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## Impact of workforce diversity on organizational performance of Nepalese insurance companies

Swastika Raya Chhetri\*

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### Abstract

This study examines the impact of workforce diversity on the organizational performance of Nepalese insurance companies. Organizational performance is the dependent variable. The selected independent variables are age diversity, cultural diversity, education diversity, experience diversity, gender diversity and marital diversity. The primary source of data is used to assess the opinions of respondents regarding workforce diversity in Nepalese insurance companies. The study is based on primary data with 125 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation coefficients and multiple regression models are estimated to test the significance and importance of workforce diversity on the organizational performance in Nepalese insurance companies.

The study showed that age diversity has a positive impact on organizational performance. It indicates that age diversity in the workforce leads to increase in organizational performance. The result also revealed that education diversity has a positive impact on organizational performance. It indicates that education diversity in the organization leads to increase in organizational performance. Similarly, experience diversity has a positive impact on organizational performance. It indicates that experience diversity among the employees leads to an increase in organizational performance. Likewise, gender diversity has a positive impact on organizational performance. It indicates that the diverse gender in the organization leads to increase in organizational performance. Further, cultural diversity has a positive impact on organizational performance. It implies that workforce of diverse cultural background leads to increase in organizational performance. Moreover, marital diversity has a positive impact on organizational performance. It reveals that diverse marital status in the workforce leads to an increase organizational performance of Nepalese insurance companies. The regression also showed that the beta coefficients are positive for age diversity, cultural diversity, education diversity, experience diversity, gender diversity and marital diversity and are significant for all the independent variables at one percent level of significance.

**Keywords:** Age diversity, cultural diversity, education diversity, experience diversity, gender diversity, marital diversity and organizational performance.

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### 1. Introduction

Diversity in a broad manner refers to the presence of people from various backgrounds, cultures, race, age group etc. existing together in a group or a

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\* Miss Chhetri is a freelance researcher, Kathmandu, Nepal. E-mail: rayaswastika@gmail.com

particular field (Chaturvedi, 2022). Furthermore, Saxena (2014) explained that business organization embracing diversity at their workplace enhances employee performance and work productivity since staffs are motivated to work. Mor (2015); Ng & Sears (2012) explored that workforce diversity has begun as a core strategic value that many organizations consider they have a duty to follow to promote fairness and equality in the organizations. According to Ogbo *et al.* (2014), workforce diversity includes the differences and similarities of the employees. According to Bhatia (2008), the workforce diversity is not limited to age, gender, ethnicity, and educational background, but there are some other sources of diversity such as political affiliation, level of ability and socio-economic background of individual.

The confrontation presented by the rising cultural diversity of the global workforce is maybe the most pressing test of our times (Spivak, 2020). According to Choi (2007), diversity leads to synergistic effectiveness because representatives of organizations may value and understand one another's experiences, talents, and perspectives. According to Saxena (2014), workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. Dora and Kieth (1998) mentioned that organizations have discovered that diversity is not an absolute phenomenon, but it is a continuous process. Foma (2014) explained that diversity at workplace brings many positive aspects, such as exchange of ideas between of the diverse cultures of employees, the development of friendship without discrimination, maintaining a heterogeneous environment in which employees possess distinct elements and qualities. Similar views are expressed by (Bedi *et al.*, 2014).

According to Wentling and Palma (2000), diversity refers to the co-existence of employees from various socio-cultural backgrounds within the company. Diversity includes cultural factors such as race, gender, age, colour, physical ability, ethnicity, etc. The broader definition of diversity may include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance, and economic status. 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-to-day business operations (Childs, 2005). Workforce diversity is defined as people with a mixture of different identities within social systems are defined as diversity (Fleury, 1999). In fact, diversity has always been synonymous with gender or racial/ ethnic diversity (Knight

*et al.*, 1999).

Emiko & Eunmi (2009) stated that gender, age, ethnicity, and education are only a few factors contributing to WFD. Diversity is constantly recognized and utilized as a valuable corporate resource to have excellent client support or maintain a competitive advantage (Kyalo & Gachunga, 2015). Despite the widely acknowledged value of diversity in overcoming adaptive challenges and the substantial body of empirical literature on this matter (Bantel & Jackson, 1989).

