

A Study of Workforce Diversity and its Impact on Performance of Banks: An Analytical Study of Indian Commercial Banks

Dr. Abha Rani, Sunil Kumar, Ms. Vanshika Tyagi

IP College for Women, Delhi, Delhi, India

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ABSTRACT

A Study on Workforce Diversity and its Impact on Employees' Performance in Banking Sectors. The diversity of the workforce is the prime driver of organizational progress, especially in the banking sector. This study explores Gender Diversity and person with disability as a fundamental component of workforce diversity and its impact on the financial performance of Indian commercial banks. The study has been conducted on Federal Bank, HDFC Bank, and Punjab National Bank, observing trends in workforce heterogeneity concerning economic growth. Secondary data sources, such as annual reports, Diversity & Inclusion policies, and data analysis, have been used to study the impact of workforce heterogeneity on financial performance. Comparative analysis over different years and between the chosen banks has also been conducted to acquire an in-depth understanding of the role of economic success in upholding the arguments formed.

Keywords: Gender diversity, workforce diversity, Banking sectors, diversity, equity, and inclusion

INTRODUCTION

In today's business world, companies are becoming more employee-centric, considering human resource management a crucial factor towards long-term success. Companies invest a lot in people with the hope of recruiting a more talented, innovative, and productive workforce to meet their organizational goals. However, diversity has always been a two-sided sword considering its benefits such as creativity, inclusivity, and with that comes favoritism, discrimination (at places).

Workforce diversity covers a wide spectrum of differences in the workforce, including age, gender, culture, ethnicity, and physical disability. Not only do diverse workforces bring diverse thinking and competencies, but they also allow organizations to tap into a broader talent pool, leading to better overall organizational performance. Yet, as much as diversity can be an organizational asset, managing a workforce as such requires distinct challenges, including providing fair opportunities, countering unconscious bias, and promoting a culture of inclusiveness.

Despite increased resources being allocated to diversity programs, the impact of diversity programs on employee performance remains an area of exploration. This study seeks to investigate the connection between employee diversity and employee performance, focusing on two fundamental dimensions: gender diversity and disability based on differently-abled representation. Through the study, the research seeks to find out the level or extent of the presence of diversity influences key performance indicators and overall organizational performance.

India, being one of the world's most divergent nations, provides the ideal setting to examine this association. The present research focuses on the Indian banking sector, utilizing secondary data to examine patterns and trends over different time frames. Since the banking sector is a core part of the economy and has a diversified workforce, the Indian banking sector is the ideal case to learn about the association between disability diversity and gender diversity and employee performance outcomes.

This study purports to enhance the diversity management debate through theoretical and empirical arguments on the implications of inclusive strategies on organizational outcomes. Empirical evidence derived through this

research will offer tangible contributions to policymakers, business managers, and human resources practitioners seeking to introduce useful diversity programs into the workplace.

Some Definitions

Diversity: Means any trademark that makes individuals unique in relation to each other. In broader terms it is the distinctions or similarities between workers in terms of various dimensions like age, gender, experience, religion, color, instructive basis or ethnicity and so on.

Workforce: A mix of both genders" representatives of various foundations, more experienced and younger spokesperson, physically certified specialists and different workers who are not the same. When these two terms are combined together the definition can be explained as under;

Workforce diversity: In general terms, it refers to the different statistical contrasts of an association's representatives. Nonetheless, the term has developed to likewise point to the different types of thoughts and the acknowledgment of different varieties in the working environment. Green et al. (2002) portrayed working environment variety as "acknowledging, understanding, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual practice, and public assistance status".

Merriam-Webster defines diversity as "the condition of having or being composed of differing elements; especially, the inclusion of people of different races, cultures, etc., in a group or organization."

Chhabra T. N, in his book titled "Human Resource Management," defines workforce diversity as the "presence of differences among members of a work unit, which can include race, gender, age, religion, cultural background, and more"

Gender Diversity:

Gender Diversity refers to the difference on the bases of men, women and LGBT (Lesbian, Gay, Bisexual, Transgender).

Numerous Initiatives have been taken by organizations for ease of their diverse workforce. One such effort manifested as the diversity, equity, and inclusion,

Objectives of the Study

- To study workforce diversity
- To study diversity on the base of gender and person with disability in Different Banks operating across the world
- Comparative Analysis of the workforce diversity in the selected Banks

Hypotheses

- **H₀:** There is no significant impact of workforce diversity on banks' performance.
- **H₁:** Workforce diversity significantly impacts banks' performance.

RESEARCH METHODOLOGY

The present study depends upon the secondary data. Secondary data collected through websites, annual reports of selected banks along with different websites, journals, newspapers, magazines, books, and publications.

The present study is considered as a descriptive and quantitative in nature. This study is to analyze the impact of workforce diversity in terms of gender, and physical disability on the performance of FEDERAL, HDFC and

Punjab National Bank from year 2019 to 2024 (Last five years). The banks having significant numbers of employees, operating at national and international level and availability of annual report and diversity data were selected for the study. It was ensured that both public and private sectors banks selected for the study. The data was analyzed and present graphically by using EXCEL and SPSS.

Importance of the Study

With changing times, the number of female employees and differently abled employees in every sector has increased significantly. In today's era, women's and differently abled employees' empowerment is increasing threefold, and also their burning desire to gain economic and social status. In every sector of the world, either being service or self-employment, women and differently abled people create their own independent approach and they have identified their own fame. The diversity in terms of culture, age, religion, gender, physical attributes etc. has increased. This diversity is a big opportunity as well as challenge for the organizations, hence this study focuses more on the spectrum of gender and physical attributes. In Today's era, female and differently abled employees represent a larger section of society in different sectors like textile, automobile, education and many more and the banking sector is no exception. Hence the banking sector is selected for the study. The stereotypical role of women is defined as a housewife in many developing countries like India. The working women are rebelling against this norm. Working women often face underappreciation and gender-based discrimination at their workplace which impacts their performance directly or indirectly. Differently abled peoples face social exclusion due to the mind-set of the society but now, they are coming forward to work and contribute to the nation. Hence it is much needed to identify the factors which impact their (women and differently abled person) performance at the workplace due to workforce diversity. Considering these diversity factors and their impacts on performance of women and differently abled persons, the present research study has been carried out.

Role of Workforce Diversity

Diversity may result in synergistic and shared performance; it reflects the outcomes of individual contribution of team members. When team members understand, respect and accept the individual differences, they may lead with their experiences, ideas, adoptability, and flexibility with a highly motivated conducive working environment. The internal Communication mechanism can be the basic tool to evaluate and discuss the difference of opinion and suggest ideal solutions respecting individual perception, social desire and lead to fit in a neutral socially acceptable culture in the organization. This study can help the top management in decision making in evaluating the role of employee diversity in optimizing organizational productivity. It will identify the significance of workforce diversity for the banks (Indian Origin) operating across the world.

