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# Cultural Diversity and Organizational Performance in Manufacturing Firms in Anambra State, Nigeria

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**ABSTRACT**

This work examined the effect of cultural diversity on organizational performance in manufacturing firms in Anambra State, Nigeria. The study reviewed relevant conceptual, theoretical and empirical literatures. This study is anchored on Resource Based View (RBV). The study adopted survey research design. Cultural diversity religion diversity, language diversity, cultural value system and gender diversity were employed as the explanatory variables while organizational performance was employed as dependent variable. The study adopted survey research design. The population of the study comprised the staff of the selected manufacturing firms in Anambra State. This was found to be 2150. Sample size of four hundred twenty one (421) respondents was selected for the study, using Borg and Gall (1973) formula. Questionnaire was employed as the main instrument of data collection. The data generated were analyzed using frequency, percentage analysis, descriptive statistics, correlation analysis and multiple regression analysis. The study found that religion diversity had a significant negative influence on organizational performance in manufacturing firms. Language diversity had a significant positive influence on organizational performance in manufacturing firms. Gender diversity had a significant positive influence on organizational performance in manufacturing firms. Cultural Value system diversity had a significant positive influence on organizational performance in manufacturing firms. The study concluded that culture diversity has a significant effect on organizational performance. The study therefore recommends that there is a dire need to ensure that all employees are given an opportunity to practice their religion. In order to avoid conflict, the companies need to have its values in line with the employee cultural values. The company needs to conduct training on how to minimize communication barriers. Gender discrimination should be abolished in the workplace. Being a female does not make a woman less mentally fit compared to her male counterparts.



## Introduction

For an organization to remain relevant in a competitive environment, it is necessary for Management to hire employees who represent its demographics (Jehn and Bezrukova, 2004). This could include people who represent a particular ethnic community, who understand and know the needs of their culture. It could also mean having a representative from a particular religion, who may be able to give insight on the acceptable and non-offensive traditions that could be used by the organization, for example during a marketing campaign (Worman, 2006). Worman (2006) further explains that understanding the effect of culture on human behavior is crucial to the business success of any organization. Farrer (2006) argues that, organizations aiming to expand their market and increase their performance need to give greater attention to relating to a multi-cultural workforce . Jehn and Bezrukova (2004) state that the trend of having different work functions and departments in an organization that has different cultures, adds a strong element of cultural diversity to today’s workgroups in many organizations. For an organization to succeed and have a competitive edge over the rest in the industry, it has to greatly embrace diversity to be able to realize its benefits, Farrer (2006).

Being able to successfully handle workplace diversity issues as well as develop and implement diversity plans gives an organization several benefits (Stahl, Maznevsk, Voigt & Jonsen, 2010).

Cultural diversity is the representation, in one social system, of people with distinctly different group affiliations of cultural significance (Ang,Van, Koh, Templer, Tay & Chandrasekar, 2007).

In many organizations, employee morale and satisfaction are related to identity groups or cultural affiliations (Cox, 2004). The amount of diversity in both formal and informal structures of organizations will impact factors such as creativity, problem solving and intra-organizational communications (Ang *et.al*, 2007). How people feel and think about their jobs and their employers is greatly influenced by their cultural beliefs, norms and value system (Peppas, 2001). Seymen (2006) further states that this is indeed crucial because behavior is driven by perceptions of reality. What people believe about their opportunities in the work environment is of vital importance regardless of whether or not these beliefs are consistent with the facts (Kochan *et.al*, 2003). Cox (1994) goes ahead to say that cultural differences to a great extent shape a person’s beliefs and relationship to other employees as well as customers.

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There seems to be a general agreement that if cultural diversity is managed well, it can be an asset to performance, and if it is overlooked or mismanaged, it may diminish the performance of an organization (Browaeys & prince, 2011). Managing cultural diversity is the whole action of planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while minimizing its drawbacks (Stahl, Maznevski, Voigt & Jonsen, 2010). Jehn & Bezrukova (2004) believe that the goal of managing cultural diversity is to maximize the ability of all employees to contribute to organizational goals, and to achieve their full potential unhindered by cultural identities such as religion, norms, values and language. Therefore this study aims to investigate the effect of cultural diversity on organizational performance.

