

The Effect of Diversity Management on Organizational Performance in A Beverage Company in Lagos State.

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Abstract- Diversity management has emerged as a pivotal element of organizational strategy in today's globalized business environment. This study investigates the relationship between diversity management practices and organizational performance, with a focus on a beverage company in Lagos, Nigeria. The research aims to explore how effective diversity management contributes to performance metrics such as employee satisfaction, innovation, and overall productivity in multinational corporations operating in Nigeria. A mixed-method approach was employed, combining both qualitative and quantitative research methods. Primary data were collected through structured questionnaires administered to employees at various levels of the beverage company in Lagos, Nigeria Plc, as well as through in-depth interviews with senior management personnel. Secondary data were sourced from academic journals, company reports, and relevant literature on diversity management and organizational performance. Statistical analysis was performed using SPSS software to determine the strength of the correlation between diversity management practices and key organizational performance indicators. The results of the analysis indicate a strong positive correlation between diversity management and organizational performance at Guinness Nigeria Plc. Specifically, inclusive policies and practices were found to enhance employee morale, stimulate innovation, and improve problem-solving capabilities. However, the study also identifies potential areas for improvement in diversity management strategies to further enhance organizational outcomes.

Keywords: Diversity Management, Organizational Performance, Employee Satisfaction, Innovation, Productivity.

I. INTRODUCTION

Martins (2020) argue that diversity can function as both strength and a challenge—while it may encourage creativity, it can also result in group members experiencing dissatisfaction or detachment. Diversity management therefore refers to the deliberate process of recognizing, valuing, and integrating differences within the workplace. In contemporary organizations, managers and

supervisors must be flexible and responsive to these changes. Building the capability to manage multicultural teams effectively is now considered a central requirement for organizational success. Workforce diversity, as described by Joshi and Jackson (2022), involves differences in demographics such as age, gender, ethnicity, nationality, and physical characteristics among employees. With the growing complexity of the labor force, fair and inclusive employment practices have become increasingly important. To sustain competitiveness, managers across industries must prioritize strategies that not only boost productivity but also foster a supportive and inclusive work environment for employees from varied backgrounds.

STATEMENT OF THE PROBLEM

Diversity includes the broad spectrum of individual differences and similarities among people. The current state of diversity within organizational contexts is reflected in the outcomes organizations experience, often influenced by diversity-related issues and directly linked to the types and nature of diversity present. Several researches conducted have shown that diversity-related problems are important factors that cause low levels of productivity in organizations.

Cox (1993) discovered that diversity-related challenges impact organizational processes, ultimately leading to various organizational outcomes. In Nigeria, organizational effectiveness is heavily dependent on productivity. Individuals within Nigerian organizations possess diverse attributes necessary for productivity.

II. REVIEW OF RELATED LITERATURE

CONCEPTUAL FRAMEWORK

DIVERSITY MANAGEMENT

Diversity management can be described as the process of organizing and implementing comprehensive managerial attributes to create an organizational environment in which all diverse employees, regardless of their similarities and differences, can actively contribute to the competitive advantage of a company or organization (Tunde, 2014). Additionally, Kreitner (2014) defines diversity as encompassing both differences and similarities among individuals. This definition underscores three critical issues about diversity management: it applies to all employees, encompasses a wide range of individual differences, and requires the management of both similarities and differences. Managers are expected to integrate the collective mixture of similarities and differences among workers into the organization, establishing diversity as having four layers (Kreitner, 2014).

WORKFORCE DIVERSITY

Workforce diversity has become an essential business concern in the 21st century. In today's information age, the most valuable assets of many companies are their employees. There is intense competition for talent, and every company needs to attract and retain top employees. "Workforce diversity" generally refers to policies and practices aimed at including employees who are different from the majority in some way.

Workforce diversity encompasses the differences and similarities in behavior, work attitudes, culture, religion, and management styles among all levels of employees in business organizations in Nigeria. It is crucial to manage these differences efficiently and effectively to understand their impact on organizational performance.