LITERATURE REVIEW

1. Otiike, Messah, and Mwalekwa (2010). In their paper titled "Effects of Workplace Diversity Management on Organizational Effectiveness: A Case Study," explored workforce diversity management at Kenya Commercial Bank (KCB). They identify diversity management as a key driver of organizational effectiveness, emphasizing that companies embracing multiculturalism gain a competitive edge by fostering higher morale and stronger workplace relationships. This perspective aligns with the challenges and opportunities faced by other diverse nations, such as India. The study highlights demographic shifts within KCB's workforce. Between 2006 and 2008, the female workforce grew by 30%, reflecting progress in gender inclusivity. However, the glass-ceiling syndrome—where systemic barriers prevent women from ascending to top managerial positions—remains a significant concern. For instance, in South Africa, 87% of top management roles are still occupied by men, mirroring global gender disparity trends. Additionally, the research examines the increasing representation of single parents and employees from diverse tribal and linguistic backgrounds. These factors contribute to workplace heterogeneity, necessitating robust diversity management to mitigate conflicts and foster inclusivity. The authors underscore the importance of strategic diversity management in addressing systemic inequities. They argue that organizations must prioritize equitable opportunities and actively combat stereotypes to harness the full potential of a diverse workforce. By doing so, companies like KCB can transform diversity into a strategic asset, driving innovation and organizational effectiveness.

2. Sanghamitra Buddhapriya (2013). in her paper titled "Diversity Management Practices in Select Firms in India: A Critical Analysis," examines the diversity management practices and initiatives implemented by IT-BPO sectors in India. She highlights that companies such as Infosys, Wipro, and HCL recognize the significance of workforce diversity, particularly concerning gender equality and nationality. However, her findings indicate insufficient efforts toward other dimensions of diversity, including persons with disabilities (PwD), generational diversity, and the LGBT+ community. Through an analysis of publicly available data from these organizations, Buddhapriya identifies a "flip side of the story." Despite the introduction of various gender equality initiatives such as Women of Wipro (WoW), Infosys Women's Inclusive Network (IWIN), and HCL's "Employee First, Customer Second" approach, the representation of women at senior levels remains notably low. She further notes that "high-end firms that undertake software products, R&D, turnkey solutions, and strategic technical alliances tend to prefer employing men over women." Her paper concludes that while progress has been made in gender diversity, significant work remains to address gender disparities and to include other underrepresented sections of the workforce effectively.

3. Meena (2015). In her analytical paper titled "The WHY of a lower workforce diversity in Gender Terms in India" Diversity management varies across regions and is tailored to local needs. Author emphasizes that Indian organizations must consider multiple diversity dimensions, including caste, language, religion, gender, age, physical disability, region of origin, and the emerging aspect of sexual orientation. The paper draws from previous research and offers practical insights for managers to handle these complexities. Focusing on gender diversity, author discusses the Indian government's efforts to empower women in the workforce and uphold their rights. Despite these initiatives, women remain underrepresented in leadership roles across both private and public sectors. This gap is evident in the Board of Directors of major Indian banks like Federal Bank, Bank of Baroda, and HDFC, where female representation falls significantly below 50%. The paper links the lack of women in top management to deep-rooted societal stereotypes. Women are often confined to roles in human resources, administration, and other "soft" sectors like fashion and beauty. Additionally, they are perceived as being less capable decision-makers and risk-takers. This bias, combined with a lack of familial support—particularly from in-laws—often forces women to leave the workforce during their late 20s and early 30s, a crucial period for career advancement. This "leaking pipeline" phenomenon presents a major challenge for organizations striving to maintain gender diversity at senior levels. Her study offers a clear perspective on the challenges of managing diversity in India. It underscores the need for organizations to break societal stereotypes and implement focused strategies to ensure fair gender representation at all hierarchical levels.

4. Dr. R. Durga Prasad (2017). In his study titled "The Impact of Workforce Diversity on Organizational Effectiveness: A Study of Selected Banks in the Tigray Region of Ethiopia," examines the influence of workforce diversity on organizational effectiveness within selected banks. Although the study focuses on a limited set of diversity dimensions, it provides valuable insights and suggests strategies for better diversity management. Utilizing random sampling methods, secondary data sources, and analytical techniques, the study highlights key factors influencing workforce diversity. The findings emphasize the need for global best practices to foster inclusivity, including modernized hiring procedures that align with workforce diversification. Additionally, ensuring equal and transparent promotion and compensation opportunities is crucial for maintaining healthy competition within organizations. Effective workforce diversity management has been linked to a competitive advantage (Kreitner & Kinicki, 2004).

Dr. Prasad's research reveals an interrelation and interdependence among diversity factors such as tenure, age, race, culture, and education. However, he concludes that workforce diversity does not negatively impact working conditions or employee performance.

5. Deepu Kumar and Suresh B. H. (2018), in their research work entitled "Workforce Diversity and Its Impact on Employees' Performance in Commercial Banks in Mysore District," examined workforce diversity and its impact on employee performance with special reference to gender and physical disability. The researchers utilized a descriptive research approach and gathered primary data through a structured questionnaire administered among 80 commercial bank employees. Their results indicated a positive and significant correlation between gender diversity and employee performance. Nonetheless, their study also showed no significant correlation between the inclusion of physically disabled employees and their resulting performance within the banking industry.

6. Richa Goel, Gurinder Singh, Seema, Vikas Garg, and Anita Venaik (2019). In their paper titled "Diversity at Workplace: Performance of Human Resource Management Practices in the IT Sector in NCR, India," examine how demographic and cultural diversity, along with diversity management programs, influence HR practices in IT companies in NCR, India. The study employs a descriptive research design, utilizing a self-administered questionnaire with an impressive 88.4% response rate. Both descriptive and inferential statistical methods were applied for data analysis. The findings reveal that ethnicity poses a significant challenge to the effective implementation of HR practices. Despite this, the study highlights the benefits of workforce diversity, including enhanced productivity, increased creativity, and expanded market opportunities for businesses. The authors recommend that organizations develop strong diversity policies and programs that not only address internal workforce dynamics but also enhance customer satisfaction by embedding inclusivity into their strategies. Additionally, they emphasize the need for further research on diversity-related policies and practical implementation to strengthen both academic knowledge and workplace practices. This research bridges the gap between HR practices and diversity challenges, offering valuable insights for organizations aiming to foster inclusive and innovative workplaces.

7. Bai, Hou, and Scrimgeour (2021). In their paper, titled, "Workforce culture diversity and compliance costs in the global banking sector", Workforce diversity also plays an important role in maintaining the ethics of a workplace. Bai, Hou, and Scrimgeour found that maintaining board diversity lowers costs arising from breaches of business ethical practices, rules, and regulations. This ultimately fosters better business ethics performance in banks. While their study suggests a correlation between diversity and financial performance, it does not establish concrete evidence that links diversity directly to business output growth. However, it underscores the significance of ethical diversity management in strengthening organizational performance.

