

Omotayo, Osibanjo et al.

Article

Diversity management and organisational performance in deposit money banks in Nigeria

Cogent Business & Management

Provided in Cooperation with:

Taylor & Francis Group

Suggested Citation: Omotayo, Osibanjo et al. (2020) : Diversity management and organisational performance in deposit money banks in Nigeria, Cogent Business & Management, ISSN 2331-1975, Taylor & Francis, Abingdon, Vol. 7, Iss. 1, pp. 1-14, <https://doi.org/10.1080/23311975.2020.1836751>

This Version is available at:

<https://hdl.handle.net/10419/244989>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by/4.0/>

Diversity management and organisational performance in deposit money banks in Nigeria

Osibanjo Omotayo, Adeniji Anthonia, Falola Hezekiah, Salau Odunayo, Ogueyungbo Opeyemi & Efe-Imafidon Odion |

To cite this article: Osibanjo Omotayo, Adeniji Anthonia, Falola Hezekiah, Salau Odunayo, Ogueyungbo Opeyemi & Efe-Imafidon Odion | (2020) Diversity management and organisational performance in deposit money banks in Nigeria, Cogent Business & Management, 7:1, 1836751, DOI: [10.1080/23311975.2020.1836751](https://doi.org/10.1080/23311975.2020.1836751)

To link to this article: <https://doi.org/10.1080/23311975.2020.1836751>



© 2020 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license.



Published online: 26 Oct 2020.



Submit your article to this journal [↗](#)



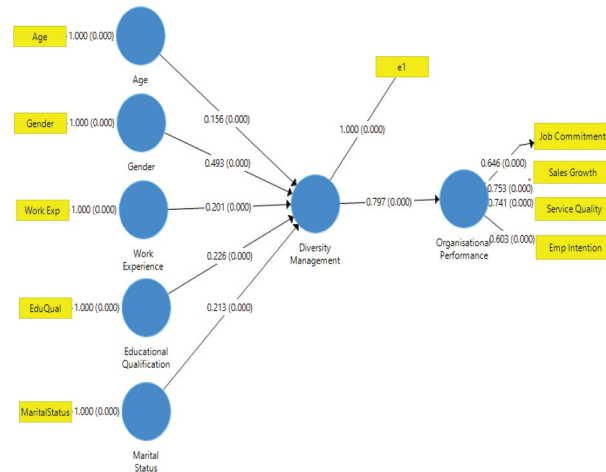
Article views: 2334



View related articles [↗](#)



View Crossmark data [↗](#)



Diversity management and organisational performance in deposit money banks in Nigeria

Osibanjo Omotayo, Adeniji Anthonia, Falola Hezekiah, Salau Odunayo, Ogueyungbo Opeyemi and Efe-Imafidon Odion

Cogent Business & Management (2020), 7: 1836751



Received: 04 June 2020
Accepted: 11 October 2020

*Corresponding author: Falola Hezekiah, Department of Business Management, Covenant University, Ota, Nigeria
E-mail: hezekiah.falola@covenantuniversity.edu.ng

Reviewing editor:
Pantea Foroudi, Senior Lecturer in Marketing and Branding, MBT, Middlesex University, London

Additional information is available at the end of the article

MANAGEMENT | RESEARCH ARTICLE

Diversity management and organisational performance in deposit money banks in Nigeria

Osibanjo Omotayo¹, Adeniji Anthonia¹, Falola Hezekiah^{1*}, Salau Odunayo¹, Ogueyungbo Opeyemi and ¹ and Efe-Imafidon Odion¹

Abstract: The study investigated the effect of diversity management on organisational performance in banking industry using some selected deposit money banks in Lagos. The study used a survey research design method, and data were collected from 192 employees of the five selected deposit money banks within Lagos metropolis, Southwest, Nigeria. Smart PLS (3.0) was employed for the analysis. The findings show a significant relationship between the variables of diversity management and organisational performance. In particular, the model results show the level of relationships between diversities in age, gender, work experience, educational qualification and marital status on employee commitment, sales growth, service quality and employee intention to leave. All the variables tested under the independent variable have positive path coefficients as factors that affect employee commitment, sales growth, service quality, employee intention to leave. It is recommended that deposit money banks in Nigeria should leveraged diversity inclusion management for enhanced organisational performance.



Osibanjo Omotayo

ABOUT THE AUTHORS

Osibanjo Omotayo is an Associate Professor of Human Resource Management at Covenant University, Nigeria. He is an astute scholar and reviewer to several Scopus Indexed Journals.

Adeniji Anthonia is an Associate Professor of Human Resource Management at Covenant University, Nigeria. She has published in several scholarly journals and a member of Professional bodies including NIM, CIPM, etc.

Falola Hezekiah is a Lecturer and Researcher in the Department of Business Management, Covenant University and a member of Professional bodies including CIPM. He has authored and co-authored over 80 articles in learned journals.

Salau Odunayo is a Lecturer and Researcher in the Department of Business Management, Covenant University and a member of Professional bodies including NIM.

Ogueyungbo Opeyemi is a Lecturer of Human Resource Management and Researcher in the Department of Business Management, Covenant University, Nigeria.

Efe-Imafidon Odion is a PhD student in the Department of Business Management, Covenant University, Ota, Ogun State, Nigeria.

PUBLIC INTEREST STATEMENT

Diversity management has become an important issue in organisations due to rapid economic growth and advancement, which necessitated that organisations become more diversified, especially in multiracial and multi-ethnic countries. Organisations particularly, the deposit money banks now value and appreciate multi-cultural workforce where their employees include members of varying ethnic, racial, religious, gender and educational backgrounds. Thus, this paper investigated the influence of diversity management on the performance of the deposit money banks in Nigeria. The study posited that the twenty-first-century managers are responsible for attracting and maintaining employees of diverse age, gender, marital status, ethnicity groups and responding to the needs of customers that are also ethnically, culturally, racially and demographically diverse from each other.

