Effect of Diversity Management on the Performance of Employees in Selected Multinationals in South East, Nigeria

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Abstract: This paper seeks to explore the Effect of diversity Management on the Performance of Employees in Selected Multinationals in South East, Nigeria. The specific objectives are designed: to determine the effect of diverse job roles on employee performance of selected multinational companies and assess the impact of diverse conflict resolution policies on employee performance. A five point Likert scale-type questionnaire was constructed, and administered among the staff of the selected multinational companies in the South East Nigeria manually. The sample size of 313 was obtained from the population. The hypotheses were tested using simple linear regression statistical tools. The results of the analyses showed that diverse job roles positively affects employee performance of selected multinational companies in the South East of Nigeria (r = .845; f = 577.012; t = 24.02; p = .00). Diverse conflict resolution policies positively affects employee performance of selected multinational companies in the South East of Nigeria (r = .815; f = 456.050; t = 21.35; p = .00). The study therefore, concluded that; diversity management in terms of job roles and conflict resolution policies influence the performance of employees. It was recommended that; Management of various multinationals Companies should operates across border so as to monitor and recognize the activities of the employee such that job roles could be balance in accordance to individual culture and organizational Management should critically look into their conflict resolution strategy from the very first day they commence operation in a new cultural settings.

Keywords: Diversity Management, Job Roles, Performance, Conflict Resolution Policies.

INTRODUCTION

The cultural composition of today’s workplace, occasioned by increasing globalization and economic integration has led to culturally diverse workplace. Today, the world is literally addressed as a global village in the sense that the technological achievements of modern time has brought people closer together. The diversity in work place has been rapid and unprecedented in recent time hence, people from different parts of the world can now work under same organization despite cultural differences. Thus as the world advances, more and more companies are being run in different places all around the world resulting in communication across cultures. In China and other European countries, available statistics shows that there are several millions of registered overseas-funded enterprises and tens of millions of workers are hired to work for them [1]. Among these workers, some are from United States of America, Britain, India, and other corners of the world.

This fact is in a way interesting, but dealing with people from different cultures involves knowing the cultural peculiarities and diversities. Working with people in an organization requires dealing with issues such as motivating employees, structuring policies and developing strategies, in order to organize the work place. In this case, there has to be a kind of coming to terms with looking into the cultural diversities in order to apply the afore-mentioned issues in the workplace [2]. However, multinational corporations should put the above issues of managing diverse culture in mind before developing their managerial policies and strategies else it will affect the corporations’ performance.

Multinational corporations also experience an ongoing tension between the desire for consistency throughout the organization and the need to adapt management practices to local conditions. While certain practices may be preferable in a given culture,
the desire for internal consistency may lead to a single set of practices being used everywhere. For example, some companies with overseas operations continue to use management practices from their home countries instead of adopting the practices used in the host country [3]. This insinuates that people from different parts of the world and with diverse cultural backgrounds are working and communicating together.

The importance of cross-cultural management lies in the on-going co-operation between companies in diverse countries where difficulties may arise as a result of the diversity in cultural backgrounds. Thus, conflict may occur among staff of the organizations because of differences in family backgrounds; language; religion; ethnicity; nationality; socioeconomic characteristics; education; occupation among others due to inadequate management of cross culture within an organization [4]. Therefore, it has become a necessity for managers to understand the depth of the cross cultural management and to be able to implement strategies to fit individual identities within the collective group to ensure a harmonious relationship in organizational framework to achieve the organizational goal. In view of this, this study examines the effect of Diversity management on Employees Performance in Selected Multinationals in South East, Nigeria.

Objective of the study
- Determine the effect of diverse job roles on employee performance of selected multinational companies in the South East Nigeria
- Assess the impact of diverse conflict resolution policies on employee performance of selected multinational companies in the South East Nigeria

Research Questions
- What are the effects of diverse job roles on employee performance of selected multinational companies in the South East Nigeria?
- What is the impact of diverse conflict resolution policies on employee performance of selected multinational companies in the South East Nigeria?

REVIEW OF RELATED LITERATURE

Diversity management in Multinational Organizational

The concept of diversity encompasses reception and respect. It means understanding that each personality is unique, and recognizing our individual differences. These can be along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies. A multicultural work force is inclusive of employees of different nationalities, ethnicities, races, religions, education, and genders, while managing a multicultural workforce extends the differences to altering the mind-sets of the mixture of employees with organization culture. It is this differences in race, ethnicity, language; nationality, religion, and sexual orientation represented within a community that constitute cultural diversity. A community is said to be culturally different if its residents include members of different groups. The community can be a nation, region or town. Cultural differences have become a hot-button issue when applied to the workplace. Multinational corporations by the nature of their strategic position employ people from various cultures, countries, and regions. Extant literatures suggested a link between Human Resources (HR) professionals and job seekers believe these initiatives make organisations more successful [5]. Many MNCs are becoming aware of the need and importance of re-evaluating their Human Resources Management (HRM) policies to mirror the rapid increase in differences and multiculturalism within their communities. MNCs clinic to these changes as adding to organizational value as a means to foster the appreciation for other cultures [6].

