

Midocean University
Faculty of Management

Graduation Project – 1

Workforce Diversity in the Saudi Banking Sector

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1. Introduction

Workforce diversity has become a critical concern for modern organizations in the era of globalization, technological advancement, and increased labor mobility. Diversity encompasses differences in gender, nationality, age, culture, and professional background. In Saudi Arabia, the banking sector plays a pivotal role in national economic development and financial stability. With the adoption of Saudi Vision 2030, banks are expected to promote workforce localization, female participation, and cultural inclusion. Accordingly, understanding how workforce diversity affects employee performance and innovation within Saudi banks is essential for sustainable organizational growth.

2. Research Problem

Despite governmental support for diversity and inclusion, many Saudi banks face challenges in effectively managing a diverse workforce. Cultural differences, communication barriers, resistance to change, and insufficient diversity-oriented leadership strategies limit the potential benefits of diversity.

3. Research Significance

Theoretically, this study extends the literature on workforce diversity within a Middle Eastern banking context. Practically, it provides valuable insights for decision makers.

4. Research Questions

- 1. What is the current level of workforce diversity in Saudi banks?
- 2. How does workforce diversity influence employee performance and innovation?
- 3. What challenges do Saudi banks face in managing workforce diversity?

5. Research Objectives

- To assess workforce diversity practices in Saudi banks.
- To examine the impact of workforce diversity on employee performance.
- To identify challenges associated with diversity management.
- To propose recommendations for improving diversity management.

6. Research Hypotheses

- H1: Workforce diversity has a positive effect on employee performance in Saudi banks.
- H2: Workforce diversity positively influences innovation in Saudi banks.
- H3: Workforce diversity presents managerial challenges in Saudi banks.

7. Research Model

The research model conceptualizes workforce diversity as the independent variable, employee performance and innovation as dependent variables, and diversity management practices as a moderating variable.

8. Research Methodology

This study employed a mixed-method research design using questionnaires and interviews.

9. Data Analysis and Findings

Table 1: Demographic Profile of Respondents

Category	Group	Frequency	Percentage
Gender	Male	60	60%
Gender	Female	40	40%
Nationality	Saudi	70	70%

Nationality	Non-Saudi	30	30%
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Figure 1: Impact of Workforce Diversity on Employee Performance