Subjects: Human Resource Management; Personnel Selection, Assessment, and Human Resource Management; Business, Management and Accounting; Behavioural Management

Keywords: Diversity; diversity management; organisational performance; multi-ethnic workforce; workforce diversity; employee commitment

1. Introduction

Managing diversity in a multi-ethnic workforce in the attainment of a corporate mission is not a new phenomenon despite the fact that there had been various terms used to describe organisations including their diverse cultures, ethnic, racial and gender groups. As a result of globalisation and constant changes in the work environment which has necessitated the need for organisations to develop businesses and cooperation across their national boundaries, it becomes necessary for them to solicit for a more dynamic cultural model if they must continue to survive in this dynamic environment and achieve their corporate goals. Organisations now value and appreciate the multicultural workforce where their employees include members of varying ethnic, racial, religious, and gender backgrounds. Focus is now on managing the growing trend of multi-ethnic diverse workforces, which is a key factor in attaining overall corporate success, in other words, the globalising economy and the increase in the number of multinational corporations make diversity management a necessity for companies that want to survive and continue to thrive during this time of economic, social, and cultural changes (Adewale, 2006; George & Ely, 2009; Jack & Dobbin, 2005; Ogbo et al., 2014).

Diversity management has become an important issue in organisations due to rapid economic growth and advancement, which necessitated that organisations become more diversified, especially in multiracial and multi-ethnic countries. Organisations now face a challenge to recruit and train workers to become more aware and competent in a diversified workforce if they must attain their corporate mission and continue to survive in the world of dynamic multi-ethnic workforce environment (Ely & Thomas, 2001; Lee & Nathan, 2011; Urnam & Schneeweis, 2008; Carter et al., 2001). Thus, to be more competitive, organisations need to play an active and guiding role to improve organisation performance. They need to choose their workers well (considering their age, gender, work experience, marital status and educational qualifications), invest the employees with the proper responsibilities, support growth and respect needs in order to achieve the organisation's strategic plan.

Diversity management is a strategy that is intended to foster and maintain a positive workplace environment. An effective diversity management program, therefore, will promote recognition and respect for the individual differences found among a group of employees (Osmond, 2008). The essence of this management approach is to encourage employees to be comfortable with diversity in the workplace and develop an appreciation for differences in race, gender, age, background, sexual orientation or any other factors that may not be shared by everyone working in the same organisation (Bear et al., 2010; Paulson, 2011). Thus, the most important issues of workforce diversity are to address the problems of discrimination in terms of gender, age, work experience, educational background/qualification, ethnicity, education background and culture. This discriminatory attitude of some workforce, individual identity, lack of cooperation amongst workers has been extended by workers in the same diverse organisation beyond limits, which affects morale thereby leading to negative performance index and invariably take a toll on the corporate profitability (Sidney & Chadwyck, 2001).

Furthermore, diversity management means the voluntary organisational actions that are designed to create greater inclusion of employees from various backgrounds into the formal and informal organisational structures through deliberate policies and programs. (Harvey & Allard, 2012).

The objective of diversity management is about acceptance. While individuals retain their own sense of values and ethics, diversity in management encourages people to recognise that not everyone is alike, thus rather than been intimidated by those differences, employees are

encouraged to accept the fact that there are diverse interests, diverse values, and diverse physical and emotional characteristics present within the organisation, all of which must be harnessed and effectively managed to fulfil the organisation's mission (Sonia & Anita, 2006).

However, the diversity present in the workplace environment does not have to hinder productivity or create disagreement; rather the diversity may function as helpful attributes that promote the attainment of the corporate mission and objectives of the organisation. As a result of economic globalisation and the increase in multinational corporations, diversity management does not only mean the heterogeneity of the workforce within one nation but also to the workforce composition across nations. It could also mean a company instituting policies and training programs for its employees to improve sensitivity and provide employment opportunities to members of minority groups and recent immigrants in its workforce. Not only that, it could again imply managing a workforce of citizens and immigrants in different countries and establishing diversity policies and programmes that will be applied to its headquarters and subsidiaries. Diversity management has its challenges and dilemmas, which requires a different set of policies and programs. In addition to practice within the laws and social norms of its home country, cross-national diversity management requires employers to take into consideration the legislative and cultural context in other countries, depending on where their workforce resides all of which centres around attaining a corporate mission. However, one of the main aims of diversity management is that it encourages the development of latent skills and talents among employees such that individuals who may have felt unable to move forward in the organisation due to factors such as race, gender or sexual orientation will find that these attributes are no longer issues (Satus, 2003; European Commission, 2008; Harrison & Gebert, 2009; Mitchel, 2013)

It is important to note that the prerequisite for diversity management has a diverse workforce that will help the organisation achieve its corporate mission and multinational firms are chosen because they employ foreign workers and therefore would have a more diverse workforce (Harvey & Allard, 2012). Diversity management is to create multicultural organisations in which members of all socio-cultural backgrounds can contribute and achieve their full potential. The goal of diversity management is to transform the organisational culture from a majority-oriented to a heterogeneous-pluralistic culture in which different value systems are unfolded and thus equally affect the work environment. Diversity management enhances social justice by creating an organisational environment in which no one is privileged or disadvantaged due to characteristics such as race, age, educational background/work experience or gender which increases productivity and profitability through organisational transformation (e.g. Cox, 2001; Ozbilgin & Tatli, 2008).

However, limited studies have been carried out regarding the effects of diversity management on the performance of organisation within a multi-ethnic workforce in the transition economy such as Nigeria. Evidently, a gap exists in the literature regarding diversity management and attainment of organisational performance within a multi-ethnic workforce in the Nigerian banking context, which this survey tends to fill. It is on this premise that this study examines the influence of diversity management (age, gender, work experience, educational qualification, and marital status) on organisational performance (commitment, sales growth, service quality) in selected deposit money banks in Lagos State, Nigeria.

