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ANALYSIS OF DIVERSITY MANAGEMENT AND EMPLOYEE PERFORMANCE IN MULTINATIONAL FIRMS

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ABSTRACT

This study explored the effect of diversity management on employee performance in multinational corporations operating in Calabar, Cross River State, Nigeria. The research focused on five dimensions of diversity management: hiring diversity, gender diversity, turnover diversity, cultural diversity, and promotion and advancement diversity, and examined their effects on employee performance (employee commitment, job satisfaction, employee engagement, employee efficiency, and task quality). A cross-sectional survey research design was adopted, and data were collected from employees of two multinational corporations in Calabar, Cross River State, Nigeria, using a structured questionnaire. Out of 221 questionnaires distributed, 210 valid responses were analyzed using ordered regression analysis. The findings revealed that hiring diversity has a significant positive effect on employee performance ($\beta = 0.813$, $z = 3.772$, $p < 0.001$). Gender diversity also significantly influenced employee performance ($\beta = 0.546$, $z = 2.563$, $p = 0.001$). Similarly, turnover diversity exerted a significant positive effect on employee performance ($\beta = 0.631$, $z = 0.864$, $p = 0.001$), while cultural diversity significantly enhanced employee performance ($\beta = 0.563$, $z = 1.954$, $p = 0.003$). Promotion and advancement diversity equally had a significant positive effect on employee performance ($\beta = 0.834$, $z = 2.536$, $p < 0.001$). The model further demonstrated strong explanatory power, accounting for 84.3% of the variation in employee performance ($R^2 = 0.843$, Adjusted $R^2 = 0.832$, $p < 0.001$). Based on these findings, it was recommended that multinational corporations in Calabar should maintain inclusive hiring practices, adopt gender-inclusive policies, effectively manage workforce diversity, promote cultural inclusion, and ensure equitable promotion and career advancement opportunities. The study concludes that organizations that invest in comprehensive diversity management practices are better positioned to improve employee performance, workforce effectiveness, and organizational competitiveness.

Key words: *advancement, cultural, diversity management, employee performance and turnover.*

1. INITRODUCTION

Increasing globalization has intensified interactions among people from diverse cultures, beliefs and backgrounds more than ever before. Diversity is increasingly recognized and utilized as an important organizational resource. It reveals heterogeneity in gender, race, religion, status, ethnicity, age, beliefs, orientation etc. within an organization. Managing diversity is particularly important in firms especially multinational companies given the concerns raising from complex workplace relationships. Diversity management focuses on the planning and implementation of business systems and practices to administer the workforce to the fullest to obtain maximum potential advantages inherent in the diverse workforce.

Although, diversity address a multiplicity of variables, issues of hiring diversity have become increasingly prominent in most multinational organizations. Hiring diversity is the practice of recruiting employees from a wide range of backgrounds, including different ethnicities, genders, ages, and educational experiences (Alserhan *et al.* 2010). Gender diversity, another critical dimension of diversity management, focuses on ensuring equitable representation of all genders within the workforce (Ohunakin et al., 2019). Gender diversity can improve task quality by encouraging collaborative efforts that leverage the strengths of all team members, regardless of gender (Ozordi et al., 2020). Turnover diversity, though less frequently discussed, is an essential aspect of diversity management. It is the variation in the length of tenure among employees within an organization

(Yan et al., 2024). A workforce with a mix of long-tenured and newer employees can create a dynamic environment where experience and fresh ideas coexist. Cultural diversity, involves the inclusion of employees from different cultural backgrounds (Nhengu & Murairwa, 2022) noted that cultural diversity is widely discussed diversity variable in multinational organization. When employees feel that their cultural identities are respected and valued, they are more likely to be engaged and satisfied with their jobs. This, in turn, enhances their commitment to the organization and their willingness to contribute to its success. Moreover, cultural diversity can improve task quality by encouraging creative problem-solving and fostering a global mindset among employees.

Promotion and advancement diversity is another critical variable in diversity management, focusing on ensuring equitable opportunities for career progression across all demographic groups (Provasi & Harasheh, 2021). In multinational firms, promotion and advancement diversity is essential for maintaining employee morale and motivation. When employees perceive that promotions are based on merit rather than favoritism or bias, they are more likely to be committed to their roles and strive for excellence.