8. Shrestha, P., and Prajoui, D. (2021), in their study titled "Workforce Diversity and Its Impact on Employee Performance in Nepali Organizations," conducted surveys across various Nepali industries, with a particular focus on the banking sector, using a fact-finding descriptive research approach. The study examined multiple dimensions of workforce diversity, including age, gender, and ethnicity, to evaluate their role in fostering workplace innovation and enhancing organizational performance in Nepal. The findings highlight the significance of educational diversity, the inclusion of employees from diverse age groups, and the surprisingly positive attitudes of employees toward hiring a sexually diverse workforce. However, the authors emphasize the need for greater attention to ethnicity-based diversity, given historical instances of racism, stereotyping, and prejudice faced by employees from certain ethnic backgrounds. This study provides a critical foundation for developing impactful diversity management strategies, offering an in-depth analysis of how workforce diversity influences employee performance and organizational dynamics.

9. Rashim Karwal and Dr. Suman Tandon (2022). in their paper titled, "Impact of Workforce Diversity on Employee Performance: a study on IT companies" shows both pros and cons of the impact of workforce diversity in the IT companies. They focus on key diversity dimensions like gender, age, education, and ethnicity, highlighting their effects on innovation and team dynamics. Through a mixed - methods approach combining surveys and interviews with multiple IT companies, she found that employees irrespective of their age, gender or educational qualification keep a positive attitude towards workforce diversity. Their study reveals that while diversity fosters creativity and improves organizational productivity when inclusivity programs are implemented, poorly managed diversity can lead to workplace conflicts. Hence, workforce diversity, when effectively managed, serves as a critical driver of innovation and competitiveness, urging IT companies to enhance their diversity and inclusion efforts for sustainable growth.

Research Gap

Many valuable studies are conducted on the Impact of workforce Diversity on Organizational Performance or to improve leadership skills. Employees will feel happy if there is a positive impact on workforce diversity. On the other hand, they will be saddened if the result of implementing diversity in the organization is negative. Concentrating on workforce diversity's impact on employee performance is mandatory. Very few studies have been conducted on diversity on the basis of gender and physical attributes. Hence, this research focuses on Workforce Diversity and its Impact on Employee Performance.

Policies Adopted by the Banks Around the World

Dei - Diversity, Equity, And Inclusion

Diversity, equity, and inclusion (DEI) policies are adopted by the organization that promote fair treatment and full participation of all people, particularly peoples who have historically been underrepresented or subject to discrimination based on identity or disability. These three notions (diversity, equity, and inclusion) together represent "three closely linked values" that organizations seek to implement through DEI policies.

Diversity, Equity and Inclusion, are three essential values that many organizations have adopted today into their policies and hiring practices to be able to meet the needs of different customer bases, develop better strategies to deal with challenges and win top talent.

In the context of Workforce Diversity, Diversity means the condition or quality of being diverse, different, or varied; variety (Oxford English Dictionary). In the context of an organization, it means differences in terms of gender, ethnicity, race, caste, creed, religion, region, and many more. According to the Oxford English Dictionary, equity is defined as "the quality of being fair and impartial". It aims for fair treatment and equal distribution of opportunities to every employee despite their differences. Inclusion refers to the practice or policy of including people who might otherwise be excluded or marginalized, such as those with physical or mental disabilities or members of minority groups.

Indian Banks, operating across the world are aware of the importance of DEI for their workplace, three of them are taken for the study here are, Federal Bank, HDFC Bank, State Bank of India

Federal Bank

Federal Bank Limited was incorporated with a capital of ₹ 5,000 at Nedumpuram, a place near Thiruvalla in Central Travancore on 23 April 1931 under the Travancore Companies Act. It started business of transaction-chitty and other banking deals connected with husbandry and assiduity. In 2015, Federal Bank launch India's first Mobile App for Bank Account Opening- Fed book . The Bank is a major digital-first Indian marketable bank with further than 1,300 branches, 1900 ATMs and a client base of further than 10 million across different countries. It's also India's first bank to digitalize all its branch by introducing a substantiated AI Bot called Feddy and Dialog Flow. It has history from Kerela, South of India where it was established for the first time in 1931 with a objective to come the most admired fiscal institution in the nation and for all its stakeholders by offering the loftiest situations of service. Their vision, to develop in every hand a high degree of pride and fidelity in serving the Bank is how they stay motivated to maintain Federal Bank as the healthiest terrain for its workers. Federal Bank is also the only India- grounded company to point among India's Stylish Workplaces for Women 2023. The Bank was also featured among India's Stylish Workplaces for Millennials 2023 and honored as the only Commercial Bank in India by Great Place to Work for erecting a culture of invention for all.

Out aggregate of 12, 800 workers present (i.e., on Sep 4, 2022), the association has achieved a gender diversity of 41 percent, which means nearly 5,240 women in the pool. Aiming for using women's strength and capabilities, it brought exclusive programs similar as Maternity Connect designed to support and empower expectant women by furnishing them with goods similar as footrest or back support, devoted parking places and 'Maternity Work buddy' (A Fancy term for someone who provides twinkles to the hand when they're gone on a leave) . Following the gospel of EQUAL occasion, it allows workers succumbing from every diversity to work inclusively in a healthy terrain that flourishes originality.

Dei Policy in Federal Bank

The diversity, equity, and inclusion policy (' DE&I policy') aims to set out FEDERAL Banks' commitment to furnishing a plant free from demarcation for workers. The policy also sets out Banks' prospects, where each hand is responsible for clinging to and upholding the policy.

It ensures that all workers enjoy the right to equivalency, life with quality, and respect for their integrity inversely with others irrespective of their race, color, religion or belief, social or ethnical origin, gender, age, physical, internal or sensitive disability, HIV Status, sexual exposure, gender identity and/ or expression, marital status, family medical history or inheritable information, family or maternal status, or any other status defended by the laws or regulations in the locales where they operate. It ensures that no occasion is denied to the person with disability or to a ambisexual hand regarding recruiting and creation.

