The Effect of Work Diversity on Organizational Performance (A Case Study of Michael Imodu Labour Institute, Ilorin Kwara State).

T.A Ipinloju¹, P.O Oladipo², S.O Hammed²*

¹(Department of Industrial Relations and Personnel Management, Faculty of Management Sciences, University Of Ilorin, Ilorin Nigeria)
²(Department of Industrial Relations and Personnel Management, Faculty of Management Sciences, University Of Ilorin, Ilorin Nigeria)
²*(Department of Industrial Relations and Personnel Management, Faculty of Management Sciences, University Of Ilorin, Ilorin Nigeria)

ABSTRACT: Work place diversity is the difference that exists among personnel in the organization, which may include gender, ethnicity, age, educational background and the likes. This study investigates the effect of ethnic and gender diversity on organizational performance (A case study of Michael Imodu Institute of Labour Studies, Ilorin). The research questions of the study were to investigate the effects of ethnic, gender, and organizational context of diversity on organizational performance. Hypotheses were formulated to examine these research questions. A sample of 150 respondents was randomly selected from the population of Michael Imodu Institute of Labor Studies, Ilorin. A well-structured questionnaire was used to collect relevant data from the sampled respondents while the data collected was subjected to both descriptive tables and inferential statistics. Student’s T-test was used to test both hypotheses using 0.05 significance level, while frequencies, cumulative frequencies and percentages were used to analyze the demographic data of respondents. The data collected was tested, the result therefore indicates that ethnic and gender diversity, although affect negatively, does not play a significant role on organisational performance on the workers of Michael Imodu Institute of Labour Studies. Therefore, the result of the hypotheses indicates that ethnicity and gender similarities and differences does not account for the organization’s success towards achieving set objectives. This result supports the previous researchers that believe that ethnic and gender diversity does not have a significant effect on organizational performance. Also, the same result was revealed for the organizational context. Based on the findings, no ethnic or gender group should be given preference over the other. Also, it is pertinent that organizations ensure the availability of a good policy that promotes diversity, as well as, a good working environment in order to tap the opportunity that comes along with heterogeneous group at the work place.

I. INTRODUCTION

[70]The emergence of Workforce Diversity in the mid-1980s was expected to lead to a competitive advantage, and in general to achieve and maintain a competitive advantage Roberson. But unfortunately, researches have suggested otherwise. [25] Contended that, diversity management and workforce diversity are a forced integration that creates conflict and uncertainty in the workforce as leadership is not skilled in the discipline of diversity management and its principles. Research has also suggested that workforce diversity is more likely to demotivate workers in the organization.

[15]The modern workforce is far more varied in its composition than it has been previously, due to demographic factors, such as immigration and economic factors like globalization. [14]argues that any business that intends to be successful must have a borderless view of the workforce by ensuring that workforce diversity is part of its day to day business conduct.

[44]Today’s workforce is getting more and more heterogeneous due to the effects of globalization. [21]When workforce diversity is not managed properly, there will be a potential for higher voluntary employee turnover, difficulty in communication and destructive interpersonal conflicts. Otherwise, it would lead to an improved
organizational success. Workforce diversity views for individualism that consist of age, gender, working environment, perceptions, ethnicity, marital status, region, work experience, sexual alignment, income, nationality with each other, which support organizational essential values.

[76] Managing diversity is focused on the assumption that diverse segments will create new methods of working together and that morale, profit, and productivity will increase. [18] Argued that diversity can be a source of competitive advantage. However, past research suggest that diversity can lead to either positive or negative outcomes. The resource-based view of the firm [5] suggests a positive diversity-performance relationship, whereas social identity theory [78] suggests a negative diversity-performance relationship.

Further, empirical research has found inconsistent results suggesting that diversity can be either good or bad for businesses (for reviews, see [52]; [90][37]; [77] reviewed nine diversity studies (published during 1989-2003) that investigated the gender diversity-performance relationship. Out of nine studies, four studies found no main effects, two studies found positive effects, two studies found negative effects, and one study found a nonlinear effect. [37] Advised scholars to describe their studies’ contexts in detail to enable cross-study comparisons that might explain inconsistent results. [39] Context underscores the application of the research findings to real-life organizational setting. [78] Studying the moderating effect of context could help avoid wrong conclusions and achieve a ‘more precise and specific understanding’ of the main diversity-performance relationship.

From the above researches, it can be deduced that different researchers around the world have often experienced inconsistent outcome of their investigation of diversity on performance (evidences from the above). Some of these researchers concluded that the organizational context in which diversity exists determines if it is going to have positive or negative effect on performance, and some believe there is no direct link between workplace diversity and organizational performance. Although, some researchers believe there is still natural direct link between workplace diversity and organizational performance.