2. Literature review

2.1. Age and employee commitment

The reasons for implementing diversity management include having to adapt to the new reality of a workforce that is increasingly diverse, doing the right and moral thing, and gaining a competitive advantage. Age of employees is a dimension of diversity which affects their self-esteem, self-definition, and their commitment. Several studies established that diverse terms of different age groups have different dynamics than heterogeneous (Black Enterprise, 2001; Brownell, 2003; Friday, 2007; Forbes, 2009; Eugene et al., 2011). Though these age groups have challenges and opportunities and often

experience miscommunication and disagreements, still under the right situations/circumstances, they can be synergistic and creative (Cox, 1991), thus affecting their commitments and performances. Kunze et al. (2009) reiterated that growing age diversity is becoming part of managing organisations. They explained that two major theories explain this relationship; a.) the social identity and b.) Self-categorisation; that individuals classify themselves into certain groups based on dimensions that are personally relevant to them according to social identity and self-categorisation theory.

However, the key to tapping into the advantages of different age groups diversity and avoiding its challenges is to create an organisational environment where members of different age groups contribute and achieve their full potential thereby maintaining a balanced meeting the organisation objectives/goals and gaining the individual commitment of these age diversity. Thus, it becomes imperative that the organisation maintain and sustain flexible work environment which is characterised by the positive development of all workers of different age grades because their approaches to problems will be different, and this helps in improving the performance of the organisation. Cox (2001) in his work shows that a person's group affiliation in terms of age, gender and race can be analysed based on individual, group and organisational and these collectively will define the diversity climate of an organisation which influences individual and organisational outcomes either as an effective outcome of achievement outcomes. Thus, this will influence organisational factors, including work quality productivity and overall aggregate performance.

Effective management of age diversity influences a set of individual outcomes and their commitment and in turn, influences organisational outcomes (Salami, 2010; Ogbo et al., 2014). The way employee's feel of think about their jobs, their employers or opportunities in their work environment is very important. If an individual feels valued by the organisation regardless of the diversity in their age differentials, he or she will be more committed to actualising the goal of the organisation. Moreover, understanding the diversity climate of an organisation based on age, gender, marital status, educational qualification, and work experiences will have an effect on individual outcomes, group outcomes and organisational performance. The direct effects of diversity management on the attainment of organisational performance include problem-solving, employee commitment service quality, sales growth, creativity and innovations communication and reduce the turnover/attrition rate/employee intention leave the organisation. Further to the above, the study proposed the following hypothesis, which is stated in a null form:

H₁: Age distribution has no significant influence on the level of deposit money bank performance

2.2. Gender and sales growth

It is often said that there is greater structural and formal integration in many organisations, but institutional bias is rather prevalent, and intergroup conflict is significant because the increased presence of women is not accompanied by serious efforts to make them truly integral part of the organisation (Cox, 2001). Cox (2001) classified the workplace into three types according to the organisational development of cultural diversity;

- a. The monolithic organisation which has a minimal representation of different cultural groups and the males been the dominant group, that is, they are demographically and culturally homogenous.
- b. The plural organisations are organisations that have a heterogeneous workforce and tries to conform to laws and public policies that demand workplace equality, and
- c. The multicultural organisations have a culture that fosters and value cultural differences; they are free from bias and favouritism toward a group as compared to others and have minimal intergroup conflict.

To Leonard and Devine (2003) and Jackson and Josh (2004), gender-based inequalities in organisations are reinforced and justified by stereotypes and biased that describe positive characteristics and therefore a higher status to the males. Gender identities are associated in the larger society with certain power

positions, such that some gender identity groups have greater power, prestige, and status than others (Gilbert & Ivancevich, 2000; Olannye, 2006; Salami, 2010). In Western society, men as a group are more powerful, have higher status and hold more positions of formal organisational and political power than women as a group. The implication of this is that, in most organisations, they will prefer to employ men because they believed they are more rugged, stronger and will be able to pursue after customers thereby bringing in more customers for the organisation and improving on the sales growth of the organisation. Whereas another school of thought is of the opinion that women are more humane in achieving more positive outcomes, handle customers with cares thereby sustaining them and this will impact on the sales growth capacity of the organisation thus impacting on the overall performance of the organisation. It is often argued that paying attention to differences in power and status is important for understanding diversity in the organisation. The distribution of power among gender identity group is key to how people think, feel and behave at work. Perception of one's expectations and behaviours—that is, differential impacts of gender as a function of the several statuses recorded the groups, in the organisation supports in their position and helps us consider the relative power positions of the gender groups. Gender diversity management allows members of the organisation to bring to the workplace their diverse and unique perspective which benefit the organisation as a whole because diverse employees communicate better with diverse clients, bring about better products as a result of the diversity of opinions that leads to creativity and improved sales cum service quality as a result of better understanding on the needs of diverse clients (Cox, 2001; Ozbilgin & Tatli, 2008). Thus, this engenders improved corporate image and generates public goodwill. Sequel to the above, the study also proposed the following hypothesis, which is specified in a null form:

H₂: Gender has no significant influence on deposit money bank performance

2.3. Educational qualification and sales quality

Marquis et al. (2008), Kerby and Burns (2012), and Douglas (2010) see diversity based on informational differences reflecting a person's educational qualification, experience, and generational differences form the differences that exist within the workplace as well as on values or goals that can influence what one perceives to be the mission of something as little, as a single meeting or as big as a whole company. Diversity in educational qualification is relevant and of great advantage to any business organisation and its employees (Hubbard, 2004). A diverse workforce with different educational background/qualification impact on any company's service quality and its performance. Organisations that employ skilled and qualified candidates from a different cultural and varied background as building blocks of their businesses benefit the company by strengthening the team's responsiveness to varying conditions as diversity embrace differences of opinions, feelings and ideologies, thus, affecting the quality of services rendered to its customers which invariably amplify its performances even globally (Llopis, 2011; Woods et al., 2010). Not only that, diversity in these areas can help the organisation develop their own mirrors to reflect global demographic trends, which in the long run affect the global market (Llopis, 2011; Kerby & Burns, 2012; Rahim et al., 2003). In other words, corporate diversity in the diverse workforce with the different educational background will enlarge the dominance of the business and help the prevailing target audience, communicate and understand the needs of consumers thereby increasing the quality of customer service and customer relations (Rahim et al., 2003). Moreover, diversity again will lead to better decision-making as a result of the calibre of employees in its employment which engenders enhanced problem-solving skills, brings innovation because it enhances employees' rate of creativity, thinking outside the box which leads to better organisational performance and opens new grounds for the organisation to compete favourably in the international market (Hubbard, 2004; Cox, 2001). As Butler (2006) puts it "diversity in the corporate world will enhance the loyalty of customers who choose to do business only with companies whose staff has the good educational background and whose business practices are socially responsible" thus enhancing the quality of services rendered to the customers. It is on this note that this study proposed the following hypothesis.