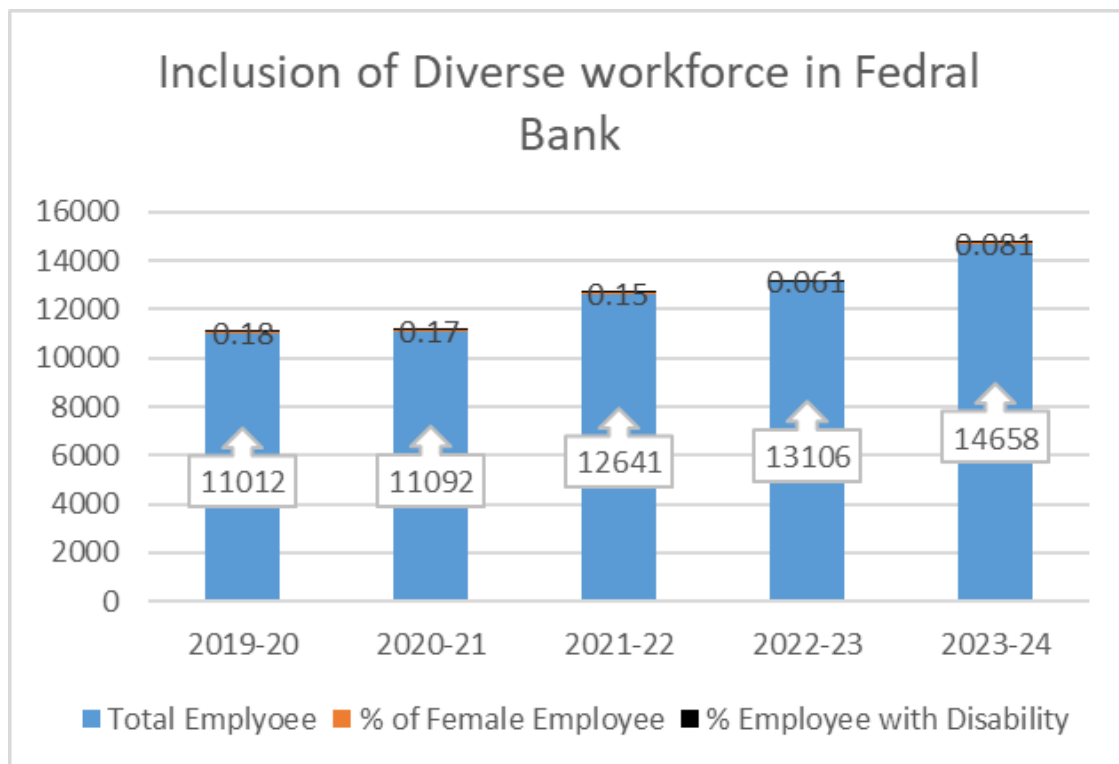
It does so by perpetration of certain pool education programs. multitudinous benefits are formerly given by Federal to its workers similar as health insurance available to same coitus couples andnon-traditional families, extending maternal leaves to mother and father and numerous further. Certain departments similar as – The HR dept, Branch directors, reporting authorities and heads, and indeed workers at their position ensures effective perpetration of DE&I programs and take bank in the right direction.

Inclusion of Diversity in FEDERAL Bank

Table No. 01 From the annual reports of FEDERAL Bank

S. No.	Year	Permanent Employees (Total)	Male Permanent (%)	Female Permanent (%)	Employee with Disability (Total)
1	2019-20	11012	60	40	0.18
2	2020-21	11092	60	40	0.17
3	2021-22	12641	59.35	40.65	0.15
4	2022-23	13106	58.98	41.02	0.06
5	2023-24	14658	58.29	41.71	0.08

Source: Federal Bank Annual Report



Source Table No.01

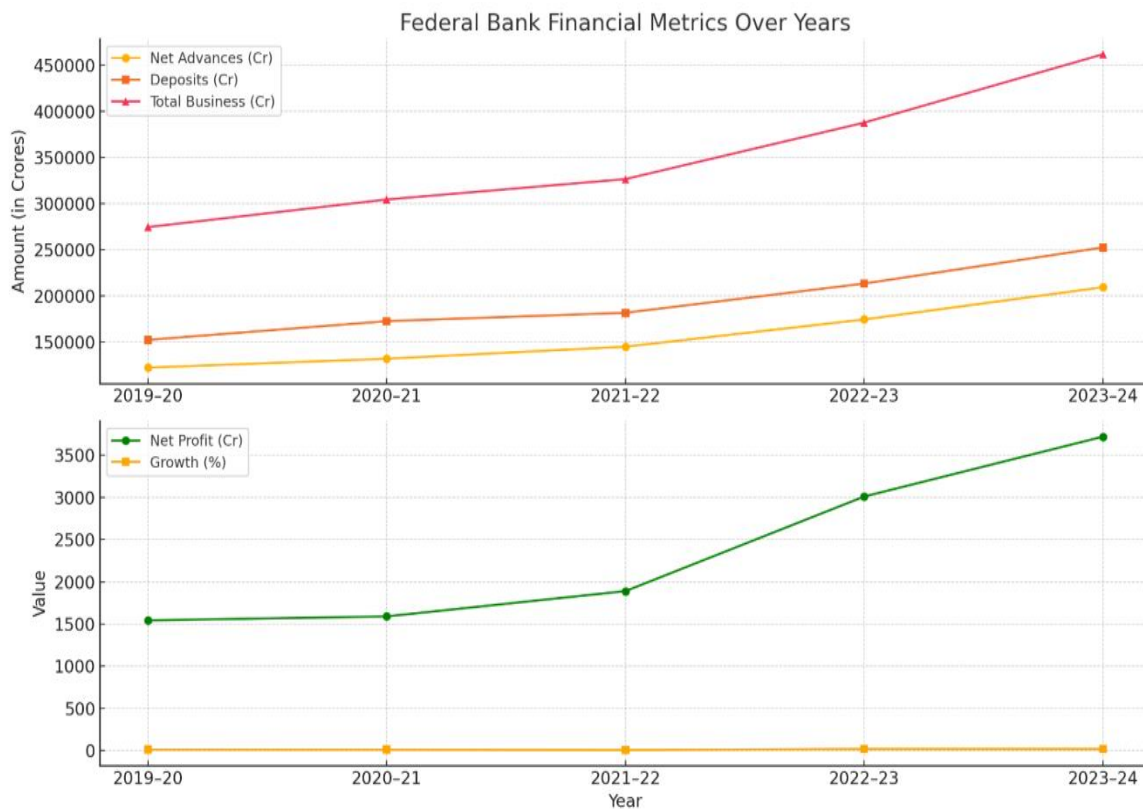
Table No. 01 shows the data of Federal *Bank annual report* from five financial years (2019-20 to 2023-24). The table shows the workforce statistics emphasizing on permanent employees, gender composition (Male & Female employees), and employees with disabilities. The number of permanent employees increased steadily from 11,012 (2019-20) to 14,658 (2023-24) which shows that employment in bank expand over five years. There is positive shift toward gender diversity as percentage of Female employees increased from 40% to

41.71%, & decreased slightly from 60% to 58.29% in case of Male employees. The share of Employees with Disabilities declined from 0.18% (2019-20) to 0.08% (2023-24). In 2022-23 there was lowest hiring of 0.06% which shows concern for bank in hiring diverse workforce. There is a decline in the inclusion of persons with disabilities, however the data shows growth and improved gender diversity in the bank's permanent staff.