As a result of these inconsistencies in results, and in an attempt to have a broad view of the link between diversity and performance, this research work is considered, with emphasis on ethnic and gender diversity. Consequently, this research work was carried out at Michael Imodu Institute of Labour Studies, Ilorin. Reason being that it is a big institution and is suitable for investigating the diversity nature of workforce. The Institute engages in the production of qualified graduates on labour issues with large number of staff working there.

STATEMENT OF THE PROBLEM
The extent of the positivity and negativity of workplace diversity on performance is still unknown (despite different researches), and expectedly, the rate at which the world is becoming a global village in terms of different people working in the same organization is increasing. This, among others, makes it pertinent to understand the link between workplace diversity and performance. But unfortunately, researchers are conflicting on the real link between diversity and performance. Hence, this forms the rationale behind this research work. It would help to shed more light on the link between diversity and performance, with emphasis on ethnic and gender diversity.

RESEARCH HYPOTHESIS
H₀₁: There is no significant relationship between ethnic diversity and organizational performance
H₀₂: There is no significant relationship between gender diversity and organizational performance.
H₀₃: There is no significant relationship between organizational context of diversity and organizational performance.

II. RESEARCH METHODOLOGY
This chapter takes a look at, and explains the methodology for the study. It explains the research design, population of the study, sampling technique, sample size, data collection instruments, method of data analysis, sources of data, methods of estimation, as well as, the evaluation method.

RESEARCH DESIGN
The study focuses on investigating and examining the effects of the elements of workplace diversity towards employees’ performance in an organization, with emphasis on ethnicity and gender. Questionnaire was used as a tool to gather significant and relevant information in order to examine those elements of diversity in relation to work performance. The researcher was able to examine a sample that is a representative of the whole population so as to obtain a more in-depth and rich description. Descriptive design was used because it has the advantage of using questionnaires, observations and interviews without
necessarily having to change the environment of the study (Yin 1984). Consequently, based on this study, questionnaires were used to gather information from these workers.

**POPULATION OF THE STUDY**

The population for the study is centered on staff at Michael Imodu Institute of Labour Studies, Ilorin with a staff population of 242 working employees in the institution.

**SAMPLING TECHNIQUE AND SAMPLING SIZE**

The simple random sampling technique was taken into consideration to give all employees the same chance of being chosen. To be fair, the research selected the sample size for this study using Yaro Yamane formula which is stated as:

\[ n = \frac{N}{1 + N(e)^2} \]

Where:
- \( N \) = population size
- \( n \) = sample size required
- \( e \) = error term (5%)

Based on the formula above,

\[ n = \frac{242}{1 + 242(0.05)^2} \]

\[ n = 150. \]

Based on Yaro Yamane’s formula, 150 samples were selected randomly. This formula was used because it portrays a reasonable sample size to be used out of the entirely given population.

**RESEARCH APPROACH**

The approach that was used for this research work was majorly qualitative approach, because the researcher tried to interpret the findings. That is, it was pragmatic, interpretive, and inductive in nature. Consequently, mono method was used for this study.

**INSTRUMENT OF DATA COLLECTION**

The source of the data is primary as it was collected through the administration of questionnaires to employee in the study area. The questionnaires seek to investigate the effect of gender and ethnic diversity on organizational performance. The scale of the questionnaire adopted was a 5-point Likert scale rating, ranging from strongly disagree (1) to strongly agree (5). The questionnaire is divided into five sections (section A to E). Section A deals with information regarding employee’s bio data while section B to E consists of operational items relating to the study. A total number of 150 copies of questionnaires were administered to gather relevant information from the employee.

**METHOD OF DATA ANALYSIS**

The method of data analysis used in this study is basically descriptive analysis and statistical inferential methods. One statistical inferential method was used in the data analysis in this study. Pearson Product Moment Correlation analysis was adopted to test the hypotheses \( H_01, H_02 \) and \( H_03 \).

Pearson’s Product Moment Correlation Coefficient (PPMC) was used for the three hypotheses.

Pearson Correlation Coefficient =

\[ \frac{N \sum XY - \sum X \sum Y}{\sqrt{(N \sum X^2 - (\sum X)^2)(N \sum Y^2 - (\sum Y)^2)}} \]

Where
- \( N \) = Sample size
- \( X \) = Independent variable
- \( Y \) = Dependent variable

The Level of significance is 5%

**III. DATA ANALYSIS AND DISCUSSION**

The study aims to investigate into the effect of ethnic and gender diversity on organizational performance. This chapter of the study presents the analysis of data generated followed by the discussion. The chapter is divided into four sections, the first section presents the demographic characteristics of respondents, the second presents answers to research questions, the Third presents the test of hypotheses and the final section presents the summary the of findings.