Brown & Lam (2008) identified that firms considering diversity a primary strategy would benefit far more than those that do not due to lower turnover and increased revenue. According Ongori & Evans (2007), workforce diversity management has become an important issue for both governments and private organizations mainly for the equal opportunities at the workplace. According to Omankhanlen and Ogaga-oghene (2011), it's about discovering these differences in a healthy, accepting, and nurturing atmosphere. Diversity in the workplace is a complicated, divisive, and political phenomenon. According to Alghazo and Shaiban (2016), workforce diversity refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background.

According to Milliken and Martins (1996), the impacts of diversity on organizational outcomes, such as organizational performance, employee satisfaction, and turnover, have become essential. Thomas (1990) mentioned that diversity management focuses on job satisfaction, job performance, and motivation and helps to establish good interpersonal relationships. According to Ely (2004), workforce diversity enhances organizational effectiveness and productivity. The study also mentioned that information and decision-making theories suggest that diversity improves performance by contributing to higher-quality decisions and by taking advantage of a broader range of alternatives and new ideas. Chatman and Flynn (2001) reported that there is a negative or insignificant relationship between diversity and organizational performance.

Moore (2011) contended that diversity is an indispensable tool in the attainment of competitive advantage and optimum organizational performance. Darwin (2014) concluded that ethnic diversity has a positive effect on organizational performance as it creates a pool of skill sets and learning opportunities that the firm can tap into for positive performance results. The point is that ethnic diversity allows or permits the firm to match individuals from different ethnic or cultural backcross tasks and assignments

in which they are most competent (Rasul & Rogger, 2015). Likewise, Kaur and Arora (2020) argued that including diversity and having effective diversity management practices will help in increasing overall organizational performance and productivity. The study also mentioned that including gender diversity in the organization will bring creativity and innovation which help in effective decision-making and problem-solving skills, which ultimately increases organizational productivity, performance, and organizational reputation. A significant relationship exists between learning organization and organizational performance, but there is a need to conduct more studies that show how learning organization enhances organizational performance (Kleefstra *et al.*, 2020).

According to Kravitz (2003), gender diversity might help performance while a lack of gender diversity might cause problems. Organizations increasingly rely on cross-functional work groups and project teams to stimulate innovation, solve problems, and make decisions (Harrison *et al.*, 1998). Information-diverse groups performed better when they held pro-diversity beliefs rather than pro-similarity beliefs (Homan *et al.*, 2007). Simon *et al.* (1999) observed that member diversity in education and company tenure influenced the quality of debates and thus, positively impacted the decision-making process in a team of top managers. According to Obuma & Worgu (2017), in an organization where employees are given equal opportunities irrespective of diversity factors, employees exhibit a high level of competitiveness, energy, and enthusiasm about their work has been noted that dissimilarity in rather-ratee's sex, race, and age have resulted in disaffection and issue of trust between superior and subordinate (Sedliaková, 2013). Cherian *et al.* (2020) highlighted higher education and elaborated that there is a need to foster an institutional culture that improves creativity and creates awareness. According to Kerdpitak *et al.* (2020), the organizational culture and high responsibility of employees are essential for successful human resource management practices, as the culture and responsibility enhance the inspiration of the employees to adapt to organizational goals.

Saad *et al.* (2018) found that there is a positive relationship between organizational culture and job performance. The study further revealed that four authoritative culture sub-components, managing change, achieving goals, coordinating teamwork, and cultural strength, emphatically influence job performance, but with varying and distinct intensity. However, Kunze *et al.* (2013) demonstrated the importance of a firm's internal characteristics (e.g., HR policy) in shaping the effect of age diversity on firm performance.

The potential informational benefit of diversity can be compromised by the 'process loss' resulting from the potential negative side of diversity, such as dysfunctional intergroup tension due to the discrimination climate and difficulty of sharing task-related ideas and collaboration among members (Choi *et al.*, 2017). Managing a diverse workforce poses new problems to be addressed by mentors and leaders. Diversity management has rising barriers (Kreitner and Kinicki, 2001; Jameel and Ali, 2016). Jackson *et al.* (2003) suggested that company executives are not likely to see a direct positive relationship between workforce heterogeneity and organizational effectiveness.

According to Cannella *et al.* (2008); Sung & Choi (2012), workforce diversity is beneficial for firms in turbulent markets because diversity supplies rich cognitive resources that are required for generating variations and flexible reactions to changing consumer demands and shifting market trends. Phillips & Loyd (2006) stated that when a firm lacks diversity, employees may experience difficulties in challenging the status quo because homogeneous members tend to pursue uniformity and feel reluctant to confront or disagree with one another because of the presumption of similarity. Moreover, Mothe & Thi (2021) argued that people from various age groups work together, they tend to display more creativity at work.