In the words of Xu & Guo [7] cultural human resource management brings trust enhancement between people, brings to improvement, if it is regarded as important. The trust between people is from effective communications and understandings, which can pull people together, make group a team; after that, the employees feel at home in the company, feel like they are part of the company, have sense of belonging, therefore enhancing the loyalty of employees. Cross-cultural human resource management is the most susceptible part of conflicts, this is due to the fact that it comes from diverse cultures plus human resources, both of them are changeable as different nations have different psychology, way of thinking and behaviour, religions, and context, which cause conflicts easily. Ignoring the power of cultures, using management methods to improve staff relations simply, violating the psychological needs of employees will lead to some terrible consequences, decreasing functioning competence of organizations, costing more for operations, and creating conflicts [8].

While research indicates that there are benefits of diversity in the work place, the challenges can be overwhelming. White [9] argues that these problems lie in the continuous improvement of the incorporation and social acceptance of people from dissimilar backgrounds. White [9] argues emphasized that the differences in human characteristics naturally influence the way people think, act, interact, and make choices. Accordingly, these differences interfere with people’s abilities to support, trust, and respect each other in a productive manner. Many organizations see direct benefits from incorporating diverse peoples and perspectives into the work environment. White [9]
suggests that organizations make it a goal to change and or create a culture that recognizes, respects, and encourages individual differences. Cross-cultural management is clearly vital and greatly affects the success of international business operations. Managers of successful multinational corporations (MNCs) believe that attaining diversity in the workforce yields many positive social, legal, strategic, and competitive benefits for an organization [10].

**Impact of Diversity Management Practices on Organizational performance**

Denison and Mishra [11] opine that an important feature influencing the challenges, understanding and interpretation of the appraisal process, its development, implementation, and other evaluation related rudiments and functions in Organizations, is related to important organizational outcomes such as performance. Brooks [7] opines that an intimate knowledge of cross-culture should improve managerial ability to analyze organizational behavior in order to manage and lead people in organizations. Brooks [7] states that cross-cultural a management practice aids managerial ability in analyzing organizational behavior which translates into greater corporate performance. McShane and Glinow [12] observe that cross-cultural cultural management practice assists to be acquainted with organizational event, and employees can communicate more efficiently and effectively thereby, attaining higher level of cooperation with each other as a result of the fact that they share common mental models of realities.

Aluko [3] points out that diversity management practices influences organizational performance. To this end, Jones [13], cited in Aluko[3], suggests that the reliability of cross-culture and organizational performance encourages the identification of relevant determinants of organizational performance. In conformity with this thought, some indicators were used to review the impact of cross-culture practices on organizational performance. Zakaria [14] cited in Aluko [3], contends that one of the relevant determinants of organizational performance is employee behaviour. He further observes that some of the cross-cultural factors that determine employee’s behaviour such as the family background, beliefs and religion, values, attitudes and perception of work, dedication to work; norms and collectivism versus individualism have constructive impact on workers.

According to Aluko [3], when workers exhibit positive work values and attitudes in organization, this will decrease the incidences of staff coming late to work and absenteeism, labour turnover are very low, the level of commitment to work is usually somewhat high while the premium and emphasis credited to the achievement of power, wealth and prestige made the workers more efficient at work. Zakaria [15] emphasizes the impact strong powerful culture has on the performance of organizations. He posited that strong culture have been praised as key to improved performance.

However, strong culture has almost always being the driving force behind continued success in business. Accordingly, strong culture companies are said to generate an almost concrete social force field of energy that empowers staff and drives the organization towards superior performance. Saffold [16] cited in Ojo [17] have linked strong shared values with dedication to self-confidence, ethical behavior and decreased work stress. On the hand, Barney [18] argue that for firm’s culture to provide lasting competitive advantages and thus by implication, be source of sustained superior financial performance, some specific conditions must be fulfilled; the culture must be precious, it must enable a company to do things and act in manners that lead to high sales, low costs high margins, or in other ways add financial value to firms.

