

Multiculturalism and Innovation at Workplace: A Bank Employee's Perspective

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Abstract

Having people from different cultures at work can bring new ideas and creativity. Understanding how employees see multiculturalism and its effect on innovation is important, especially in banks where teamwork and problem-solving are key. This study used a survey to gather opinions from 100 employees at NIC Asia Bank, Global IME Bank, and Kumari Bank. The participants included managers, staff, and interns. The study looked at how communication, culture, ethnicity, and leadership relate to innovation, and the data were analyzed using basic statistical methods. Employees generally had positive views about multiculturalism. Ethnicity, leadership, and culture were strongly linked to innovation, while communication had a smaller impact. The analysis showed that ethnic diversity and supportive leadership were the strongest factors in encouraging new ideas at work. Multicultural practices help create innovative workplaces. Focusing on respecting different ethnic backgrounds and having inclusive leadership can boost creativity. While culture helps, communication alone may not directly increase innovation.

Keywords: Employees, Ethnicity, Innovation, Leadership, Multiculturalism

Introduction

In today's globalized work environment, multiculturalism has emerged as a significant factor influencing innovation and organizational growth. Multiculturalism enhances workplace innovation by introducing diverse ideas and perspectives when effectively managed (Morris 2023). In banks, fostering inclusion and respect helps multicultural teams collaborate and perform better. When leaders promote respect and inclusion, multicultural teams work more effectively (Nguyen,2022). This makes the workplace more productive and innovative.

In many countries, banks are increasingly recognizing multiculturalism as a driver of innovation and competitive advantage. The United Kingdom, diverse banking teams have been linked to better decision-making and risk management, especially in multicultural cities like London (McKinsey, 2018). In Canada, where cultural diversity is deeply embedded in society, banks such as RBC and TD Bank have adopted inclusive leadership and diversity management strategies to improve both internal collaboration and customer service innovation (Nguyen,2022). Similarly, in Singapore, where multiple ethnicities coexist, financial institutions have leveraged intercultural communication and cross-cultural training to support team innovation and global market responsiveness (Stahl,2010). However, in countries where cultural homogeneity is more common, such as Japan or South Korea, integrating foreign talent into the banking workforce can be challenging, often requiring significant organizational adaptation and cultural intelligence training. These global practices highlight that while the impact of multiculturalism on innovation varies by context, the common thread is that inclusive and culturally aware workplaces foster more effective problem-solving and innovation in banking.

Miminoshvili and Cerne (2022) studied on how people from different ethnic groups, religions, and backgrounds now work together more often because of growing international connections. They explained that managing diversity helps reduce unfair treatment and supports equal opportunities. In the banking sector, diversity has become an important part of management. As communities and customers become more diverse, banks need to focus more on inclusion. Today, banks work in a global market with strong competition, so having a diverse team is very important for better service and success.

Springer (2023) studied on cultural behavior and communication styles strongly influence how teams perform in multicultural banks. Employees from different cultural backgrounds use different ways to speak and share ideas. Some prefer indirect language, while others speak very directly. These differences can cause confusion if not handled carefully. Banks that provide training in cultural understanding help reduce these issues. Open and respectful communication helps everyone feel included and improves teamwork.

Hofstede (2020) studied on leadership in multicultural workplaces improves when leaders understand and respect different cultures. In banks, this helps leaders manage diverse teams more effectively. When leaders show care for different ethnic values and include everyone in decisions, employees feel valued and supported. This creates a positive work environment, increases performance, and reduces conflicts between team members from different backgrounds.

Kearney (2009) studied on cultural diversity in teams influences innovation and found that multicultural workplaces, such as banks, benefit from a broader range of perspectives that enhance creative problem-solving and innovative outcomes. In banking, employees' diverse cultural experiences contribute to developing novel financial products and services, improving customer satisfaction and competitive advantage. When managed well, this diversity fosters open communication and collaboration, which are essential for continuous innovation in the fast-changing financial sector. Hence, multiculturalism directly supports innovation in banking organizations (Parajuli et al., 2022).