In the context of Nepal, shrestha (2019) stated that employee engagement has been a considerable topic in the public sector. It is a buzz word that managers think they understand, but face difficulties and challenges while practicing. According to Devkota (2022), building an inclusive workplace could be one of the best managerial solutions for maintaining and enhancing gender diversity. Lamichhane (2021) asserted that diversity management emphasizes on building specific skills, creating policies and drafting practices that get the best from every worker. According to Pokharel (2022), there is a strong correlation between employees' business competency and performance improvement. Adhikari (2014) asserted that there is no significant difference in the performance of different gender employees but however, but there is discrimination in the workplace where female workers are underrepresented and paid less in comparison to men. As a result, behaviours, and actions decrease motivation and morality which affects their productivity. According to Gautam (2017), gender and position of the job mediate organizational commitment.

The above discussion shows that empirical evidence varies greatly across the studies concerning the impact of workforce diversity on the organizational performance. Though there are above mentioned empirical

evidence in the context of other countries and in Nepal, no such evidence using more recent data exists in Nepal. Therefore, to support one view or the other, this study has been conducted.

The major objective of the study is to examine the impact of workforce diversity on the performance of Nepalese insurance companies. More specifically, it examines the relationship of age diversity, cultural diversity, education diversity, experience diversity, gender diversity and marital diversity with the performance of Nepalese insurance companies.

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

## 2. Methodological aspects

The study is based on the primary data. The data were gathered from 125 respondents through a questionnaire. The respondents' views were collected on age diversity, cultural diversity, education diversity, experience diversity, gender diversity, and marital diversity in Nepalese insurance companies. The study is based on descriptive and causal comparative research designs.

### *The model*

The study assumes that organizational performance depends upon several factors. As a first approximation to the theory, the study assumes that organizational performance depends on age diversity, cultural diversity, education diversity, experience diversity, gender diversity, and marital diversity. Therefore, the model estimated on this study takes the following form:

$$OP = \beta_0 + \beta_1 AD + \beta_2 CD + \beta_3 ED + \beta_4 ExD + \beta_5 GD + \beta_6 MD +$$

Where,

OP = Organizational performance

AD = Age diversity

CD = Cultural diversity

ED = Educational diversity

ExD = Experience diversity

GD = Gender diversity

MD = Martial diversity

$\beta_0$  = Intercept of the dependent variable

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  and  $\beta_6$  = Coefficient of the variables

Age diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I perform better while working with people of different age group”, “I am positive about age diversity in this workplace” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.791$ ).

Cultural diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “My organization recruit’s employee of different culture”, “My organization has a good policy of attracting and hiring people from different culture” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.796$ ).

Education diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “My organization recruit’s employee on basis of their education background”, “The difference in education background doesn’t encourage conflicts” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.784$ ).

Experience diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “Experience diversity helps to increase team performance in my organization”, “The difference in experience background doesn’t encourage conflicts” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.717$ ).

Gender diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree.. There are 5 items and sample items include “My organization recruit’s employee of different gender”, “I perform better while working with people of different gender” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.759$ ).

Martial diversity was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include



“My organization has workforce of diverse marital status”, “Marital status influences the organizational performance” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.715$ ).

Organizational performance was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 1 for strongly agree and 5 for strongly disagree. There are 5 items and sample items include “I believe employee of distinct age enhances the organizational performance”, “I believe diversity in an organization has helped to reduced fear and improve performance.” and so on. The reliability of the items was measured by computing the Cronbach’s alpha ( $\alpha = 0.724$ ).

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

#### *Age diversity*

Age diversity is the difference in age among employees and is used to describe the composition of the organization (Kunze *et al.*, 2011). Organizations are unable to properly use the talent and the skills of old workers, due to the false assumption that they face a lot of health issues and are unable to adopt changes and new technology (Joseph & Selvaraj, 2015). According to Bohem and Kunze (2015), age heterogeneous workforce can produce huge number of multiple skills, intellectual styles, increases morals, that may result in increased productivity. Similarly, Gellener and Stepen (2009) highlighted that when employees of different ages work together in group it improves productivity than working alone because different people have different skills, perspectives, personality traits and a larger problem-solving toolbox. Furthermore, Zhuwao (2017); Khan *et al.* (2016) showed a positive relationship between age diversity and employee performance. Mwatumba (2016) reflected that inefficiency of managers to manage age diversity gives rise to conflict that reduces productivity of employees. Lazear (1999) found that the advantages of age diversity can be gained only when organizations overcome the additional communication costs and issues related to emotional conflicts between them. Based on it, this study develops the following hypothesis:

*H<sub>1</sub>: There is a positive relationship between age diversity and organizational performance.*

#### *Cultural diversity*

According to Jehn & Bezrukova (2004), the trend of having different work functions and departments in an organization that has different cultures,



adds a strong element of cultural diversity to today's workgroups in many organizations. Ely and Thomas (2001) stated that the main objective of organizations is to provide and enhance cultural diversity to dominate pluralism for single culture and ethnic relativity for ethnic centralism. Cultural diversity is now being widely accepted by organizations as a way of creating a competitive advantage. This is mainly because they can utilize a vast array of knowledge, skills, and abilities found in a diverse cultural workforce (Stahl *et al.*, 2010). The study also highlighted that differences in culture make the general management and technical know-how difficult to exploit when differences in cultural context make activity sharing and synergy formation among business units less efficient.

Furthermore, Weaver & Agle (2002) highlighted that employees who frequently attend religious services are less stressed and have a greater sense of control which is correlated with decreased distress and hence are more productive at work. The study further added that the employees who have a strong religious commitment have increased self-esteem and social support, as well as enhanced coping skills which positively contribute to their work performance. According to Zeng *et al.* (2013), cultural diversity increases, and collaborative relationships between the two parties may become more asymmetrical in terms of information transfer and information sharing. When firm engineers, employees, and inventors from different country locations come together to generate new knowledge, they are likely to draw on this diversity and bring together different perspectives and ideas from their local country environment (Berry, 2014). Based on it, this study develops the following hypothesis:

H<sub>2</sub>: There is a positive relationship between cultural diversity and organizational performance.

#### *Education diversity*

According to Lewis and Sappington (1993), organizations do not hire those employees whose training, experience, and education are inadequate for specific jobs or positions. Education is more important for employees because without sufficient education background employees are unable to get a job and perform well. Maingi (2015) stated that organizational leaders implemented education diversity, and due to these initiatives motivates the employee to perform work effectively to achieve organizational goals. An employee's educational background is the best indicator of their knowledge, skills, and capability. The study also highlighted that the educational background reflects the cognitive strength and personality of the employee.

Similarly, Hambrick & Mason (1984) explained that an employee educated in computer science has different cognitive skills than an employee educated in finance. Cohen and Bailey (2001) revealed that educational background diversity has a positive effect on team performance as it fosters a broader range of cognitive skills. Furthermore, Mwatumba (2016); Zhuwao (2017); Elsaid (2012) showed that there is a positive relationship between education background diversity and employee performance. Akca and Ozer (2013) argued education diversity has a significant effect statistically on perceived organizational performance. Learning organizational culture and education human resources have direct effects on organizational performance and organizational innovativeness, potentially leading to long term success. Based on it, this study develops the following hypothesis:

H<sub>3</sub>: There is a positive relationship between education diversity and organizational performance.

#### *Experience diversity*

According to Rosing and Zacher (2017), employee ambidexterity represents the good combination of exploration abilities (e.g., the identification or generation of innovative). A study found that the good performance results from people of different experience work together (Johnson *et al.*, 1972). Key driver of improved performance is increasing cumulative experience (Nelson and Winter, 1982; Zollo and Winter, 2000; Wright, 1936; Dutton and Thomas, 1984). Similarly, March (1991) stated that exploration and exploitation learning processes increase performance and variability. Furthermore, the accumulation of knowledge about the link between ambidexterity and workforce demographics is limited and inconclusive (Yadav and Lenka, 2020). Zack (1999) claimed aggressive (knowledge management) KM strategies leads to higher performance. Lin (2011) found that firm's knowledge portfolio plays a critical role in determining the effectiveness of knowledge sourcing as well as interfirm partnership strategies. According to Cohen and Levinthal (1990), a diversified knowledge portfolio can create synergy through economy of scope, boost sales growth and in turn increase the shareholder value. Based on it, this study develops the following hypothesis:

H<sub>4</sub>: There is a positive relationship between experience diversity and organizational performance.