Table No. 02 Financial Output of federal bank (in crores)

Year	Net Advances (in crore)	Deposits (in crore)	Total Business	Total Business Growth (in crores)	Total bank Growth (in %)	Net Profit
2019-20	122268	152290	274558	29381	11.96%	1543
2020-21	131879	172644	304523	29965	10.91%	1590
2021-22	144928	181701	326629	22106	7.25%	1890
2022-23	174447	213386	387833	61204	18.74%	3011
2023-24	209403	252534	461937	74104	19.12%	3721

Source: Annual Report of FEDERAL Banks



Source: Table No.02

Above graphs shows the steadily growth of total Business which increased from ₹2.74 lakh crore in 2019–20 to ₹4.62 lakh crore in 2023–24 which shows an overall increase of nearly 68% over five years. Which shows that inclusion of diverse workforce has positive impact on total business. There is Sharp Growth from 2021–22 to 2023–24 which suggests strategic expansion or strong recovery post-pandemic. And inclusion of female employees in workforce. 71%. growth of Net Advances, 66% growth in Deposits, an impressive 141% increase in Net profit over 5 years, shows the positive shift towards inclusion of diversity in workforce

HDFC – Housing Development Finance Corporation

In August 1994, HDFC Bank was established under the name HDFC Bank Limited. Its listed office is located in Mumbai, India. In January 1995, the bank started operating as a slated commercial bank with objectives to provide target retail and wholesale services to its clientele & increase in profitability that aligns with the bank's risk tolerance. It is the first bank in the private sector to be granted permission to collect income tax on behalf

of the central government now it is India's second-largest income duty collector. According to data from the Reserve Bank of India, It was announced as India's biggest private sector bank on April 4, 2022. It measured the value created based on six centrals: financial, manufacturing, intellectual, human, social & relationship, and natural.

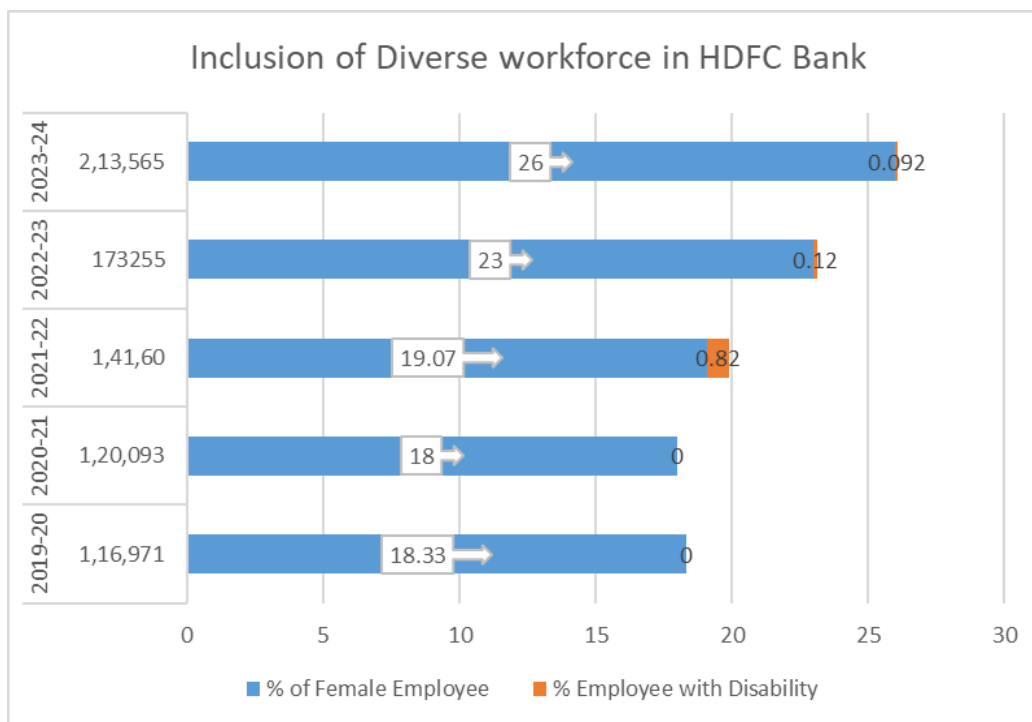
Inclusion of Diversity in HDFC Bank

Based on three fundamental principles. Merit, Character, and Inclusion, the Bank is adamant that a diverse workforce propelled by an equitable approach and an inclusive culture is essential to its future success. As of right now (2025), their organization is concentrating on two essential facets of diversity: a) gender and b) people with disabilities. Even so, as a big company, it remains dedicated to respecting workers from all backgrounds.

Table No.03 Inclusion of Diversity in HDFC Bank

S. No.	Year	Permanent Employees (Total)	Male Permanent (%)	Female Permanent (%)	Employee with Disability (Total)
4	2019-20	1,16,971	82	18	N/A
5	2020-21	120070	82	18	N/A
6	2021-22	141579	81	19	0.008
7	2022-23	173222	77	23	0.113
8	2023-24	213527	74	26	0.091

