ______________________  ____________
Advisor  Signature  Date

_________________________________________  ______________________  ____________
External Examiner  Signature  Date

_________________________________________  ______________________  ____________
Internal Examiner  Signature  Date
DECLARATION

I, the undersigned declare that this thesis is my original work, prepared under the guidance of Solomon Markos (PhD, Asst. Prof). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Betelhem Demsew

St Mary’s University

May, 2019
ENDORSEMENT

This thesis has been submitted to St. Mary’s University, School of Graduate Studies for examination with my approval as a university advisor.

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Advisor                                                                 Signature

St. Mary’s University                                                        May, 2019
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LIST OF ABBREVIATIONS AND ACRONYMS

CBE Commercial Bank of Ethiopia
HR Human Resource
SPSS Statistical Package for Social Sciences
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ABSTRACT

The purpose of this study was to empirically assess the practice and challenges of workforce diversity management in Commercial bank of Ethiopia. To achieve this purpose a mixed research approach (both qualitative and quantitative) is used by applying descriptive type of research design using the survey method of data collection. The sample consisted of 300 managers selected from branches under Addis Ababa districts. Questionnaire with five-point Likert scale and semi structured interview issued to collect primary data. Regarding to the assessment of practice and challenges of workforce diversity management questionnaire were adopted from (Kelali, 2018) and (Smith, 2011) and amended as per the related literature and the objectives of the study. SPSS software 20.0 version is used to analyze the collected data by using descriptive statistics such as frequencies and percentages. Results on the overall assessment of practice and challenges of workforce diversity management shows a gender and age imbalance in managerial position of the bank. Company practice diversity management based on equal employment opportunity but fails to implement inclusion policy such a policy benefits the company to become more creative, efficient, and productive. On the other hand negative attitudes of an individual such as discrimination, lack of ability to manage a diverse workforce and intention to turnover are serious challenges to manage a diverse workforce. Hence, based on the findings and mainly from the Conclusion different recommendations are suggested. Commercial bank of Ethiopia should develop and implement a policy that helps leaders to smooth their day to day activities and to avoid negative attitudes and harmonize the working relationship and utilize the opportunities of having a diverse workforce. The bank should also give diversity training such as cultural training to leaders as well to all employees in order create awareness and avoid negative attitudes of an individual.

Keywords: Diversity, Workforce Diversity, Diversity Management, Gender diversity, Age diversity, Educational Diversity.
CHAPTER ONE
INTRODUCTION

1.1 Background of the study

The ever increasing interconnectedness in various features and subsequent advances in technology bring together the world more than ever. In this realm, information is flowing from one end to the other in seconds, delivery of goods and services is carried out in all due efficiency and companies are constantly innovating to cope up with the fast moving dynamics and satisfy their customers. Given this fact, companies are expanding their activities throughout the world opening new branches creating new services so as to reach new customer base and sustain in the market. Having this reality, in order to sustain in the highly competitive global market, organizations’ have to effectively manage and utilize the skills workforce they acquire. As companies are reaching more and more destinations, their workforce is becoming diversified. It’s high time for companies to build on it, use creative strategies to make the most out of the diversified workforce being staying in the market competitive (Srivastava, 2012).

Workforce diversity can be seen from two major perspectives; narrow and broad: the former one includes age, race, gender, color, physical ability, ethnicity among others. While, the later denotes age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyles, beliefs, physical appearance, economic status, marital status and background characteristics such as geographic origin, tenure with the organization, economic status (Wentling and Plama-Rivas, 1997). Workforce diversity is the issue of people, focus on the differences and similarities that people bring to an organization. Workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. No two humans are alike. People are different in not only gender, culture, race, social and psychological characteristics but also in their perspectives and prejudices. Society had discriminated on these aspects for centuries. Diversity makes the work force heterogeneous. In current scenario, employing diversified workforce is a necessity for every organization but to manage such diversified workforce is also a big challenge for management.

According to Sungjoo, (2010) in order to navigate through this complex and changing situation, manger’s today are responsible for both leading employees and responding to the needs of customers who are more ethnically and culturally diverse, educational qualifications and
experiences vary, older, values and life styles differ. In today’s world leaders in both the public and the private sectors are focusing more attention on the issue of diversity. Whether the goal is to be an employer of choice, to provide excellent customer service, or to maintain a competitive edge, diversity is increasingly recognized and utilized as an important organizational resource.

Since the main task of managers in an organization is looking after the organizational objectives are met linking with the strategic plan, they make sure that the right policies and procedures are followed. One of the concerns of today’s managers in this aspect is keeping the equilibrium workforce diversity. Since most organizations are formulating diversity policies and procedures, managers are primarily responsible for the success of diversity policies because they must ensure that the policies are generating the needed outcome. Instead of treating every employee alike to recognizing and responding to those differences, it is a way to ensure employee retention and greater productivity. Various literatures on workforce diversity state that the key issues revolve around but not limited to address the problems of discrimination in terms of gender, age, and ethnicity and education background. When diversity is not managed properly, there will be a potential for higher turnover, difficult in communication and interpersonal conflicts. Overall, it will be adversarial to organization’s performance, profitability and reputation. (Green et al., 2002).

1.2 Background of the organization

Commercial Bank of Ethiopia, established in 1942, is the leading bank in Ethiopia and leading African bank with assets of 565.5 billion birr as on June 30th 2018 having more than 1,280 branches stretched across the country. It is pioneer to introduce modern banking to the country and Western Union Money Transfer Services in Ethiopia early 1990s and currently working with other 20 money transfer agents like MoneyGram, Atlantic International (Bole), Xpress Money, etc. It is playing a catalytic role in the economic progress & development of the country. CBE has reliable and long-standing relationships with more than 50 renowned internationally acclaimed banks like Commerz Bank A.G., Royal Bank of Canada, City Bank, HSBC Bank, etc. throughout the world. Besides, CBE has a SWIFT bilateral arrangement with more than 700 others banks across the world. Currently CBE has more than 18.8 million account holders and the number of Mobile and Internet Banking users also reached more than 1,736,768 as of June 30th 2018. Active ATM card holders reached more than 4.4 million. The Bank combines a wide capital base with more than 33,000 talented and committed employees.
In addition to these, CBE has opened four branches in South Sudan and has been in the business since June 2009. As of 2016-17 first quarter report the bank starts to undertake research to open branches in different part of the world and in the same fiscal year CBE launched its branch in Djibouti and started giving service. Even though CBE have these all efforts to expand its services all over the world and achieve the mission which is to become world class commercial bank, without proper human resource management practice specially it’s impossible without practicing workforce diversity management. (www.combanketh.et)

1.3 Problem statement

In the current rapidly changing world, workforce diversity is a one of the major issues that need the attention of organizations and managers. Any business that intends to be successful must have a borderless view and an underlying commitment to ensuring that workforce diversity is part of its day-today business activity (Childs, 2005)

Workforce diversity is also proclaimed as an opportunity for organizations to become more creative, to reach previously untapped markets, and in general to achieve and maintain a competitive advantage. Even though workforce diversity management results several benefits for organization it has also problems or risks if the process is not managed in the proper way.

Mostly, for various reasons, managers do not know how to effectively practice diversity management, and what factors contribute to effective diversity management. The more managers attain the skills of managing workforce diversity, the more they can utilize the skills, knowledge and attitude of their employees. Furthermore, if managers are good enough in managing diversity refers they can breed a comfortable ground for the diverse workforce to perform its full potential in an equitable work environment where no group has earned an advantage or disadvantage and also organizations with a diverse workforce can communicate easily with their customers, understand their feelings and provide superior service which is key for any company to sustain in the market and advance its competitive advantage (Henry and Evans, 2007).

Being in a competitive and very diverse world, the success or failure of any organization depends on the efficient and effective utilization of its diverse human resource skills, knowledge and attitude. In relation to this very idea, one of the key components of the methods of keeping a firm successful is work force diversity. If organizations’ fail to properly comply with and manage their work force diversity, it will be difficult for them to identifying and
indicating whether a firm has enough work force diversity strategies for working with diversity to achieve the goal of the organization (Kreitz, 2008).

Like many of developing countries Ethiopia has diversified population content and organization is little country that represents those varied nation in one place. Commercial Bank of Ethiopia is one and the leading organization that support the economy by employing large pool of the population who are varied in terms of age, ethnicity, culture, experience, gender and education background.

Commercial Bank of Ethiopia (CBE) is the biggest commercial bank in Ethiopia. As a leader in the banking industry, it has gone through several reforms and expansions to provide services for its customers. As a result, for the last five years, opened more than 600 new branches locally and five branches internationally and employed more than 17,000 new employees to improve saving culture of the society, increase its accessibility and changing un-banking society to banking. However, those newly opened branches in different part of the country have varied culture and values as the company expand in such way in different geographical area the employee mix become more diversified and difficult to manage and comply with organizational objective.

Currently CBE has 33,000 employees and more than 18.8 million account holders and the number of Mobile and Internet Banking users also reached more than 1,736,768 as of June 30th 2018 In order to satisfy the huge number of employees and customers who are more ethnically and culturally diverse, educational qualifications and experiences vary, older, values and life styles in this dynamic and competitive environment as many research indicates organization has to implement strategic workforce diversity management.

Despite, the efforts to expand nationally as well internationally and mobilize large amount of resource and increase its accessibility throughout the country. However, there is still little attention given to it apart from the usually stated universal equal employment opportunity approach and the likes. On the flip side, organizations are left without turning in to an asset the workforce diversity they have only for the simple reason of failing to recognize and manage what they really have in different aspects such as age, sex, work experience, education level, ethnic background, religion, values among others. Robersons (2007), study indicated diversity management benefit organizations to become more creative, to reach previously untapped markets and talents, and in general to achieve and maintain a competitive advantage
Thus such policy gap incents the researcher to undertake study on the area to show the practice and challenges of workforce diversity management in commercial bank of Ethiopia and pin point possible recommendation to improve the existing practice of workforce diversity management and overcome challenges that hinder the practices of diversity management.

