

## CHAPTER ONE

### Introduction

#### 1.1 INTRODUCTION

In today's contemporary workplace and organizations, diversity has become an unavoidable reality. It refers to the distinctions that exist amongst individuals inside an organization in terms of their educational backgrounds, skill sets, and attitudes toward their jobs. It is also due to the disparities in the workers' demographics, cultural backgrounds, and individual traits that are present in the workplace. The concept of workforce diversity refers to the scenario that arises once participants in a club or organization vary after one another based on demography criteria such as age, gender, race, ethnic group, immigrant status, and knowledge, too. As a result of these and other causes, the makeup of the present employment is considerably more diverse than it was historically in the past (Erasmus, 2007). Kochan et al. (2003) indicate that variety may create a range of feelings inside the work. This is due to the fact that some people see diversity as an obstacle to be overcome rather than a tool that can be exploited to make the company more powerful. Even though a number of studies are of the opinion that this statement is true, the results of businesses that are conscious of heterogeneity add value to their output. When it comes to cost savings in turnover and enhanced sales, firms that see multiculturalism as an integral component of their primary approach would earn greater than those which do not use for profiting these factors (Brown & Lam, 2008). Enterprises that approach assortment, not so an expense but instead as a critical component of their overall strategy stand to gain far more than those people who do not take this approach. According to Choi (2007), diversity helps collaborative achievement if the company employees are able to comprehend and appreciate every single other and rely based on personal experiences, abilities, and views of one another. Synergistic success is a measure of how well an organization functions as a whole. Diversity in the workforce is an important component that has an effect on the performance of employees (Khan, 2019). The management of workforce diversity is becoming more important

to a wide range of businesses, including banks, as a means of boosting organizational efficiency and improving employee performance. The banking sector is one that is seeing considerable growth at the moment (Shrestha, 2018, 2019). The fast expansion of the banking industry has given rise to a number of difficulties, one of which is the need to increase employee diversity. This is a natural occurrence that may have either a beneficial or bad impact on the productivity of an organization, depending on how effectively it is managed. Because a productive human resource not only has the potential to inspire operational brilliance but also serves as a backbone for the maintenance of the optimum degree of company achievement, Human resources that are effective have long been believed to be the basis of a corporate firm (Kyalo & Gachunga, 2015). The majority of the companies that exist in the modern world suffer So they are unable to efficiently organize the varied workforce to perform as a group when it comes to controlling Multiple aspects, making policy, instruction, transparency, and a strategy for being concise and comprehensive objectives. Companies that involve multiplicity into their primary business plan will have considerably higher levels of profitability than those that don't. These firms will also see potential savings from turnover and improvements in sales (Brown, 2008). Based on such talks, it seems that the research that focuses on the influence of workforce a mix of appearances of individual members is of more relevance. Awareness of workforce diversity may aid current managers in analyzing the effects of age, gender, ethnicity, quality of teaching, and other aspects of variety on the performance of their employees. This assessment may also consider the effects of other aspects of diversity. Consequently, this study's goal will be to explore the influence that a diverse workforce has on employee performance within the Dahabshiil private financial system. As a direct consequence of the expansion of the global economy and the advancements in technology, people from various regions of the world are now more familiar with one another than they have ever been before. This is a significant improvement over the previous era. Considering this fact, many different sorts of organizations, including businesses, educational institutions, and other types of organizations, are looking at various methods to enhance the level of service that they provide to their customers. In this context, "having the ability to attract and maintain the finest and most qualified people" refers to the capacity to do both of those things successfully. Companies that are able to build and execute the essential regulations and processes for this will be able to keep an edge over competitors over their competitors and improve their general efficiency. We must be capable of making efficient utilization of our greatest precious resource, which is the capabilities that are possessed by the workforce if we want to be productive and maintain our edge over our