**IV. DEMOGRAPHIC CHARACTERISTICS OF RESPONDENTS**

Respondents were asked to indicate their age, table 4.1.1 presents their responses

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>59</td>
<td>39.3</td>
</tr>
<tr>
<td>26-40</td>
<td>44</td>
<td>29.3</td>
</tr>
<tr>
<td>41-50</td>
<td>26</td>
<td>17.3</td>
</tr>
<tr>
<td>51 and above</td>
<td>21</td>
<td>14.0</td>
</tr>
</tbody>
</table>

**Table 4.1.1: Distribution of Respondents by age**
Table 4.1.1 reveals that 59 representing 39.3 percent of the respondents have their age between 18 and 25, forty-four representing 29.3 percent have their age between 26 and 40, twenty-six representing 17.3 percent have their age between 41 and 50 and 21 representing 14 percent have their age to be 51 and above. Thus, majority of the participants of the study are youth. Respondents were asked to indicate their years of service, their responses are presented below.

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>68</td>
<td>45.3</td>
</tr>
<tr>
<td>6-10 years</td>
<td>48</td>
<td>32.0</td>
</tr>
<tr>
<td>11-15 years</td>
<td>13</td>
<td>8.7</td>
</tr>
<tr>
<td>16 years and above</td>
<td>21</td>
<td>14.0</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.1.2: Distribution of Respondents by Years in Service.

Table 4.1.3 reveals that 68 representing 45.3 percent of the total respondents have spent between 1 and 5 years on the job, 48 representing 32 percent have spent between 6 and 10 years on the job, 13 representing 8.7 percent have spent between 11 and 15 years on the job and 21 representing 14 percent have spent 16 years and above on the job. Thus, majority of the participant of the study have spent a minimum of 5 years on the job.

Respondents were asked to indicate their gender, Table 4.1.3 presents their responses

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>81</td>
<td>54.0</td>
</tr>
<tr>
<td>Female</td>
<td>69</td>
<td>46.0</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.1.3: Distribution of Respondents by Gender

Table 4.1.4 reveals that 81 representing 54 percent of the total respondent of the study were male and 69 representing 46 percent were female. Hence, male participants were more than the female participants. This might be as a result of the nature of the case study adopted by the study. Respondents were asked to indicate their Ethnicity, table 4.1.4 presents their responses

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Igbo</td>
<td>27</td>
<td>18.0</td>
</tr>
<tr>
<td>Hausa</td>
<td>21</td>
<td>14.0</td>
</tr>
<tr>
<td>Yoruba</td>
<td>91</td>
<td>60.7</td>
</tr>
<tr>
<td>Others</td>
<td>11</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.1.4: Distribution of Respondent by Ethnicity

It is revealed that 27 representing 18 percent of the total respondents are Igbo, 21 representing 14 percent are Hausa, 91 representing 60.7 percent are Yoruba and 11 representing 7.3 percent belong to other tribes. This distribution is expected as Michael Imodu Institute of Labour Studies is located in the north-central region of the country which is largely populated with the Yoruba tribe. Respondents were asked to indicate their Religion, Table 4.1.5 presents their responses

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.1.5: Distribution of Respondent by Religion

<table>
<thead>
<tr>
<th>Religion</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islam</td>
<td>44</td>
<td>29.3</td>
</tr>
<tr>
<td>Christianity</td>
<td>97</td>
<td>64.7</td>
</tr>
<tr>
<td>Others</td>
<td>9</td>
<td>6.0</td>
</tr>
<tr>
<td>Total</td>
<td>150</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.1.5 reveals that 44 representing 29.3 percent of the respondents practice Islam religion, 97 representing 64.7 percent practice Christian religion and 9 representing 6 percent practice other religion.

Research Hypotheses

Research Hypothesis one: There is no significant relationship between ethnic diversity and organizational performance.

Table 4.3.1: Relationship between ethnic diversity and organizational performance

<table>
<thead>
<tr>
<th>Ethnic diversity</th>
<th>Organisational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.000</td>
<td>-.126</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.3.1 shows the relationship that exists between ethnic diversity and organizational performance. The table portrays the spearman’s rank correlation coefficient of -.126 thus suggesting that there exist a negative relationship between ethnic diversity and organizational performance. The p-value of 0.126 suggests that this negative relationship is not significant at 0.05 level of significance since (.126>0.05). Hence, the study concludes that there exist a negative but not significant relationship between ethnic diversity and organizational performance.

Research Hypothesis Two: There is no significant relationship between gender diversity and organizational performance.