Employee performance is how well an employee fulfills their job responsibilities, and how well they meet company values and standards. Employee performance is important because it helps company achieve its goals, upholds company values, helps employees reach their full potential, and can improve morale and quality of work (Omoyele & Olabisi, 2020). Diversity management intertwines with organization performance to the extent that any organization that pays scant attention to policies on diversity may suffer suppression, pressure, exclusion, groupism, and unconscious discrimination that have a momentous impact on employees' relationship that affect employee's performance visa vis organization performance.

Researchers have sought to understand the effect of diversity and its management on employee's performance in Nigeria. For instance, Onyokoko and Onuoha (2019) examined the strategic management approaches such as effective communication and shared responsibility that managers can adopt in solving issues arising from workplace diversity of deposit money banks in Port Harcourt, Rivers State, Nigeria; Paul and Eketu (2018) investigated the extent to which diversity diversity (professional diversity, age diversity, ethnic diversity) relate to organizational survival of manufacturing firms in Port Harcourt, Rivers State; Obuma and Worlu (2017) examined the bond in diversity management and employee engagement in banks in Rivers State; Oguegbulam *et al.* (2017) examined the effect of diversity management on employee retention in deposit money banks in Port Harcourt, Rivers State; Ugwuzor (2014) examined the nature of the relationship between diversity management and corporate performance of manufacturing firms in Nigeria; Ohunakin *et al.* (2019) examined the effects of diversity management and inclusion on organizational outcomes using Confirmatory Factor Analysis (CFA), convergent and divergent validity, correlational analysis, and SEM; Odita and Egbule (2015) examined diversity management and organizational effectiveness in the Nigerian brewing industry; and Omoyele and Olabisi (2020) examined the relationship between diversity management and the performance of Nigerian multinational companies using Correlation Analysis and Structural Equation Modelling (SEM).

This study differs from previous studies as it focuses on MNCs in particular and combines a bundle of diversity indicators to ascertain its effects on employee performance in these firms. Thus providing an in-depth view of the diversity-employee performance nexus. We produced to review literature and theory in the next section, methods in section three. Section four focuses on results and discussion. While

Literature review and theoretical framework

Equity theory

Propounded by Adams (1963). Equity theory is concerned with perceptions people have about how they are treated as compared to others. Equity theory is based on several core assumptions that influence how individuals perceive fairness in the workplace: i) Employees are motivated to maintain fairness or equity between their inputs (efforts, time, skills) and outcomes (rewards, recognition, compensation). When the balance between these two factors is perceived as fair, employees are more likely to remain satisfied and engaged; ii) employees often evaluate their situation relative to others. They compare the rewards they receive with those of others in similar roles. If they perceive an imbalance (inequity), it can lead to dissatisfaction or demotivation; iii) employees assess both their inputs (efforts, skills, time, experience) and their outcomes (financial compensation, recognition, promotions, and other rewards). These are the factors that form the basis of comparison with others; iv) when employees perceive that their contributions are not rewarded fairly in comparison to others, they are likely to feel demotivated, dissatisfied, and may even leave the organization. However, when the rewards are perceived as equitable, employees are more likely to stay committed and perform well; and v) if employees perceive inequity, they may take steps to reduce the imbalance. These steps can include increasing or decreasing effort, asking for rewards, seeking another job, or even engaging in sabotage or withdrawal behaviors.

The application of equity theory is highly relevant in studying the effect of diversity management on employee performance, particularly in multinational corporations (MNCs). In a multicultural workforce, employees come from diverse backgrounds (e.g., gender, ethnicity, age, nationality),

and how they perceive fairness in terms of rewards (such as pay, promotions, or recognition) in relation to their inputs (efforts, experience, and loyalty) can significantly affect their job satisfaction and performance. If an MNC promotes diversity and ensures equitable treatment, it aligns with the principles of equity theory and helps retain employees who feel fairly treated.

Diversity management

Ehimare and Ogaga-Oghene (2011) suggested that workplace diversity has been called a multi-ethnic demographic because it represents the way the workforce of an organization differs from one another. According to Omoyele and Olabisi (2020), workforce is seen as a better reflection of the population with a significant mix in gender, race, religion, professions and age among others. Stating further that for any business to be successful, a diverse body of talent is needed to bring in fresh ideas, perspectives and views to their work. The challenges posed by diversity enable managers to capitalize on the mixture of gender, professions, age to respond to business opportunities faster and in a more creative manner.