The above-mentioned literature could not capture important variables specific to Nepal's banking sector, such as ethnic and regional diversity, inclusion of marginalized communities, and language barriers. It also overlooks the role of digital literacy and access to technology in supporting collaboration and innovation.

Objectives

To assess the perception of workers regarding multiculturalism and innovation at workplace,

To examine the relationship between multiculturalism and innovation at workplace,

To analyze the impact of multiculturalism on workplace innovation

Research Methodology

This study adopts a quantitative research design to examine multiculturalism and its influence on innovation in the workplace from the perspective of bank employees. It follows a positivist research philosophy and applies a deductive approach, aiming to assess multicultural practices and analyze their impact on workplace innovation (Parajuli et al., 2023). The research uses a descriptive and conceptual design to organize and interpret data effectively. A total of 100 employees from NIC Asia Bank, Global IME Bank, and Kumari Bank participate in the study through convenience sampling, based on accessibility and willingness. The sample includes a wide range of participants, from managers to internship trainees, reflecting different levels of experience within the banks. Primary data is collected using a structured questionnaire, focusing on employees' views and experiences related to multiculturalism and innovation. The data analysis uses descriptive and inferential statistical methods with the help of SPSS software. The study follows strong ethical principles, ensuring voluntary participation, confidentiality, and informed consent from all participants.

Conceptual Framework

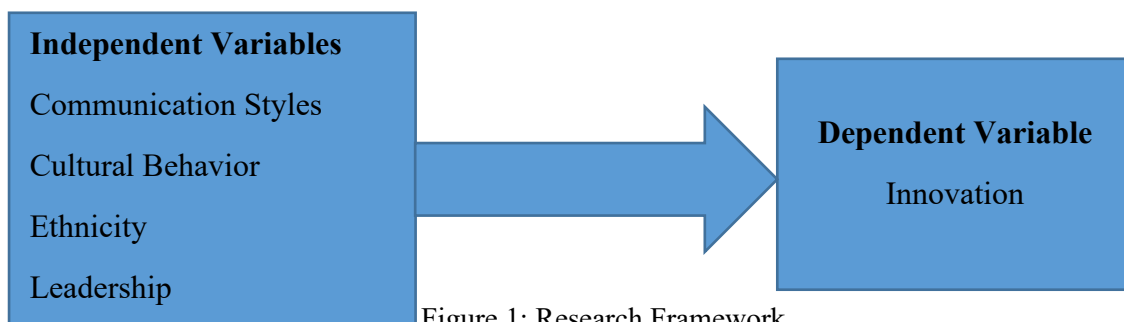


Figure 1: Research Framework

This diagram shows the research framework: it illustrates that communication styles, cultural behavior, ethnicity, and leadership are the independent variables that may influence innovation, which is the dependent variable. In short, it suggests that these workplace factors can affect how innovative employees or teams are.

Results

Results heading show the demographic information, assess of employee perception, relationship and impact of independents variables on dependents.

Demographic Information

The demographic profile of the study participants shows that out of the total 100 respondents, 38% were male and 62% were female, indicating a higher representation of female participants in the sample. Regarding educational qualifications, slightly more than half of the respondents (51%) held a bachelor's degree, while 49% had a master's degree, reflecting a balanced distribution of education levels among participants. The age of respondents ranged from 22 to 41 years, with an average age of approximately 28.7 years and a standard deviation of 3.58, suggesting that the majority of participants were young adults within a relatively narrow age range.

