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# Impact of Diversity Management on Cooperation's Performance: A Case of Borno Express Transport Corporation, Maiduguri

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## **ABSTRACT**

Diversity management has been an important issue for both governments and private sector organizations. Diversity management in organisation is a complex phenomenon that needs effective management if employee's performance is at stake. Thus, the importance of diversity management cannot be overemphasized due to globalisation and global level fight for human rights that pose free movement of labour and social inclusion may allow certain minorities group who feel excluded from the employment sectors are carried alone. Organisation everywhere in world private or public is interested in employee motivation in order increase performance, profitability ratio, turnover ratios and customer satisfaction. This study intends to assess the impact of diversity management on cooperation's corporation with reference to Borno Express Transport Corporation Maiduguri. The study used a survey research design with a sample of 113 respondents who were selected through Kreicjic and Morgan (1970) sample size computation formula. A Questionnaires was used as an instrument for data collection. In addition, Chi-square (X2) was used as the statistical tool to test the hypothesis. The hypothesis there is impact of diversity management on cooperation employee's performance was accepted. The study revealed that diversity management is important tool to boost employee's performance. Finally, the study recommends that Borno Express Transport cooperation should come up with diversityenabling policies in order to enhance firm profitability.

Keywords: Diversity, Management, Cooperation, Performance and Employees.

# I. Introduction

A corporation is a legally recognized entity that can enter into contracts, own assets and incur debt as well as sue and be sued, all separately from its owner(s). Technically, cooperation is

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defined by law as an entity that exist forever. owner of cooperation may die but the company can continue as an operating entity contrary to partnership or sole proprietorship where company assets may be tied up in estate and taxation issues [1].

Diversity refers to the co-existence of employees from several socio-cultural backgrounds within the company. Diversity includes cultural factors such as race, gender, age, colour, physical ability, ethnicity etc. In broader sense diversity may include age, nationality, religion, disability, sexual orientation, values, ethnic background, education, language, lifestyle, beliefs, physical appearance and economic status. However, diversity necessitates a type of organizational culture in which each employee can pursue his or her career aspirations without being inhibited by gender, race, nationality, religion, or other factors that are irrelevant to performance [2].

In perspective or from a theoretical point of view, , diversity also refers to the goals, norms and procedures that organizations may have in mind when implementing and managing diversity in work environment or workplace [3]. Research revealed that the way and manner organisations management diversity determine the success the failure of such. Research on organisation investigates the impact of organizational diversity management from different perspectives to determine the level outcomes or effectiveness and innovation, employee satisfaction, and a sense of inclusion among employees. Moreover, organizational diversity climate and attitudes of individual employees towards diversity as possible factors underlying the successful functioning of diversity at the workplace [3].

However, within organizations, the question how to deal with cultural diversity has become increasingly important, as today most organisations has become more increasingly diverse [4]. Thus, organizations, may have different rationales for diversifying [5]. Several organizations today consider diversity as fair to represent the population of the region concern, from the perspective of providing equal opportunities for everyone [5]. Perhaps, diversity may be conceptualized as referring to differences between individuals on any attribute that may lead to the perception that another person is different from the self [6].

Therefore, managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has advantage or disadvantage over another [7].

Thus study explore effective diversity management a case of Borno Express Transport Corporation. Borno Express cooperation is highest of its kind in transportation. The corporation is owned by the State Government and has staff strength of 415. The corporation with its wide

branch network that operates across different State in Nigeria appeared to have a heterogeneous workforce comprising different races, tribes, culture, religious beliefs, gender mix, age and different conceptions. The management of the Borno Express Transport Corporation has the daunting task of insulating the organisation from unmanaged workforce diversity which could actually do the opposite of what it promises, creating internal conflict and reducing organizational performance and effectiveness.

Despite the fact that the organization has been investing millions in diverse areas to boost employee morale and improve performance, they rarely achieve their expected benefits. With its extremely heterogeneous workforce the organizations face a very complex task to safeguard society from potentially destructive conflicts that arise easily in a radically pluralistic or diverse organization. Furthermore, the organisation has in the last decade experienced high level employee turnover in several of its branches where it operates and, in some instances, experiencing poor performance this scenario may be attributed to low employee's morale and internal conflict caused by poor diversity management. Based on this background the present study intends to assess the impact of diversity management on performance.