Diversity denotes the uniqueness that a person brings to the table, whether in ethnicity, country, language, class, sexual orientation, religion, age, thoughts, experiences, education, gender, or generation (Owoyemi et al, 2011). Diversity is defined as those corporate agents of a large system that is heterogeneous in nature and exhibit different traits and functions. Diversity is all about our relatedness, our connectedness, our interaction and where the lines cross (Harris, 2018). The goal of diversity management is to create and sustain a work environment where diversity thrive and plan are made for the recruitment, selection and retention of talents from diverse backound. Although, a myriad of variables can be considered for inclusion in discussing organizational diversity, the study limits itself to hiring, gender, turnover, cultural and promotion and advancement diversity. The choice of these variables is predicated on the believe that these are some of the widely implemented diversity variables.

Hiring diversity

Hiring diversity is the practice of recruiting and selecting employees from a wide range of backgrounds, encompassing differences in race, ethnicity, gender, age, religion, sexual orientation, education, and cultural heritage, among other characteristics (Shan et al., 2021). Hiring diversity is a critical aspect of modern organizational practices, aiming to create inclusive environments that value varied perspectives, experiences, and backgrounds. Hiring diversity serves as a foundational element of diversity management. It involves creating a workforce that mirrors the multifaceted nature of society. The concept goes beyond merely filling positions with varied individuals; it entails a strategic approach to leveraging these differences to enhance organizational outcomes. Multinational firms, operating across borders and cultures, naturally encounter diverse talent pools, making hiring diversity a critical aspect of their human resource strategy. The idea is rooted in the belief that a heterogeneous workforce brings unique perspectives, skills, and experiences that can drive innovation, adaptability, and competitiveness in a globalized economy (Westover, 2020).

The concept of hiring diversity is deeply intertwined with the broader framework of diversity management, which seeks to harness the potential of a varied workforce while mitigating challenges such as misunderstandings or biases that may arise from differences. Multinational firms operate amidst a blend of indigenous groups alongside expatriates making hiring diversity becomes a practical necessity. It begins with recruitment processes designed to attract candidates from underrepresented groups, ensuring that job advertisements, selection criteria, and interview panels reflect an inclusive ethos. This approach requires organizations to move away from traditional hiring patterns that may favor homogeneity such as recruiting from the same educational institutions or social networks and instead adopt policies that prioritize equal opportunity. For instance, firms might implement blind recruitment techniques to reduce unconscious bias or partner with local institutions to tap into talent from diverse socio-economic backgrounds.

Ho: Hiring diversity does not have significant effect on employee performance in multinational corporations.

Gender diversity

Gender diversity in the workplace has received considerable attention as organizations strive to create inclusive environments that enhances commitment. Mwatumwa (2016) argued that gender diversity is positively linked to employee and organizational performance. Kyalo (2015), viewing from resource-based lens stated that gender diversity at management and organizational levels can provide a firm with competitive advantage. Kirton and Green (2015) noted that most firms are yet to realize these benefits as gender bias still persist, ignoring the importance of a gender diverse workplace to overall performance of the firm.

Turnover diversity

Turnover diversity is a critical particularly within the context of multinational firms operating in culturally diverse environments. It refers to the variation in employee turnover rates across different demographic groups within an organization. This variation can be influenced by factors such as age, gender, ethnicity, educational background, and tenure. Turnover diversity is not merely about the rate at which employees leave an organization but also about understanding the underlying reasons for these departures and how they differ among various groups. The concept is particularly

relevant in multinational firms where the workforce is often composed of individuals from diverse cultural, social, and professional backgrounds. Managing turnover diversity effectively is essential for maintaining a stable and productive workforce, which in turn has a significant impact on overall employee performance.

The importance of turnover diversity lies in its ability to provide insights into the health of an organization's work environment. High turnover rates, especially when concentrated within specific demographic groups, can be indicative of underlying issues such as discrimination, lack of inclusivity, or inadequate career development opportunities. For instance, if a multinational firm experiences higher turnover rates among its female employees compared to their male counterparts, this could signal gender-based disparities in the workplace. Similarly, if employees from certain ethnic backgrounds are leaving at a higher rate, it may point to cultural insensitivity or a lack of support for minority groups. By analyzing turnover diversity, organizations can identify these issues and implement targeted interventions to address them, thereby fostering a more inclusive and equitable work environment.