However, Barney [18] posits further that superior financial performance is an economic concept; hence for culture to generate such performance, it must have positive economic consequence. As such, Barney [18] says that culture must be uncommon; it must have attributes and characteristics that are distinctive and are not common to the cultures of multiple firms. Therefore, such culture must be defectively imitable; and companies without these cultures cannot indulge in activities that will amend their culture to include the required characteristics and if they try to emulate these cultures they will encounter some disadvantages, such as reputational, experience e.t.c. compared to the firm they are trying to imitate [18].

**Diversity Job Roles and Employee Performance**

In the workplace, employee performance is affected by some cross-cultural factors which such as gender, age, and educational background, etc. Consequently, many organizations prefer to employ men compared to women, this due to the fact that men are seen to have more positive performance and ability to manage their jobs and women are stereotyped in the opposite of those characteristics [19-21]. According to Brown [22] and Carr-Ruffino [23], significant amount of workforce diversity remains ineffective if gender issues are not first recognized then in turn managed. The challenge is first to successfully overcome the thought that woman are not equal to man. Kossek et al. [24] found that only 54% of women are in the workforce worldwide compared to 80% of men. Furthermore, another cross cultural factor that affects job role is age diversity. Age diversity has become an inevitable fact of life in many organizations [4]. There are two major theories which explain this relationship; the social identity and self-categorization respectively.
Individuals are suggested to categorize themselves into certain groups on the foundation of dimensions that are individually relevant for them according to social identity and self-categorization theories [23, 25]. As a result, individuals tend to favor members of their own group at the expenses of other groups, against which they may both stereotype and discriminate against [23].

Gelner and Stephen [26] argue that age heterogeneity can negatively affect employee productivity due to differences in values and preferences of distinct age groups. It has also been shown that conflicts are particularly frequent in the presence of generation gaps [26-28], providing an equal job opportunity to women is vital to improve performance of employees in an organization. These societal mandates eradicate formal policies that discriminated against certain classes of employees and increased the costs to organizations that failed to practice fair employment practices. Discrimination on hiring workers based on gender has resulted in a firm’s hiring workers who are paid higher wages than alternative workers, but are no more productive [28, 29]. Moreover, Wentling and Rivas [30] study stated that organizations with diverse workforce provide superior services and tap niche markets because they can understand customers better [23].

In the same vein, educational background is an additional factor that affects job roles. Tracy and Sappington [31] found that employers commonly reject hiring employees whose training, experience, or education is judged to be inadequate. This means that education background is critical to employees’ employability level. Employees cannot find a job and perform well without adequate education background. Besides that, Daniel [32] found that an employee will be more productive depending on the level of his/her education. The more education the individual received, the more productive the worker will be. Moretti [33] argued that cities with higher percentage of tertiary education level workers will enable individuals of all education level secure higher wages. Glaeser et al. [11] found that a greater amount of knowledgeable staff in a city translate to higher economic growth.

Theoretical Framework

Gudykunst’s Anxiety and Uncertainty Management theory [11]

According to Gudykunst’s Anxiety and Uncertainty Management theory [11] is the degree of uncertainty in interpersonal communication will be inversely correlated with language competence and will augment the tendency to over-estimate the significance of group membership on behavior. He further argues that this uncertainty leads to lack of trust and to increased nervousness, which in turn leads to avoidance of interaction with other members of the organization who are of different groups. Therefore, language barriers are likely to play a key role in any multilingual group association. However, perhaps the most prominent manifestation of the language barrier at work the place can be seen in the relationship among a multinational parent company and its network of international subsidiaries. It is argued that this relationship is usually characterized by several unique features:

- Often, and particularly in relationships born out of acquisitions, the language competence of the other language users is neither at extreme of the language barrier. Typically, the second language users will have some expertise, but not enough to be completely relaxed and effective in the communication.
- Generally, the communications are not only interpersonal in nature, but more typically are encounters among language groups: a parent company management team and the corresponding management team of the subsidiary. As we will see below, this too adds to the problems of effective communication.
- Often time, the lines of communication are distorted by the existence of expertise in the subsidiary organization, who can intercede in the communication process to bypass the formal reporting chain.
- Increasingly, as companies that are not English speaking adopt English as their communal language, the relationships become imbalanced when it is the head company management rather than the subsidiary management that is obligated to work in its second language.
- Finally, just like any other business situation the parent subsidiary relationship contains a degree of tension and different goals.

The parent company wishes to assert control and direction while the subsidiary seeks autonomy and be independent of central control. Each of these factors contributes to the difficulty of achieving and maintaining effective communications, and a productive, collaborative relationship. In the section below, the causes and nature of these problems are outlined in more detail.

