

# Impact Of Ethnic Diversity Management On Employee Engagement Of Selected Manufacturing Firms In Nigeria

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**Abstract:** Negative Ethno religious diversity in workplace affects the general productivity of an organization which is majorly caused by ethnical differences and religious beliefs among the employees and when the sustainability of an institution/organization is threatened as a result of workplace conflicts, it would seriously affect the going existence of such an organization especially the manufacturing firms. This paper examined the impact of ethnic diversity management on employee engagement of selected manufacturing companies in Nigeria. The paper adopted the survey research design through quantitative research approach. Primary data was elicited through the administration of questionnaires. 389 copies of questionnaire were administered to employees in the selected manufacturing companies. Findings reveal that ethnic diversity has a positive and significant effect on behavioural outcome ( $R = 0.111$ ,  $Adj. R^2 = 0.034$ ,  $p < 0.05$ ,  $F = 4.745$ ). It was found that ethnic diversity management significantly affect employee engagement of selected manufacturing firms in Nigeria. The paper posits that a good employee ethnic diversity management by the firm is a good way of achieving better engagement by the employees. Management should properly allocate responsibilities to all employees based on merit irrespective of the person's ethnic background.

**Keywords:** Ethnic Diversity management, employee engagement, Manufacturing Firms, Nigeria.

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## I. Introduction

In many countries all over the world, there has been the problem of inter-group relations which has sought to persecute and alienate other people of different group. Such belief has caused, discrimination, prejudice, pogrom, ethnicity, hatred, fanaticism, intolerance, war, and terrorism (Fajar, 2015). With over two hundred and fifty (250) ethnic groups, belonging to several religious sects (although the predominant two are the Christianity and Muslim), Nigeria is an imitable country where thousands of people who are multi-ethnic, multi-cultural and multi-religious co-exist (Achenbach, 2014). Nigeria since independence has remained a multi ethnic nation state, which has been grappling and contending with the problem of ethnicity on the one hand, and the problem of religion on the other both in the society at large and in the organization were the issue of diversity management has proved to be an intractable problem for managers (Achenbach, 2014).

Negative Ethno-religious diversity in the workplace affects the general productivity of an organization which is majorly caused by ethnical differences and religious beliefs among the employees and when the sustainability of an institution/organization is threatened as a result of workplace conflicts, it would seriously affect the going existence of such an organization. In relative terms, the diversity experienced especially in workplace environment are essentially a continuation of ethnical rivalry and religious sentiments among employers or the workers in the organization. (Phillip, 2011).

The initial influx of multinational companies into the country has created job opportunities for the unemployed youth (Wilson, 2004). However, the heightened job prospects for Nigerians through the increased presence of international franchises have made it mandatory for the citizens to learn how to work with foreigners from different backgrounds. There have however been several reports of unfair treatment by expatriates who engage Nigerians in one form of work or the other, sometimes leading to industrial actions and in some cases, judicial actions (Omotola, 2010).

According to Okuntade (2014) a typical example was the Nigeria distillery whose operation was shut down for a week as a result of ethno-religious diversity mismanagement issues. This disruption in operation led to loss of revenue, market share, profit and man hour (Okuntade, 2014). Another example is the picketing of Unilever Plc by National Labour Congress in Abia State which lead to the indefinite closure of production which according to (Stephen, 2014) lead to a massive revenue loss of about ₦ 1.2 Billion. This paper is therefore aimed at investigating the effect of ethnic diversity on employee engagement of selected manufacturing firms in Nigeria.

## **II. Literature Review**

### **Ethnic Diversity**

Otite (2001) viewed ethnicity as a historical and political construction commonly referred to as the invention thesis. Ethnic diversity According to Kazimoto(2013) represents the multitude of individual differences and similarities that exist among people and not through invention thesis. They affirmed that diversity pertains to the host of individual differences that make all of us unique and different from others in addition they are of the view that managing ethnic diversity will enable people to perform up to their maximum potential. However, evidence from research finding of Hyun (2009) indicated that, ethnic diversity also creates potential problems in the workplace, which a prudent employer needs to recognize he is to efficiently and effectively manage a diverse workplace. Boris and Alexei (2014) see ethnic diversity from the view point of ethnocentrism which examines a culture that accepts only one way of doing things based on one cultural beliefs and values. This according to him will lead to the belief that people who are different from us are somehow deficient, incompetent and may produce below expectation. In addition he is of opinion that ethnocentrism manifests itself in opposing behavior that is inconsistent to others which clearly threatens the smooth functioning of the organization and that people who complain about perceived weaknesses could be tagged as oversensitive and that these assumptions and inaccurate stereotypes hinder efforts to take advantage of unique talents and abilities of others.