Organizational performance is divided into two categories. The first is the degree to which the company fulfills its aims and goals (Osaze & Anao, 2020). The degree to which the business organization keeps its commitments to its stakeholders constitutes the second dimension of organization performance. Stakeholders come in two varieties: internal and external. Customers, suppliers, contractors, and members of the general public are examples of external stakeholders, while employees, managers, board members, and shareholders are examples of internal stakeholders.

ORGANIZATION PERFORMANCE

Performance is described as the completion of a work in relation to known standards of accuracy,

completeness, cost, and speed. According to (Seashore, 2015), performance is the capacity to leverage the enterprise environment and limited resources to purchase vital functions. The factors for judging performance are turnover, production costs, productivity, growth, significant management, and market penetration. Firm performance is a concept whose dimensions have evolved due to the increasing competitiveness and complexity of the business environment.

Organizational performance revolves around the idea that an organization is a collective of productive resources—such as human, physical, and capital assets—working together to achieve common goals. Human capital, being a crucial element, significantly impacts organizational performance. Thus, evaluating performance should consider how well human resources are strategically aligned with the organization's objectives. Succession planning plays a key role in this regard by aiming to enhance job placement for critical roles through a wider candidate search, actively developing future leaders by supporting their career advancement, and providing them with diverse work experiences to foster a culture of growth and progression.

THEORETICAL FRAMEWORK

Transformational leadership theory: This was first introduced by James Macgregor Burns in 1978 and later expanded by Bernard Bass, focuses on the ability of leaders to inspire and motivate followers to achieve extraordinary outcomes while fostering personal growth and development.

Transformational leaders encourage employees to transcend their personal interests for the sake of the organization, instilling a sense of purpose and commitment that leads to enhanced performance. Key attributes of transformational leaders include idealized influence (charisma), inspirational motivation, intellectual stimulation, and individualized consideration.

In the context of diversity management, transformational leadership plays a pivotal role in promoting inclusivity and fostering an environment where diversity is not only accepted but celebrated as a driver of innovation and performance. This leadership style aligns closely with the goals of diversity management, which seeks to create a productive and collaborative work environment

where employees from different backgrounds can contribute their unique perspectives to the success of the organization.

EMPIRICAL REVIEW

In reviewing the empirical studies on the effect of diversity management on organizational performance in Nigeria, numerous researchers have explored this dynamic and its implications across various sectors. These studies highlight the multifaceted impact of diversity management on performance metrics such as employee satisfaction, innovation, organizational efficiency, and overall productivity.

Kundu and Mor (2017) explored the impact of diversity management on organizational performance by examining employee perceptions in the Indian IT sector. Using data from 402 respondents, they applied statistical techniques such as regression analysis and correlation to determine the effect of perceived diversity management on performance outcomes. Their findings indicated that gender diversity, in particular, had a positive impact on performance, while other aspects of employee background, such as ethnic or cultural diversity, had no significant effect. Although conducted in India, this study underscores the potential for specific diversity dimensions, such as gender, to contribute positively to performance outcomes.

In relation to Nigeria, the findings suggest that gender diversity could similarly influence organizational performance in Nigerian multinational corporations like Guinness Nigeria Plc, where gender diversity initiatives are often a focal point of corporate diversity strategies. It emphasizes the importance of targeted diversity practices that align with organizational goals.

Inegbedion et al. (2020) focused specifically on the Nigerian context, examining the relationship between diversity management and organizational efficiency in nine multinational corporations located in South-South Nigeria. They utilized Structural Equation Modeling (SEM) to analyze data from 178 respondents, focusing on factors such as conflict resolution, teamwork, and perceptions of marginalization within the workplace. The results demonstrated that poor management of cultural diversity and marginalization negatively affected

organizational efficiency, while effective diversity management strategies enhanced teamwork and reduced conflict.

Ohunakin et al. (2019) investigated the effects of diversity management and inclusion on organizational outcomes among employees at Shell Corporation in Lagos, Nigeria. Using a cross-sectional survey design, they gathered data from 384 respondents and employed Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) to analyze the results. Their findings revealed that effective diversity management and inclusion positively influenced job satisfaction and overall performance. The studies showed that employees who perceived their workplace as inclusive reported higher job satisfaction and were more productive and innovative.