rivals. If we do this, we will be able to achieve both goals. Then, but only then, is there any opportunity to achieve victory. Because there is now a greater range of employees participating in the economy, we need to broaden our thinking and be more open to unique ways of doing things in order to be more welcoming. As the talents of the workforce are the most important resource, we need to have the ability to make use of them. To be successful in the workplace, which is becoming more varied and richer in its diversity, we need to broaden our perspectives and implement new techniques. Only then will we be able to achieve our goals. It's possible that the employees will make this resource available to you. This study's objective is to evaluate how the compositionally varied workforce of Dahabshiil Bank influences individual employees' levels of productivity in their respective roles. Companies that have a more diversified staff in terms of gender, age, colour, and educational background of their workers are referred to as having workforce diversity (Robbins, 2009). To provide just one example, a workforce that is diverse will include people of varying ages, genders, ethnicities, and educational levels. According to Robbins, the diversity of an organization's workforce has a substantial influence on management practices and policies (2009). It is common practice to see diversity in a restricted manner, with the primary emphasis being on issues relating to racial or gender inequality, and the connection is made to legislation that provides some groups with protected status. Individuals have been using the word "diversity" in a very general sense to refer to any personal attributes that impact how other people think and behave. The managers of today are tasked with the responsibility of monitoring their workforce while also reacting to the requirements of clients that are becoming older, increasingly racially and multi-cultural, and require additional care for young people and the elderly. Successful ones in the government and private domains are paying more focus to the issue of diverse cultures. Variety is acknowledged globally and employed as a crucial organizational resource, whether the aim is to become the top worker, deliver excellent customer service, or maintain a competitive advantage. This is real regardless of whether another objective is to keep a competitive advantage, be the best employer, or provide great customer service. Diversity is being more acknowledged as a valuable organizational resource and is being leveraged more often as a result. Because it is the responsibility of the organization's leaders and managers to guarantee that the diversity policies are carrying out their intended purposes, the success of diversity policies largely rests on their shoulders. This is a strategy on the way to assure efficient and more effective employee retention by identifying distinctions among employees and reacting appropriately to those differences. Previously, all employees were treated the same. The

challenges of prejudice based on a person's gender, age, race, or level of education are the most critical concerns that need to be addressed in order to make progress in workforce diversity. In situations when diversity is not well handled, there is a greater risk of increased employee turnover, difficulties in communication, and interpersonal issues. In the big picture, it will be harmful to the organization's performance as well as its profitability and reputation.

## **1.2 Background of the study**

The globalization of business has resulted in the expansion of human resource roles around the world, rather than only keeping such jobs in their respective home nations (Dhar, 2008). Because it improves connections among staff members, boosts productivity, and reduces turnover around the globe, localization is vital for successful growth. The significance of development programs in assisting companies in developing their worldwide presence and increasing the productivity of their employees has greatly increased in recent years. The global human resources and development program organization has a challenge when attempting to strike a balance between the purpose of the global organization and the regional needs and customs that apply to each office. The vast majority of companies all over the globe have come to the realization that their staff are their primary source of competitive advantage. (Dhar, 2008). Despite the fact that a number of countries in Africa have implemented successful programs for enhancing the productivity of their workforces and providing those workforces with chances for global multicultural growth in Africa, the issue remains. Every manager and supervisor at every level is responsible for ensuring that the staff development programs they oversee adhere to the policies that have been outlined for the business. However, the necessity for a revised and enlarged product development program has been highlighted by public governments in developing world nations, particularly in Africa. This requirement has been brought to light due to the reality Africa is a growing nation. The efforts that are being made by companies in Africa may be influenced by the advancements that are taking place in those sectors, and any successes that are achieved in one field can be applied to other fields. There are similar requirements for development programs across all sectors of the economy, and there are distribution mechanisms for development programs that may be pooled and used by more than one industry. Larger operators are more than capable of meeting high organizational performance requirements because of their dedicated employees and excellent training (Farah, 2009). In Mogadishu, Somalia, the postal service and the central bank were both managed by the state until the central authority collapsed; nonetheless, the fighting caused both of these

institutions to be destroyed. Domestic communicators, that continue to be extensively used all over the nation, especially in more rural locations, first displaced them. Nevertheless, since 1994, locally owned banks and firms associated with Banking services have been restored in the major metropolitan regions by foreign institutions. as well as some of the smaller towns and villages. As a result, there is a need for staff training in order to enhance production. In terms of this topic, these banks run a development program with the intention of improving the performance of their workers, even though the program that they provide for their employees has not always been effective. Even this, companies in Mogadishu are making steady progress in strengthening their training and development programs because they now realize how important it is to provide such programs to freshly recruited staff (UNDP, 2002). A formal, organized, and well planned endeavour to improve one's effectiveness in a particular activity or collection of activities by modifying one's behaviour, knowledge, or attitude via the accumulation of new learning experiences is known as a development project. The major purpose of a transformation plan is to enhance employee performance and provide them with the resources they need to make the most of their natural skills in order to contribute to the fulfilment of the company's objectives. (Armstrong, 2001). A development program is any effort made to raise an employee's capacity for performance via learning. This is usually achieved through modifying an employee's mindset or improving his or her abilities and expertise. Any such effort is referred to as development. The employee's poor performance is used to decide whether or not they need to participate in a development program and enhance their skills. The requirements for development programs are identical to an organization's actual performance and its standard performance. The transfer of specific information, capabilities, and abilities to a person is the essence of what a development program is (McGhee, 1996). The employees generate performance since it has the strongest linkages to the strategic goals of the business and the joy of the company's customers, and the economic effect on the company. As a consequence of this, it covers, in some depth, the way in which a job is carried out, as well as the level to which it is carried out in the workplace (Ivancevich, 2007).