According to Tecla and Scanlan (2017) their focus where on the links between ethnic diversity, conflict, and political instability in sub-Saharan Africa. They utilize the human development index (HDI) as the dependent variable instead of GDP or GNP per capita in order to incorporate both economic growth and improvements in social welfare. They found that ethnic diversity negatively affects human development in sub-Saharan Africa. Easterly and Locke and Taylor (1990) on the other hand hypothesize that ethnic fractionalization influences economic growth and public policies. In order to test this hypothesis they utilized the ethno linguistic fractionalization index (ELF) to measure ethnic fractionalization. The research showed that high levels of ethnic fractionalization are correlated with high black market premiums, poor financial development, decreased infrastructure, and low levels of education.

Ashenfelter and Hannan (2000) in their desire to understand the effect of diversity on turnover made use of longitudinal data from over 800 similar workplaces as well as the non-linearity of diversity to distinguish its effect from the main effects of demographic groups and from isolation and also to examine how race, sex, and age diversity and isolation affect different groups, they noted that there was no consistent evidence that diversity itself increases turnover. In contrast, isolation from co-workers and from customers is often associated with higher turnover.

### **Employee Engagement**

Ojie (2004) found that meaningfulness, safety, and availability were significantly related to engagement. They also found job enrichment and role fit to be positive predictors of meaningfulness; rewarding coworker and supportive supervisor relations were positive predictors of safety, while adherence to co-worker norms and self-consciousness were negative predictors. Resources were a positive predictor of psychological availability, while participation in outside activities was a negative predictor. Overall, meaningfulness was found to have the strongest relation to different employee outcomes in terms of engagement.

According to Murphy (2009) six areas of work life lead to either burnout or engagement: workload, control, rewards and recognition, community and social support, perceived fairness and values. They argue that employee engagement is associated with a sustainable workload, feelings of choice and control, appropriate recognition and reward, a supportive work community, fairness and justice, and meaningful and valued work. Like burnout, engagement is expected to mediate the link between these six work-life factors and various work outcomes. (Saks, 2006) findings support (Murphy, 2009) notion of a meaningful and valued work being associated with engagement, and therefore it is important to consider the concept of meaning.

Kaliski's (2007) and Murphy (2009) models indicate the psychological conditions or antecedents that are necessary for engagement, but they do not fully explain why individuals will respond to these conditions with varying degrees of engagement. According to Saks (2006) a stronger theoretical rationale for explaining employee engagement can be found in social exchange theory (SET). SET argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic principle of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain rules of exchange.

Saks (2006) argues that one way for individuals to repay their organization is through their level of engagement. In other words, employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organization. Bringing oneself more fully into one's work roles and devoting greater amounts of cognitive, emotional, and physical resources is a very profound way for individuals

to respond to an organization’s actions, as suggested earlier by the work of Kaliski (2007). Thus, employees are more likely to exchange their engagement for resources and benefits provided by their organization.

**Conflict Theory**

Conflict theory was the theory introduced by Karl Marx in the book “Communist Manifesto”, 1848. Conflict theory argues that society is not best understood as a complex system striving for equilibrium but rather as a competition. Society is made up of individuals competing for limited resources. According to Karl Marx (1818–1883), in any societies there are two major social groups: a ruling class and a subject class. The ruling class derives its power from its ownership and control of the forces of production. The ruling class exploits and oppresses the subject class (lower class). As a result there is a basic conflict of interest between these two classes. All in all, conflict theory rose when exploitation of capitalist and existing government being increase to lower class or workers, and the exploitative in order to reduce and removal those kinds of injustice, they require forming movements and overthrowing existing government. Karl Marx believed that, economic and political analysis of capitalism is the main causes of conflict theory. This is due to forced labour, long working hours, low wages and poor working condition which under capitalism system.