Ho: Turnover diversity does not have significant effect on employee performance in multinational corporations.

Cultural diversity

Humphrey *et al.* (2006) stressed that educating people to appreciate cultural diversity entails a support for the values of inclusion and solidarity. Researchers have observed that diversity on a cultural context can influence organizational synergies, innovativeness, and effectiveness in implementation of technological programmes (Gomez-Mejia & Palich, 1997). Cultural diversity can further influence interpersonal dynamics within an organization. Interpersonal barriers rooted in cultural differences may impede the flow of information on a corporate wide basis. Cultural norms and practices could influence the manner in which human resource programmes are implemented (Gomez-Mejia & Palich, 1997). Cultural diversity issues in the society really play out in the organisational setting and get compounded over time. In the Nigerian organisational setting, cultural diversity variables such as ethnicity, state of origin and religion interact to produce a workplace environment that might create more complexities. However, some other cultural diversity issues that may be observable in the workplace include race, culture, ethnicity, religion, language, beliefs, spiritual practice, and group norms (Nworie & Chinedu, 2024).

As organizations become more diverse along ethnic lines, it makes sense to pay more attention to how different groups interact with one another at work (Pitts et al., 2010). Pitts *et al.* (2010) stated that as the private sector workforce becomes more ethnically diverse and make attempts to "manage" that diversity, the importance of understanding how diversity affects workplace interactions and work-related outcomes increases. According to Timmermans *et al.,* (2011) study, ethnicity can be used as a proxy for cultural background and diversity in ethnicity can be expected to be positive for innovative performance, since it broadens the viewpoints and perspectives in the firm. Moreover, based on Timmermans *et al*. (2011) study some levels of diversity in ethnicity might be positive associated with innovation, high degree of diversity in ethnicity might be negative since it can create conflict and cliques due to social categorization.

Ho: Cultural diversity does not have significant effect on employee performance in multinational corporations.

Promotion and advancement diversity

Promotion and advancement diversity is the equitable distribution and variation in opportunities for career progression and upward mobility across a diverse workforce encompassing differences in gender, ethnicity, age, cultural background, and other demographic characteristics (Hasysya et al., 2024). This concept emphasizes ensuring that employees from all backgrounds have fair access to promotions such as moving from lower to higher job roles with increased responsibilities and pay and advancement, which includes broader career development opportunities like training, skill enhancement, and leadership roles. In multinational firms operating in a culturally rich and diverse country like Nigeria, this concept becomes particularly significant due to the interplay of local cultural dynamics and global organizational practices. Promotion and advancement diversity is not merely about filling quotas or meeting diversity targets; it involves creating a workplace environment where meritocracy coexists with inclusivity, acknowledging and mitigating systemic biases that might hinder certain groups from progressing (Ushie et al., 2010).

The concept of promotion and advancement diversity unfolds as a multifaceted framework that integrates organizational policies, cultural awareness, and individual aspirations. In multinational firms, where employees often come from varied national and cultural contexts, the approach to career progression must account for differences in expectations, work values, and perceived fairness. For instance, an employee from a collectivist culture might prioritize group harmony and longevity in a role, while another from an individualistic background might seek rapid promotion based on personal achievement. Effective diversity management in this regard requires tailored strategies that recognize these differences while fostering a unified organizational culture. It involves implementing transparent promotion criteria, offering mentorship programs accessible to all, and ensuring that advancement opportunities such as international assignments or specialized training are not disproportionately awarded to a homogenous group (Cao, 2023).

Ho: Promotion and advancement diversity does not have significant effect on employee performance in multinational corporations.

Employee performance

For Wafulam and Susan (2018), performance is a multi-dimensional construct, the measurement of which varies depending on verity of factors. Employee performance is a vital aspect of every organization because according to Westover (2020) any organization that ceases to perform its functions to the society is eliminated by the society and society that fails to eliminate such organization, but instead subsidizes them are soon dragged down like the organization. Tolu (2011) stated that employee performance deal with attributes that goes beyond task competence to foster behavior that enhances the climate and effectiveness of the organization.