1.4 Research questions

- What are the benefits of workforce diversity management in commercial bank of Ethiopia?
- What are the challenges to manage the diverse workforce?
- How managers in commercial bank of Ethiopia utilize workforce diversity opportunities?
- How diversity management practiced in commercial bank of Ethiopia?

1.5 Objective of the study

1.5.1 General objective

The general objective of the study is to assess the practice of workforce diversity management and its challenge in CBE.

1.5.2 Specific objective

- To assess the workforce diversity practice in Commercial bank of Ethiopia.
- To identify the challenges to manage workforce diversity.
- To examine the management ability in utilizing work force diversity opportunities.
- To assess the benefits of workforce diversity management

1.6 Definition of Terms

**Diversity:** can be termed as any significant difference that distinguishes one individual from another that portrays a broad range of overt and hidden qualities (Kreitz, 2007).

**Workforce diversity:** co-existence of employees from different socio-cultural backgrounds within the company (Henry and Evans, 2007).
Diversity management: is the systematic and planned commitment by the organizations to recruits, retain, reward and promote a heterogeneous mix of employees (Henry and Evans, 2007).

1.7 Significance of the study

This study sought to contribute to those who have similar interest on workforce diversity to carry out in-depth analysis and research. Hence, its result contributes to those who seek to get information on workforce diversity in a local organization. Above all CBE managers may benefited from the finding so as to identify benefits and challenges of diversity management and develop a strategy to maximize its benefits and harmonize the working relationship it also enhance the knowledge of the group members of this study through linking the theoretical knowledge to the experience with existing organizations and provide alternative training and development methods to improve workforce diversity management practices in commercial and private bank. It could be used as source of information for those interested in the area.

1.8 Scope of the study

According to Kreitz (2007) diversity can be termed as any significant difference that distinguishes one individual from another that portrays a broad range of overt and hidden qualities. Moreover, Canas and Sondak(2010) illustrated that diversity can have primary and secondary dimensions. The former refers to race, age, gender, physical abilities and ethnicity while the latter focuses on socioeconomic status, geographical location, marital status, religious affiliation and education. They contend that an individual has multiple identities and that the various dimensions cannot be isolated in an organizational setting. However, this study focuses on only age, gender, year of experience and educational background to assess the practice and challenges of diversity management. In order to conduct the research under this topic, 1280 branches opened and provide banking service up to Jun 30, 2018 in Ethiopia. Out of this due to location reason only Addis Ababa city branches selected as a sample to provide valuable and relevant information.

The target population of this study is employees in the managerial position according to (Wheeler, 1997) managing diversity are an important part of a manager’s job. They believed to provide relevant information for the topic and excluded the clerical staffs because of time financial constraints and also the researcher believes they are more important to the topic and responsible to manage the workforce.
1.9 Organization of the paper

The study is divided into five chapters. The first chapter deals with introduction which encompasses background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, limitation of the study, background of CBE as well as organization of study.

The second chapter deals with the review of related literatures on diversity management. This part gives a highlight on the theoretical and empirical review of the topic under study. The third chapter discussed research design and methodology which includes population and sampling size, data type and source, data collection instrument, data analysis technique and methods. The fourth chapter is the presentation, analysis and interpretation, it is carefully diagnosed the data collected through questionnaire and interview. The fifth chapter is dedicated to summary of findings, conclusions and recommendations by the researcher based on the outcomes the overall study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Workforce diversity defined

Diversity is defined as any dimension that differentiates one person from the other that embraces age, ethnicity, gender, education, work style; race inter alia (Noe, 2010). According to Kreitz (2007) diversity can be termed as any significant difference that distinguishes one
individual from another that portrays a broad range of overt and hidden qualities. Moreover, Canas and Sondak (2010) illustrated that diversity can have primary and secondary dimensions. The former refers to race, age, gender, physical abilities and ethnicity while the latter focuses on socioeconomic status, geographical location, marital status, religious affiliation and education. In the same way, some view diversity generally incorporating cultural factors such as race, gender, age, color, physical abilities and ethnicity. Further elaborating the concept, it entails age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, life style, beliefs, physical appearance and economic status (Noe, 2010).

Aligning the concept of diversity with workforce diversity, Henry and Evans (2007) state that workforce diversity denotes to the co-existence of employees from different socio-cultural backgrounds within the company. In a more elaborate way, Wentling and Plama-Rivas (1997) define workforce diversity in to two major areas: narrow and broad. The narrow definition includes age, race, gender, color, physical ability, ethnicity among others. While the broader and more inclusive definition may also include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyles, beliefs, physical appearance, economic status, marital status and background characteristics such as geographic origin, tenure with the organization, economic status and other issues people might differ each other. The workforce is becoming increasingly diverse with the advancement of globalization and subsequent demographic changes that demand organizations to develop equal opportunity and diversity strategies to attract and retain skilled employees, improve workforce performance and keep the equilibrium of their competitive position (Torrington, Hall & Taylor, 2008). The concept of workforce diversity has started gaining the attention of management scholars with the emergence of globalization and subsequent need of organizations to branch out globally and reach customers across the world. In addition to this, the liberalization policies and structural adjustment policies propagated by the international financial institutions in the 1990’s opened the door to those unexplored areas such as Africa that resulted in the entrance of multinational corporations and free movement of labor (Henry & Evans, 2007).

2.2 Managing workforce diversity

In today’s period of globalization and demographic changes the workforce is becoming ever more diverse and organizations find it important to deal with workforce diversity through various mechanisms such as developing equal opportunity and diversity strategies to attract
and retain talent to improve workforce performance and so retain and promote their competitive position (Noe, 2010).

Triandis, Kurowski, and Gelfand (1992) emphasize that managing diversity refers to changing the culture of the organization such as the standard operating procedures. And such experience requires data, experimentation, and the discovery of the procedures that work best for each diversified group. The current approach of diversity management is more complex than conventional management but can result in more effective organizations. Furthermore, managing diversity refers enabling the diverse workforce to perform its full potential in an equitable work environment where no group has earned an advantage or disadvantage (Henry and Evans, 2007).

According to Green et al., (2002) today’s companies need to embrace diversity and look for ways to become inclusive organizations as diversity has a potential of yielding improved work productivity and competitive advantages. Diversity is beneficial in such a way that lead to respecting individual differences that will lead to an increase in productivity. In a related manner, proper diversity management helps the organization in reducing lawsuits, increase marketing opportunities, recruitment, creativity and business image. In this interconnected world where flexibility and innovations are the key components to competitiveness, diversity is critical for an organizations’ success.

The recent approach of managing diversity is to empower or enable employees that prescribe various methods which are broad enough to encompass all dimensions of diversity. It also emphasizes managerial skills and policies needed to optimize and emphasize every employee’s contribution to the organizational goals (Wentling and Plama-Rivas, 1997). Moreover, managing diversity requires individuals in any organization to be respectful, curious, patient and willing to learn.

In an effort to better understand workforce diversity and manage it accordingly scholars’ classified it in to various categories of which the majority are based on perception and dichotomous in nature. Some of the classifications identified in the literature include readily detectable/ less observable, surface-level/deep-level, and highly-job related/less job-related, task-related/relations-related and role-related/inherent dimensions among others (Simons and Rowland, 2011). Yet the many classifications of diversity can be summed up in to the information and decision making perspective and the social organization perspective.
Simons and Rowland (2011) further elaborate that the information and decision making perspective is a theoretical means of understanding the link between organizational diversity and organizational effectiveness. The most relevant domains of this very classification are innovation and creativity, problem solving capacity, and organizational flexibility. Based on these three major sub-categories, the major ingredients components of innovation and creativity are diversity of perspectives in an organization that ultimately increases the capacity of an organization to come up with new ideas and value propositions. In a related manner the problem-solving aspect features better solutions will come up with diverse and heterogeneous working environment. Also the flexibility approach indicates multicultural management practices would result in changes that would allow organizational system not solely depends on procedures rather exercises high degree of flexibility.

The social organization perspective, according to Horwitz (2005), based in the similarity attraction that refers to individuals that are more similar will be able to work together more effectively. This perspective more focuses on social categories such as gender, age, race, ethnicity etc. as a means of expanding external networks and as well as a source of increasing conflict between individuals between the social group. On the other hand the social organization perspective also recognizes a significant source of conflict and subsequent loss of organizational effectiveness related to the alignment of individuals along social identity lines. As there is shown significance difference between the information and decision making perspective and the social organization perspective, the best way to accommodate it is using an integrated model (Simons and Rowland, 2011).

2.3 Working Environment

Employee leaves the job due to work environment. According to Irshad (2009) the working environment is the key to employee retention. If the working environment is not conducive to employees there is high employee turnover.

Organization which plan for anticipate workforce and accept cultural diversity management as a progressive technique and will benefit from better employee retention increase productivity, less absenteeism, better moral an expanded market place and improved customer service on the other hand a company that discriminate either directly or indirectly curtails the potential of available talent underutilizes, employee turnover and low productivity. (Ellis and Sannenfield,
1994) the study also shows the positive link of organization climate with employee satisfaction and commitment. In order to accommodate with diversity and manage the diverse workforce effectively organization must value and change organization culture.

2.4 The benefits of workforce diversity

In this period of globalization where organizations relentlessly rival each other to reach more customers and sustain the market place, businesses have to incorporate diversity initiatives in their day-to-day practices so as to enhance their competitiveness, sustainability and broaden their success (Hudson, 2014). With the gaining momentum of equal opportunities for employees through affirmative action and other mechanisms, diversity is becoming potential advantage for organizations. Hudson (2014) further contend “the knowledge-based view and decision making perspectives have been used to suggest that diversity promotes creativity and improves decision-making effectiveness, and hence, lead to superior performance” (Hudson, 2014, P. 73).