Empirical Review

Adewunmi and Akhaba [4] carried out a study titled cross-cultural management practice: the impact on Nigerian organization. The study employs quantitative approach, through administration of structured questionnaires. The study used stratified random sampling technique to select fifty (50) respondents consists of management staff from various organizations drawn from different tribes in the six (6) geo-political zone in Nigeria. The questionnaire prepared in likert scale form comprises of a total of 4 questions, 2 from each sections relating to the objective
of the study. The statistical instrument employed for testing the hypotheses formulated is the Analysis of Variance (ANOVA). The result showed that management behaviour has significant effect on cross-cultural management, it also reviewed that Culture has positive impact on organizational behaviour.

Rajapaksha [35] carried out a study on the impact of cross culture on employee performance in multinational companies in Sri Lanka. The objective of study was to explore the impact of cross-cultural issues on employee performance through the productive activities of the workers. As regards the research methodology, the study utilized survey method using structured questionnaire as the research strategy. A quantitative method was used as the research methods and cross sectional data were used as the time horizon of the study. Further the researcher collected the needed data from 260 employees of some selected multinational companies operating in Sri Lanka. The sample was selected using simple random sampling method and convenient sampling method. Multivariate Probit Model and structural equation method was used as the data analytical and estimation tool. In conclusion the study put forward that the impact of cross culture issues on organizational performance is in two dimensions and these are ethnicity and religion. Muslim and Islam employees are motivated from extrinsic factors while Sinhala and Buddhist employees are motivated through intrinsic factors. However, in the case of Tamils and Christian employees have no major difference.

Regarding the case of their character, Muslim and Islam staff are more flexible in job engagement and job participation while Sinhala and Buddhist employees are more flexible in attitudes for Perceived Organizational Support (POS). Further the employees in Christianity and Tamil are balanced in attitude for job engagement, involvement and perceived organizational support. In case of culture and employee commitment, Muslim and Islam employees showed more affective commitment while Sinhala and Buddhist employees showed more normative commitment. Tamil and Christian workers are more towards continuance commitment. Finally Muslim and Islam employees’ productivities are more than other two while Sinhala and Buddhist employees are having the lowest labor productivity. This indicates culture has an influenced on work productivity through motivation and employee commitment which is fostered by the employee attitudes.

Hasan, Mehmet, and Demet [36] carried out a study on cultural difference management strategies at multinational organizations. The scope of the study was on the managers of multinationals operating in Ankara, Turkey. As the research topic is more suitable for data collection through interviews, the interview questions were written down and the question forms were delivered to the managers either in person or by e-mail. The analyses centered on the 18 question forms returned by the managers of multinationals operating in Ankara (quoted in the Abstract). The answers were analyzed descriptively and the managers’ perceptions of cultural differences and their strategies for managing them were sought after. A total of 18 managers yielded data. The managers’ answers to the questions were analyzed descriptively, with the focus on seeking out their perceptions of cultural differences and their strategies for managing these differences. The results showed that managers at multinationals are aware of their employees’ different cultural backgrounds, Managers of multinationals companies view cultural differences as richness, also that Managers at multinationals have the ability to manage cultural differences.

**METHODOLOGY**

The study was carried out primarily through the survey method and interview of staff of selected multinationals company in South East Nigeria these includes; MTN Nigeria, Guinness Nigeria, Stanbic IBTC bank, Uniliver Nigeria Plc and DHL logistics. Secondary data used in this study were sourced from relevant stock of literature on the subject matter of this study- books, government documents, journals, periodicals, mimeographs, and reports etc. A sample size of 313 was obtained from the population of 1939 at 5% error tolerance and 95% degree of freedom using Freud and Williams [37] formula. 294 (93.9%) of the questionnaire were distributed, 294 were returned, while 19 were not returned. The questionnaire was designed in 5-point Likert scale format. The researcher conducted a pre- test on the questionnaire to ensure the validity of the instrument by submitting a copy of the questionnaire to the supervisor and 2 experts in the field of cross culture management who made necessary correction and ensure that the instrument measure what it ought to measure. The reliability test was done using the test- retest method with the help of Cronbach alpha reliability coefficient of $a = 0.923$ which indicate that the instrument is 92.3% reliable. Data collected were presented in frequency and tables. Simple linear regression coefficient statistical tools were used to test the hypotheses. These were done with the aid of Microsoft special package for social science (SPSS) version 20 at 5% level of significance.