Table 4.3.2: Relationship between Gender diversity and organisational Performance

<table>
<thead>
<tr>
<th>Gender diversity</th>
<th>Organisational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.000</td>
<td>-.025</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Table 4.3.2 shows the relationship that exists between gender diversity and organizational performance. The table portrays the spearman’s rank correlation coefficient of -.025 thus suggesting that there exist a negative relationship between gender diversity and organizational performance. The p-value of 0.761 suggest this negative relationship is not significant at 0.05 level of significance since (.761>0.05). Hence, the study concludes that there exist a negative but not
significant relationship between gender diversity and organizational performance.

Research Hypotheses Three: There is no significant relationship between organizational context of diversity and organizational performance.

Table 4.3.3: Relationship between Organizational Context and Organizational Performance.

<table>
<thead>
<tr>
<th>Organisational Context</th>
<th>Organisational performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Context</td>
<td>1.000</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.087</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Researcher’s Survey 2018

Secondly, it was revealed that there exist a negative but not significant relationship between gender diversity and organizational performance and finally, the study concludes that there exist a negative but not significant relationship between organizational context and organizational performance.

VI. SUMMARY, CONCLUSION AND RECOMMENDATION

This section presents the summary of the findings on An Investigation into the Effect of Ethnic and Gender Diversity on Organizational Performance (A case of Michael Imodu Institute for Labor Studies, Ilorin), and it also gives the conclusion and recommendation as regards the objectives of this study as earlier stated.

SUMMARY

Generally, work place diversity was seen as being harmful to the organization in the past. Arguably, in today’s competitive business environment, diverse workforce has been seen as a catalyst to competitive advantage. The survival of an organization is now being determined by the extent to which diverse work place is being put into advantageous use. This, among other important reasons, has made it pertinent for organizations to analyze how work place diversity can be an integral part of their policy towards the success of their objectives.

This research work investigated the Effect of Ethnic and Gender Diversity on Organizational Performance specifically on the workers of the Michael Imodu Institute of Labor Studies, Ilorin. In a bid to attain these objectives, the hypotheses formulated were subjected to some tests to derive the significance of ethnic and gender diversity on organizational performance. Relevant literatures were reviewed relating to the conceptual issues, theoretical issues with empirical backing on researches based on the Effect of Gender and Ethnic Diversity on Organizational Performance.
The data used for the analysis in this study were primary data from a sample of 150 respondents which was randomly selected from the population. The primary data was gotten through administration of questionnaire to the selected sample. The demographic data were analyzed descriptively using frequency tables, percentage, Pearson Product Moment correlation (PPMC) to test the three hypotheses.

The data collected was tested, the result therefore indicates that ethnic and gender diversity, although affect negatively, does not play a significant role on organizational performance on the workers of Michael Imodu Institute of Labor Studies. Therefore, the result of the hypotheses indicates that ethnicity and gender similarities and differences does not account for the organizational success towards achieving set objectives. This result supports the previous researchers that believe that ethnic and gender diversity does not have a significant effect on organizational performance. Also, the same result was revealed for the organizational context.

VII. CONCLUSION

In group and organizational interaction in all human societies and associations, diversity is not less likely to occur. In this study, the key metrics of diversity understudy on workplace diversity are ethnicity, gender and organizational context in its relation to organizational performance. They are extensively discussed and empirically analyzed. In today’s dynamic and competitive business environment, more organizational resources either tangible e.g. materials or intangible e.g. ideas should be committed towards stimulating and analyzing organizational resources for positive impact. Diversity among the workforce may be negatively, positively or not significantly related to performance. However, it is then the duty of organizations to monitor how diversity works among them, and to ensure it is used as a strategic advantage to achieving organizational success.

RECOMMENDATION

The main objective of this study is to investigate the effect of ethnic and gender diversity in the workplace on organizational performance. The researcher believes that this research work can be used to improve and redirect management focus in her bid to explore the gains of workplace diversity. Therefore, recommendations were made based on the findings of this study;

1. The study concludes that there exist a negative but not significant relationship between ethnic diversity and organizational performance. Therefore, organization should eliminate the emphasis placed on ethnicity in her functional operations which includes recruitment process, promotion etc. Hence, no ethnic group should be given preference over the other.

2. Based on the findings, organization should increase the application of various diversity management skills for improved organizational performance.

3. Since there is no significant relationship between gender and organizational performance, it is needless to place emphasis on a particular gender for work allocation in terms of capability, seniority and professionalism in the organization.

4. It is pertinent that organizations ensure the availability of a good policy that promotes diversity, as well as, a good working environment in order to tap the opportunity that comes along with heterogeneous group at the work place.

5. Since organizations are aware of the double-edged impact it may have, then, strategies should be put in place to ensure it brings advantages to the organizations. And with the effective management of ethnic diversity, the positive effect is, in no doubt, on performance.

REFERENCE


are in the minority. Graduate School of Business, Stanford University.