Furthermore, Henry and Evans (2007) state that diversity in the workforce is a competitive advantage as the various view points in the organization can easily facilitate unique and creative mechanisms to problem-solving which enhances greatly creativity and innovation that leads to better organizational performance. In a related discourse, diversity is the best instrument to enhance company performance given the environment that promotes learning from diversity (Noe, 2010). Moreover, though organizations’ success in tapping the benefits of diversity depends on their ability to develop a workable plan that enable to embrace and realize it, it has the advantages of stimulating creativity and innovation that help to outperform competition, serving a multicultural customers with better understanding of people from different backgrounds of culture, economic status, political background, countries of origin among others, providing better access to diversified problem solving skills and perspectives and allowing more flexibility to the organizational culture that lead to better productivity (Saxena, 2014).

Diversity in the workforce is one of the big plus in organizations’ effectiveness and Henry and Evans (2007) emphasize that it improves organizational decision making, problem solving skills, creativity and innovation, greater success in marketing and better distribution of economic opportunity. Also, as the experiences of several companies witnessed, culturally diverse groups are more effective in the interaction process and job performance. The other crucial matter is organizations with a diverse workforce can communicate easily with their
customers, understand their feelings and provide superior service and accordingly (Henry and Evans, 2007). The same source indicate that diversity enriches organizational human capital that entails the minimization of being dependent on the same source of human skill for selection and promotion which lead to a wider range of ideas and abilities offering greater scope for competitive performance through developing the human capital. For a company to be successful in its diversity efforts, it is inevitable to make long-term commitment to managing diversity. Successful diversity approach requires to be viewed as an opportunity for employees of any organization to share experiences and learn from each other how to best perform their jobs, accompanied with a supportive and cooperative organizational culture and skilled leadership and problem solving abilities that can facilitate effective teamwork (Noe, 2010).

In a broader perspective, workforce diversity is a refers to the process of creating and maintaining a discrimination free workplace committed to recognizing and appreciating the multiplicity of characteristics that make individuals unique in an environment that values and promotes individual and collective efforts that contribute to a sound and healthy organizational arrangement (Hudson, 2014).

### 2.5 Approaches in managing workforce diversity

Companies may pursue different approaches in accordance with the type of organization, the nature of diversity in the organization, management philosophy *inter alia*. Having this in mind, there are some common approaches widely practiced and acceptable.

#### 2.5.1 Equal opportunity approach

One common approach in managing workforce diversity is through the affirmative action policies and human resource practices that reflect the standards of equal employment opportunity laws (Noe, 2010). Moreover, Torrington, Hall & Taylor (2008) further elaborated that the equal opportunity approach tries to influence behavior through legislation that prohibits discrimination characterized by moral and ethical stance promoting the rights of all members of any organization.

Even if this approach has been propagated by many activists and management gurus, it is not left without limitations. The equal opportunities approach is heavily criticized for giving due emphasis on the quality of opportunity rather than the equality of outcome (Torrington, Hall &
Taylor, 2008). It is based on the understanding that some section of the society is being discriminated in the selection process due to irrelevant criteria that mostly arise from assumptions of stereotypical characteristics attributed to some members of socially define group.

Though the equal opportunities approach tries to fill the gap through providing better access to employment opportunities establishing formal procedures, it has limitations as it barely results in changes in stereotypes, values and behaviors which inhibit productivity and personal development. The assumption that drives this approach is that equality of outcome will gain momentum if proper rules and procedures are used and monitored (Torrington, Hall & Taylor, 2008). In addition, the approach is deemed as a simplistic approach as it incorporates the very idea that since minority groups have joined an organization and demonstrated their abilities to perform in the organization this will eventually change attitudes and beliefs of those working in the organization.

2.5.2 Diversity training programs

Companies are increasingly facing the rapidly changing environment and the stiff competition in the market. In order to have better competitive advantage, companies expand throughout the world and their workforce is also becoming ever diverse. With such evolving trends, organizations try to cope up with the diversity of the workforce through diversity training programs. Diversity training helps to change the attitude of employees about diversity and enable them to develop the skills needed to work with a diverse workforce (Noe, 2010). Diversity training programs need to take in to consideration the company’s needs, history and culture, should it be successful. According to Noe (2010) diversity training programs can have two aspects: attitude awareness and change programs and behavior based programs. The former, deals with enhancing employees’ awareness of different cultural and geographic backgrounds as well as personal characteristics that influence behavior toward others. The attitude awareness program assists employees to deliberate on the similarities and differences between cultural groups, explore attitudes toward affirmative action or analyze employees’ beliefs about the reasons for the ineffective efforts of marginalized employees in their jobs. In a bit changing approach, the latter focuses on changing the organizational policies and individual behaviors that hamper personal growth and productivity. This program explores the magnitude that to what extent the work environment and management practices value
employee differences and provide equal opportunity. Based on the feedback, specific training programs may be developed to address the issues raised.

2.5.3 The management of diversity approach

This approach more of relies on individuals rather than groups and embraces the improvement of opportunities for all individuals rather than those marginalized or minority groups in an attempt to involve every one and benefit everyone from the process (Torrington, Hall & Taylor, 2008). The advantage of this approach is that separate groups are not singled out for specific treatment and is based on the economic and business case for treating people equally. It emphasizes the very benefit of the employer if it treats all the employees equally and value them as it ensures everyone in the organization get equal opportunities. Yet, this approach is also criticized for its complexity due to the various interpretations that rests on the prominence of groups or individuals (Torrington, Hall & Taylor, 2008).

2.6 Challenges of managing workforce diversity

Managing diversity is not a simple task it is more than valuing differences in people it involves fighting discrimination and promotes inclusiveness in doing so managers challenged with loss of staff turnover and can have long-reaching effects on employee satisfaction and productivity. Henry and Evans, (2007).

Negative thoughts and behavior can be serious barriers to organizational diversity because they can harm working relationships and damage morale and work productivity such behaviors are Stereotypes. These are those set of attitude people have about the personal attributes of groups of people. It is about generalizing, it comes as a result of our learning, thinking and remembering the differences between various set of people. The reason why there is stereotype in the workplace is that role assignment according to gender still persists. Stereotyping are the firm philosophies we have about a group of people. It shows up our bias and experience with one member of a group is applied to every member of the group. Stereotype is closely connected to what we see, how we judge and act.

Another challenge is prejudice which is unfair and unreasonable opinion or feeling, especially when formed without enough thought or knowledge an unjustified negative attitude toward a person based on his or her membership in a particular group. Prejudice can have demonstrated in different forms. It can show up during the hiring process, promotion, or even the daily interactions that take place with the work environment. Bedi, P., Lakra, P., and Gupta, E. (Apr.
As (Hubbard, 2004) discrimination seeing someone unfairly or differently due to their membership in a particular group. It can be demonstrated in a way someone treat individual and made decision about others and it can affect employee’s passion, work relationship, carrier advancement and their productivity.

Maintaining and managing a diverse workforce need financial capacity than keeping homogenous workforce it needs higher cost. Costs associated with seminars, programs and lectures given to promote diversity in the corporation. These types of training are given to all levels of staff within the organization. They teach employees how to accept the personalities and ideas or thoughts of others. These programs also teach one how to deal with conflicts and prejudice in a professional and civil manner (White, 1999).

As Arredondo (1996) observed that the HR department of an organization can be a blockade to diversity management scheme. The study indicates a power struggle between managers in implementing diversity policies. And also communication is a serious barrier; People may speak different languages at work place because of different geographical region to which they belong. Due to which the people may find communication problems, misunderstanding and mistrust between employees which also affect their productivity (Ekot, 2017).

### 2.7 Management ability to utilize the Opportunity

Diversity management is considered as a proceed aimed to both maintain and create a positive work environment where all individual similarities and differences are valued and that all individual can maximize their contribution to organizational strategic objective and goals (Patrick and kumar, 2012) the modern workplace generally presents unique leadership challenge due to racial age and educational background difference as a result managers have to find a way of effectively managing their workforce. However, there is no single recipe for managing diversity it depends on Managers ability to utilize the opportunity to do so managers must possess values skills and attitudes. According to Shaban (2016), top Managers commitment is the first step to manage the diverse workforce and to align diversity with leadership on supporting strategic operational decision and business objective. Managers also have to develop a self-awareness managers have to expand their self-awareness knowing the strength weakness and behavioral tendencies as well their cultural stereotype. Further, leader have to aware employees that everyone in the organization have different experience, attitude and perspective of others which enhance the understanding of others and create environment where all people share their idea freely and work harmoniously. (Jones and george, 2009)
Communication skill develops verbal as well nonverbal communication skill because having diversified workforce means employees with different cultural background with different means of communication therefore having the skill help leader to bridge the cultural divides and misunderstanding (Jones and George, 2009). Also possess the ability to drown on learned and embedded cultural knowledge to function well in culturally diverse environment and have to made attempt to narrow the social distance between themselves and subordinates.

2.8 Empirical review

Some related studies are conducted by different researchers in Ethiopia and abroad specifically on the effect of diversity on employee as well organizational performance. The researcher could not find enough researches on the practice and challenges of workforce diversity management. However, different studies have been conducted on the topic related to diversity and its impact.

Findings of Hudson (2014), study on diversity in the workforce shows connection between diversity in the workforce and innovation. According to Ekot (2017) study on effect of workforce diversity on employee performance in Nigeria banking industry found out there is significant positive relationship between workforce diversity (gender, age and educational background) with employee performance. The study also shows having a diversified educational background in the organization help employee to do their job based on their competence acquired through education, experience and training. Also having different age group mean older one perform better because they have experience, while the younger one also perform their job well because they are better in adopting new way of doing their jobs and they are innovative. Gender diversity also increase organizational effectiveness because both male and female have different think and act differently which bring different idea and way of thinking to the organization again improve team work. Another study on total Ethiopia S.C by (Assefa, 2017) shows the same significant positive relationship between workforce diversity and employee work performance.
CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design and Approach

It is generally accepted that the selection and application of a research design is dictated by the problem at hand. Accordingly, to carry out this research and achieve the objectives, a mixed research approach (both qualitative and quantitative) is used. Based on the purpose, the study applied descriptive type of research design using the survey method of data collection; The reason for selected descriptive type is that the research has no control the variables rather it only report what is happened in the area where the research is conducted. According to Kothari (1990) the major purpose of descriptive research is to describe the state of affairs as it exists at present. Descriptive research includes surveys and fact-finding enquiries of different kinds. Moreover, survey method is believed to be appropriate for this study since it is commonly applied to a research designed to collect data from a specific population, or a sample from that population, and typically utilizes a questionnaire and an interview as the survey instrument.