#### II. DIVERSITY MANAGEMENT IN COOPERATE ORGANISATIONS

Different researchers have theorized on social categorization and similarity attraction paradigm in organisations [8, 9]. These studies suggested a negative effects of diversity. Thus, believed that poor diversity management processes increased conflict and reduced cohesiveness. Whereas, others have suggested that effective diversity management increases employee's knowledge, perspectives, and ideas about the work and that diversity management as inputs increases creative processes and decision-making, thus enhancing performance [10]. In the same direction, other researchers have argued that these mixed findings suggest the need to examine contextual variables, such as society-level factors, time and managerial or organizational approaches to diversity management [11, 12].

Despite, today many organizations have embraced diversity management considering it importance others still consider it as mere issue of compliance with legal requirements. Effective diversity management has historically been used to provide a legally defensive position; that is, a firm with diverse workforce were argued to be not guilty of discrimination because of the prima facie case based on their workforce demographics that presents the demographics of the local community.

Diversity management in organisation is a complex phenomenon and is an important issue for both governments and private sector organizations. Its importance has mainly been brought about by the free movement of labour due to globalization and the fight for human rights by certain minority groups who feel excluded from the employment sector. Due to its importance, several studies have been carried out on this issue [8; 9; 13]. However, none of these previous studies considered managing diversity in corporation

#### III. DATA BASED AND METHOD

#### (A) Research Design

The present study adopted a survey research design to facilitate the accomplishment its objectives. This is justified by the fact that survey research enables the researcher to know observe, control or manipulate variables in the course of the study.

#### (B) Population of the Study

The population of this study consist of 150 staff comprising of the entire management staff of the Borno Express Transport Corporation, Maiduguri. However, the commercial department of the organization comprises of 80 staff, followed by 50 sales representatives and 20 management staff making a total of one hundred and fifty (150) staff. The justification for adopting the population is to enable the researcher to carry out this study based on the number of the staff in the organization.

#### (C) Sample Size and Sampling Techniques

The sample size of the study comprised one hundred and thirteen (113) respondents which is selected from the study population. However, simple random sampling was adopted as sampling technique to give every member of the population equal chance of being selected to represent the population. Hence, Kreicjic and Morgan (1970) [14] formula for computation of sample size was adopted as shown below.:

$$NS = (NP) (P) (1-P)$$

$$(NP-1) (B/C)^{2} + (P) (1-P)$$

Where:

NS = The actual sample size

NP = Size of the entire population

P = The population proportion expected to be chosen among categories and is constant 0.5

B = Sample error at 5%

= 113

C = Confidence level also at 0.5 which is 1.95  
NS = 
$$\frac{(150)(0.5)(1-0.5)}{(150-1)(\frac{0.05}{1.95})}2 + (0.5)(1-0.5)$$
  
=  $\frac{150(0.5)(0.50)}{149(\frac{0.025641}{1.95})^2} + (0.5)(0.50)$   
=  $\frac{40}{149(0.025641)^2 + (0.5)(0.5)}$   
=  $\frac{40}{149(0.00065746) + (0.0.255)}$   
=  $\frac{40}{0.10453614 + 0.25}$   
=  $\frac{40}{0.5453614}$   
= 112.8

#### (D) Procedure and Instrument of Data Collection

For the purpose of this study close-ended questionnaire will be administered by the researcher to the staff of the organization in order to obtain accurate and reliable information from the various responses of the staff at all levels of management. The justification for the adoption of questionnaire is to compare data obtained from different respondents to collect more reliable data for the research and to motivate the respondents.

#### (E) Method of Data Collection

The research will employ both primary and secondary data. Primary source will be adopted through the administration of questionnaire. The justification for the adoption of the primary data is to obtain first-hand information that will aid in obtaining a reliable result. The justification for the use of primary data is to get first-hand information from the field.

The secondary data to be adopted for the research, on the other hand, will be published materials such as textbooks and journals. The justification for the adoption of the secondary data is to have an insight into contributions of knowledge by researchers, scholars and so on in the related area of the study.