H₃: Educational qualifications have no significant influence on deposit money bank performance

2.4. Work experience and service quality cum sales growth

Ozbilgin and Tatli (2008) define diversity management as the voluntary organisational actions that are designed to create greater inclusion of employees from various backgrounds with different years of working experiences into the formal and informal organisational structures through deliberate policies and programs. McEloy (2013) and Woods, and Lee (2013) see diversity as recognising, understanding, accepting, appreciating, and enjoying peoples' differences like age, education, ethnicity, gender, disabilities, race, sexual orientation, work experiences and spiritual practice. Diversity is based on informational differences reflecting a person's education, work experience, and generational differences form the differences that exist within the workplace as well as on values or goals that can influence what one perceives to be the mission of something as little as a single meeting or as big as a whole company (Adeniji et al., 2019; Douglas, 2010; Kerby & Burns, 2012).

Naff and Kellough (2003) predicted that work experience diversity, which is a visible difference, would incite service quality and lead to positive sales growth, while Cox (2001) and Orlando, (2000) predicted positive sales growth, as a result of work experience differences, which would lead to positive outcomes thereby enhancing the performances of organisations and places it at the competitive edge even above the competitors both at the local and international markets. Diversity of work experience gives the company a competitive advantage. The emphasis is on the business advantage that it can provide to the organisation. If companies can realise that there could be a business benefit for having work experience diversity and include it in their human resource management materials, then they will build a workforce with different work experience and from different backgrounds in keeping with the global, diverse market place to better their customers and capture a greater share of the on-demand opportunity which has a strategic role of improving the performance of the organisation and increasingly aiding to desire a significant portion of their revenues from other countries in the world. There is need to adopt effective diversity management practices in attracting employees with different work experience in order to overcome the barriers for diversity and reap the rewards of a diverse workforce—which include; employee commitment and satisfaction, better service quality, increase in sales and improved organisation performance that subsequently put the organisation on a cutting-edge competitive position among its contemporaries. It is based on this background that this study proposed the following hypothesis:

H₄: Educational qualifications have no significant influence on deposit money bank performance

2.5. Marital status and employee intention to leave

The presence of multiple generations of married, single, widow/widower and divorced in the workforce will not only help in information transitions but will promote and improve cultural and social cohesiveness. It will promote mutual respect; the employees' relationships will be stronger, and this will build an excessive reputation for the organisation. It will enhance the loyalty of customers who will do businesses with the organisation because the organisation's business practices are socially responsible, thus enhancing the organisation's performance. It is believed that married people are more matured, can think reasonably because of their maturity which leads to better decision-making and innovation and are more able to endure situation and circumstances even if not too favourable but because of their families, thus are more stable, committed, reliable and less likely to leave (Adeniji & Osibanjo, 2012; Ojebola et al., 2020; Osibanjo et al., 2016). They are of the opinion that an employee intention to leave the services of an organisation is informed by other job alternatives available within and outside the organisation which include transfer and relocation alternatives which are not too common with the married people. Therefore, they can stay with the organisation much longer, thereby helping it to achieve its corporate objectives by their commitments which enhances the performance of an organisation as known devils are better than the unknown angels. It is based on this background that this study proposed the following hypothesis:

H₅: Educational qualifications have no significant influence on deposit money bank performance

3. Methods and materials

This study used a cross-sectional survey research design. The employees of the five selected deposit money banks in Lagos State, Nigeria, were engaged as survey participants. The five selected deposit money banks have a total of 497 employees, excluding casual and contract staff, which represents the population of the study. Meanwhile, Lagos State was selected for housing headquarters of the five selected banks.

The sample size was determined using Gill et al. (2010) table chart at the margin of error of 0.05. Following the sample size determination table chart, the sample size for the population of the study was 217, which was approximated to 220. Proportional affixation criterion was used in determining the number of copies of the questionnaire distributed in each of the banks. This implies that the sample in each stratum is proportional to the relative weight of the study population.

For the purpose of the sampling techniques, multiple sample techniques (purposive, stratified and convenient) sampling techniques were used. What informed the choice of purposive sampling was because only permanent employees of the selected banks in Lagos metropolis participated in the survey. Stratified sampling was used because the population comprises different strata. Besides, the convenient sampling method was used based on the availability and willingness of categorised employees in the five selected banks.

In total, 220 copies of questionnaire were distributed out of which only 192 copies were valid and confirmed suitable for the analysis representing 87% response rate. In addition, responses were measured anonymously; therefore, we could not profile the demographic profile of the respondents. Besides, they are all banker, have attended higher institutions and are all working. We ignored gender analysis or other segregation criteria.

The structured questionnaire, which was adapted from the existing literature, was used for the collection of the data from the respondents. The questionnaire was presented using a 5-point Likert scale ranging from strongly agreed (5) to strongly disagreed (1). The instrument of the survey sought to examine, through others, the effects of variables such as age and employee commitment; employee gender and sales growth; work experience on service quality and sales growth; educational qualification and service quality; marital status and employee intention to leave on the performance of organisation

For the purpose of decent consideration, ethical issues were addressed. The study ensures that all the respondents were allowed to stay anonymous with an assurance of discontinuation of any participant at any level of the study without given explanation of their decisions to back out of the study. Besides, all the respondents were assured that the information provided would be treated with uppermost confidentiality. All the respondents that participated in the survey were adults. This suggests that they were not vulnerable and consented to participate in the survey voluntarily without any form of compulsion. This could be categorised as implied consent which is adjudged sufficient for this kind of research as noted by H. O Falola et al. (2020).