3.2 Target Population and Sampling Methods

The study examined the general practice and challenges of workforce diversity management in CBE. CBE has 1280 branches and as per the new Bank structure there is four manager in each branch out of which managers working in AA city selected as a target population due to location reason. AA city has 301 branches which are divided in to four grade (1, 2, 3& 4) based
on number of customers, volume of transaction and other criteria as of (Dec 2018 MIS report). So the relevant information gathered from selected branches in Addis Ababa city. Sample Size Determined using Yamane (1967) approach and 300 respondents were selected from 75 branches based on their convenience to the researcher. Hence, stratified random sampling is used proportionally to select branches of sample respondents from all grade level branches.

Generally, branches are the sample units whereas the four districts are source list or sample frame. The logic behind selecting the above branches from different grade level is in order to get real data and finally, helps to have a clear picture of the practice and challenges of diversity management of the organization.

The sample size is determined at 95% of confidence level and 5 % margin of error for 1,204 (total 301 city branches*4 respondents from each branch) target population. Hence, the sample size is 300 using Yamane (1967) approach.

Table 3.1 Sample Size of Selected Branches

<table>
<thead>
<tr>
<th>Addis Ababa City</th>
<th>Grade 4</th>
<th>Grade3</th>
<th>Grade2</th>
<th>Grade1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of branches</td>
<td>30</td>
<td>96</td>
<td>100</td>
<td>75</td>
<td>301</td>
</tr>
<tr>
<td>Sample size</td>
<td>7</td>
<td>24</td>
<td>25</td>
<td>19</td>
<td>75</td>
</tr>
</tbody>
</table>

3.3 Sample Size Determination

\[ n_Y = \frac{N}{1 + N e^2} \]

\[ n_Y = \frac{1,204}{1+1,204*0.05^2} \]

= 300

Where:

\[ n_Y = \text{Sample size using Yamane approach} \]
N = Target population

e = Alpha level

3.4 Data Type and Source

There are different types of data collection methods. The methods depend on the research objective and research design. Data collected from two or more sources can help to support and improve the quality of the research result. The goal of data collection is to gain rich data that suits to achieve the research objective. In this study, both primary and secondary data sources are utilized to address the research objectives. With regard to data collection instrument, structured questionnaires and also semi-structured interview used, question adopted from (Kelali, 2018) and (Smith, 2011) and amended as per the objective of the study. Conduct an in-depth interview clarifying with all the issues with the Human Resource Managers of the four Addis Ababa district. The use of structured questionnaire for branch managers allowed collecting data from varied groups in consistent way to assess the general approach of workforce diversity management practice and challenges in CBE.

HR inventory of the organization will use as secondary source of information for the study and document reviews will made on the books journals and HR policies and procedures of the organization to get the detailed data about the approaches it followed with regard to workforce diversity.

3.5 Data collection Procedure

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

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

3.6.1 Validity

Validity is the extent to which the research findings accurately represent what is really happening in the situation (Hughey and Mussnug, 1997). To ensure content validity, the researcher used questionnaires adopted from previous research work (Kelali 2018) and (Smith, 2011) and amended after an in-depth analysis of previous literature and instruments about the issue also, a pilot study was conducted distributing 25 questionnaires to the managers of commercial bank of Ethiopia to test its validity.

3.6.2 Reliability

Cronbach’s Alpha methods were used to ensure the internal consistency of the variable and measuring reliability. Reliability is the degree to which measure of construct is dependable or consistent (Shuttleworth, 2015). According to Bonett and Wright (2014), Cronbach’s alpha coefficient of .70 or higher is acceptable to determine the reliability of variables. Accordingly, the table below indicates the Cronbach’s alpha result of the variables deployed in the study.

**Table 3.2 Reliability test of variables**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach's Alpha</th>
<th>No of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender diversity</td>
<td>.853</td>
<td>4</td>
</tr>
<tr>
<td>Age diversity</td>
<td>.732</td>
<td>4</td>
</tr>
<tr>
<td>Educational diversity</td>
<td>.864</td>
<td>4</td>
</tr>
<tr>
<td>Benefits of workforce diversity Management</td>
<td>.752</td>
<td>5</td>
</tr>
<tr>
<td>Challenges of workforce diversity Management</td>
<td>.912</td>
<td>5</td>
</tr>
<tr>
<td>CBE policy towards diversity Management</td>
<td>.867</td>
<td>5</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------</td>
<td>----</td>
</tr>
<tr>
<td>Managers ability to utilize the advantage of diversity Management</td>
<td>.821</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: own SPSS Result (2019)

As indicated in table 3.2, the reliability result for all the variable signified that the construct was well above the acceptable standard of .70 Cronbach’s alpha coefficient

### 3.7 Methods of data analysis

In this study, both qualitative and quantitative data analysis techniques are employed. Data collected using questionnaires was checked for consistency and completeness and then coded, organized and entered to computer. Then, it was processed and analyzed by Statistical Package for Social Sciences (SPSS). To analyze the data descriptive statistics technique such as percentage and frequency are used. And these data are presented using tables, figure to see its condensed and clear picture. On the other hand, information gained through key informant interviews are analyzed qualitatively by descriptive statements.

### 3.8 Ethical Consideration

The study gave due consideration to ethical issues such as confidentiality and anonymity. Therefore, the participants were first communicated as to the purpose and significance of the study and that their responses would be used only for academic purpose and kept confidential.
CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.1 Introduction

The aim of this study was to examine the practice and challenges workforce diversity management in commercial bank of Ethiopia. The study adopted and deployed as per the literature and the objectives of the study structured questionnaire to collect data developed based on Kelali (2019). It uses Statistical package for social science for data analysis (SPSS v. 20). It deployed descriptive statistic in analyzing the collected data. The demographic profile of the respondent was analyzed and presented in this part using descriptive statistic such as frequency, percentage, mean and standard deviation.

4.1.2 Data preparation

To address the research objective set, data were collected from commercial bank of Ethiopia managers from 75 selected city branches. Accordingly, the researcher distributed 300 questionnaires. Out of 300 questionnaires, 267 were collected of which its response rate accounted for 89%. Moreover, in order to make the data analysis suitable for SPSS, the data collected using the questionnaire was coded for each question. Since, all the collected data had to fit for analysis and proved for that, all collected questionnaire were screened to be complete. Hence, the questionnaire was checked for errors and all returned incomplete questionnaire were considered as error, consequently, 9 incomplete questionnaires were discarded from the survey data. Thus, only 258 fully responded questionnaires were used for the analysis of the study.

4.2 Respondents demographic profiles

The managers of CBE asked question regarding the major demographic characteristics such as gender, age, educational qualification and working experience and this part provide analysis of these key factors based on frequency analysis.
### 4.2.1 Demographic profile of the respondent

#### TABLE 4.1: Demographic profile of the respondent

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid %</th>
<th>Cumulative %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MALE</strong></td>
<td>205</td>
<td>79.5</td>
<td>79.5</td>
<td>79.5</td>
</tr>
<tr>
<td><strong>FEMALE</strong></td>
<td>53</td>
<td>20.5</td>
<td>20.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>258</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>20-30</strong></td>
<td>93</td>
<td>36.0</td>
<td>36.0</td>
<td>36.0</td>
</tr>
<tr>
<td><strong>31-40</strong></td>
<td>125</td>
<td>48.4</td>
<td>48.4</td>
<td>84.5</td>
</tr>
<tr>
<td><strong>41-50</strong></td>
<td>40</td>
<td>15.5</td>
<td>15.5</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>258</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>COLLAGE DIPLOMA</strong></td>
<td>9</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td><strong>BA/BSC DEGREE</strong></td>
<td>150</td>
<td>58.1</td>
<td>58.1</td>
<td>61.6</td>
</tr>
<tr>
<td><strong>MASTERS</strong></td>
<td>96</td>
<td>37.2</td>
<td>37.2</td>
<td>98.8</td>
</tr>
<tr>
<td><strong>PHD</strong></td>
<td>3</td>
<td>1.2</td>
<td>1.2</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>258</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
<tr>
<td><strong>LESS THAN 2 YEARS</strong></td>
<td>3</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>2 TO 5 YEARS</strong></td>
<td>59</td>
<td>22.9</td>
<td>22.9</td>
<td>24.0</td>
</tr>
<tr>
<td><strong>6 TO 10 YEARS</strong></td>
<td>136</td>
<td>52.7</td>
<td>52.7</td>
<td>76.7</td>
</tr>
<tr>
<td><strong>ABOVE 10 YEARS</strong></td>
<td>60</td>
<td>23.3</td>
<td>23.3</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>258</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: own survey (2019)

The above table shows that the numbers of males are significantly greater than that of males which stood at 20.5% for females while 79.5 % for males. This signifies that the number of males outnumbered that of females, it indicated that the organization has to do a lot to attract more female managers through the effective utilization of equal opportunities techniques and affirmative action.
Apart from the gender disparity shown in table depicting the total number of managers, it shows the representation of male and female in senior level and middle level managerial positions. Even if females took 20.5% of managerial positions of the organization, it signifies that still dominated by males. As part of diversifying the workforce of and tapping the talents of females in managerial positions, the organization need to encourage women to hold positions in managerial positions using different techniques such as promotion of competitive internal female employees through affirmative action and capacitate them in training and development.

Looking at the age of employees, it looked the organization is dominated by young workforce between the age of 31-40 which is 48 % of the respondent followed by age between 20-30 accounted 36% of the respondent. On the other hand, there are very low numbers of employees between of 41-50 (accounted 16% or 40 of the respondent). However, the data showcased that the organization need to do more in diversifying the workforce in terms of age so as to tap the potentials of those between the age of 41-50 years as these very people acquire lots of skill, knowledge and attitude. Moreover, due to developed career, those employees between the age of 31-40 years are well experienced and with profound leadership experience.