#### *Gender diversity*

According to Hoffman (1965), a mix of cognitive abilities of men and women may increase the organization's overall creativity and innovation.

Gender heterogeneous teams produce high quality decisions over a homogenous team (Roberson & Kulik, 2007). Chew *et al.* (2011) argued that gender diversity at the management and organizational level can provide a firm with competitive advantage. Brown (2008) reflected that the inability to identified gender issues at first and remains unmanaged then workforce diversity is ineffective. Furthermore, gender diversity has a positive impact on organizational performance (Bhushan, 2016). According to Abbas *et al.* (2011), the gender discrimination in recruitment and promotion highly effects the performance of employee. Moreover, Eagly and Wood (1991) stated that the team having gender diversity performs better than the team consists of same gender. According to Rizwans *et al.* (2016); Chaudhry (2016); Elsaid (2012), there is a significant positive relationship between gender diversity and employee performance. Based on it, this study develops the following hypothesis:

H<sub>5</sub>: There is a positive relationship between gender diversity and organizational performance.

#### *Marital diversity*

Marital status is the legally defined marital state such as single, married, widow, divorced, separated and so on. According to Bauserman and Arias (1992), healthy marital status are more productive and have marital satisfaction whereas disturbed marital status leads to be unproductive and are unsatisfied whose effects can be directly seen in performance.

Padmanbhan and Magesh (2016) found that there is a significant difference between marital status and employee performance which reflects that unmarried employee can perform well than married employee since their commitment towards their family and other circumstances are considerably less than compared to the married employee. Colen (2018) suggested that differences in marital status can spur creativity in the workplace and create a set of diverse experiences and information that ultimately benefits all members of the workplace. Bueno *et al.* (2022) concluded that improvement in executive function may be due to the increased cortical demand required by the more complex, coordinated motor tasks of martial art exercise compared to the more repetitive actions of walking. Seung *et al* (2002) showed that the higher performance of married males is mostly due to increased productivity associated with marriage. Hill (1979) concluded that marriage increases the productivity of the employees. Korenman and Neumark (1991) concluded that marriage increases on-the-job productivity of men working in the labour market. Loh (1996) claimed that married men make greater investments

in human capital. Kenny (1983) found married males earn more than unmarried males because marriage facilitates the financing of human capital accumulation. Based on it, this study develops the following hypothesis:

$H_6$ : *There is a positive relationship between marital diversity and organizational performance.*

### 3. Results and discussion

#### *Correlation analysis*

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

**Table 1: Kendall's Tau correlation coefficients matrix**

*This table presents Kendall's Tau coefficients between dependent and independent variables. The correlation coefficients are based on 125 observations. The dependent variable is OP (Organizational performance). The independent variables are AD (Age diversity), CD (Cultural diversity), ED (Educational diversity), ExD (Experience diversity), GD (Gender diversity) and MD (Marital diversity).*

Variables	Mean	S.D.	OP	AD	ED	ExD	GD	CD	MD
OP	2.01	0.549	1						
AD	1.907	0.459	0.821**	1					
ED	1.878	0.431	0.725**	0.955**	1				
ExD	1.908	0.421	0.713**	0.911**	0.955**	1			
GD	1.909	0.410	0.670**	0.879**	0.939**	0.984**	1		
CD	1.898	0.407	0.637**	0.846**	0.922**	0.960**	0.985**	1	
MD	1.903	0.407	0.607**	0.823**	0.903**	0.939**	0.970**	0.989**	1

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

Table 1 reveals that age diversity is positively correlated to organizational performance. It indicates that age diversity leads to increase in employee performance. organizational performance. The result also reveals that education diversity is positively correlated to organizational performance. It indicates that education diversity in the organization leads to increase in organizational performance. Similarly, experience diversity is positively correlated to organizational performance. It indicates that experience diversity among the employees leads to increase in organizational performance. Likewise, gender diversity is positively correlated to organizational performance. It indicates that the diverse gender participation leads to increase in organizational performance. Further, cultural diversity is positively correlated to

organizational performance. It indicates that maintaining a cultural diversity helps to increase in organizational performance. Moreover, martial diversity is positively correlated to organizational performance. It indicates that diverse marital status helps to increase organizational performance.

*Regression analysis*

Having analyzed the Kendall’s Tau correlation coefficients matrix, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it presents the regression results of age diversity, cultural diversity, education diversity, experience diversity, gender diversity, martial diversity on the organizational performance of Nepalese insurance companies.