Organisations can employ different objective ways of measuring employee performance. The most common measures are the performance ratings which depict an employee's ability to meet set targets; and the bonus awarded pegged on performance. Employee performance is a measurable and should ideally be measured by attempting to quantify achievement (results) output and cost input. However, since performance is so vital to the existence of an organization, it follows that every organization should exert itself to achieve visible and vile performance. This could only be done through proper procurement of employee who are technically competent and effective to carry out the assigned functions in such a manner that will give the organization a success (Westover, 2020). Individual employee performance is an observable, dynamic and measurable effect resulting from application of effort by the employee and can be influenced by the employer (Hassan & Ogunkoya, 2014). Employee job performance can be deemed to be either negative or positive depending on the desired goals of the employer. Also, employers invest resources on the employee and in the workplace with the goal of influencing positive job performance outcomes that are in line with the corporate goals. According to Adeleye et al. (2019), job performance is that part of employee behaviour that is necessary to engage in tasks that result in productive work outcomes. It is the employee's discretion and prerogative to discern, engage and continue in productive behaviour that will yield benefit to the firm. Considering the fact that job performance is a personal initiative, it is safe to conclude that it has the potential of varying across individuals.

Empirical review

Abaker et al. (2023) examined employee perceptions of diversity management in the UAE, revealing that effectively managing diversity across age, gender, and nationality positively influenced perceived employee performance. Similar findings were reported by Ozordi et al. (2020) in their study of gender diversity in Nigerian banks, where diversity was found to enhance sustainability responsiveness, indirectly improving performance. Further supporting this, Yan et al. (2024) demonstrated that gender diversity initiatives in Australia's construction sector led to increased female participation and overall productivity. Nhengu and Murairwa (2022) also found that active diversity management in Zimbabwean firms significantly boosted productivity.

The impact of gender diversity in leadership was highlighted by Provasi and Harasheh (2021), who established its positive effect on sustainability performance, which in turn enhanced employee productivity. Shan et al. (2021) emphasized the role of continuous diversity learning in fostering employee adaptability and collaboration, while Shah and Sofi (2020) linked diversity-focused HR practices to reduced workplace deviance, creating a more conducive performance environment. Westover (2020) further reinforced these findings by showing that inclusive strategies strengthen organizational resilience and employee performance. However, Hasysya et al. (2024) cautioned that poor diversity management can result in discrimination and diminished performance, underscoring the need for effective policies.

Additional studies by Cao (2023) and Bukhari and Sharma (2014) affirmed that well-managed diversity contributes to improved performance, with Howell (2024) advocating for structured diversity strategies to maximize these benefits. Jnaneswar and Rajendrababu (2022) found that workforce diversity, when combined with organizational commitment, enhances job performance more significantly than either factor alone.

Research in different regions further supports these conclusions. Kundu and Mor (2016) investigated diversity management in Indian and multinational firms, noting that while demographic variables such as gender, age, and experience had minimal impact, strategic diversity management positively influenced organizational commitment. Gaunya (2015) studied educational and age diversity in Kenya's public sector, reporting a strong correlation between educational diversity and performance, though age diversity showed a weaker association. In the Middle East, Al-Raisi et al. (2019) analyzed cultural diversity in Shell Oman, finding that diverse teams enhanced creativity and productivity due to varied educational and linguistic backgrounds.

Further studies such as Paul and Eketu (2018) investigated the extent to which workforce diversity (professional diversity, age diversity, ethnic diversity) relate to organizational survival of manufacturing firms in Rivers State. The study has a sample size of 109 with leadership climate as a moderating variable. Participant were drawn from a population of 150 management staff. The research instrument employed was questionnaires measured on five-point Likert' scale. Cross

sectional survey method was adopted and inferential statistics of spearman's rank order correlation and partial correlation were used in testing the study hypotheses. The data analysis conducted reveals a positive significant relationship between the dimensions of workforce diversity and measures of organizational survival and leadership climate significantly moderates the relationship between the two variables in manufacturing firms in Rivers State.