Regarding educational status of the respondent majority of the respondent were degree holders 58.14 %.followed by masters holders which is 37.21 % or 96 of the respondent are masters holder and the remaining are 3.4% are diploma and 1.16% were PHD holders.

The education level of managers varies across their attainments. This signified that the organization has a diverse and qualified team leader in terms of educational qualification from PhD to diploma.

The table also shows most of the respondents has 6-10 years of experience in the organization (53% or more than half of the respondent) followed by 23.26% who worked in the organization above 10 years and 2-5 years (23%) and less than 2 years (1.16% of the respondent) respectively. This testifies that the working experience of the managers in the organization is diversified within the given years of range. The organization benefited from both new bloods to the organization who injects new ideas and innovative ways of working and flexibility with the new ones. On the other hand, the organization maximized the knowledge of those who have served in the organization from medium to long years of experience and understanding of the organizational culture as it gave the opportunity to the organization.
4.3 Descriptive analysis of responses of the questionnaire

In order to see the general perception of the respondents regarding practices and challenges of diversity management in Commercial Bank of Ethiopia, the researcher has included the measures stated in the following tables and followed by analysis & interpretation supplemented using mean Standard deviation, tables, percentage and frequencies.

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

4.3.1 Gender Diversity

Table 4.2: perception on gender diversity
Table 4.5 shows the response for each of the item in gender diversity, accordingly 110 (42.6%) of the respondent agreed and 84(32.6%) strongly agreed that employee of CBE is not discriminated based on gender during hiring and recruitment while 27(10.5%) of the respondent disagreed and 15(5.8%) were strongly disagreed with the idea and 22(8.5 %) were indifferent neither agreed nor disagreed.

In view of the second question 102 (39.5%) of the respondents agreed and 64 (24.8%) strongly agreed respectively that fair treatment is given to all employees regardless of their sex, while 49(19%) which is closer to the strongly agreed response rate shows that most of the respondents were not sure that weather the organization gives fair treatment or not, while 30 (11.6%) and
13 (5%) of the respondent were disagreed and strongly disagreed respectively with the statement.

Majority of the respondent 120 (46.5%) agreed and 70 (27.1%) were strongly agreed that female employees are encouraged while 13(5%) of the respondent disagreed. On the other hand, 12 (4.7%) of the respondent believe that the working environments were conductive for female while 57 (22.1%) highest number of respondent next to the agreed respondent were neutral about the working environment and 45 (17.3%) and 12 (4.7%) were disagreed and strongly disagreed with the statement.

As table 4.2 shows that the majority of the respondents mean value (3.86) with highest standard deviation 1.156 replied that employee have not been discriminated by employer while hiring and recruiting process based on gender. Response consistent with Bemnet (2017) However, a company may emphasize to increase Females representation in managerial position as we saw it on demographic section of the respondent they are underrepresented. With regard to female employee encouragement mean (3.81) of respondents replied that females are encouraged in the company with standard deviation 1.090. Likewise, the study result revealed that fair treatment is given in the organization weather they are men or female with mean 3.67. Regarding the last construct of table 4.1 mean 3.44 shows also shows positive perception of respondents towards the working environment.

Looking at the overall mean of the above table one can infer that there is a positive perception about gender diversity in the organization.

4.3.2 Age Diversity

The table illustrated below shows the response of managers regarding age diversity in CBE with the respective mean and standard deviation.

Table 4.3: Perception on age diversity
Source: own survey (2019)
The respondents 125 (48.4%) respondents agreed with the statement leader includes all members in problem solving and decision making regardless of age difference and 73 (28.3%) were indifferent followed by 30 (11.6%) respondents disagreed with the statement. Similar to the result of the first statement 133 (51.6%) (Half of the respondents) agreed that the age difference in workgroup might not cause conflict. 33 (12.8%) were both neutral and strongly disagreed followed by 32 (12.4%) that were disagreed with the statement. 137 (53.1%) of the respondent agreed with the statement at work I don’t experience lack of bonding people of different age group, and 47 (18.2%) were neutral followed by 38 (14.7%), 11 (4.3%) disagree and strongly disagree response respectively.

For the last statement 127 (49.2%) and 103 (39.9%) were agreed and strongly agreed that the respondents are positive about age diversity in the workplace and 14 (5.4%), 9 (3.5%) and

<table>
<thead>
<tr>
<th>AGE diversity</th>
<th>%</th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>My team leader including all members in problem solving and decision making regardless of age difference.</td>
<td>48.4%</td>
<td>1.9</td>
<td>11.6</td>
<td>28.3</td>
<td>48.4</td>
<td>9.7</td>
<td>3.52</td>
<td>.892</td>
</tr>
<tr>
<td>Freq</td>
<td>5</td>
<td>30</td>
<td>73</td>
<td>125</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The age difference in work group might not cause conflict.</td>
<td>28.3%</td>
<td>12.8</td>
<td>12.4</td>
<td>12.8</td>
<td>51.6</td>
<td>10.5</td>
<td>3.34</td>
<td>1.207</td>
</tr>
<tr>
<td>Freq</td>
<td>33</td>
<td>32</td>
<td>33</td>
<td>133</td>
<td>27</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At work, I don’t experience lack of bonding with people of different age group.</td>
<td>11.6%</td>
<td>4.3</td>
<td>14.7</td>
<td>18.2</td>
<td>53.1</td>
<td>9.7</td>
<td>3.49</td>
<td>.999</td>
</tr>
<tr>
<td>Freq</td>
<td>11</td>
<td>38</td>
<td>47</td>
<td>137</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Am positive about age diversity in workplace</td>
<td>5.4%</td>
<td>1.9</td>
<td>3.5</td>
<td>5.4</td>
<td>49.2</td>
<td>39.9</td>
<td>4.22</td>
<td>.850</td>
</tr>
<tr>
<td>Freq</td>
<td>5</td>
<td>9</td>
<td>14</td>
<td>127</td>
<td>103</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over all mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.64</td>
<td></td>
</tr>
</tbody>
</table>
5(1.9%) were neutral, disagree and strongly agreed respectively. this shows managers are positive about age diversity in the organization.

Age diversity is a shared phenomenon that is present in nearly all groupings, such as families, higher institutions, sport teams, and work or team groups with members of varying ages (Kunze, Boehm, & Bruch, 2013). According to Ekot (2018) having a diverse age group produces and creates better working relationships and enhances social cohesion for all. Similarly, most of the respondent was positive about age diversity in the organization with mean 4.22 and lowest standard deviation .850 also most of the respondent agree that team leaders include all member in problem solving and decision making regardless of age difference with mean 3.52 which reveal managers invite all team member to participate in problem solving and decision making. Also replied that they are not challenged by lack of bonding with different age group and age difference work group might not cause conflict with a mean of 3.49 and 3.34 with highest standard deviation 1.207 respectively.

On the other hand, the overall mean of age diversity construct shows 3.64 which show a positive perception about age diversity in the organization and one can also infer that respondents agreed with all the age constructs of the researcher and there is positive phenomena that create conferrable or inclusive work environment to all age group.

### 4.3.3 Educational Diversity

Table 4.4 Perception on educational Diversity

Source: own survey (2019)
78 (30.2%) of the respondent agreed and 119 (46.1%) strongly agreed that the recruitment plan of CBE is based on educational background of employees. While 24 (9.3%) strongly disagree, 19 (7.4%) were neutral and the remaining 18 (7%) were agreed with the statement. Regarding weather CBE provides free study leave to employees in different level of education 103 (39.9%) respondents were disagreed, 48 (18.6%) agreed but 47 (18.2%) were neither agreed nor disagreed the rest 43 (16.7%) strongly disagree and 17 (6.6%) of the respondent were strongly agree. For the statement CBE provides tuition fee for study to its employees 81 (31.4%) and 21 (8.1%) were
agreed and strongly agree respectively. 69 (26.7%) were neutral 62 (24%) disagreed and 25 (9.7%) were strongly disagreed. In view of the last statement at work I experience lack of confidence due to level of my educational background 95 (36.8%) disagree, 82 (31.8%) strongly disagree, 46 (17.8%) were agreed and 23 (8.9%) were neutral.

CBE HR policy dictates recruitment of employees is based on educational background parallel with the statement most of the respondent with highest mean 3.81 and highest standard deviation 1.209. For the statement CBE provides tuition fee for study to its employees have mean 3.04 and standard deviation 1.127, according to Eduard (2010), employees who are less educated are likely to suffer inferiority complex, which to a large measure may affect their performance. He argued that such employees might develop a persistent feeling of being inferior. Such employees end up feeling socially insecure and they become less confident at work. He concluded that the lack of confidence would greatly impair their performance and could even make them develop a negative attitude toward other employees and the entire organization. Consistent with the idea most of the respondents (mean 2.27) replied that they are challenged by lack of confidence based on their educational background. Lastly respondents replied with mean value 2.59 that Organization provides free study leave to its employees.

The overall mean of the educational diversity construct shows 2.93 mean which is respondents have slightly moderate or positive perception about educational diversity such as recruitment based on educational background of employs, organization provide tuition fee to cover study of its but they are challenged by lack of confidence based on their educational background and company have to work to improve educational status of employees.

4.3.4 Benefits of Workforce Diversity Management

Table 4.5: perception on benefits of workforce diversity
Source: own survey (2019)
In response to the benefits of diversity management in CBE 89 (34.5%) of the respondent was neutral about whether CBE implements inclusive policy to make sure employees satisfaction is achieved. 62 (24%) were agreed which is almost same value with disagreed response while 37 (14.3%) strongly disagree and 9 (3.5%) were strongly agree.