**Table 2: Estimated regression results of age diversity, cultural diversity, education diversity, experience diversity, gender diversity and martial diversity on the organizational performance in Nepalese insurance companies**

*The results are based on 125 observations using linear regression model. The model is  $OP = \beta_0 + \beta_1 AD + \beta_2 CD + \beta_3 ED + \beta_4 ExD + \beta_5 GD + \beta_6 Md$  where OP (Organizational performance) is the dependent variable and AD (Age diversity), CD (Cultural diversity), ED (Educational diversity), ExD (Experience diversity), GD (Gender diversity) and MD (Marital diversity) are independent variables.*

Model	Intercept	Regression coefficients of						Adj. R_bar <sup>2</sup>	SEE	F-value
		AD	GD	ED	ExD	CD	MD			
1	0.264 (2.055)*	0.980 (15.930)**						0.510	0.315	253.757
2	0.140 (1.157)		0.897 (10.006)**					0.446	0.409	100.123
3	0.281 (2.352)*			0.923 (11.285)**				0.461	0.379	136.649
4	0.231 (1.874)				0.930 (11.285)**			0.422	0.386	127.346
5	0.257 (2.018)*					0.858 (10.000)**		0.388	0.425	83.881
6	0.248 (1.939)						0.818 (8.469)**	0.357	0.438	71.722
7	0.140 (1.157)	0.172 (8.846)**	0.831 (4.001)**					0.843	0.287	150.360
8	0.235 (0.146)	1.728 (8.902)**	1.130 (3.924)**	0.317 (0.139)**				0.717	0.296	101.979
9	0.297 (1.699)	1.672 (8.140)**	1.074 (3.633)**	0.0627 (1.466)**	0.322 (0.835)			0.718	0.296	76.467
10	0.275 (1.698)	1.710 (8.064)**	1.134 (3.696)**	0.715 (1.609)**	0.530 (5.573)**	0.310 (0.746)		0.530	0.297	61.059
11	0.381 (2.096)*	0.980 (15.930)**	0.923 (11.690)**	0.930 (11.285)**	0.897 (10.000)**	0.858 (9.159)**	0.818 (8.469)**	0.510	0.315	253.757

Notes:

- i. Figures in parenthesis are t-values
- ii. The asterisk signs (\*\*) and (\*) indicate that the results are significant at 1 percent and 5 percent level respectively.
- iii. Organizational performance is dependent variable.

The regression result shows that the beta coefficients for age diversity are positive with organizational performance. It indicates that age diversity has a positive impact on organizational performance. This finding is consistent with the findings Kunze *et al.* (2011). Likewise, the beta coefficients for cultural diversity are positive with organizational performance. It indicates that cultural diversity has a positive impact on organizational performance. This finding is similar to the findings of Jehn & Bezrukova (2004). In addition, the beta coefficients for education diversity are positive with organizational performance. It indicates that education diversity has a positive impact on organizational performance. This result is consistent with the findings of Lewis and Sappington (1993). Further, the beta coefficients for experience diversity are positive with organizational performance. It implies that experience diversity has positive impact on organizational performance. This finding is consistent with the findings of Rosing and Zacher (2017). In addition, the beta coefficients for gender diversity are positive with organizational performance. It means that gender diversity has a positive impact on organizational performance. This finding supports the findings of Chaudhry (2016). Likewise, the beta coefficients for marital diversity are positive with organizational performance. It shows that marital diversity has positive impact on organizational performance. This finding is consistent with the findings of Bauserman and Arias (1992).

#### **4. Summary and conclusion**

In the era of globalization, organization performance has been regarded to be a key to deal with for any business organization. Organization performance is a serious subject, particularly around human resource management. To fulfil the basic needs and provide a good working environment, good pay and other benefits in an economic approach are quite multifaceted and burdensome to an organization. Low organization performance can do a lot of damage to organization. When the there is low performance, it directly effects in production of organization.

This study attempts to examine the impact of workforce diversity on the performance among of Nepalese insurance companies. The study is based on primary data of employees of Nepalese insurance companies with 125 respondents.

The major conclusion of this study is that diverse the work force in terms of age, cultural, education, experience, gender and marital enhance the organizational performance in the context of Nepalese insurance companies.

The study also concludes that the age diversity followed by cultural diversity and education diversity are the most influencing factor that explains the changes in the organizational performance in Nepalese insurance companies.

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