METHODOLOGY

This study employed the cross-sectional survey research design. The study was conducted in Calabar, the capital city of Cross River State, Nigeria. The population of this study was four hundred and ninety-two (492) staff of two multinational companies operating in Calabar, Cross River State. The study adopted the simple random sampling technique. Taro Yamane formula was applied to the population of the study to determine the sample size of 221 for the study. Primary data was used for this study and was gathered through the use of a well-structure questionnaire. This study used a survey questionnaire for data collection. To ascertain the validity of the questionnaire constructs, the Confirmatory Factor Analysis (CFA) was performed. While the reliability of the instrument was established based on a pilot study using the test-retest method. The multiple regression model was use to establish the relationship between the variables in the study. The multiple regression model was presented thus:

$Y = \alpha + \beta X + \varepsilon$……..…….…….…….. (i)

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \varepsilon$ ……..…….…….…….. (ii)

$EP = \alpha + \beta_1 HD_1 + \beta_2 GD_2 + \beta_3 TD_3 + \beta_4 CD_4 + \beta_5 PAD_5 + \varepsilon$…….. (iv)

Where = (α, $\beta 1$, $\beta 2$ - - - - $\beta 4 \neq 0$…….) are regression coefficients.
HD = Hiring Diversity
GD = Gender Diversity
TD = Turnover Diversity
CD = Cultural Diversity
PAD = Promotional Advancement Diversity
X = Predictor
β = Coefficient
α = Intercept, Constant
ε = Stochastic error term

RESULTS

The questionnaire distribution and return rate for the study demonstrated a highly successful data collection process. A total of 221 copies questionnaire were administered across the two multinational corporations under study. Of these, 210 copies completed questionnaire were successfully returned, representing an overall response rate of 98.45 percent. This high response rate suggests a strong level of participation and engagement from the respondents, ensuring a comprehensive dataset for analysis.

The descriptive statistics for the study variables presented in Table 1 provided an overview of the central tendencies and variability of key factors examined. The results indicate that all variables; hiring diversity, gender diversity, turnover diversity, cultural diversity, promotion and advancement diversity, employee commitment, job satisfaction, employee engagement, employee efficiency, and task quality have mean values above 4 on a 5-point scale. This suggests that respondents generally perceive diversity management practices and their associated performance outcomes favorably within the multinational corporations under study.

TABLE 1: Descriptive statistics for the study variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Hiring diversity	210	1	5	4.3538	.32551	.106
Gender diversity	210	1	5	4.3785	.26641	.071
Turnover diversity	210	1	5	4.3659	.40840	.167
Cultural diversity	210	1	5	4.3283	.34180	.117
Promotion and advancement diversity	210	1	5	4.3967	.38383	.147
Employee performance	210	1	5	4.3883	.38466	.148
Valid N (listwise)	210					

Table 2 presents the results of the normality test, which includes computed skewness and kurtosis values for all variables in the study. The results indicated that all variables satisfied the condition for normality, as their skewness and kurtosis values did not exceed +2.58 and +7, respectively.

TABLE 2: Normality test result showing the skewness and kurtosis for the dataset.

	N	Skewness		Kurtosis	
Variables	Statistic	Statistic	Std. Error	Statistic	Std. Error
Hiring diversity	210	-.626	.079	-.602	.159
Gender diversity	210	-.201	.079	-1.071	.159
Turnover diversity	210	-.135	.079	-1.371	.159
Cultural diversity	210	-.162	.079	-1.020	.159
Promotion and advancement diversity	210	-.692	.079	-1.089	.159
Employee performance	210	-.698	.079	-1.106	.159
Valid N (listwise)	210				

The study employed ordered regression analyses to examine the influence of diversity management on employee performance in multinational corporations in Calabar, Cross River State. The analysis aimed to assess the influence of diversity management dimensions; hiring diversity, gender diversity, turnover diversity, cultural diversity, and promotion and advancement diversity on employee performance indicators, including employee commitment, job satisfaction, employee engagement, employee efficiency, and task quality. The results were evaluated across three different regression models: probit, logit, and extreme value models, with a focus on coefficients, z-statistics, and significance values to determine the strength and reliability of relationships. The probit model in Table 3 demonstrated the highest robustness among the three, with an LR statistic of 57.58, making it the preferred model for interpretation. This was further reinforced by the Akaike Information Criterion (AIC), where the probit model exhibited the lowest AIC value of 3.845, indicating a better model fit compared to the logit and extreme value models. The findings reveal that all diversity management variables significantly predict employee performance. Specifically, hiring diversity (c = 0.813, z = 3.772), gender diversity (c = 0.546, z = 2.563), turnover diversity (c = 0.631, z = 0.864), cultural diversity (c = 0.563, z = 1.954), and promotion and advancement diversity (c = 0.834, z = 2.536) were all statistically significant at p-values of 0.000, 0.001, 0.001, 0.003, and 0.000, respectively. These results indicate that diversity initiatives, particularly in hiring, gender inclusion, turnover management, cultural representation, and career progression, play a critical role in enhancing employee performance within multinational corporations.