For the purpose of validity, content, face and constructs validity was established. In contrast, the reliability test of each of the constructs was carried out through composite reliability, average variance extracted (AVE) estimate and Cronbach's Alpha. This was established during the pilot study conducted, and the result shows that data were normally distributed and the scale reliabilities were above the thresholds of 0.70 and 0.80, respectively. Meanwhile, the responses of the respondents were analysed in the data format of SPSS, while the smart PLS (3.0) was used to find out the relationships between diversity management and organisational performance in deposit money banks in Nigeria.

4. Results

This hypothesis was tested through smart PLS and Structural Equation Modeling (PLS_SEM). The structural path co-efficient (R^2) through PLS Algorithm Model, PLS Bootstrapping Model with β and P values and PLS Bootstrapping Model with β and T values show the level of the significant influence of diversity management on organisational performance. The algorithm helps to determine the path co-efficient and the significant values while the bootstrapping helps in determining the significant testing of the coefficient.

Figure 1 shows the PLS algorithm model of diversity management and organisational performance. The path shows the resultant effect and level of relationship between the exogenous variable and the endogenous variable. R square (R^2) values show the level of variance between the variables. Figure 1 shows that $R^2 = 0.895$ for diversity management. This implies that all the factor loading items of organisational performance significantly explains 89.5% of the variance in diversity management. Similarly, the Figure 2 also depicts that diversity management collectively explained 63.5% of the variability of organisational performance. This implies that the items of diversity management reasonably explain 63.5% of the variance in organisational performance.

Figure 3 shows the standard β coefficient value, which is similar to smart PLS path coefficients. The β value indicates the expected variance in the dependent variable for a unit variation in the independent variable. This was used to test the significance of the hypothesis formulated. It must be noted that the greater the β value, the more the substantial effect on diversity management.

Figure 1. PLS algorithm model.

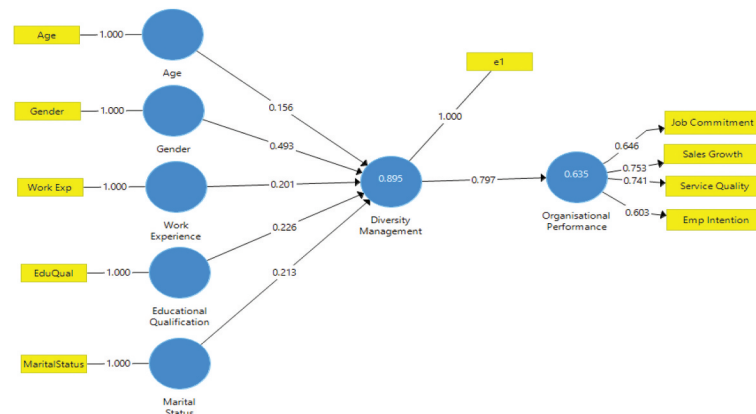


Figure 2. PLS bootstrapping model with β and P values.

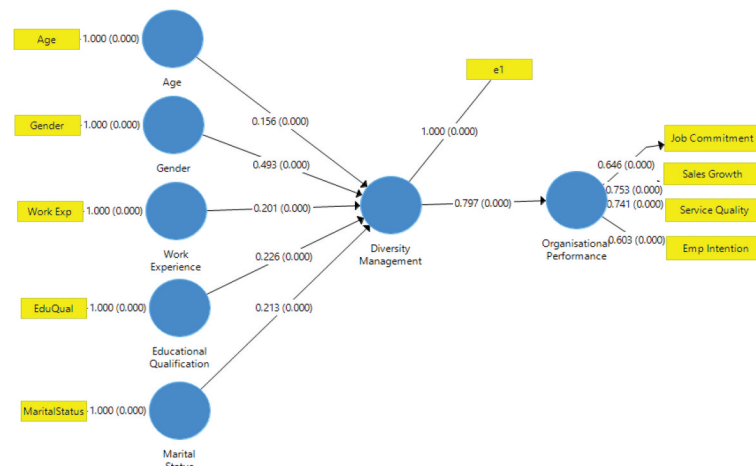


Figure 3. PLS bootstrapping model with β and T values.

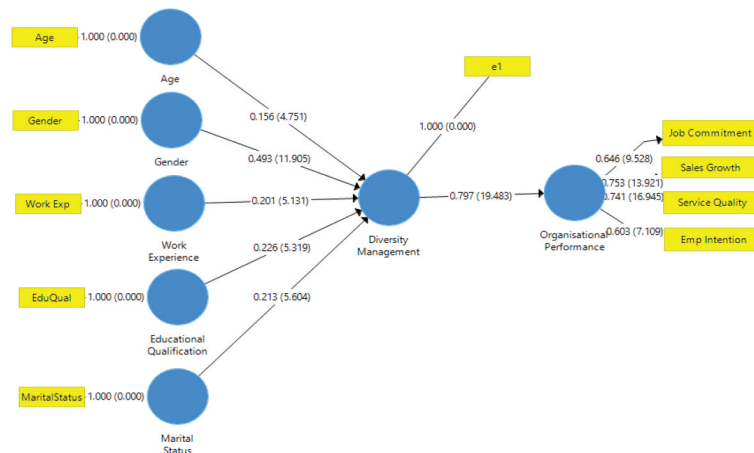


Table 1. Path co-efficient

Variables	Path Co-efficient	Indirect Effect	Standard Deviation	T Statistics	P Values
Diversity Mgt. → Job Perf.	0.797	0.795	0.041	19.483	0.000
Age → OP	0.156		0.033	4.751	0.000
Age → DM		0.124	0.025	4.936	0.000
EduQual → OP	0.226		0.042	5.319	0.000
EduQual → DM		0.180	0.032	5.547	0.000
Gender → OP	0.493		0.041	11.905	0.000
Gender → DM		0.393	0.042	9.382	0.000
Marital Status → OP	0.213		0.038	5.604	0.000
Marital Status → DM		0.170	0.029	5.932	0.000
Work Exp. → OP	0.201		0.039	5.131	0.000
Work Exp. → DM		0.160	0.031	5.145	0.000
R Square					
	R Square		Adjusted R Square		
Diversity Management (DM)	0.895		0.889		
Organisatioanl Perfomance (JP)	0.635		0.631		

The significant effect of diversity management on organisational performance was verified through the T-statistical test. However, path co-efficient is presented in Table 1.