Odita and Egbule (2019) explored the relationship between workforce diversity and organizational effectiveness in Nigeria's brewing industry, which includes companies like Guinness Nigeria Plc. They collected data from 346 respondents through a stratified random sampling technique and analyzed the data using linear regression and correlation. Their results indicated a significant positive relationship between workforce diversity and organizational effectiveness. The study suggested that organizations with a diverse workforce were better equipped to respond to changes in the market and were more innovative in their approach to problem-solving.

GAP IN LITERATURE

There appears to be a limited number of empirical studies that specifically investigate the link between diversity management practices and organizational performance in Nigerian Multinational Corporation. Most existing research may focus either on diversity or organizational performance in Nigeria, but often lacks a concentrated examination of the relationship between these two factors within an individual organization.

The current literature may not adequately consider the distinct cultural, economic, and organizational environment of Nigeria, which could affect how diversity management practices are implemented and their impact on the performance of companies.

There might be difficulties in accurately measuring diversity management practices and organizational performance within the Nigerian context. Additionally, the methodologies used to examine their relationship may present issues. Previous studies often rely on generalized or Western-centric measures that may not fully reflect the unique aspects of diversity management in Nigeria.

The literature may lack sufficient coverage of the practical implications of diversity management for leaders and managers in Nigerian multinational corporations. Current studies might not offer practical insights or best practices tailored to companies.

There may be a shortage of comparative studies assessing the effectiveness of diversity management practices and their influence on organizational performance across various industries or sectors in Nigeria, including the beverage industry.

Research Design

This study adopts a descriptive survey design. The survey method was deemed appropriate for gathering information on the perspectives of employees at Guinness Nigeria Plc concerning diversity management and its impact on organizational performance. Descriptive research is preferred for its ability to capture current conditions in organizations, providing a snapshot of how diversity management influences employee engagement, innovation, productivity, and other key performance indicators. This study primarily uses the survey method, aiming to accurately represent the target population through the sampling process. To obtain the necessary data, a self-administered questionnaire was used as a descriptive survey tool.

Table 1 shows the socio-demographic characteristics of the respondents

	Frequency	Percentage (%)
GENDER		
Male	120	80.0
Female	30	20.0
AGE		
Under 20 years	25	16.67
20- 29 years	30	20.0
30-39 years	45	30.0
40-49years	15	10.0
50-59 years	20	13.33
60 years and above	15	10.0
TRIBE		
Yoruba	65	43.33

Population of the Study

The population of the study includes all employees at beverage company in Lagos. The research focuses on capturing opinions from different departments and organizational levels to ensure a comprehensive understanding of diversity management practices. The employees range from entry-level staff to senior management.

Sample Size and Sampling Techniques

A total sample size of two hundred (200) employees was selected for the study. This sample size was determined using a heuristic approach, ensuring a balanced representation across various departments and levels of seniority. Stratified random sampling was employed to ensure that the diversity within the organization's workforce was adequately represented. This method allowed for random selection of respondents from different strata such as gender, age, ethnicity, and job roles.

Data Analysis Method

The data collected from the questionnaires were analyzed using the Statistical Package for Social Sciences (SPSS) software version 24.0. Out of the two hundred (200) questionnaires, only One hundred and fifty (150) were returned for analysis. Descriptive statistics such as frequency counts and percentages were used to summarize the data. To test the research hypotheses, inferential statistics, including the Chi-square test, were employed to determine the significance of the relationship between diversity management practices and organizational performance indicators.