Source: Annual Reports of HDFC Bank



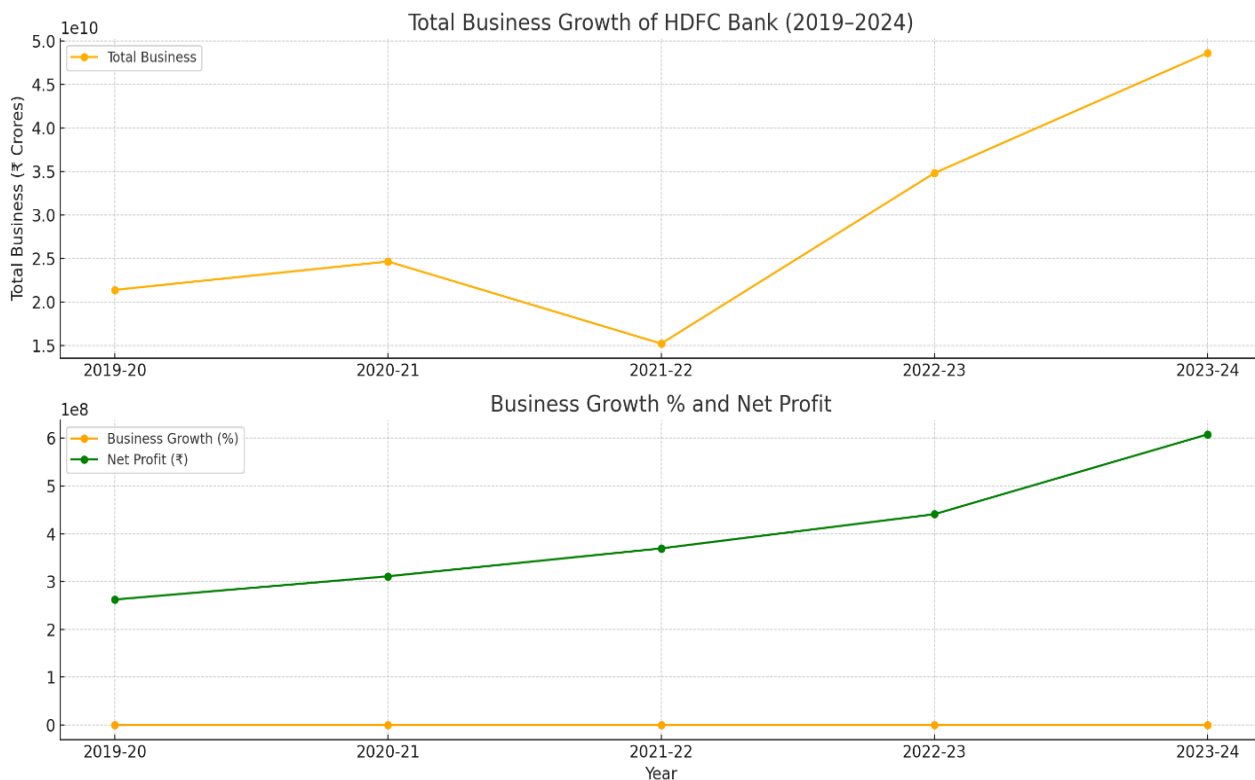
Source: Table No.03

Above graph shows the steady increased in the total number of permanent employees from 1,16,971 (2019–20) to 2,13,527 (2023–24) which reflects consistent organizational growth and expansion. There is a clear trend toward improving gender diversity in the bank as percentage of female employees grew by 8 percentage points over five years, indicating focused efforts on gender inclusion. (%) of Female Permanent Employees Increased from 18% in 2019–20 and 2020–21 to 26% in 2023–24 and decline in case of Male Permanent Employees from 82% in 2019–20 and 2020–21 to 74% in 2023–24. The representation of employees with disabilities is still low which suggest matter of concern for the bank, there was a noticeable rise in 2022–23, followed by a slight dip for employees with disabilities. Bank needs to focus on more inclusive hiring.

Table 04: Financial Growth of HDFC Bank from 2019 to 2024

HDFC (in thousands)						
Year	Net Advances (₹ Crores)	Net Deposits (₹ Crores)	Total Business (₹ Crores)	Total Business Growth (₹ Crores)	Total Business Growth (%)	NET PROFIT
2019-20	9937028781	11475022947	21412051728	3986630277	22.87	262573150
2020-21	11328366309	13350602208	24678968517	3266916789	15.26	311165252
2021-22	13688209314	1559217440	15247426754	-9431541763	-28.23	369613552
2022-23	16005859000	18833946463	34839805463	19592378709	128.57	441087014
2023-24	24848615188	23797862764	48646477952	13806672489	39.62	608122785

Source: Annual Report of HDFC Bank



Source: Table No.04

Above graph shows healthy growth during 2019–20 to 2020–21 and sharp decline in 2021–22 which might be due to impact of COVID-19. Aggressive expansion, merger activities, or recovery from the pandemic in the year 2022–23, which shows Remarkable recovery with 128.57% growth & continue in year 2023–24. Continuous increase in Net Profit every year in the bank.

Inclusive Practices strategies to drive performance have adopted by the HDFC Bank which shown by the sharp rebound in 2022–23 (128.57%) and continued growth in 2023–24. female participation, especially in leadership, customer outreach, and digital banking ensure by Many banks, including HDFC. innovation—all crucial during post-pandemic recovery. HDFC Bank expand its business in rural and semi-urban areas with focusing on women-centric financial products

Punjab National Bank:

Punjab National Bank (PNB), established in 1894, with an objective “To provide quality financial services by exploiting technology to generate value for customers and other stakeholders, opportunities for employees and thereby, contributing to the economic growth of nation” is one of India’s oldest and most trusted public sector banks. Headquartered in New Delhi, it has played a vital part in the country’s fiscal development, offering a wide range of banking and fiscal services to individuals, businesses, and government institutions. With a

strong civil presence through thousands of branches and ATMs, PNB is committed to fiscal addition, digital invention, and client - centric results. Its heritage, combined with nonstop modernization, positions PNB as a crucial player in India's banking geography.

DEI POLICY IN Punjab National Bank

The bank is taking various steps towards environment, social, and governance (ESG) like integration of sustainable financing, environment consideration during loan origination through Internal Rating Models, taking diversity, equity and inclusion (DEI) initiatives for recruitment, training of women, rural individuals from lower strata of society, etc. The bank has taken significant steps towards promoting diversity, equity, and inclusion (DEI) in the workplace. These are among its broader commitment to Environmental, Social, and Governance (ESG) principles, ensuring a workplace that is inclusive, equitable, and healthy for employees belonging to diverse groups.

Dedication to environment, social, and governance (ESG) as well as DEI Initiatives

PNB actively involves sustainable financing in its business, including environmental considerations at the loan origination stage through Internal Rating Models. The bank also places a strong emphasis on diversity and social inclusion by introducing various training programs for women, rural citizens, and people from lower socio-economic backgrounds. These programs are designed to close the skills gap, enhance employability, and create a more inclusive workforce.

Gender Diversity and Career Progression for Women

With the objective of fostering gender diversity, PNB has designed a Policy on Gender Diversity at the Workplace that aims to foster an inclusive workplace culture by creating an effective diversity dashboard, guaranteeing active participation of the senior leadership, and spearheading diversity and inclusion initiatives across the organization.

One of the key aspects of this policy is to empower women employees by enhancing their career growth, their representation in all job cadres, and establishing well-developed career paths for them to get into leadership roles. This is substantiated through a series of training programs, mentoring, and overall organizational culture, which enables women to thrive and excel in their careers.

Providing a Safe and Inclusive Workplace

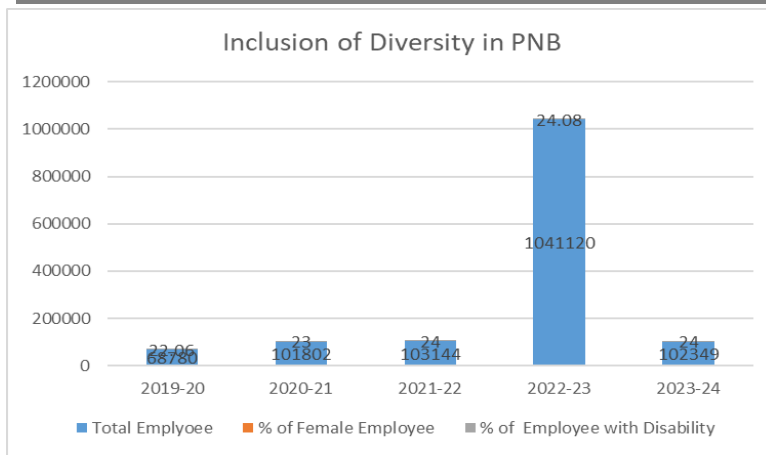
PNB is aware of the worth of a safe and equitable work environment and has established mechanisms for addressing workplace harassment and grievances of the employees. Internal Complaint Committee (ICC) is established at Circle Offices, Zonal Offices, and the Head Office for handling complaints of sexual harassment, which makes women employees feel protected and secure in their workplace.

Besides, PNB SAMADHAAN, a well-structured grievance redressal mechanism, has been put in place to provide employees with a simple and effective channel for reporting grievances at the workplace. A unique functionality in the Human Resource Management System (HRMS) facilitates online submission of grievances by the employees so that issues are addressed in a time-bound and fair manner.