Perception of workers regarding multiculturalism and innovation at workplace

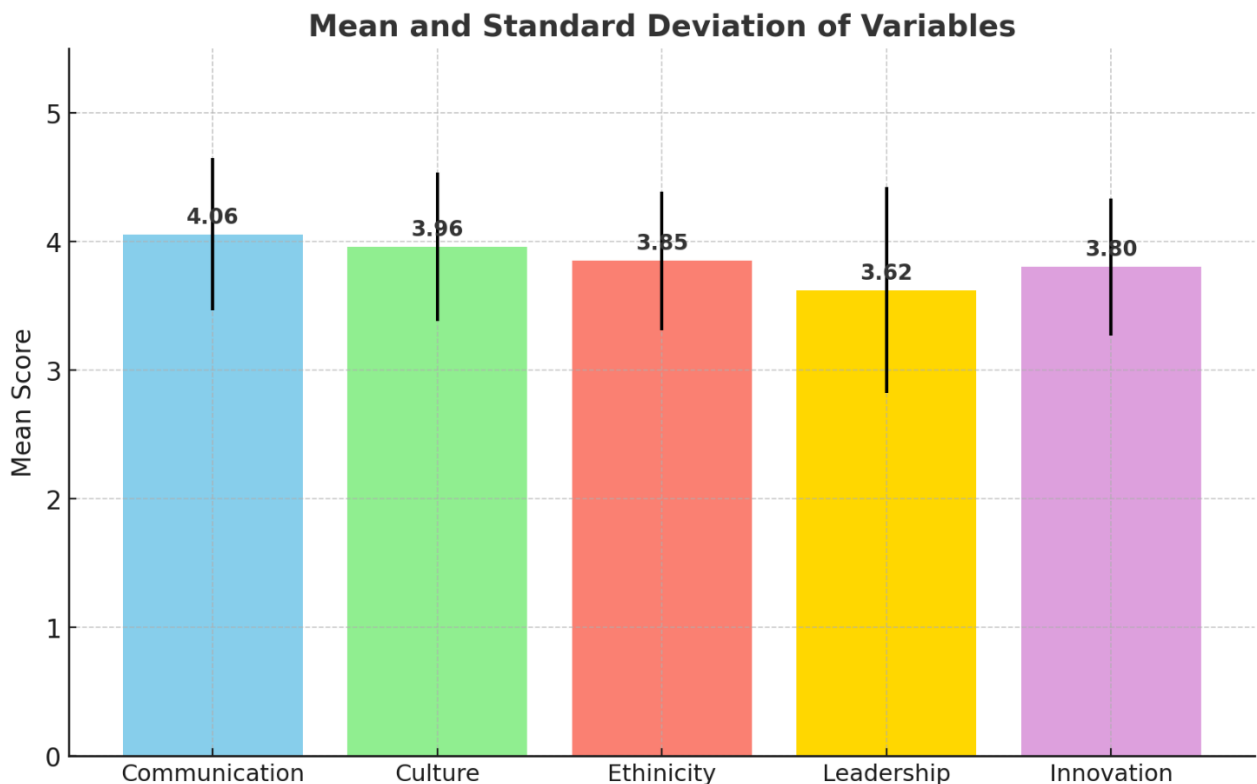


Figure 2: Perception of workers

The given picture shows workers’ perceptions of multiculturalism and innovation in the workplace. Overall, employees expressed positive views across all dimensions. Communication received the highest mean score (4.06), suggesting that workers feel communication is effective and supportive in a diverse and innovative environment, with relatively consistent responses among them. Similarly, culture scored high (3.96), indicating that employees generally recognize and value cultural diversity in their workplace. The perception of ethnicity (3.85) also reflects favorable attitudes, showing that workers acknowledge inclusivity and respect among different groups. Leadership, although still positive (3.62), received the lowest mean, implying that while leadership practices are appreciated, there may be room for improvement in guiding multicultural and innovative efforts. Lastly, innovation was rated positively (3.80), suggesting that employees view their workplace as encouraging creativity and new ideas. In summary, the findings highlight that workers perceive multiculturalism and innovation at their workplace positively, with communication and culture standing out strongly, while leadership appears as an area that could benefit from further strengthening.

Relationship between multiculturalism and innovation at workplace

Table 1: Correlation Analysis

| Variable | Communication | Culture | Ethnicity | Leadership | Innovation |
|---------------|---------------|--------------------|--------------------|--------------------|--------------------|
| Communication | 1.000 | 0.510** (0.000) | 0.220** (0.003) | 0.111 (0.134) | 0.168* (0.025) |
| Culture | | 1.000 | 0.330** (0.000) | 0.200** (0.007) | 0.266** (0.000) |
| Ethnicity | | | 1.000 | 0.222** (0.003) | 0.418** (0.000) |
| Leadership | | | | 1.000 | 0.286** (0.000) |
| Innovation | | | | | 1.000 |