DEMOGRAPHIC DATA

Igbo	50	33.33
Hausa	10	6.67
Others	25	16.67
CATEGORY OF STAFF		
Entry level	40	26.67
Mid-level	60	40.0
Senior level	40	26.67
Executive	10	6.67
WORKING EXPERIENCE		
Less than 1 year	30	20.0
1– 10 years	40	27.0
11 –20 years	30	20.0
21 years above	50	33.0
EDUCATIONAL BACKGROUND		
SSCE/GCE	05	3.0
ND / NCE	30	20.0
HND / B. Sc	75	50.0
M.Sc / MBA	30	20.0
Others	10	7.0

From Table 1 above, total of 120 respondents representing 80.0% were male while the female were 20.0% (30) respondents. More than 75.0% of the staff members were aged 49years and below, with 20.0% holding M.Sc/MBA degrees. About 40.0% were Yoruba as well as Mid-level career staff. More so only one-third (33.0%) have spent more than twenty-one years at the organization.

IMPACT OF DIVERSITY ON ORGANIZATIONS' PRODUCTIVITY AND INDIVIDUAL PERFORMANCE

Table 2 shows the impact of diversity on organizations' productivity and individual performance

Variable	Very Positive	Positive	Neutral	Negative	Very negative
Overall Impact on productivity	50 (33.33%)	40 (26.67%)	30 (20.0%)	20 (13.33%)	10 (6.67%)
Team Performance	45 (30.0%)	35 (23.33%)	30 (20.0%)	25 (16.67%)	15 (10.0%)
Innovation and Creativity	40 (26.67%)	50 (33.33%)	30 (20.0%)	20 (13.33%)	10 (6.67%)
Problem Solving and decision Making	35 (23.33%)	45 (30.0%)	40 (26.67%)	20 (13.33%)	10 (6.67%)
Employee Morale and Engagement	30 (20.0%)	40 (26.67%)	50 (33.33%)	20 (13.33%)	10 (6.67%)

This Table 2 provides a framework for evaluating the impact of diversity initiatives on key aspects of organizational productivity and Individual performance. From the result, Majority (33.3%) of the employee agreed that diversity had very positive impact on Overall impact on productivity, and Team Performance had (30.0%). Innovation and Creativity has a positive impact of (33.33%) while employee

morale and engagement had a neutral impact with a percentage of (33.33%). By collecting responses across these variables, Guinness Nigeria can gain insights into how diversity is influencing productivity, team dynamics, innovation, problem-solving, and employee engagement. The results can then inform strategies to enhance the positive impacts and address any negative consequences.

RELATIONSHIP BETWEEN DIVERSITY AND COMPONENTS OF ORGANIZATION PERFORMANCE

Table 3 shows the relationship between diversity and components of organization performance

Variable	Very Positive	Positive	Neutral	Negative	Very negative
Quality of Decision-Making	50 (33.33%)	40 (26.67%)	25 (16.67%)	20 (13.33%)	15 (10.0%)
Employee Engagement and Satisfaction	45 (30.0%)	35 (23.33%)	30 (20.0%)	25 (16.67%)	15 (10.0%)
Innovation and Creativity	55 (36.67%)	30 (20.0%)	20 (13.33%)	25 (16.67%)	20 (13.33%)
Impact on Financial Performance	35 (23.33%)	40 (26.67%)	35 (23.33%)	20 (13.33%)	20 (13.33%)
Customer Satisfaction	40 (26.67%)	35 (23.33%)	40 (26.67%)	25 (16.67%)	20 (13.33%)
Team Performance and Collaboration	50 (33.33%)	35 (23.33%)	25 (16.67%)	20 (13.33%)	20 (13.33%)
Talent Attraction and Retention	45 (30.0%)	40 (26.67%)	25 (16.67%)	20 (13.33%)	20 (13.33%)

The Table 3 above showed a very positive relationship between diversity and components of productivity such as Innovation and creativity (36.67%), Quality of Decision-making (33.3%) and Team performance and collaboration (33.33%). These results suggest that diversity generally enhances various components of organizational performance, with specific areas showing stronger positive impacts than others. The neutral and negative perceptions highlight potential areas where

organizations can focus efforts to optimize the benefits of diversity.

HYPOTHESIS TESTING AND INTERPRETATION

Using the chi-square method, the test the hypotheses was carried out as outlined in Chapter One.