Table No.05 Inclusion of Diversity in PNB

S. No.	Year	Permanent Employees (Total)	Male Permanent (%)	Female Permanent (%)	Employee with Disability (Total)
1	2019-20	68780	77.94	22.06	2.5
2	2020-21	101802	77	23	2.5
3	2021-22	103144	76	24	2.7
4	2022-23	1041120	75.94	24.08	0.26
5	2023-24	102349	76	24	2.8

Source: Annual Report of PNB



Source: Table No.05

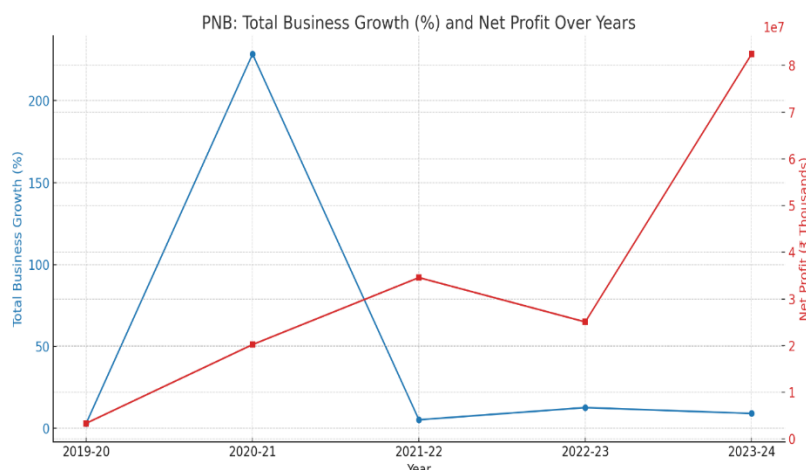
The graph shows the five-year period (2019–20 to 2023–24) regarding the composition of permanent employees at Punjab National Bank in terms of gender and disability inclusion."

The number of permanent employees gradually increased from 68,780 in 2019–20 to a peak of 1,04,120 in 2022–23 but a minor decrease was there in 2023–24 to 1,02,349. There was gradual increase in the percentage of female permanent employees (22.06% in 2019–20 to 24% in 2021–22 and 2023–24). A positive trend toward gender inclusion were observed as the percentage of male employees dropped from 77.94% in 2019–20 to 75.94% in 2022–23. In 2022–23 the % of female employees were highest, that is 24.08%. There was consistent inclusion of employees with disabilities at 2.5% in 2019–20 and 2020–21. Minor increase was observed in 2021–22 (2.7%) and 2023–24 (2.8%). Efforts have been made by the Punjab National Bank to include diverse workforce, , particularly in terms of female employees. Bank is also committed towards the inclusion of people with disabilities. Structural changes may be needed for stronger representation however the data shows the progress towards the inclusion of diverse workforce in the bank

Table No. 06 Financial Output of PNB

Punjab National Bank (in Thousands)						
Year	Net Advances (₹ Crores)	Net Deposits (₹ Crores)	Total Business (₹ Crores)	Total Business Growth (₹ Crores)	Total Business Growth (%)	NET PROFIT
2019-20	4,718,277,227	703,843,206	5,422,120,433	163,597,031	3.11%	3361944
2020-21	6,742,300,802	11,067,324,728	17,809,625,530	12,387,505,097	228.46%	20216187
2021-22	7,281,856,753	11,462,184,496	18,744,041,249	934,415,719	5.25%	34569636
2022-23	8,308,339,813	12,811,631,045	21,119,970,858	2,375,929,609	12.67%	25072049
2023-24	9,344,305,924	13,697,128,055	23,041,433,979	1,921,463,121	9.10%	82446155

Source: Annual Report of PNB

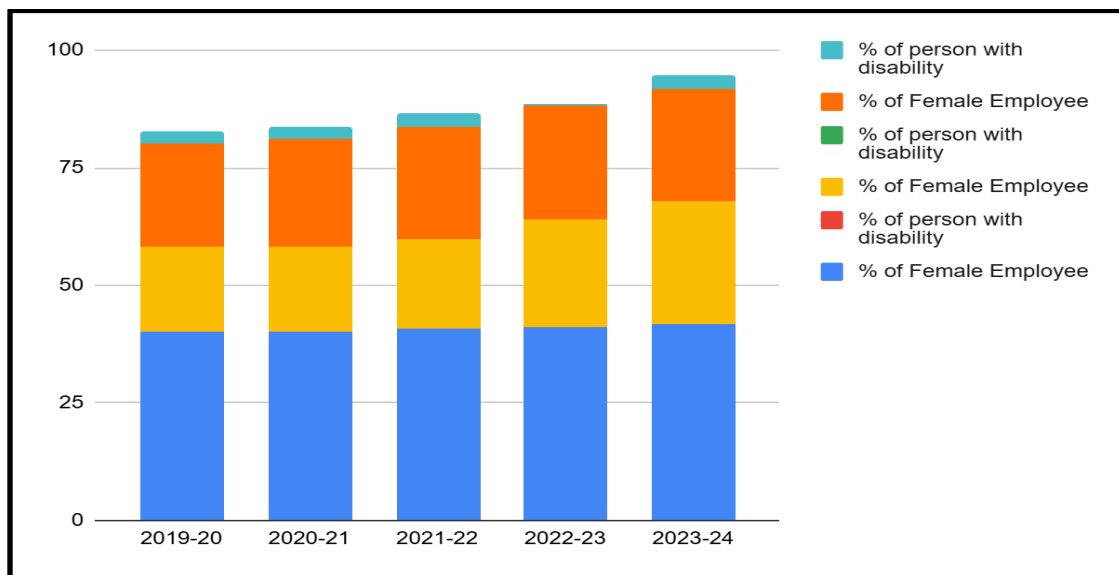


Source: Table No.06

The data shows that there was exceptional hike in net growth in the year 2020–21 (228.46%,) which may be reflecting the inclusion of diverse workforce in the bank & other reasons might be due to merger activity or strategic expansion. In 2020–21 to 2021–22 net Profits grew to ₹202 crore and ₹345 crore respectively, showing recovery and operational gains which again highlight the benefits of diversity in the bank.

Table No. 07 Comparative Analysis of Diversity Inclusion in FEDRA, HDFC & PNB

Year	FEDRAL		HDFC		PNB	
	% of Female Employee	% of person with disability	% of Female Employee	% of person with disability	% of Female Employee	% of person with disability
2019-20	40	0.18	18	N/A	22.06	2.5
2020-21	40	0.17	18	N/A	23	2.5
2021-22	40.65	0.15	19	0.008	24	2.7
2022-23	41.02	0.06	23	0.113	24.08	0.26
2023-24	41.71	0.08	26	0.091	24	2.8



Comparative Analysis of Diversity Inclusion in FEDRA, HDFC & PNB

The table provides data on the percentage of female employees and persons with disabilities across three banks -FEDERAL, HDFC, and PNB -over five years (2019-24). Below is a comparative analysis of the trends in gender diversity and inclusion of persons with disabilities.

