**The impact of cultural diversity in organizational performance**

\* 1 Prasanna H N

Professor, Dept of MBA Sri Venkateshwara College of Engineering

Email ID: prasanna06dec@gmail.com

\*2 Nayana c

Final Year PG MBA Student, Dept of MBA Sri Venkateshwara College of Engineering

Email ID:nayanagowdachandru@mail.com

\* 3 Akshitha T A

Final Year PG MBA Student, Dept of MBA Sri Venkateshwara College of Engineering

Email ID: [akshithaakshi831@gamil.com](mailto:akshithaakshi831@gamil.com)

\*4 Chandana T B

Final Year PG MBA Student, Dept of MBA Sri Venkateshwara College of Engineering

Email ID : [chandanabreddy13@gmail.com](mailto:chandanabreddy13@gmail.com)

\*5 Pavithra D A

Final Year PG MBA Student, Dept of MBA Sri Venkateshwara College of Engineering

Email ID : [pavithrareddy510555@gamil.com](mailto:pavithrareddy510555@gamil.com)

\*6 Harisha G R

Final year PG MBA Student ,Dept of MBA Sri Venkateshwara college of Engineering

Email ID :Appleharish71572@gmai.com

**ABSTRACT:**

The needs for Nigerian organization to pay attention to cultural diversity in organization have become necessary because of challenges of cultural diversity in work place. Thus, the main objective of this paper is to examine the impact of cultural diversity on organizational performance. It specifically examined the effect of employee’s behavior on cultural diversity in frozen fish industry in Nigeria in selected companies and the impact of cultural diversity on organizational performance. In order to gain insight to these objectives, previous research has been investigated and some main theories have been selected. Through this it has been found that cultural diversity is a complex subject that can bring both positive and negative effect to organization. The primary sources of data collection were employed. The findings revealed that employee’s behavior has effect on cultural diversity in work place and also cultural diversity has impact on organizational performance. It was recommended that organization should establish structure that will encourage good ethical behavior of all levels of managers and employees as this has significant impact on organization performance.

KEY WORDS: Cultural diversity behavior, values and diversity, organizational performance.

**INTRODUCTION**

Increasing globalization requires more interaction among people from diverse cultures and back grounds than ever before. People no longer live and work in an insular market place, they are now part of a worldwide economy with competition coming from nearly every continent. For this reason, organizations need diversity to become more creative and open to change. Therefore maximizing and capitalizing on work place diversity has become an important issue for management today. Wangle, Engender & Rebrand (2012), posit that the way of doing things in one culture may not always be the same in another country.

Hence, what is good in one culture may be bad in another. Wangle et al (2012).Further asserts that cultural differences do affect managerial behaviour and practices such as planning, organizing, staffing and controlling. In line with this view Casandra and Mandala (2008) note that there is greater need to adapt to external and internal changes of organizational culture because it has become imperative today as the world is moving towards knowledge-based economy. Cultural diversity has been defined as “the representation, in one system of people with distinctly different group affiliations of cultural significance’.

**REVIEW OF RELATED LITERATURE**

BASIC DEFINITIONS AND CONCEPTS OF CULTURAL DIVERSITY Diversity is a subjective phenomenon, created by group members themselves, who on the basis of their different social identities categorize other as similar or dissimilar (Marie, 2002).There is a definite trend towards definition of a multiplicity of diversity dimensions.

**1) Arredondo (2004) :**  social class and language to the primary dimensions, and health care belief and recreational interest to the secondary dimensions. She further adds a tertiary dimension, which encompasses historical moment experienced. In understanding that concept of cultural diversity, the authors start the discussion by defining what culture is.

**2)** **Varner and Beamer (2011):**  culture explains how people make sense of their world. This definition in much in line Hofstede Stewart (2007) posit that one of the critical impacts of migration and globalization is the “dramatic increase in the opportunity and need to interact with people” who are diverse in culture. The thinking has changed on cultural diversity from being a“melting pot” to multiculturalism”, accepting it as an essential part of a society (Parvis, 2003).

**3)Hertzsprung (2010):**  posit that cultural diversity is often perceived as a societal fact as in a country “it consists of citizens/inhabitants with different cultural backgrounds. Kundu, (2001) emphasizes on the importance of a firm’s ability to deal and absorb the benefits from cultural diversity towards the wealth of the organization which is a key requirement for survival not just at the domestic level but even in the international settings.

