

ABSTRACT

The rapid growth in the Banking industry has posed several challenges such as workforce diversity which is a natural phenomenon that has both negative and positive impacts on employee performance depending on how well it is managed. This has affected the commercial banks, Non-Banking Financial Institutions, and even the Micro-Finance sector. It is in this context that this Research investigated the effects of workforce diversity management on employee performance in the Banking industry in Kenya. Descriptive survey research design was used. The target population included all the 4000 employees of the bank. Nairobi region was purposively selected because of nearness to the researchers, accessibility, and time limit. The respondents were selected using stratified random sampling technique from 3 branches in Nairobi region. The study revealed that the Bank had strategies such as balanced recruitment, support to minority groups, diversity training and equal employment opportunities. Other than an employee's level of education and performance ability, there was no other workforce diversity variable that determined an employee's compensation. Workforce diversity was found to affect employee performance at varying degrees considering both managers and non-managerial employees of the Bank. The managers registered a greater impact while the impact was less among the non-managerial employees. The various tests of hypotheses showed a significant level of association between employee performance and the mean productivity levels of the bank workforce when categorized by gender, age and level of education.