1. Gender Diversity: Percentage of Female Employees

FEDRAL: The percentage of female employees has shown a steady increase from 40% in 2019-20 to 41.71% in 2023-24. **HDFC:** The percentage remained relatively low compared to FEDERAL, starting at 18% in 2019-21 and rising to 26% in 2023-24, showing the most significant improvement in gender diversity among the three banks. **PNB** has consistently had a lower percentage of female employees than FEDERAL but higher than HDFC, increasing from 22.06% in 2019-20 to 24% in 2023-24. FEDERAL leads in gender diversity, maintaining the highest percentage of female employees, followed by PNB and HDFC. However, HDFC has shown the most significant improvement in hiring female employees.

2. Inclusion of Persons with Disabilities (PWD)

FEDRAL: The percentage of employees with disabilities has decreased over the years, from 0.18% in 2019-20 to 0.08% in 2023-24. *** HDFC:** Data was not available for the first two years, but from 2021-22 onwards, the percentage increased from 0.008% to 0.091% in 2023-24. **PNB:** Has the highest percentage of employees with disabilities, consistently ranging from 2.5% in 2019-20 to 2.8% in 2023-24. PNB is the most inclusive bank in

terms of hiring employees with disabilities. HDFC has shown progress but still lags behind. FEDERAL, despite having the highest female employee percentage, has seen a decline in disability inclusion over time.

FEDRAL is the Leader in inclusion of gender diversity followed by PNB and then HDFC, but HDFC is improving at the fastest rate. PNB is the most inclusive for inclusion of disability diversity, while FEDERAL shows a declining trend HDEC has recently declined in disability inclusion over time. While all organizations have made efforts in gender diversity, disability inclusion is still an area that requires significant improvement, especially for FEDERAL and HDFC.

Name of Bank	Inclusion of Female Employees	Inclusion of Person with Disability
FEDRAL	Gradual growth (~1.7% in 5 years)	Low and declining
HDFC	Highest growth (from 18% to 26%)	Minimal inclusion efforts
PNB	Moderate gender inclusion	Strongest disability inclusion

Highlights of Comparative Analysis

Challenges

Despite the increased focus on workplace diversity, there are still a number of obstacles to overcome in order to manage a diverse workforce in the banking industry. If these issues are not handled strategically, they may affect organizational results as well as employee performance.

1. **Cultural Differences:** Workers with different cultural backgrounds might have different expectations, work ethics, and communication styles. Conflicts and a lack of teamwork can result from misunderstandings brought on by these differences.
2. **Opposition to Change:** Because of unconscious prejudices or a fear of change, staff members and even management may oppose diversity initiatives. The integration of diverse employees into the workforce may be slowed down and obstacles to inclusion may be created by this resistance.
3. **Communication Barriers:** Disparities in language and communication styles can lead to misunderstandings, decreased productivity, and a sense of alienation among staff members.
4. **Stereotyping and Prejudice:** Discrimination and bias might result from faulty assumptions about particular groups of people. This has an adverse impact on the employees' engagement, morale, and overall productivity.
5. **Absence of Inclusive Policies:** The specific needs of a diverse workforce may not be met by inadequate or poorly implemented diversity policies and training initiatives. This may lead to problems pertaining to diversity being ambiguous and unsupported.
6. **Performance Evaluation Bias:** Varying working styles might not be taken into account by standardized performance evaluation techniques. Unconsciously favoring people with similar backgrounds might result in unfair assessments and restricted opportunities for others to advance.
7. **Balancing Diversity with Team Cohesion:** Despite diversity brings a range of opinions, improper management of it can also make team cohesion challenging. It takes tactful leadership and organized team-building exercises to ensure goal congruence while introducing diversity.

Suggestions

1. **Inclusion of diversity Policies** top management must be committed to implement diversity Policies and ensure accountability regardless of gender, age, ethnicity, religion, or disability.
2. **Diversity Training Programs** Organizations must provide regular training to e employees to sensitize them about diversity.

3. **Inclusive Work Environment** Work Environment must be safe for each and every employee & it should encourage open communication and mutual respect.
4. **Diversity in Recruitment** Ensure diversity in recruitment and in leadership roles by using unbiased recruitment tools and panels.
5. **Promote Cross-Cultural Teamwork** It is important to promote cross cultural events to build mutual understanding among employees. Build a diverse team of employees within the organization.
6. **Monitor and Evaluate Diversity** Assess the effects of diversity on performance, retention, and job satisfaction and take employee feedback.
7. **Flexible Work Arrangements** Supports gender diversity and physical attributes through work-life balance such as remote work, flexible hours, and parental leave to accommodate diverse needs.
8. **Establishment of Support Groups (ESG)** Encourage senior staff to mentor junior employees from diverse backgrounds and Create employee support groups (ESGs) or mentoring programs for underrepresented groups.
9. **Recognize and Reward Inclusive Behavior** Include diversity & Inclusion policies in performance appraisals and promotions and Reward managers and employees who promote diversity and inclusion.
10. **Ensure Legal Compliance** To prevent and address workplace discrimination easily and effectively, stay updated with government regulations related to diversity and equal opportunity.

Practical Implications

Above results shows that inclusion of diversity has direct impact on performance of banks. It will help the Human Resource Department to revise Human Resource policies to ensure inclusivity, including anti-discrimination, reasonable accommodation, and equal opportunity clauses. Human Resource Department must ensure that they are following all the legal frameworks such as POSH act 2013. The recruitment policy must be inclusive and broad and must follow all the norms of government such as reservation. Human Resource Department must organize the diversity and sensitivity training for all the staff to avoid any kind of biasness and discrimination in the organization. Workplace infrastructure must be accessible to all the employees such as physical accessibility for disables employees, creches, flexible work hours, and remote work options for women. Performance Management must be fair and un-biased. A diverse workforce assists banks to understand their customers diverse needs and cater wide range of customers' base. Inclusion of diverse workforce give impression about the responsibility of banks towards society. Diversity inclusion helps banks to fulfil Corporate Social Responsibility (CSR) and Environmental, Social, and Governance (ESG) frameworks. It helps banks to have better decision making and innovative ideas. Inclusive policies help banks to retain talent and attract talent which ultimately enhance employee's morale and reduce absenteeism.

CONCLUSION

The aim of the study was to compare the workforce diversity, and inclusion practices in the banking sectors over the year. It also determines whether inclusion practices and certain organizational characteristics result in increased productivity. The findings provided evidence that the banks that hire diverse workforces and integrate them as part of their workgroup have a higher level of productivity and they survived in the changing environmental conditions.

workforce diversity has both positives and negatives impact in the banking sectors. The key diversity dimensions like gender, and physical attributes affect productivity in banking. The employees irrespective of their gender and physical attributes keep a positive attitude towards workforce diversity. While diversity fosters creativity and improves organizational productivity when inclusivity programs are implemented, poorly managed diversity can lead to workplace conflicts. Hence, workforce diversity, when effectively managed, serves as a critical driver of growth, expansion and competitiveness,

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