**4)Steven & Shogun, (2011)** : posit that difference in people’s value, attitude and behaviour that are grounded from diverse culture influence how managerial events are viewed in an organization. & Semovar (2009) “Sees culture as the software of mind that separate member of different groups from each other. From this definition we can see cultural diversity as the presence of different cultures within a social system, which differ in values, norms and behaviour.

**Research design**

The term "research design" refers to a methodology, method, or procedure for collecting, analyzing, and measuring the variables stated in a study topic. A research design is a framework for determining the answers to a research topic. The collection or framework of procedures and techniques utilized in gathering diverse data and analyzing the variable indicated in the research topic is referred to as a research design. It also gives you a better understanding of the research problem. Data collection, measurement, and analysis are the three basic aspects of study design that state the issue statement and the analytical section.

**STEPS INVOLVED IN RESEARCH DESIGN**

1. Identifying the issue

2. Putting a hypothesis into words

3. Formulating a research strategy

4. Data collection and analysis

5. Making closures and interpreting the implications

**STATEMENT OF THE PROBLEM**

The study's main goal was to learn more about the job stress problems that employees face in the workplace and how they might enhance the quality of their work. In therelek , research is being conducted on individual employee language diversity. The analysis demonstrates therelek current status as well as its growth solvency in both the short and long future. Is utilized to confirm that the effort resulted in a solution to the issue statement. In this study, leadership style was discovered to have the second highest influence on employee job portal seeking performance.

**MY RESEARCH ON THIS PROBLEM STATEMENT**

The influence of workplace cultural diversity on individual employee performance, according to my study, indicates that many employees are cultural diversity and burdened at work, which has an impact on their job performance as well as their personal lives. So, in this case, there are several obstacles that will arise as a result of the situation's impacts, which will primarily affect employee performance at work and pose a significant risk to industries' output. If work

**OBJECTIVES OF THE STUDY**

The main objective of the study is to examine the impact of cultural diversity on organizational performance in selected frozen fish companies in Nigeria. While the specific objectives are to:

1. Assess the effect of employee’s behavior on cultural diversity in frozen fish industry in Nigeria.

2. Assess impact of cultural diversity on organizational performance.

**DATA COLLECTION :** Both primary and secondary data sources are used to get information. The following is a list of them in further detail:

1**. PRIMARY SOURCE**

Structured, non-disguised questionnaires and observation techniques are the key sources of data collection.

**2. SECONDARY SOURCES Data** :

from periodicals, company websites, and many other websites relating to Human Resource Management, Books on the subject of education, Newspapers, magazines, etc are examples of secondary sources of data.

The data collected is analyses with the following tools: A. Charts B. Tables SAMPLING In the Simple Random Technique, 106 employees are chosen as sample units from a total of 50 population.

**LIMITATIONS** .

1 Duration of the study is limited to 45 days.

2. Problem’s pathing with confidential matters are not revealed.

3. There is a greater tendency of the fluctuation in the response and behaviour of the respondents.

4. The sample does not cover all the employees in the organizations. Hence, it may not reveal the exact opinions of all the employees in the organization. Hence, generalizations may not be true representative.

5. It is also difficult to analyze the psychological problems of the employees towards their stress level

**DATA ANALYSIS AND INTERPRETATION**

**Table 1: Dimension of Diversity**

|  |  |  |
| --- | --- | --- |
| **Primary Dimension** | **Secondary Dimension** | **Tertiary Dimension** |
| * Race * Ethnicity * Gender * Age * Disability | Culture  Religion  Sexual orientation  Family status  Education Language  Nationality  Economic status  Political orientation  Work experience | Beliefs  Assumption  Perception  Attitudes  Feeling  Values  Norms |

**Table 2: Effect of employee’s behaviour on cultural diversity in selected frozen fish company in Nigeria**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **QUESTIONS** | **SA (%)** | **A**  **(%)** | **N**  **(%)** | **D**  **(%)** | **SD**  **(%)** | **TOTAL**  **(%)** |
| Unethical, aggressive or arrogant behaviour on  the part of employees is translated as an  attributed to the whole organization | 30  (60) | 14  (28) | **2(4)** | **2(4)** | **2(4)** | **50(100)** |
| Employees must identify personally with the  defined organizational culture | **27**  **(54)** | **18**  **(36)** | **3(6)** | **2(4)** | **-**  **(-)** | **50(100)** |