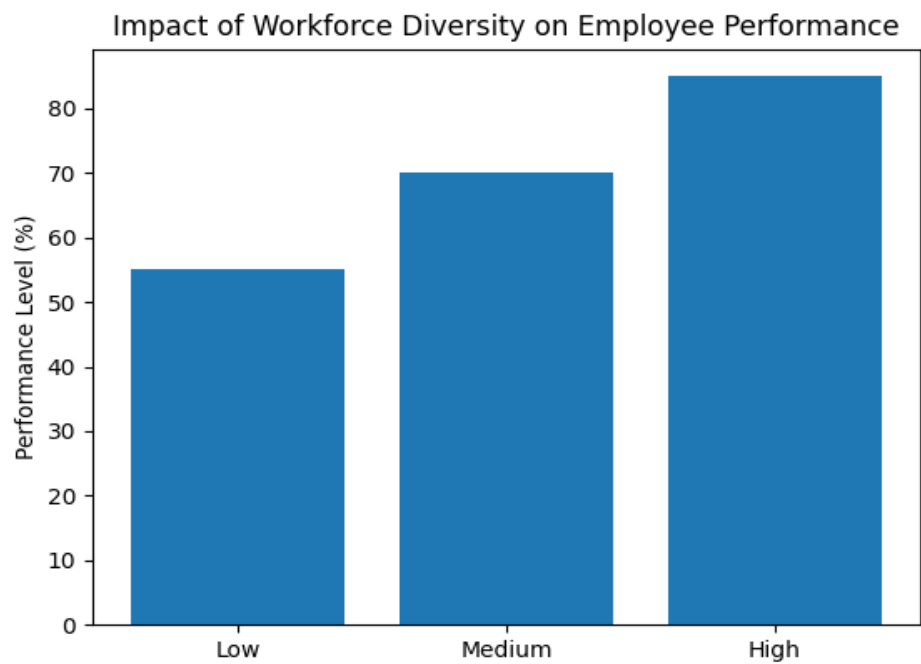


Figure 2: Gender Distribution in Saudi Banks

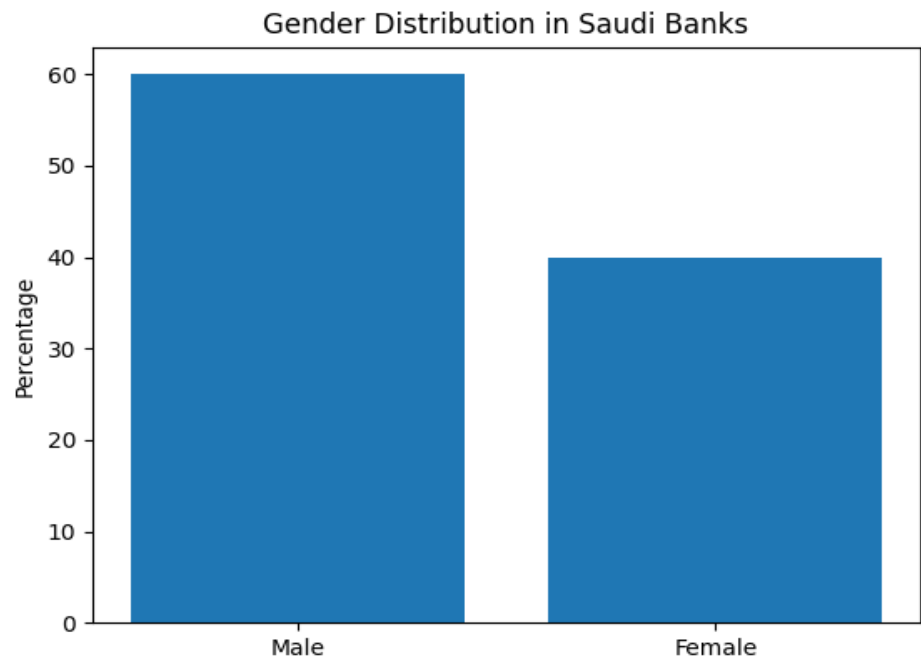
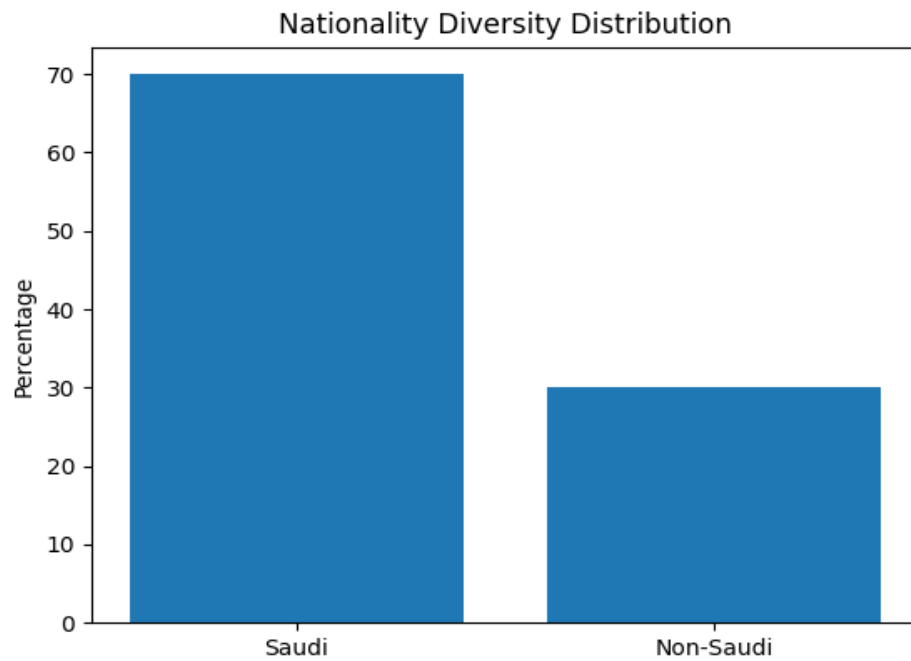


Figure 3: Nationality Diversity Distribution



10. Discussion

Findings show a strong positive relationship between workforce diversity and employee performance.

11. Limitations of the Study

This study is limited by sample size and reliance on self-reported data.

12. Conclusion

Workforce diversity is a strategic asset for the Saudi banking sector.

13. References

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