The correlation analysis highlights the relationship between multiculturalism and innovation in the workplace. The results show that innovation is significantly and positively correlated with all the multiculturalism-related variables, though with varying strengths. Ethnicity demonstrates the strongest association with innovation ($r = .418, p < .01$), indicating that recognition and respect for ethnic diversity play a major role in fostering innovative behavior. Leadership also shows a moderate positive relationship with innovation ($r = .286, p < .01$), suggesting that supportive and inclusive leadership enhances innovative practices. Culture has a positive and significant correlation with innovation ($r = .266, p < .01$), meaning that cultural appreciation and diversity contribute meaningfully to innovation. Communication is positively related but weaker ($r = .168, p < .05$), showing that while communication is important, its direct influence on innovation is less pronounced compared to other dimensions. Overall, the findings

indicate that multiculturalism and innovation are positively linked, with ethnicity, leadership, and culture serving as stronger predictors of innovation in the workplace than communication alone.

Table 2: Regression Analysis

| Model Summary | | | | | | |
|--|-------------------|-----------------------------|-------------------|----------------------------|--------|-------------------|
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | | |
| 1 | .484 ^a | .234 | .202 | .47588 | | |
| a. Predictors: (Constant), Leadership, Communication, Ethnicity, Culture | | | | | | |
| ANOVA ^a | | | | | | |
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 6.564 | 4 | 1.641 | 7.246 | .000 ^b |
| | Residual | 21.514 | 95 | .226 | | |
| | Total | 28.078 | 99 | | | |
| a. Dependent Variable: Innovation | | | | | | |
| b. Predictors: (Constant), Leadership, Communication, Ethnicity, Culture | | | | | | |
| Coefficients ^a | | | | | | |
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.877 | .461 | | 4.071 | .000 |
| | Communication | -.171 | .110 | -.190 | -1.553 | .124 |
| | Culture | .209 | .117 | .227 | 1.789 | .077 |
| | Ethnicity | .340 | .095 | .345 | 3.577 | .001 |
| | Leadership | .133 | .061 | .200 | 2.201 | .030 |
| a. Dependent Variable: Innovation | | | | | | |

The regression analysis examines the impact of multiculturalism dimensions communication, culture, ethnicity, and leadership on workplace innovation. The model summary shows an R value of .484 and an R² of .234, meaning that about 23.4% of the variance in innovation is explained by the multiculturalism variables. The ANOVA results (F = 7.246, p < .001) confirm that the overall model is statistically significant, indicating that multiculturalism collectively influences workplace innovation.

Looking at the coefficients, ethnicity (B = .340, p = .001) emerges as the strongest predictor of innovation, highlighting that diversity in ethnic backgrounds significantly enhances innovation at the workplace. Leadership (B = .133, p = .030) also shows a significant positive effect, suggesting that supportive and inclusive leadership practices contribute to innovative outcomes. Culture (B = .209, p = .077) has a positive but marginally insignificant effect, implying that cultural appreciation may contribute to innovation but not strongly enough in this

model. Interestingly, communication ($B = -.171, p = .124$) shows a negative but non-significant relationship with innovation, which may suggest that while communication is valued, its direct influence on innovation is less pronounced or possibly mediated by other factors.

In summary, the findings indicate that multiculturalism significantly impacts workplace innovation, with ethnicity and leadership playing the most influential roles, while culture shows a weaker effect and communication does not significantly predict innovation on its own.

Conclusion

This study shows that diversity in the workplace helps to improve innovation. Among the different factors, ethnic diversity had the strongest influence, as people from different backgrounds bring fresh ideas and creative ways to solve problems. Leadership also played an important role, with supportive and inclusive leaders encouraging employees to share ideas and try new approaches. Culture had a positive effect as well, but it may need stronger support in the workplace to make a bigger difference. Communication on its own did not have much impact, which suggests that it works better when combined with other aspects of diversity. The results suggest that valuing diversity and encouraging good leadership are key steps for organizations that want to strengthen innovation.

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Authors' Contributions: All authors contributed equally to the conception and design of the study. All authors have read and agreed to the published version of the manuscript.

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