DATA ANALYSIS AND DISCUSSION

Table-1: Questionnaire Distribution

<table>
<thead>
<tr>
<th>Organization</th>
<th>No Distributed</th>
<th>No Returned</th>
<th>No not Returned</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTN</td>
<td>81</td>
<td>77</td>
<td>4</td>
</tr>
<tr>
<td>Guinness</td>
<td>50</td>
<td>45</td>
<td>5</td>
</tr>
<tr>
<td>Uniliver</td>
<td>79</td>
<td>73</td>
<td>6</td>
</tr>
<tr>
<td>Stanbic IBTC bank</td>
<td>103</td>
<td>99</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>313</td>
<td>294</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: Fieldwork 2018

In table 1 shows that 294 copies of questionnaire were distributed, 294 were returned, while 19 were not returned. Thus given 93.9% of return

Test of Hypotheses

Hypothesis one

Ho: Diverse job roles do not have any effect on employee performance of selected multinational companies in the South East of Nigeria

In table 1 shows that 294 copies of questionnaire were distributed, 294 were returned, while 19 were not returned. Thus given 93.9% of return

Table-2: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.845*</td>
<td>.714</td>
<td>.713</td>
<td>.62292</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), cross-cultural job roles
b. Dependent Variable: employee performance

Table-3: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>223.894</td>
<td>1</td>
<td>223.894</td>
<td>.577.012</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>89.633</td>
<td>231</td>
<td>.388</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>313.528</td>
<td>232</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: employee performance

Table-4: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.129</td>
<td>.084</td>
<td>1.532</td>
</tr>
<tr>
<td></td>
<td>cross-cultural job roles</td>
<td>.701</td>
<td>.029</td>
<td>.845</td>
</tr>
</tbody>
</table>

a. Dependent Variable: employee performance

RESULT SUMMARY

R = .845; R^2 = .714; F = 577.012; T = 24.021; DW = .509

Interpretation of the Result

A linear regression analysis was conducted to determine the effect of cross-cultural job roles on employee performance of selected multinational companies in the South East of Nigeria. The result shows that there is strong positive relationship between cross-cultural job roles and employee performance (R-coefficient = .845). The R square, the coefficient of determination, shows that 71.4% of the variation in employee performance can be explained by cross-cultural job roles with no autocorrelation as Durbin-Watson (.509) is less than 2. With the linear regression model, the error of estimate is low, with a value of about.62292. The regression sum of the square (223.894) is more than the residual sum of the square 89.633indicating that the variation is due to chance. The F-statistics = 577.012shows that the model is significant. The extent to which cross-cultural job roles affect employee performance with .845 value indicates a positive significance between cross-cultural job roles and employee performance which is statistically significant (with t = 24.021) and p = .000 < 0.05. Therefore, the null hypothesis is rejected and the alternate hypothesis accepted accordingly.

Hypothesis two

Ho: Diverse conflict resolution policies do not have any impact on employee performance of selected multinational companies in the South East of Nigeria.

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RESULT SUMMARY

R = .815; R² = .664;  F = 456.050; T = 21.355; DW = .785

Interpretation of the Result

A linear regression analysis was conducted to assess the impact of cross-cultural conflict resolution policies on employee performance of selected multinational companies in the South East of Nigeria. The result shows that there is a strong positive relationship between cross-cultural conflict resolution policies and employee performance (R-coefficient = .815). The R square, the coefficient of determination, shows that 66.4% of the variation in employee performance can be explained by cross-cultural conflict resolution policies with no autocorrelation as Durbin-Watson (.785) is less than 2. With the linear regression model, the error of estimate is low, with a value of about .62897. The regression sum of the square (180.417) is more than the residual sum of the square (91.386) indicating that the variation is due to chance. The F-statistics = 456.050 shows that the model is significant. The extent to which cross-cultural conflict resolution policies affect employee performance with .815 value indicates a positive significance between cross-cultural conflict resolution policies and employee performance which is statistically significant (with t = 21.355) and p = .000 < 0.05. Therefore, the null hypothesis is rejected and the alternate hypothesis accepted accordingly.

SUMMARY OF FINDINGS

- Diversity job roles positively affect employee performance of selected multinational companies in the South East of Nigeria (r = .845; f = 577.012; t = 24.021; p = .00)
- Diversity conflict resolution policies positively affect employee performance of selected multinational companies in the South East of Nigeria (r = .815; f = 456.050; t = 21.35; p = .00).

CONCLUSION

The paper concluded that diversity management is therefore the appropriate means by which organizations, especially multinationals could utilize in solving issues intensifying between individuals of organization in internal surroundings and in external atmosphere. Thus, diversity management in terms of job roles and conflict resolution policies influence the performance of employees of multinational companies in south east Nigeria.

RECOMMENDATIONS

- Companies that operate across border should continue to monitor and recognize the activities of their employees such that job roles could be balance in accordance with individual culture and organizational management strategy.

Management should critically look into their conflict resolution practices from the very
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