150 (58.1%) and 76 (29.5%) of the respondent agreed and strongly agreed that effective diversity management can increase efficiency. But 13 (5%) replied they are neutral, 10 (3.9%) disagree and 9 (3.5%) were strongly disagree. most of the respondents 150 (58.1%) agreed and 78 (30.2%) strongly agree that managing diversity increase productivity while 14 (5.4%) replied neutral, 11 (4.3%) disagree and 5 (1.9%) strongly disagree. In response to the last statement 150 (58.1%) were agreed and 64 (24.8%) strongly agree that managing diversity increase employee motivation and the remaining respondent 25 (9.7%) strongly disagree.
As it shown from the above table 4.8, highest mean 4.14 of the respondent replied that managing diversity enlarges creativity with standard deviation .848 and also it enhances productivity of mean value 4.10 with lowest standard deviation .833. As Henry and Evans (2007) diversity in the workforce is a competitive advantage as the various view points in the organization can easily facilitate unique and creative mechanisms to problem-solving which enhances greatly creativity and innovation that leads to better organizational performance.

According to (Secord, 2003) Employee efficiency refers to either cost of achieving a task or the speed at which task is accomplished While diversity management is enabling employees to make use of their skills and knowledge to contribute to the workgroup and organizational success which is parallel to the replies Effective management of diversity increase efficiency with mean value 4.06. Motivation also the other benefits of managing diversity which is supported by kim (2008) managing diversity boost Employees ability and motivation to do their job also advance their satisfaction. On the contrary, 2.79 mean and highest standard deviation 1.072 or most of the respondents assert that CBE have not implemented inclusion policy to achieve employee satisfaction.

Looking at the overall mean about benefits of diversity management in CBE 3.82 mean shows Managers in the organization have positive perception towards the benefits of diversity Management. But there has to be a guideline or policy to utilize those benefits and to handle differences and maintain employee satisfaction.

4.3.5 Challenges of Workforce Diversity Management

Table 4.6: Perception on Challenges of Workforce Diversity Management
Source: Own survey (2019)
<table>
<thead>
<tr>
<th>Challenges of workforce diversity</th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce diversity negatively affects communication.</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>13.2</td>
<td>26.7</td>
<td>32.2</td>
<td>17.8</td>
<td>10.1</td>
<td>2.85</td>
<td>1.165</td>
</tr>
<tr>
<td></td>
<td>Freq 34</td>
<td>69</td>
<td>83</td>
<td>46</td>
<td>26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing of workforce diversity increase organizational cost.</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>14.3</td>
<td>29.5</td>
<td>27.5</td>
<td>24.0</td>
<td>4.7</td>
<td>2.75</td>
<td>1.113</td>
</tr>
<tr>
<td></td>
<td>Freq 37</td>
<td>76</td>
<td>71</td>
<td>62</td>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negative attitude and behaviors of an individual are serious barriers</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to manage workforce</td>
<td>1.2</td>
<td>7.4</td>
<td>15.1</td>
<td>54.7</td>
<td>21.7</td>
<td>3.88</td>
<td>.070</td>
</tr>
<tr>
<td></td>
<td>Freq 3</td>
<td>19</td>
<td>39</td>
<td>141</td>
<td>56</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I think managers in this organization challenged by lack of ability</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>to manage the diverse workforce.</td>
<td>6.2</td>
<td>18.2</td>
<td>34.5</td>
<td>32.2</td>
<td>8.9</td>
<td>3.19</td>
<td>1.037</td>
</tr>
<tr>
<td></td>
<td>Freq 16</td>
<td>47</td>
<td>89</td>
<td>83</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor handling of diversity in the organization lead to employee</td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>turnover.</td>
<td>4.7</td>
<td>20.9</td>
<td>13.2</td>
<td>36.0</td>
<td>25.2</td>
<td>3.56</td>
<td>1.206</td>
</tr>
<tr>
<td></td>
<td>Freq 12</td>
<td>54</td>
<td>34</td>
<td>93</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over all mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.25</td>
<td></td>
</tr>
</tbody>
</table>

According to the above table 83(32.2%) of the respondents are neutral to the statement workforce diversity negatively affect communication, 69(26.7%) were disagree and 46(17.8) agree. while 34(13.2%) strongly disagree and 26(10.1%) strongly agree. Whereas, 76(29.5%) disagreed with the statement managing diversity increase organizational cost while 71(27.5%) were neutral, 62(24.0%) agreed and 37(14.3%) were strongly disagree. In view of the third item 141(54.7%) of the respondent agreed, 56 (21.7%) strongly agree and 39(15.1%) were neutral about the statement Negative attitude and behaviors of an individual are serious barriers
to manage workforce diversity and 19(7.4%) were disagreed while 3(1.2%) of the respondent strongly disagreed.

Many of the respondents 89(34.5%) neutral and 83(32.2%) were agree with the statement “I think managers in this organization challenged by lack of ability to manage a diverse workforce” whereas 47(18.2%) were disagreed and 23(8.9%) strongly agree and 16(6.2%) strongly disagree. For the last statement poor handling of diversity in the organization leads to employee turnover 93(36.0%) were agree and 65(25.2%) strongly agree while, 54(20.9%) of the respondent and 34(13.2%) replied neutral to the statement.

With regard to challenges of managing diverse workforce in the organization in the above table 4.9 the majority (3.88) and lowest standard deviation .070 claim that negative attitude and behaviors of an individual are serious barriers to manage the workforce. This is in line with what Kim (2006) said negative attitudes and behaviors can be serious barriers to organizational diversity because they can harm working relationships and damage morale and work productivity. Examples of negative attitudes and behaviors in the workplace include prejudice, stereotype and discrimination. Similarly, 3.56 mean and highest standard deviation 1.207 of respondent replied poor handling of diversity in the organization lead to employee turnover. this response assert by Roberson et, al. (2007) & Green et al. (2002) when diversity is not managed properly, there will be a potential for higher turnover, difficult in communication and interpersonal conflicts.

If managers are not skilled in managing diversity it will create conflict and uncertainty in the organization Erasumes (2007). (Henry and Evans, 2007) on the other hand said if managers skilled in diversity management they can create a comfortable working environment where no group is discriminated which help to utilize Employees skills and attitudes and to gain competitive advantage in relation to this idea 3.19 mean respondents agreed that managers in CBE challenged by lack of ability to manage diverse workforce. Managing of diversity increase organizational cost, costs associated with seminars, programs and lectures given to promote diversity in the corporation. These types of training are given to all levels of staff within the organization. They teach employees how to accept the personalities and ideas or thoughts of others. These programs also teach one how to deal with conflicts and prejudice in a professional and civil manner (white, 1999) in contrary to the idea respondents disagreed that diversity doesn’t affect their communication with mean 2.85. Also majority of the respondents with
mean 2.75 managing diversity doesn’t affect organizational cost. Employees also agree that diverse workforce doesn’t affect communication with mean 2.85.

From the overall mean of perception on challenges of diversity management we can conclude that respondents perceive that managers challenged by those listed constructs especially lack of ability to manage diverse workforce, negative attitude and behaviors of an individual and also employee turnover. Whereas organization cost augmentation and communication problem have a lower effect than the others.

4.3.6 CBE Policy towards Workforce Diversity Management
Table 4.7: Perception on CBE Policy towards Workforce Diversity and Inclusion

<table>
<thead>
<tr>
<th>CBE policy towards workforce diversity and inclusion</th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBE policy promotes fair treatment of employees regardless of their different diversity characteristics.</td>
<td>% 8.9</td>
<td>15.5</td>
<td>24.0</td>
<td>39.1</td>
<td>12.4</td>
<td>3.31</td>
<td>1.145</td>
</tr>
<tr>
<td>Freq 23</td>
<td>40</td>
<td>62</td>
<td>102</td>
<td>32</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBE uses diversity and inclusion effectively to increase employees and customer satisfaction.</td>
<td>% 6.6</td>
<td>16.3</td>
<td>24.0</td>
<td>41.1</td>
<td>12.0</td>
<td>3.36</td>
<td>1.093</td>
</tr>
<tr>
<td>Freq 17</td>
<td>42</td>
<td>62</td>
<td>106</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBE promotes diversity and inclusiveness in its recruitment and selection process.</td>
<td>% 4.3</td>
<td>19.4</td>
<td>29.5</td>
<td>39.5</td>
<td>7.4</td>
<td>3.26</td>
<td>.994</td>
</tr>
<tr>
<td>Freq 11</td>
<td>50</td>
<td>76</td>
<td>102</td>
<td>19</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee participation in diversity and inclusion training is encouraged in CBE.</td>
<td>% 3.1</td>
<td>12.8</td>
<td>27.1</td>
<td>49.2</td>
<td>7.8</td>
<td>3.46</td>
<td>.921</td>
</tr>
<tr>
<td>Freq 8</td>
<td>33</td>
<td>70</td>
<td>127</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CBE values employees with varied background and experience.</td>
<td>% 3.1</td>
<td>12.0</td>
<td>28.7</td>
<td>49.6</td>
<td>6.6</td>
<td>3.45</td>
<td>.899</td>
</tr>
<tr>
<td>Freq 8</td>
<td>31</td>
<td>74</td>
<td>128</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Over all mean</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.37</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own survey (2019)

102(39.1%) of the respondent agreed and 62(24.0%) of them neutral and 40(15.5%) disagreed that CBE policy promotes fair treatment of employees regardless of their different diversity.
characteristics. While 32(12.4%) strongly agreed and 23(8.9%) strongly disagreed. For the construct “CBE uses diversity and inclusion effectively to increase employee and customer satisfaction” 106(41.1%) respondents agree, 62(24.0%) were neutral, 42(16.3%) disagree. The remaining 31(12%) and 17(6.6%) of the respondent strongly agree and strongly disagreed respectively.

Majority of the respondent 102(39.5%) agreed and 76(29.5%) neutral that CBE promotes diversity and inclusiveness in its recruitment and selection process while 50(19.4%) of the respondent disagreed, 19(7.4%) of them strongly agree and 11(4.3%) were strongly disagreed with the statement. With regard to item four of the above table 127(49.2%) of the respondent agree, 70(27.1%) were neutral to the statement “employee participation in diversity and inclusion training is encouraged in CBE” but 33(12.8%) disagree and 8(3.1%) of the respondent were strongly disagreed.