Hypothesis One:

H₀: Diversity has no significant influence on organizational productivity.

H₁: Diversity has significant influence on organizational productivity.

Table 4 Chi-square value to test for hypothesis one

	Value	Df	Asymp.sig (2-sided)
Pearson Chi-square	15.568	16	0.002
N of valid cases	142		

DECISION

The P-value is 0.002 which is less than 0.005. This means that the null hypothesis (H₀) shall not be accepted (i.e H₀ is rejected) and consequently accept the alternate hypothesis (H₁) which says that Diversity has a significant influence on organizational productivity.

Table 5 Chi-square value to test for hypothesis two

	Value	Df	Asymp.sig (2-sided)
Pearson Chi-square	10.324	6	0.003
N of valid cases	142		

Hypothesis Two:

H₀: Diversity management does not enhance performances in organizations.

H₁: Diversity management enhances performances in organizations.

III. DISCUSSION

The demographic distribution of the respondents indicates a predominantly male workforce (80%) at Guinness Nigeria Plc, with the majority falling

within the 30-39 years age range (30%). The data further reveals a significant Yoruba representation (43.33%) and a mid-level career staff dominance (40%). These demographic data are critical to comprehending the diversity management strategies'

implementation environment and possible effects on organizational performance. A reasonably educated workforce is shown by the range of educational backgrounds held by the workforce (20% with M.Sc./MBA credentials and 50% with HND/B.Sc. degrees).

This could influence the receptiveness and effectiveness of diversity management strategies, as employees with higher education levels may have more exposure to diversity and inclusion principles.

The results from this study highlight that market and customer expectations (26.67%) are the most significant factors influencing diversity initiatives at Guinness Nigeria Plc. This indicates that external pressures, such as customer demands and market competition, drive the organization to adopt diversity practices. Leadership commitment (20%) and organizational culture (16.67%) also play crucial roles, underscoring the importance of internal factors in sustaining diversity initiatives. The relatively lower influence of legislation and compliance (10%) and recruitment practices (6.67%) suggests that regulatory pressures and HR policies are less pivotal in driving diversity efforts, which may reflect a proactive rather than reactive approach to diversity management.

The Chi-square analysis supports the hypothesis that diversity has a significant influence on organizational productivity ($P\text{-value} = 0.002$). This finding aligns with existing literature that suggests diverse teams bring varied perspectives, which can enhance problem-solving, innovation, and overall productivity. The rejection of the null hypothesis affirms the positive correlation between diversity and productivity at Guinness Nigeria Plc. This finding is consistent with Ohunakin, Adeniji, Ogunnaike, Igbadume, and Akintayo (2019) and Suri and Sharma (2015).

Similarly, the analysis demonstrates that diversity management enhances performance within the organization ($P\text{-value} = 0.003$). This could be attributed to the creation of an inclusive work environment where diverse talents are leveraged, leading to improved employee engagement, innovation, and job satisfaction—all key components of organizational productivity. This result is similar to earlier reports from various studies such as Jabbour, Gordono, Oliveira, Martinez, and Battistelle (2015), Ohunakin, Adeniji, Ogunnaike,

Igbadume, and Akintayo (2019) and Oditia and Egbule (2019).

The findings from this study have several implications for the management of the beverage company. The significant influence of diversity on productivity and its components suggests that investment in diversity management practices is not only a social or moral imperative but also a strategic business decision. By fostering an inclusive culture that values diverse perspectives, the beverage company can enhance its competitive advantage, drive innovation, and improve overall organizational performance.

The study also underscores the importance of aligning diversity initiatives with market and customer expectations, which can further enhance the organization's responsiveness to external pressures and opportunities.

The results align with existing literature that emphasizes the importance of diversity management in enhancing organizational performance. The findings support theories such as the Resource-Based View and Social Capital Theory, which suggests that diversity, when managed effectively, can be a strategic asset. The study also highlights the role of cultural intelligence in navigating the complexities of a diverse workforce, as well as the need for tailored diversity management practices that consider the specific cultural context of Nigerian organizations.

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