TABLE 3: Ordered regression results for the test of hypotheses

		Probit			Logit			Extreme value	
Variable	Coef.	z-Stat.	Prob.	Coef.	z-Stat.	Prob.	Coef.	z-Stat.	Prob.
HD	0.813	3.772	0.000	1.6442	2.551	0.000	1.147	3.793	0.000
GD	0.546	2.563	0.001	1.214	1.530	0.001	1.243	1.652	0.001
TD	0.631	0.864	0.001	0.531	0.634	0.002	1.552	0.733	0.000
CD	0.563	1.954	0.003	1.431	1.672	0.000	0.298	1.974	0.002
PAD	0.834	2.536	0.000	1.232	1.634	0.000	1.263	1.745	0.000
Psuedo R^2		0.676			0.696			0.686	
LR statistic		57.58	0.000		58.67	0.000		61.541	0.000
Akaike info criterion		3.845			3.877			3.892	

Sources: Fieldwork (2026)

The model summary in Table 4 further confirms the strength of this relationship, with an R^2 value of 0.843 and an adjusted R^2 of 0.832, implying that diversity management accounts for 83.2 per cent of the variation in employee performance within these

organizations. This high explanatory power suggests that diversity initiatives are significant drivers of employee engagement, efficiency, commitment, and overall job satisfaction. The probability value of p = 0.000 further reinforces the significance of these findings, rejecting the null hypothesis in favor of the alternative, thereby affirming that diversity management significantly influences employee performance in multinational corporations in Calabar. Overall, the study provides strong empirical support for the role of diversity management in shaping workforce performance. The results emphasize the need for multinational corporations to continuously implement and refine diversity policies, as these have a direct and measurable effect on employee outcomes.

TABLE 4: Model summary result for diversity mgt and employee performance

Model	R	R2	Adj. R2	Std. error	Sig.
DV & IV	0.931	0.843	0.832	0.813	0.000**

** Significant at less than 1 per cent
Sources: Fieldwork (2026)

4.2

Discussion of findings

The study found that hiring diversity has a significant effect on employee performance, including employee commitment, job satisfaction, engagement, efficiency, and task quality in multinational corporations in Calabar, Cross River State, Nigeria. This finding implies that a diverse workforce, when effectively managed, enhances organizational outcomes by fostering a variety of perspectives, skills, and experiences. Employees in diverse environments are more likely to feel valued and included, which boosts their motivation and productivity. This aligns with the study by Abaker et al. (2023), who found that diversity management positively influences employee performance by creating an inclusive workplace culture that leverages the strengths of a heterogeneous workforce. The implication for multinational corporations is that strategic hiring practices should prioritize diversity to unlock the full potential of their workforce and drive competitive advantage.

The study revealed that gender diversity significantly affects employee performance, including commitment, job satisfaction, engagement, efficiency, and task quality. This suggests that a balanced gender representation fosters a more inclusive and equitable workplace, which enhances employee morale and productivity. These findings are consistent with Ozordi et al. (2020), who highlighted the positive relationship between gender diversity and sustainability responsiveness in Nigerian banks. However, the study also contrasts with Ogega et al. (2020), who argued that gender diversity policies alone may not significantly influence commitment unless supported by other organizational practices. This implies that while gender diversity is crucial, it must be complemented by supportive policies, such as equitable promotion opportunities and inclusive leadership, to maximize its effect on employee performance.