#### (F) Method of Data Analysis

For the purpose of this study, simple percentage will be adopted to present the data collected

from the field and also Chi-square method of data analysis will be use to test the hypothesis. It is given as:

$$X^2 = \frac{\Sigma(Fo - Fe)^2}{Fe}$$

Where:  $X^2$  = Chi-square

 $\Sigma$  = Summation sign

Fo = Observed frequency

Fe = Expected frequency

The justification for the adoption of chi-square method was to enable the researcher to compare observed and expected frequencies objectively.

#### IV. RESULTS AND DISCUSSION

#### (A) Results

A total of one hundred and thirteen questionnaires were administered to staff of Borno Express Transport Corporation, Maiduguri, out of which one hundred and four (104) were retrieved and nine (9) were invalid. In the presentation and analysis of data, simple percentage is used in the analysis.

**Table 3:** percentage repossess on whether diversity management increase profitability ratio of the organisation

Responses	Frequency	Percentage (%)
Strongly agree	30	29.0%
Agree	40	38.0%
Undecided	4	4.0%
Strongly Disagree	20	19.0%
Disagree	10	9.0%
Total	104	100.0%

Table 3 indicates that 30 respondents representing 29 percent strongly agreed that diversity management increases profitability of the organisation, 40 respondents representing 38 percent agreed, 4 respondents representing 4 were undecided ad 20 respondents representing 19 percent strongly disagreed while 10 respondents representing 9 percent disagreed. Majority of the

respondents agreed that diversity management increase profitability. This shows that diversity management increases profitability ratio of the organisation.

**Table 4:** Percentage of responses to whether diversity management is an effective method of boosting employee's morale that leads to profitability

Responses	Frequency	Percentage (%)	
Strongly agree	40	38.0%	
Agree	0	38.0%	
Undecided	0	0.0%	
Strongly Disagree	14	13.0%	
Disagree	10	10.0%	
Total	104	100.0%	

Table 4 indicates that 40 respondents representing 38 percent strongly agreed that diversity management is an effective method of boosting employee morale leading to profitability, 40 respondents representing 38 percent agreed and 14respondents representing 13 percent strongly disagreed while 10 respondents representing 10 percent disagreed. Majority of the respondents agreed that diversity management is effective method of boosting employee's Morales and that leads to profitability. This shows that diversity management is an effective method of boosting employee morale thereby leading profitability.

**Table 5:** Percentage of responses on whether diversity management helps organisations to generate profits

Responses	Frequency	Percentage (%)
Strongly agree	50	48.0%
Agree	40	38.0%
Undecided	0	0.0%
Strongly Disagree	14	13.0%
Disagree	0	0.0%
Total	104	100.0%

Table 5 indicates that 50 respondents representing 48 percent strongly agreed that diversity management helps the organisation to generate profits, 40 respondents representing 38 percent agreed, 14 respondents representing 13 percent strongly disagreed. Most of the respondents agreed that diversity management helps organisation to generate profits. This shows that diversity management helps organisations to generate profits.

**Table 6:** Percentage of responses on whether diversity management increases organisation turnover

Responses	Frequency	Percentage (%)
Strongly agree	50	48.0%
Agree	44	42.0%
Undecided	0	0.0%
Strongly Disagree	5	5.0%
Disagree	5	5.0%
Total	104	100.0%

Table 6 indicates that 50 respondents representing 48 percent strongly agreed that diversity management increases organisation turnover, 44 respondents representing 42 percent agreed, 5 respondents representing 5 percent strongly disagreed while 5 respondents representing 5 percent disagreed. Almost all the respondents agreed that diversity management increase organisation turnover. This shows that diversity management increases organisation turnover.