### **1.3 PROBLEM STATEMENT**

Due to the effective use of workforce diversity, both the performance of the workforce as a whole and the company as a whole are elevated and enhanced. Employee unhappiness and poor organizational performance are typically the results of ineffective diversity efforts within the workforce. In order to help newly employed workers at Dahabshiil Bank become more capable

of carrying out the responsibilities that have been assigned to them, the bank has implemented training programs. The employee performance at Dahabshiil Bank has not met the bank's objectives, despite the opportunities afforded by the bank's development initiatives (Elmi, 2009). Below are some contemporary issues that are relevant to development programs and the performance of employees:

1. Although Dahabshiil Bank provides its employees with opportunities for advancement, a large number of businesses in Somalia, particularly remittance companies, have been unable to achieve their goals because of substandard employee performance. This is the case even though that Dahabshiil Bank does provide its employees with advancement opportunities.
2. The number of remittance organisations has been on the increase ever since the collapse of Somalia's central banks in 1991; but, the issue of inappropriate effects of worker diversity and poor employee performance has not been addressed.
3. After the fall of the central government, the Central Bank of Somalia and the Postal Service in Mogadishu, both of which were previously state-run and suffered significant damage during the conflict, have expressed concerns regarding the manner in which they manage their workers development programs.

#### **1.4 RESEARCH QUESTIONS**

1. What kind of a relationship does the worker's gender have with their performance?
2. How does the age of an employee affect their success in their job?
3. What is the relationship between the educational background of an employee and their overall performance?
4. What are the dynamics between employee success and the diversity of the workforce?
5. What factors, if any, contribute to the success of employees at Dahabshiil bank?

## **1.5 OBJECTIVE**

This study's main goal is to provide an understanding and full knowledge of how the diversity of an organization's workforce will influence job satisfaction inside a company.

The second The goal of this study is to investigate whether or not demographic characteristics such as age, gender, and educational background have any effect on how successfully workers do their jobs in an organization.

## **1.6 LIMITATION OF THE STUDY**

This research was carried out in Mogadishu, which is located in Somalia. Because Mogadishu is home to a significant proportion of Somalia's commercial enterprises, the city serves as an excellent setting for research of this kind.

The duration of this research is about five months, beginning in October 2022 and ending in February 2022.

## **1.7 Significant study**

As a result of the expansion of internationalisation, cultural diversity in the workplace has emerged as an issue of major significance. One advantageous result is that individuals who originate from various backgrounds typically think in distinct ways, which helps them to approach an issue from a number of different viewpoints. This is a favorable conclusion. In today's world, seeing people of different cultural backgrounds is not uncommon, and the majority of communities may be described as a melting pot of different traditions. In Somalia, one of the most culturally consistent countries on the African continent, people live peacefully beside one another. Nevertheless, cultural variety has an effect on the region's jobs, including those in the commercial and public sectors. This study's objective was to examine into how the heterogeneity of employees in private businesses, namely Dahabshiil bank firms in Somalia, affects the performance of employees as well as their originality. In addition, it is envisaged that the effort would put an emphasis on organizational performance and worker diversity in the workplaces of Somalia's private sector. It is predicted that the study will generate valuable data that will assist in the development of effective ways to manage or promote employee

performance and diversity, as well as the consequences of cultural diversity in private firms in Somalia.

### **1.8.1 KEYWORD DEFINITIONS**

workplace diversity, employee performance, diversity in organizations, age, educational background, and organizational performance.

### **1.9.2 GEOGRAPHICAL SCOPE:**

The location of the study was decided to be at Dahabshiil bank in Mogadishu, Somalia; this region would serve as the geographical boundary of the study since it is within the researcher's ability to access it.

### **1.9.3 CONCLUSION CHAPTER ONE**

This chapter was discussed the few factors that make up staff variety (gender, age, and educational background), and we investigate No matter what factors have impact on employee performance at Dahabshiil Bank, particularly in banks located in Mogadishu, Somalia. Therefore, a study of the relevant literature and testing of the framework need to be carried out in order to get a deeper comprehension of the idea of workforce diversity and the effect that this concept has on the performance of employees working for the bank's remittance firm. The next chapters of this research will devote discussion to the findings that were obtained from these other investigations.