5. Discussion of findings

Table 1 depicts the PLS statistical results of the structural model. It was discovered that the structural path co-efficient of the five measures of diversity management, i.e. age, educational qualification, gender, marital status and work experience indicate significant relationship at 0.05. In addition, the path co-efficient also revealed that age indirectly and significantly influenced organisational performance ($\beta = 0.124$, T-value = 4.936, P-value = 0.000 < 0.05). This implies that the age of the employee contributes to the overall performance of the organisation. This finding corroborates the submission of Barrett and Bourke (2013) and Backes-Gellner and Veen (2013) in their finding. They noted that age has a significant influence on performance. This was also validated by Kyriakidou et al. (2016) and Falola et al. (2020).

Similarly, educational qualification of the employees also has indirect significant influence on organisational performance ($\beta = 0.180$, T-value = 5.547 P-value = 0.000 < 0.05). The implication of

this is that, if the employees have good educational qualifications with relevant certifications, it will enhance their job delivery and effectiveness. This finding supports the submission of Achar (2016) who found out that educational qualification of employees in the world of work has a significant effect on the level of performance of individual worker which will culminate to the performance of the organisation.

In a related development, gender also has indirect significant influence on organisational performance ($\beta = 0.393$, T-value = 9.382, P-value = $0.000 < 0.05$). In the banking industry in Nigeria, department and job responsibilities determines what gender that will be posted. For example, it has been observed that most commercial banks in Nigeria prefer having female dominance in some departments and units while male dominates other departments and units. The concentration of both male and female in the banking industry contributes to the overall organisational performance. This is in line with the findings of Conley and Page (2017), Galbreath (2018), Kakabadse et al. (2015), and McHugh and Perrault (2018). They submitted that gender diversity plays a significant role in the level of performance of the organisation. They noted that this diversity should be harnessed and leveraged for better performance.

Also, it was also discovered from the path co-efficient that marital has a significant indirect influence on organisational performance ($\beta = 0.170$, T-value = 5.932, P-value = $0.000 < 0.05$). This suggests that marital status also indirectly contributes to the performance of the other employees, which will invariably affect organisational performance positively. This validates the findings of Adeniji and Osibanjo (2012). Work experience is also indirectly influencing organisational performance ($\beta = 0.160$, T-value = 5.145, P-value = $0.000 < 0.05$). This implies that work experience contributes to the performance of the organisation. This validates the findings of Kerby and Burns (2012), McEloy (2013) and Woods, and Lee (2013).

In a nutshell, the path co-efficient shows that the level of influence of diversity management on organisational performance is statistically significant with a path coefficient value of 0.797 with T-Statistical value of 19.483. This implies that diversity management has a significant influence on organisational performance. Largely, the beta value of 0.797 suggests 79.7% influence on the main variable, i.e. if one unit of diversity management increases, then 79.7% organisational performance will increase. Meanwhile, the T-value of 19.48 shows the significant influence of diversity management on organisational performance with a p-value of 0.000.

5.1. Managerial implications and recommendations

Technology advancement, globalisation and e-commercialization have turned the world to a global village and have brought people of the world together than before. As a result of these, organisations now device strategies to attract and retain qualified employees in order to serve their employees and customers better so as to achieve better organisational performance and gain a competitive advantage over their competitors. Banking industries in Nigeria attract its employees across the country, likewise outside the country, which suggests that the industry has a diverse multi-ethnic workforce. Diversity is seen as addressing the issues of age, gender, race, educational qualification, marital status, ethnicity and cultural differences which affect the way people think, act, communicate and do things. The twenty-first-century managers are responsible for attracting and maintaining employees of diverse age, gender, marital status, ethnicity groups and responding to the needs of customers that are also ethnically, culturally, racially and demographically diverse from each other. They are now committed to providing services of goods quality which lead to sales growth, impact on organisational performance and thus places the organisations on a good competitive edge compared to that of its contemporaries. Therefore, this study investigated the effect of diversity management on the attainment of organisational performance within a multi-ethnic workforce. Hence, various factors such as the effects of age on employee commitment, gender on sales growth, work experience on service quality and sales growth, educational qualification and service quality and marital status on employee intention to leave have been considered as affecting organisational performance

using some selected banks in Lagos metropolis. Diversity should be adequately utilised in the management of organisations, establishments or institutions to make sure that everybody is carried along with irrespective of cultural background, ethnic group, race, or colour. Thus, it is recommended that banks should create diversity officers in their organisations, who will be saddled with the responsibility of ensuring that organisational performance is enhanced. Organisational leaders/managers should also formulate policies that guide against gender discrimination in their organisations so as to encourage innovative, effective communications creativity and ensure that qualified employees are recruited, irrespective of their cultural background, ethnic group, and gender, age, work experience and educational background thereby helping the organisation achieve its purpose, also putting it on a competitive edge even above its competitors.

Acknowledgements

The authors wish to acknowledge Covenant University for providing financial sponsorship of this research work through its Centre for Research, Innovation and Discovery.

Funding

The authors received no direct funding for this research.

Author details

Osibanjo Omotayo¹
 Adeniji Anthonia¹
 E-mail: anthonia.adeniji@covenantuniversity.edu.ng
 Falola Hezekiah¹
 E-mail: hezekiah.falola@covenantuniversity.edu.ng
 Salau Odunayo¹
 E-mail: odunayo.salau@covenantuniversity.edu.ng
 Ogueyungbo Opeyemi and ¹
 E-mail: opeyemi.ogueyungbo@covenantuniversity.edu.ng
 Efe-Imafidon Odion¹
 E-mail: proff_odion@yahoo.com
¹ Department of Business Management, Covenant University, KM 10, Idiroko Road, Canaan Land, Ota, Nigeria.