# (B) Hypotheses

H¹ There is no significant impact of diversity management on profitability, turnover ratios and customer satisfaction

H<sup>o</sup> There is no significant impact of diversity management on profitability, turnover ratios and customer satisfaction

**Table 13:** Observed Frequency (Fo)

Options	Q8	Q9	Q10	Total	
Strongly agreed	30	40	50	120	
Agreed	40	40	40	120	

Undecided	4	0	0	4
Strongly Disagreed	20	14	14	48
Disagreed	10	10	0	20
Total	104	104	104	312

Expected frequency (Fe)

Fe = 
$$\frac{\text{TR x TC}}{\text{GT}}$$

Strongly agreed =  $\frac{120 \times 104}{312}$  = 40

Agreed =  $\frac{120 \times 104}{312}$  = 40

Undecided =  $\frac{4 \times 104}{312}$  = 5

Strongly disagreed =  $\frac{48 \times 104}{312}$  = 1.33

Disagreed =  $\frac{20 \times 104}{312}$  = 6.66

Table 14: Computation of Chi-Square

О	Е	О-Е	(O-E)2	$\Sigma$ (O-E) <sup>2</sup>
				E
30	40	-10	100	2,5
40	40	0	0	0
50	40	-10	100	2.5
40	40	0	0	0
40	40	0	0	0
40	40	0	0	0

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4	1.33	2.67	7.1829	5.360
0	1.33	-1.33	1.7689	1.33
0	1.33	-1.33	1.7659	.1.33
20	16	4	16	1
14	16	-2	4	0.25
14	16	-2	4	0.25
10	6.66	3.34	11.1556	1.675
10	6.66	3.34	11.1556	1.675
0	6.66	6.66	44.3556	6.66

Calculated Chi-square  $(X^2) = 24.53$ 

Degree of freedom (DF)

$$=$$
 (R-1) (C-1)

$$=$$
 (5-1 (3-1)

$$=$$
 4 x 2  $=$  8

Level of significance = 0.05

Therefore, at a 0.05 level of significance and at df = 10, the critical table value is 15.507

#### (C) Decision rule

Since the computed value 24.53 is greater than the critical value which is 15.507 the null hypothesis (Ho) is rejected. It is therefore concluded that there is impact of diversity management on profitability, turnover ratios and customer satisfaction.

# V. DISCUSSION

Generally, studies on organisation revealed that cultural diversity in organization may strikingly change the processes of organisation [15]. Culturally diverse f organisation workforce with different cultural backgrounds brings their different looks, attitudes and habits to the workplace. Though, research has shown that diversity may offer opportunities (e.g., enhanced creativity and innovation), but may also introduce problems (e.g., reduced cohesion [16]. Hence, these problems still many organizations tend to be homogeneous rather than heterogeneous. Despite their intercultural orientation, [17] studies revealed that that the development sector may be

"whiter" compared to the commercial sector. This study found that over 40 organizations, 38 percent of the organizations has less than 5 percent of other-cultural employees, whereas only 15 percent consider themselves very culturally diverse (with percentages over 15 percent [3].

This study revealed that there is no significant difference between diversity management and profitability in the organization under study. This finding is in line with study [18] which asserts that diversity is not just a moral need in today's highly competitive corporate environment but also tactical benefit closely related to profitability. A diverse workforce improves risk management, extends market prospects, fosters innovation and creativity and increases employee performance and engagement.

In addition, the revealed that there is no significant difference between diversity management and turnover ratios of the organisation. This finding is in line with study [19] whose results reveals that diversity management practices/activities benefits the workforce by bringing about a fair and safe work environment thereby leading to turnover in the organisation. Finally, the study revealed that there is no significant relationship between managing diversity and customer satisfaction in the organization. And also, this in line with [20], who asserts that there is a significant relationship between diversity management on customer relationship in organisation.

#### VI. CONCLUSION

Existing literature on research and development (R&D) alliances focuses on formation motives and performance impacts of these alliances but hardly on diversity of the partners' portfolio. Cooperation with a diverse set of partners leads to learning opportunities with regard to both cooperation and innovation skills and hence is expected to enhance the firm's innovation performance. Based on the findings of this study, it is therefore concluded that there is impact of diversity management on employee's performance. Hence, the profitability, turnover ratios of the organisation depend largely on how effective is that organisation manage diversity. Based on the results of the study, it is recommended that corporation should come up with diversity-enabling policies in order to enhance firm profitability. This is promoted diversity amongst employees and customers so as to enhance the firm's turnover and reduce staff turnover. And as well, corporation should use diversity to boost customer satisfaction by understanding who their customers are, what they need and what they value.

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