**III. Methodology**

The design adopted for this study is the quantitative research design using the survey design. This design was considered in order to investigate the relationships that exist among variables of the research. Data were collected through the primary source of data collection (Questionnaire). The research instrument was validated and reliability was carried out using the Cronbach alpha analysis. Three hundred and eighty nine respondents were surveyed using a structured questionnaire in three manufacturing firms. Data was analyzed by inferential statistics using the Statistical Package for Social Sciences (SPSS).

**Research Population**

S/N	Company	Population size per company
1	Nestle Nigeria Plc	148
2	Unilever Nigeria Plc	139
3	Flour Mills Nigeria Plc	102
	<b>Total</b>	<b>389</b>

**IV. Data Presentation, Analysis and Findings**

Three hundred and eighty nine questionnaires were distributed to employees. Three hundred and eighty two questionnaires were retrieved indicating a ninety-eight point two (98.2%) response rate. Table 1 shows the demographic and descriptive distribution of respondents.

Table 1, the study revealed that majority of the respondents are male (67.7%), are between the ages of 25-30years (47.6%), are single (51.0%), are B.Sc/HND holders (59.2%), were are middle level management staffs (51.8%) and 50.0% had 6-10 years length of service.

**Restatement of Hypothesis:** there is no significant relationship between ethnic diversity and employee engagement of selected manufacturing firms in, Nigeria.

**Table 1.1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.111 <sup>a</sup>	.072	.034	3.76313

a. Predictors: (Constant), ETHNIC DIVERSITY

**Table 1.2: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	F	Sig.
	B	Std. Error	Beta			
1 (Constant)	20.935	1.506		13.901		.000
ETHNIC DIVERSITY	.132	.061	.111	12.178	4.745	.000

a. Dependent Variable: EMPLOYEE ENGAGEMENT

Model for (H<sub>01</sub>) is stated as  $y_1 = f(x_1)$  and  $y_1 = \alpha_0 + \beta_1 x_1 + \mu = 20.935 + 0.132 x_1$

**Interpretation**

Table 1.1 and 1.2 shows that ethnic diversity has a positive and significant effect on employee engagement of selected firms in Nigeria. Therefore, the null hypothesis which state that there is no significant

effect between ethnic diversity and behavioral outcome is rejected  $P < 0.05$ . The model  $R^2$  (coefficient of determination is 0.072) which reveals that 7.2% of variance occurs in ethnic diversity is explained by behavioral outcome while the increasing degree in ethnicity will increase behavioral outcome by (0.132).

## V. Discussion

In this analysis it was discovered that ethnic diversity had a significant effect on employee engagement. This finding is confirmed by the study of Ehimare & Ogaga-Oghene (2011) who stated that demographic components of workplace diversity allow management to organize work, predicated on flexibility, innovation, and quick decision making prospects inherent in a team-work setting. Therefore, workplace diversity suggests to the management, more ability to understand the motion of employees with organizations (Daniel, 2002). Ivancevich & Gilbert (2001), also found that minority and majority groups will experience greater attachment with their organizations if a greater degree of workforce diversity exists. Indeed, more employee attachment to an organization is explicit in organizations that espouse multiculturalism. (Ivancevich M & Gilbert A, 2011). Milliken and Martins (1996) have further argued that diversity can affect an organization's functioning through various types of mediating variables.

According to Saks (2006) a stronger theoretical rationale for explaining employee engagement can be found in social exchange theory (SET). SET argues that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence. A basic principle of SET is that relationships evolve over time into trusting, loyal, and mutual commitments as long as the parties abide by certain rules of exchange.

## VI. Conclusion and Recommendation

Ethnic diversity significantly impact employee engagement of selected firms in Lagos State, Nigeria. The analysis carried out also showed that to a great extent that ethnic diversity is an important prerequisite to achieve employee engagement. The paper recommended that good employee ethnic diversity management by the firm is a good way of achieving better engagement by the employees. Management should properly allocate responsibilities to all employees based on merit irrespective of the person's ethnic background.

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