Cover Image

Source: Author

Citation information

Cite this article as: Diversity management and organisational performance in deposit money banks in Nigeria, Osibanjo Omotayo, Adeniji Anthonia, Falola Hezekiah, Salau Odunayo, Ogueyungbo Opeyemi & Efe-Imafidon Odion, *Cogent Business & Management* (2020), 7: 1836751.

References

- Achar, S. (2016). Improving productivity through diversity. *Human Capital*, 20(1), 22–24.
- Adeniji, A. A., & Osibanjo, A. O. (2012). *Human resource management: Theory and practice*. Primark Nigeria Limited.
- Adeniji, A. A., Osibanjo, A. O., Salau, O. P., Falola, H. O., Igbinoba, E. E., Ohunakin, F., & Ogueyungbo, O. O. (2019). Competence model for measuring career development and organisational growth in the health sector. *Business: Theory and Practice*, 20, 248–258.
- Adewale, E. (2006). The strategic management of workplace diversity issues: Public sector implications. *International Journal of Public Administration*, 13(3), 425–447.
- Backes-Gellner, U., & Veen, S. (2013). Positive effects of ageing and age diversity in innovative companies: Large-scale empirical evidence on company productivity. *Human Resource Management Journal*, 23 (3), 279–295. <https://doi.org/10.1111/1748-8583.12011>
- Barrett, J., & Bourke, J. (2013). Managing for inclusion: Engagement with an ageing workforce. *Employment Relations Record*, 13(1), 13–24.
- Bear, S., Rahman, N., & Post, C. (2010). The impact of board diversity and gender composition on corporate social responsibility and firm reputation. *Journal of Business Ethics*, 97(2), 207–222. <https://doi.org/10.1007/s10551-010-0505-2>
- Black Enterprise. (2001). Managing a multicultural workforce. *Black Enterprise Magazine*, 31(12). <http://www.questia.com/library/1G1-75754166/managing-a-multicultural-workforce#articleDetails>
- Brownell, J. (2003). Developing receiver-centered communication in diverse organisations. *Listening Professional*, 2(1), 5–25.
- Butler, K. M. (2006). Workplace diversity can increase employee loyalty. *Employee Benefit News*, 20 (3), 16. <http://ebn.benefitnews.com/news/workplace-diversity-can-increase-employee-loyalty-39085-1.html>
- Carter, L., Giber, D., & Goldsmith, M. (Eds.). (2001). *Best practices in organization development and change handbook: Culture, leadership, retention, performance, and consulting*. Jossey-Bass.
- Conley, H., & Page, M. (2017). Revisiting Jewson and Mason: The politics of gender equality in UK local government in a cold climate. *Gender, Work and Organization*, 24(1), 7–19. <https://doi.org/10.1111/gwao.12135>
- Cox, T., Jr. (1991). The multicultural organization. *Academy of Management Executive*, 5(2), 34–47.
- Cox, T., Jr. (2001). *Creating the multicultural organization*. Jossey-Bass.
- Douglas, S. (2010). The Different Faces of Diversity: The Professional Principles of Recruiting and Retaining a Diverse Workforce.
- Ely, R., & Thomas, D. (2001). Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly*, 46(2), 229–273. <https://doi.org/10.2307/2667087>
- Eugene, C. W., Lee, K., Tan, S. C., Tee-say, F., & Yang, P. Y. (2011). The Effects of Workforce Diversity Towards the Employee Performance in an Organization.
- European Commission. (2008). *Continuing the diversity journey: Business practices, perspectives and benefits*. Office for Official Publ. of the Europ. Communities.
- Falola, H. O., Adeniji, A. A., Adeyeye, J. O., Igbinoba, E. E., & Atolagbe, T. (2020). Measuring institutional support strategies and faculty job effectiveness. *Heliyon*, 6 (e03461), 1–6. <https://doi.org/10.1016/j.heliyon.2020.e03461>