In view of the statement CBE values employee with varied background and experience 128(49.6%) of the respondent agreed, 74(28.7%) were neutral, 31(12.0%) disagreed with the statement, whereas 17(6.6%) were strongly agree and 8(3.1%) of them strongly disagree.

The statement employee participation in diversity and inclusion training is encouraged in CBE have the highest mean 3.46 with standard deviation .994 followed by CBE values employee with varied background and experience with mean 3.45 and the lowest standard deviation 0.899. (Knouse and Dansby, 2000) argue that organizations that embrace equal opportunity and diversity gain advantage through increased effectiveness, increased employee satisfaction, and increased employee commitment which also improve customer satisfaction. In consistent to the idea most of the respondents agreed that CBE implement inclusion policy and improve its employee and customer satisfaction with mean 3.36. with regard to inclusion policy of the organization most of the respondent relatively have positive response that CBE values and promotes diversity in its recruitment and selection based on fair treatment without discrimination all have.

The overall mean toward perception on diversity policy of the organization shows a result of 3.37 average mean which infers that CBE had good perception towards the inclusion policy but that is not satisfactory company have to work on it this also shown in the interview section.

4.3.7 Managers ability to utilize the advantage of Diversity Management

Table 4.8: Perception on Managers ability to utilize the advantage of diversity management
<table>
<thead>
<tr>
<th>Manag3rs ability to utilize the advantage of diversity management</th>
<th>Strongly disagree</th>
<th>disagree</th>
<th>Neutra1</th>
<th>Agree</th>
<th>Strongly agree</th>
<th>mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Understand that diverse workforce able to perform its full potential in an equitable work environment where no group has earned an advantage or disadvantage.</td>
<td>% 3.9</td>
<td>13.6</td>
<td>27.1</td>
<td>46.1</td>
<td>9.3</td>
<td>3.43</td>
<td>.969</td>
</tr>
<tr>
<td>Freq 10</td>
<td>35</td>
<td>70</td>
<td>119</td>
<td>24</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I never think diversity initiatives are a waste of time and cost.</td>
<td>% 25.2</td>
<td>33.7</td>
<td>17.8</td>
<td>17.4</td>
<td>5.8</td>
<td>2.45</td>
<td>1.206</td>
</tr>
<tr>
<td>Freq 65</td>
<td>87</td>
<td>46</td>
<td>45</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am committed to Diversity in my organization.</td>
<td>% 4.7</td>
<td>5.0</td>
<td>15.5</td>
<td>59.3</td>
<td>15.5</td>
<td>3.76</td>
<td>.936</td>
</tr>
<tr>
<td>Freq 12</td>
<td>13</td>
<td>40</td>
<td>153</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I focus on continuous Learning about diversity.</td>
<td>% 3.5</td>
<td>11.6</td>
<td>12.8</td>
<td>55.4</td>
<td>16.7</td>
<td>3.70</td>
<td>.994</td>
</tr>
<tr>
<td>Freq 9</td>
<td>30</td>
<td>33</td>
<td>143</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am skilled at handling the Diversity in my workplace.</td>
<td>% 3.5</td>
<td>7.4</td>
<td>16.7</td>
<td>55.0</td>
<td>17.4</td>
<td>3.76</td>
<td>.945</td>
</tr>
<tr>
<td>Freq 9</td>
<td>19</td>
<td>43</td>
<td>142</td>
<td>45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers discriminate against certain groups of employees regardless of their Performance.</td>
<td>% 8.9</td>
<td>30.2</td>
<td>19.4</td>
<td>35.7</td>
<td>5.8</td>
<td>2.99</td>
<td>1.119</td>
</tr>
<tr>
<td>Freq 23</td>
<td>78</td>
<td>50</td>
<td>92</td>
<td>15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>% 1.9</td>
<td>13.2</td>
<td>21.3</td>
<td>56.2</td>
<td>7.4</td>
<td>3.54</td>
<td>.882</td>
</tr>
</tbody>
</table>
119(46.1%) of the respondent agreed to the statement I can enable the diverse workforce to perform its full potential in an equitable work environment where no group has an advantage and disadvantage 70(27.1%) were neutral, 35(13.6%) of them disagree with the statement while 24(9.3%) of the respondent strongly agree and 10(3.9%) strongly disagree. Most of the respondents 87(33.7%) and 65(25.2%) were disagree and strongly disagree respectively with the statement “I think diversity initiatives are waste of time and cost “while 46(17.8%) replied neutral, 45(17.4%) were agree and 15(5.8%) of the respondent strongly disagree.

Majority of the respondent 153(59.3%) agreed with the construct “I am committed to diversity in my organization” same rate of response recorded 40(15.5%) for neutral and strongly agree whereas 13(5.0 %) of the respondents disagree and 12(4.7%) of them strongly disagree. With regard to question four I focus on contentious learning about diversity 143(55.4%) replied agree, 43(16.7%) were strongly agree, 33(12.8%) were neutral and 30(11.6%) of them replied disagree and 9(3.5%) were responded strongly disagree.

142(55%) of the respondent agree with statement I am skilled at handling the diversity in my organization.45 (17.4%) were strongly agree, 43(16.7%) replied neutral, 19 (7.4%) disagreed and 9(3.5%) of them responded strongly disagreed with the above statement. For the construct managers discriminate against certain group of employee regardless of their performance 92(35.7%) replied agree with the statement, 78(30.2%) were disagree and 50(19.4%) of them replied neutral .23(8.9%) of the respondent strongly disagree and 15(5.8%) were strongly agree.

145(56.2%) of the respondent agreed with construct managers connect diversity to the organization mission and vision 55(21.3%) were neutral 34(13.2%) replied disagree but
19(7.4%) of the respondent strongly agree and 5(1.9%) of them strongly disagree. Most of the respondents 109(42.2%) were agreed with the last statement managers create a comfortable working environment for all types of people followed by 67(26.0%) of respondent who replied neutral, 46(17.8%) disagree, 19(7.4%) strongly agree and 17 (6.6%) were strongly disagreed with the statement.

Diversity management is considered as a proceed aimed to both maintain and create a positive work environment where all individual similarities and differences are valued and that all individual can maximize their contribution to organizational strategic objective and goals (Patrick and Kumar, 2012) which is consistent to the response of respondents CBE managers create a comfortable working environment for all types of people have mean of 3.26 and standard deviation 1.047. To maintain such environment managers must have to possess some skills and knowledge most of the respondents agreed that managers skilled at handling diversity in workplace with mean 3.76 and with standard deviation .945 and they understand that diverse workforce able to perform its full potential in an equitable work environment for all group of employees with mean 3.43.According to (Shaban, 2016) top management commitment is the initial step to manage diversity consistent with that most respondents replied that managers are committed to diversity in their organization with mean value 3.76 and lowest standard deviation .936. Managers have to accept to learn from others as well to upgrade their knowledge of cultural stereotype regarding focus on continuous learning about diversity also have mean 3.70.Diversity placement base leadership on supporting strategic operational decision and business objective (Shaban, 2016) accordingly most of (3.54 mean) respondents replied that managers connect diversity with organizational mission and vision. While respondents agree that diversity management are not west of time and cost and managers doesn’t discriminate against certain group.

The overall mean shows 3.36 means managers in the organization perceived as they can utilize the benefits of diversity Management and also able to create a conductive work environment. Whereas manager perceives diversity initiatives are west of time and cost and there is also slight perception of discrimination against certain group regardless of their performance.

4.4 Interview Discussion

In this part of data analysis, the researcher presents the result of in depth interview question made with HR Managers the four Addis Ababa district (East, West, North and South). Eight guiding question were designed in order to address the point that cannot be addressed.
1. Based on the question Does your organization has a diverse workforce and promotes its implementation?

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

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

Again all the Managers responded that organization doesn’t have such a policy. But the companies HR policy, procedure and labor low guide leaders or decision makers to avoid unnecessary biases and discrimination and somewhat help to work towards inclusion.

3. Regarding to the question, how do you insure inclusiveness in your recruitment and selection in your organization?

Managers explained that recruitment only takes place when there is need in the organization and only qualified employee that feat the need of the organization are selected regardless of gender, age and such characteristics that differentiate individuals. Company ensures an equal employment opportunity for all qualified individual out of which takes candidate with highest standard of competence and integrity. And the selection process only takes place as per the HR policy and procedure of the bank.

4. Regarding to the benefits of having diverse workforce in your organization?

Respondents replied that as a service giving organization the company benefited with a better way to serving its customer (improved service excellence) by adopting new way of doing things employee improve efficiency and also teamwork among others.

5. For the question relating to challenges of having diverse workforce Managers replied Communication problem (language) is a serious barrier to communicate with staff as well as serving customers. Cultural difference makes hard to practice or adopt new way of doing job.

6. Regarding to the question does the organization use equal opportunities approach such as affirmative action? If so, for what purpose? Again all respondent explained that equal opportunity approach is given to all candidates in recruitment and selection from internal and external applicants and affirmative action applied for new entrant females.
CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Major Findings

This part of the study summarizes and concludes the main findings obtained from the collected data and provide some recommendations to be implemented by concerned bodies in order to alleviate existing challenges and problems. It is important for management to know that the diversity plan that works or is encouraged by one organization may not work in another as it may be challenged by the hierarchical structure that is present in such organization.
The following points are the major findings of the study:

Even though there is a positive perception about gender diversity in the organization, the demographic representation of male and female in senior and middle level managerial positions shows an uneven distribution of gender. Females took only 20.5% of managerial positions of the organization, signifying that the position was dominated by males. There is also a conducive working environment to all age groups, but when we look at age distribution, one can see the age imbalance in the organization. Most of the respondents fall under the young age group (50%). Regarding educational status, most of them attained a higher education. The organization has a diverse and qualified team leader in terms of educational qualification, from PhD to diploma. Within this context, the organization benefited from a heterogeneous mix of leaders working for the organization at different levels of managerial position as per their job description with the needed educational qualification. It was also identified that the broad mix of educational qualifications benefited the organization in getting different opinions/work views at different levels and setting a dynamic team with their subordinate who came up with different backgrounds and specialization. The organization has diversified in terms of educational background and benefited from both new bloods to the organization who inject new ideas and innovative ways of working and flexibility with the new ones. On the other hand, the organization maximized the knowledge of those who have served in the organization from medium to long years of experience and understanding of the organizational culture as it gave the opportunity to the organization.