**TABLE 3 IMPACT OF CULTURAL DIVERSITY ON ORGANIZATIONAL PERFORMANCE IN SELECTED FROZEN FISH INDUSTRY IN NIGERIA**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **QUESTIONS** | **SA (%)** | **A**  **(%)** | **N**  **(%)** | **D (%)** | **SD**  **(%)** | **TOTAL**  **(%)** |
| Employees behaviour determines organizational  performance | **25**  **(50)** | **15**  **(30)** | **4**  **(8)** | **3(6)** | **3(6)** | **50(100)** |
| Family background, beliefs and religion values,  attitudes and perception of work, commitment to  work, norms have positive influence on workers | **32** | **9**  **(18)** | **3 (6)** | **3(6)** | **3(6)** | **50(100)** |

**FINDINGS:**

1. Reliability: The Cronbach's Alpha value of 0.965 suggests high internal consistency reliability among the variables in the questionnaire.

2. Age Distribution: The majority of participants (88.2%) are aged 35 and above, while only 11.8% fall in the 18-35 age group.

3. Gender Distribution: The gender distribution of the participants shows that 62.7% are male and 37.3% are female.

4. Department Distribution: The largest group is from the "Production" department (62.7%), followed by "Marketing and Sales" (22.5%), "HR" (5.9%), and "Finance" (5.9%).

5. Responses to Questions: The responses to the questions generally include a range of options from "strongly disagree" to "strongly agree." The distribution of responses varies for different questions.

6. Correlation Analysis: Several correlations between different pairs of questions are statistically significant at different levels (0.05 and 0.01). This suggests that some questions are related to each other in the survey.

7. Chi-Square Tests: The chi-square tests between department and responses to question Q29 show significant associations (p = 0.025). However, some expected counts are below 5, which might affect the validity of the test.

8. \*\*ANOVA Tests: \*\* ANOVA tests were conducted on questions Q4, Q18, Q24, and Q37. However, the effect sizes (Eta-squared, Omega-squared) are generally low, indicating that the variables have a limited impact on these questions.

9. Paired Samples Analysis: Paired samples tests were conducted on questions Q3 and Q18, as well as Q26 and Q37. Significant differences were found in Q26 and Q37, suggesting changes in perceptions between the two sets of questions.

10. Age Comparison: The data doesn't include a detailed analysis of age-related differences in responses.

**SUGGESTIONS:**

1. Age Diversity: Given the substantial difference in age distribution, consider analysing responses by age groups to understand potential generational differences in perceptions.

2. Gender Analysis: Conduct a detailed analysis of responses based on gender to uncover any gender-related patterns.

3. Department Impact: Explore the implications of the department's distribution on the survey responses. Are certain departments more aligned with certain responses.

4. Correlation Patterns: Investigate the relationships between correlated questions to understand the underlying factors driving these correlations.

5. Chi-Square Validity: Consider addressing the issue of expected counts below 5 in the chi-square tests for better statistical validity.

6. Effect Sizes Interpretation: When interpreting ANOVA effect sizes, keep in mind that small effect sizes suggest limited practical significance. Consider discussing the practical implications of these small effects.

7. Paired Samples Insights: Explore the reasons for the significant differences in perceptions between the paired questions Q26 and Q37. Are there specific factors causing this change?

8. Survey Enhancement: For a more comprehensive analysis, consider adding open-ended questions to gather qualitative insights that can complement the quantitative data.

9. External Factors: Investigate if any external factors or events might have influenced the survey responses, which could help explain certain patterns.

10. Longitudinal Analysis: If feasible, consider conducting the survey over multiple time points to track changes in perceptions and responses over time.

**CONCLUSION**

A diverse workforce is a reflection of a changing world and market place from the result of findings, this paper concluded that cultural diversity has significant effect on organizational performance in frozen fish industry in Nigeria. Responses raised by respondents were of the agreed and strongly agreed views have the highest scores with the highest percentage recorded. Management tools in a diverse workforce should be used to educate everyone about cultural diversity and its issues, including laws and regulations. Most work place are made up of diverse cultures, so organizations need to learn how to adapt to be successful. From the study, companies are recommended to include culturally diverse people in their organization. It can be seen that there are some challenges that this could bring companies but the benefits are higher than the problems If challenges are managed well. Secondly, it is equally important to enhance and integrate benefits of diversity while trying to minimize the challenges of it. Furthermore, it is important to be very clear in communication in order to avoid misunderstandings; this could be done through implementing an open-door policy at the company. Further, research should provide insight into the influence of cultural diversity on organizational performance of other industry and sectors in Nigeria because the results of these findings only focus on the fishing industry in Nigeria. Vol-4 Issue-3 2018 IJA

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