- Falola, H. O., Ogueyungbo, O. O., & Ojebola, O. O. (2020). Workplace management initiatives and talent engagement in Nigerian pharmaceutical industry. *F1000Research*, 9((699)), 1–12. <https://doi.org/10.12688/f1000research.23851.1>
- Forbes, H. (2009). *Global diversity management: An evidence-based approach*. Palgrave Macmillan.
- Friday, E. (2007). *Beyond race and gender: Unleashing the power of your total workforce by managing diversity*. Samalu Publishers.
- Galbreath, J. (2018). Is board gender diversity linked to financial performance? The mediating mechanism of CSR. *Business & Society*, 57(5), 863–889. <https://doi.org/10.1177/0007650316647967>
- George, D., & Ely, R. (2009). Making differences matter. *Harvard Business Review*, 74(5), 79–90.
- Gilbert, J. A., & Ivancevich, J. M. (2000). Valuing diversity: A tale of two organisations. *Academy of Management Executive*, 14(1), 93–105.
- Gill, J., Johnson, P., & Clark, M. (2010). *Research methods for managers*. SAGE Publications.
- Harrison, E., & Gebert, D. (2009). Does more diversity lead to more innovativeness? An examination of the critical role of leadership. *IFSAM VIIIth world congress*.
- Harvey, C. P., & Allard, M. J. (2012). *Understanding and managing diversity* (5th ed.). Pearson Education.
- Hubbard, E. (2004). *The diversity scorecard: evaluating the impact of diversity on organizational performance*. Elsevier.
- Jack, E., & Dobbin, F. (2005). How affirmative action became diversity management: Employer response to anti-discrimination law, 1961–1996. *American Behavioral Scientist*, 41(7), 960–984.
- Jackson, S. E., & Josh, A. (2004). Diversity in social context: A multi-attribute, multilevel analysis of team diversity and sales performance. *Journal of Organizational Behavior*, 25(6), 675–702. <https://doi.org/10.1002/job.265>
- Kakabadse, N. K., Figueira, C., Nicolopoulou, K., Hong Yang, J., Kakabadse, A. P., & Özbilgin, M. F. (2015). Gender diversity and board performance: Women's experiences and perspectives. *Human Resource Management*, 54(2), 265–281.
- Kerby, S., & Burns, C. (2012). The top 10 economic facts of diversity in the workplace. In *Center for american progress* (pp. 1–2).
- Kunze, F., Boehm, S., & Bruch, H. (2009). Age diversity, age discrimination, and performance consequences – a cross-organisational study. *International Journal of Management Science*, 2(3), 90–117.
- Kyriakidou, O., Kyriacou, O., Özbilgin, M., & Dedoulis, E. (2016). Equality, diversity and inclusion in accounting. *Critical Perspectives on Accounting*, 35, 1–12. <https://doi.org/10.1016/j.cpa.2015.12.004>
- Lee, K. (2013). Transforming conflicts in diverse communities. Chapter 27. Cultural competence in a multicultural world; Section 9. Transforming conflicts in diverse communities. *The community tool box is a service of the work group for community health and development at the University of Kansas*.
- Lee, N., & Nathan, M. (2011). Does Cultural Diversity Help Innovation in Cities: Evidence from London
- Leonard, A., & Devine, E. (2003). Ethnic diversity and economic performance. *Journal of Economic Literature*, 43(3), 762–800.
- Llopis, G. (2011). Diversity management is the key to growth: Make it authentic. *Forbes*.
- Marquis, J. P., Lim, N., Scott, L. M., Harrell, M. C., & Karanagh, J. (2008). *Managing diversity in corporate America: An exploratory analysis*. Corporation © Copyright 2008 RAND Corporation.
- McElroy, M. (2013). *Diversity programs give illusion of corporate fairness, study shows*. <http://www.washington.edu/news/2013/04/03/diversity-programs-give-illusion-of-corporate-fairnessstudy-shows/>
- McHugh, P. J., & Perrault, E. (2018). Accelerating time: The effect of social pressures and regulation on board gender diversity post-IPO. *Journal of General Management*, 43(3), 95–105. <https://doi.org/10.1177/0306307017752407>
- Mitchel, H. J. I. (2013). Demand media, houston chronicle | PO Box 4260 Houston, Texas 77210-4260. *Smallbusiness.chron.com*. Date visited July 21, 2013.
- Naff, K., & Kellough, E. (2003). Ensuring employment equity: Are federal diversity programs making a difference? *International Journal of Public Administration*, 26(12), 1307–1336.
- Ogbo, A. I., Kifordu, A. A., & Wilfred, I. U. (2014). The effect of workforce diversity on organizational performance of selected firms in Nigeria. *Mediterranean Journal of Social Sciences*, 5(10), 231–236.
- Ojebola, O. O., Osibanjo, A. O., Adeniji, A. A., Salau, O. P., & Falola, H. O. (2020). Organisational citizenship behaviour and its influence on the manufacturing firm's survival in Nigeria: A systematic review. *Academy of Strategic Management Journal*, 19(1), 1–14.
- Olannye, P. A. (2006) *Research Methods for Business: A Skill Building Approach*. Lagos & Asaba. Peejen Publication.
- Osibanjo, A. O., Salau, O. P., Falola, H. O., & Oyewunmi, A. E. (2016). Workplace stress: Implications for organizational performance in a Nigerian public university. *Business: Theory and Practice*, 17(3), 261–269.
- Osmond, G. (2008). Keyword: Cultural Diversity. A Guide through the Debate. In: *Zeitschrift für Erziehungswissenschaft*. Heft 1/2008, S. 7–30
- Ozbilgin, M. F., & Tatli, A. (2008). Understanding diversity managers' role in organizational change: Towards a conceptual framework. *Canadian Journal of Administrative Sciences*, 26(3), 244–258.
- Paulson, R. R. (2011). From affirmative action to affirming diversity. *Harvard Business Review*, 68, 107–117.
- Rahim, N., Ahmed, M., & Uddin, M. (2003). The market impact of changes in corporate diversification (Focus): Some new evidence'. *Journal of Academy of Business and Economics*, 1(1), 137–147.
- Salami, C. G. E. (2010). A diverse workforce: A plus or minus in the 21st century. *International Journal of Management Science*, 2(2), 130–137.
- Satus, A. (2003). The diffusion of diversity management: The case of France. *Scandinavian Journal of Management*, 25(4), 363–373.
- Sidney, O., & Chadwyck, K. (2001). Gender diversity in management and firm performance: The influence of growth orientation and organizational culture. *Journal of Business Research*, 56(12), 1009–1019.
- Sonia, L., & Anita, L. (2006). *Managing diversity: A complete desk reference and planning guide*. Macmillan Publisher.
- Urnarn, A., & Schneeweis, T. (2008). Corporate social responsibility and firm financial performance. *Academy of Management Journal*, 17(2), 854–872.
- Woods, S., Bormann, T., Joseph, D., & Schmidle, D. (2010). *Workplace diversity*. <http://www.ilr.cornell.edu/library/research/subjectguides/workplacediversity.html>



© 2020 The Author(s). This open access article is distributed under a Creative Commons Attribution (CC-BY) 4.0 license.



You are free to:

Share — copy and redistribute the material in any medium or format.

Adapt — remix, transform, and build upon the material for any purpose, even commercially.

The licensor cannot revoke these freedoms as long as you follow the license terms.

Under the following terms:

Attribution — You must give appropriate credit, provide a link to the license, and indicate if changes were made.

You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

No additional restrictions

You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits.

***Cogent Business & Management* (ISSN: 2331-1975) is published by Cogent OA, part of Taylor & Francis Group.**

Publishing with Cogent OA ensures:

- Immediate, universal access to your article on publication
- High visibility and discoverability via the Cogent OA website as well as Taylor & Francis Online
- Download and citation statistics for your article
- Rapid online publication
- Input from, and dialog with, expert editors and editorial boards
- Retention of full copyright of your article
- Guaranteed legacy preservation of your article
- Discounts and waivers for authors in developing regions

Submit your manuscript to a Cogent OA journal at www.CogentOA.com