Benefits and challenges of diversity management were well understood and the company has equal employment opportunity and affirmative action but lacks an inclusion policy to support its implementation and to improve the ability of managers to manage diversity of the organization. Absence of a clear inclusion policy was the major gap observed in this study.

CBE equal employment opportunity policy helped the organization to practice diversity management and to avoid unnecessary biases and discrimination.

CBE worked towards educational diversity and provided tuition fee to its employees to increase their capacity. Still, employees were challenged by lack of confidence based on their educational background.
Efficiency, creativity, improvement in productivity and motivation are the benefits that Organization received through diversity management.

Even though CBE managers think diversity initiatives are west of time and cost and sometimes there is tendency to discriminate certain groups regardless of their performance. Managers in the organization aware of all the benefits of having diverse workforce and they have the capacity to utilize benefits of managing diverse workforce

Lack of ability to manage diversity, negative attitude and behaviors of an individual, intention to turnover and communication problem observed as challenge to manage diverse workforce in the company

5.2 Conclusions

Diversity management is a process of creating and maintaining a positive environment, where an individual’s similarity and difference are valued so that all individual can maximize their contribution to organizational objective (Patrick & Kumar, 2012)

Diversity could be considered as a source of strength to the organization while other considers that diversity could be source of weakness. The result depends on the organizational structure, culture and also Managers ability to utilize diversity opportunities and minimize its challenges. The study aims to show the practice and challenges of diversity management in Commercial Bank of Ethiopia, in this regard the researcher tried to assess the benefit, practices and challenges of diversity management. The research also examines Managers ability to utilize diversity opportunities in the organization because effect of diversity management in the organization highly depends on Managers ability. In conclusion to the analysis, practice of diversity management applied in the organization based on equal employment opportunity while failed to develop and implement inclusion policy in the organization. Creativity, efficiency, motivational improvement and increment of employee’s productivity are the benefits that the organization got through diversity management. On the other hand, Lack of ability to manage diverse work force, negative attitude of individual such as discrimination of
groups also challenge to manage diversity in CBE and turnover intention also observed as challenge to manage diversity. Managers also challenged by Lack of confidence based on their educational background.

5.3 Limitations of the study

The research only considers gender, age, educational background and year of service in order to assess practice of diversity management in the commercial bank of Ethiopia and left other dimension because of time constraint. In order to fully analyze diversity practice further study need to be undertake by including all characteristics that are not included in this study and also organization culture has to be examined because diversity management highly depend on organizational culture and hierarchical structure of the organization.

5.4 Recommendations

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

- CBE has to use affirmative action to increase the representations of women.

- The organization to work more in diversifying the age of workforce as it inclined significantly to the youth in its present form. This has also improved by valuing age and giving weight to experience it also work through affirmative action.

- Despite the enormous benefits of workforce diversity, the organization also need to tailor mechanisms to minimize the disadvantages that may result in failure of accommodating various backgrounds, ideas, values, cultures and working conditions. This can be done through introducing diversity management policy.

- As CBE have diversified workforce, company have to develop a clear diversity policy that dictates how to work with differences and avoid biases. It also serve as a guideline to managers and HR managers implement the policy consistently.

- CBE have to provide diversity training such as cultural training to leaders as well to all employees in order to increase their awareness and increase the ability of managers to deal with difference and avoid negative attitudes about individuals and develop ethical values that allows them to make appropriate use of the diverse workforce.
• CBE also has to improve educational background of managers as well employees by providing tuition fee and free study leave in doing so lack confidence avoided motivation improved and also turnover intention minimized.
REFERENCES


APPENDIX-A

Questionnaire

St Mary’s University
School of Postgraduate Studies, Masters of Business Administration

Dear Sir/Madam, I am student of Master of Business Administration (MBA) in St Mary’s University. The following research is part of my MBA study and conducted for purely academic purposes. The purpose of research is to find out the practice and challenges of workforce diversity management in CBE. All the information collected through the questionnaire will be used only for contribution to knowledge and kept confidential. Please ensure that you mark all the given statements otherwise incomplete responses will not fulfill researcher requirements. To this end, kindly request you to answer the following short questions regarding with the stated objective. It will take no longer than 10 minutes of your time. Your response is utmost important to me. Therefore, your genuine, honest and prompt response is a valuable input for the quality and successful completion of the research paper.

Thank you in advance for your collaboration to fill the questionnaire by spending your valuable time.

Directions

• No need to write your name,

Part I – General Information of the Respondents

Please specify your answer by placing a (√) on the relevant answers provided. The following questions will be used to assess the general demographics characteristics of CBE.

1. Gender:
   A) Male (√)    B) Female (    )

2. Age:
   A) 20 -30 (√)  B) 31 -40 (    )  C) 41 -50 (    )  D) above 50 (    )

3. Educational status:
   A) College Diploma (    )  B) BA /BSC Degree (    )  C) Masters (    )  D) PHD (    )
4. Years of service in CBE:
   A) Less than 2 years (    ) B) 2 to 5 years (    ) C) 6 to 10 years (    ) D) above 10 years (    )

Part II – Assessing Practice and Challenge

Perception relate to your feelings about the commercial bank of Ethiopia. Please show the extent to which you believe this bank has the feature described in the statement. Here, you can use numbers from 1 to 5 that shows your expectations & perception about the bank where:

(1) Strongly Disagree
(2) Disagree
(3) Neutral
(4) Agree
(5) Strongly Agree
<table>
<thead>
<tr>
<th>Gender diversity</th>
<th>1</th>
<th>2</th>
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<tbody>
<tr>
<td>1. The employee have not been discriminated by employer while hiring and recruiting process based on gender.</td>
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<td>2. Fair treatment is given to all employees, whether they are male or female.</td>
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<td>3. Female employees are encouraged within CBE.</td>
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<td>4. The working environment is conducive for female.</td>
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<table>
<thead>
<tr>
<th>Age diversity</th>
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<th>2</th>
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<tbody>
<tr>
<td>1. My team leader including all members in problem solving and decision making regardless of age difference.</td>
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<td>2. The age difference in work group might not cause conflict.</td>
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<td>3. At work, I don’t experience lack of bonding with people of different age group.</td>
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<td>4. Am positive about age diversity in workplace.</td>
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<thead>
<tr>
<th>Educational diversity</th>
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<tbody>
<tr>
<td>1. The recruitment plan of CBE is based on the education background of employees.</td>
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<td>2. CBE provides free study leave to employees in different level of education.</td>
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</table>
3. CBE provide tuition fee for study to its employees

4. At work, I never experience lack of confidence due to level of my educational background

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<thead>
<tr>
<th>Benefits of workforce diversity</th>
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<th>2</th>
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<tbody>
<tr>
<td>1. CBE implements inclusive policy to make sure employees satisfaction is achieved.</td>
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<td>2. Effective management of diversity increase efficiency.</td>
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<td>3. Managing of diversity increase creativity.</td>
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<td>4. Managing of diversity increase productivity.</td>
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<td>5. Managing of diversity increase employee’s motivation.</td>
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<tr>
<th>Challenges of workforce diversity</th>
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<td>1. Workforce diversity negatively affects communication.</td>
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<td>3. Negative attitude and behaviors of an individual’s like discrimination and prejudice are challenges to manage the diverse workforce.</td>
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<td>4. I think managers in this organization challenged by lack of ability to manage the diverse workforce.</td>
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<td>5. Poor handling of diversity in the organization lead to employee turnover.</td>
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### CBE policy towards workforce diversity and inclusion

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<tr>
<td>1.</td>
<td>CBE policy promotes fair treatment of employees regardless of their different diversity characteristics.</td>
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<td>2.</td>
<td>CBE uses diversity and inclusion effectively to increase employees and customer satisfaction.</td>
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<td>3.</td>
<td>CBE promotes diversity and inclusiveness in its recruitment and selection process.</td>
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<td>4.</td>
<td>Employee participation in diversity and inclusion training is encouraged in CBE.</td>
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<td>5.</td>
<td>CBE values employees with varied background and experience.</td>
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### Managers ability to utilize the advantage of diversity management

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<td>1.</td>
<td>Understand that diverse workforce able to perform its full potential in an equitable work environment where no group has earned an advantage or disadvantage.</td>
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<td>2.</td>
<td>I never thinks diversity initiatives are a Waste of time and cost.</td>
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<td>3.</td>
<td>I am committed to Diversity in my organization.</td>
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<td>4.</td>
<td>I focus on continuous Learning about diversity.</td>
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<td>5.</td>
<td>I am skilled at handling the Diversity in my workplace.</td>
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<tr>
<td>6.</td>
<td>Managers discriminates against certain Groups of employees regardless of their Performance.</td>
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<td>7.</td>
<td>Managers connect diversity to the Organization’s mission and vision.</td>
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<td>8.</td>
<td>Manager creates a comfortable working Environment for all types of people.</td>
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APPENDIX-B

Interview Questionnaire

St Mary’s University
School of Postgraduate Studies, Masters of Business Administration

An interview question to the HR Manager

1. Does your organization has a diverse workforce and promotes its implementation?
2. Does your organization have a diversity management policy? If not, how can you insure proper diversity management and inclusion in the workplace?
3. How do you insure inclusiveness in your recruitment and selection in your organization?
4. What are the benefits of having workforce diversity in your organization?

5. What do you see as the most challenging aspect of diverse workforce?

6. Does the organization use equal opportunities approach such as affirmative action? If so for what purpose?