The findings indicate that turnover diversity significantly affects employee performance, including commitment, job satisfaction, engagement, efficiency, and task quality. This suggests that a diverse turnover rate, when managed effectively, can bring fresh perspectives and ideas into the organization, fostering innovation and adaptability. However, high turnover diversity without proper management may lead to instability and reduced employee morale. This aligns with Kim et al. (2021), who emphasized the importance of a positive diversity climate in mitigating the negative effects of turnover diversity on employee attitudes and well-being. The implication for organizations is to implement retention strategies that balance turnover diversity with stability, ensuring that new hires are integrated effectively into the organizational culture.

The study found that cultural diversity significantly influences employee performance, including commitment, job satisfaction, engagement, efficiency, and task quality. This implies that a culturally diverse workforce enhances creativity, problem-solving, and decision-making by incorporating a wide range of cultural perspectives. This finding is supported by Shan et al. (2021), who highlighted the role of cultural diversity in fostering lifelong learning and innovation within organizations. The implication for multinational corporations is to embrace cultural diversity as a strategic asset, promoting cross-cultural understanding and collaboration to drive organizational success.

The findings of the study indicate that promotion and advancement diversity has a significant impact on multiple dimensions of employee performance, including organizational commitment, job satisfaction, employee engagement, work efficiency, and the quality of tasks executed. This relationship suggests that when employees perceive the promotion process as fair, inclusive, and based on merit rather than bias or favoritism, they are more likely to be

motivated, loyal, and productive in their roles. Equitable advancement opportunities foster a sense of belonging and recognition, which in turn reinforces positive workplace behaviors and attitudes. These findings are consistent with Howell (2024), who emphasized that integrating diversity and inclusion principles into performance management and career development frameworks is essential for enhancing employee engagement, reducing turnover, and driving long-term organizational success. For multinational corporations operating in diverse environments, the implication is clear: promotion and advancement policies must be transparent, objective, and sensitive to the diverse backgrounds of employees. Organizations should actively work to eliminate structural barriers and implicit biases that hinder career progression for underrepresented groups.

4.2 Conclusion

The study underscores the critical role of diversity in enhancing organizational effectiveness. The study indicated that a well-managed diverse workforce significantly contributes to improved employee performance across multiple dimensions, including commitment, job satisfaction, engagement, efficiency, and task quality. Prioritizing hiring diversity, organizations can harness a wide range of perspectives and skills, fostering innovation and driving superior performance. Gender diversity further amplifies these benefits by creating an inclusive environment that boosts morale and productivity, enabling teams to address complex challenges and meet diverse customer needs more effectively.

Moreover, the study highlights the importance of managing turnover diversity to maintain organizational stability and continuity. Lower turnover rates, particularly in a diverse workforce, are associated with higher levels of employee commitment and engagement, as employees feel more secure and valued. Cultural diversity emerges as another key factor, enhancing creativity, problem-solving, and adaptability. A multicultural workforce brings unique perspectives to the table, leading to more dynamic decision-making processes and a richer organizational culture.

Finally, the study emphasizes the significance of promotion and advancement diversity in motivating employees to perform at their best. Equitable opportunities for career growth, irrespective of demographic differences, foster a sense of fairness and recognition among employees. This, in turn, enhances their commitment and engagement, driving overall organizational success. Therefore, effective diversity management is not merely a moral imperative but a strategic necessity for multinational corporations seeking to optimize performance and maintain a competitive edge in today's globalized business environment. Organizations that embrace and manage diversity effectively are better positioned to achieve sustained growth, performance, and employee satisfaction.

4.3 Recommendations

Multinational corporations should strengthen inclusive recruitment policies to attract and retain employees from diverse backgrounds. Organizations should implement transparent promotion and career advancement systems that ensure equal opportunities for all employees. Regular diversity and inclusion training should be provided to enhance cultural understanding, reduce workplace bias, and promote collaboration. Management should also establish employee retention strategies that foster an inclusive work environment where employees feel valued, respected, and motivated to contribute to organizational goals.

4.4 Study Implication/Contribution

The study provides empirical evidence that hiring, gender, turnover, cultural, and promotion diversity significantly improve employee performance in multinational corporations. The findings offer practical guidance for managers and policymakers in designing diversity management policies that enhance employee commitment, engagement, job satisfaction, efficiency, and task quality, while contributing to the growing body of knowledge on diversity management in the Nigerian business environment.

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