**Statement of the Problem**

Organizations with strong cultures perform better than those without (Anget,Van Dyne, Koh, Ng, Templer, Tay, and Chandrasekar, 2007). A strong culture is an organizational culture with a consensus on the values that drive the company and with an intensity that is recognizable even to outsiders (Kochan,Ely, Joshi & Thomas 2003). A strong culture is deeply held and widely shared and is also highly resistant to change (Daft, 2003).Canella *et. al*, (2008) says that despite the large number of studies on diversity, most of these studies have so far yielded inconsistent results, thus leading to a question of whether really diversity in diversity is advantageous for companies. Ang *et al.*, (2007) acknowledge that diversity can have both positive and negative impacts on organizations, but the nature of the impact depends on the type of diversity climate that exists rather than the fact of diversity itself. Differences in culture makes the general management and technical know how difficult to exploit, when differences in cultural context make activity sharing and synergy formation among business units less efficient (Stahl et.al, 2010). Maznevski, Voigt & Jonsen, 2010). Jehn & Bezrukova (2004) maintain that the goal of managing cultural diversity is to maximize the ability of all employees to contribute to organizational goals, and to achieve their full potential unhindered by cultural identities such as religion, norms, values and language. Studies undertaken in the Kenyan context by Irungu (2007), Awino (2007) and Sifa (2009) have all treated corporate performance as a dependent variable. The findings of each of these studies indicate that performance is a function of a combination of factors. Irungu's (2007) study revealed that there is a relationship between employee characteristics and various indicators of organizational performance. Awino's (2007) study focused on the effect of top management team diversity on corporate performance while Sifa's (2009) study focused on the influence of top management team characteristics and performance. Both of these studies indicated that organizational practitioners continue to be faced by a lot of management problems that have their roots in the top management team, which ultimately impede progress towards achieving high performance. Ahiauzu (2000) states that, most of the literatures on cultural influences on organizational performance and behavior is of poor quality, consisting of anecdotes and prescriptions based on western experience and imagination.

There exists the problem of several researches focusing exclusively on the effect of culture on organizational performance in the western setup. As such, little is known about the nature and uniqueness of the Nigeria culture and its effect on organizational performance. While much attention has been devoted to the effect of cultural diversity in the workforce, less attention has been given to issues associated to cultural diversity in the manufacturing industry. More especially, no studies have been carried out on the effect of employee cultural diversity on manufacturing companies more closely with their employee cultural background in order to enhance optimal performance.

**Objectives of the Study**

The general objective of this study is to investigate the effect of employee cultural diversity on organization performance. The specific objectives are to:

1. Examine the effect of religion diversity on organization performance
2. Determine the influence of language diversity on organization performance
3. Investigate the effect of Gender diversity on organization performance
4. Assess the influence of norms diversity on organization performance

**Research Questions**

In pursuance of our purpose the following research questions were raised.

1. To what extent does religion diversity affect organization performance?
2. What is the effect of employee norms diversity on organization performance?
3. What is the effect of language diversity on organization performance?
4. To what extent does gender diversity influence organization performance?

**Hypotheses**

In order to give statistical significance to the research questions, the following hypotheses were formulated and tested at the 0.05 level of significance

Ho1:Religion diversity has no significant influence on organization performance

Ho2:Language diversity has no significant effect on organization performance

Ho3:Gender diversity has no significant influence on organization performance

Ho4: Norm diversity has no significant effect on organization performance

**Significance of the study**

This research will benefit various stakeholders, Policy makers,Management (Researchers&Academics, Government.

**Scope of the Study**

The study examined the effect of employee cultural diversity on organizational performance as the study scope. Geographically, this study will covered manufacturing firms Anambra state, Nigeria. The study used religion diversity, language diversity, gender diversity and norm system diversity as variable scope. The employees of the selected manufacturing firms in Anambra State served as unit scope of the study.

**Review of Related Literature**

**Conceptual Framework**

**Employee 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 (Maier, 2002).There is a definite trend towards definition of a multiplicity of diversity dimensions. Arredondo (2004) adds culture, 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 the concept of cultural diversity, the authors start the discussion by defining what culture is. According to Varner and Beamer (2011), culture explains how people make sense of their world. This definition is much in line with Stewart (2007) wherein he posits 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 cultural diversity from being a“melting pot” to multiculturalism”, accepting it as an essential part of a society (Parvis, 2003). Hertzeberg (2010) posits that cultural diversity is often perceived as a societal fact 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. Steven & Ogunji (2011) posit the difference in people’s value, attitude and behaviour that are grounded from diverse culture influence how managerial events are viewed in an organization. From this definition we can see cultural diversity as the presence of different cultures within a social system, which differ in values, norms and behavior, therefore people of different cultures can be different from each other in many ways (Gundersen, 2008). Cultural diversity and organizational culture have impact on each other (Scott, 2001). Differences in cultural characteristics can predict team scores which can further be interpreted as an advantage of having ethnically different views for a team, resulting in increased problem solving and team performance. Many private firms have also manifested this kind of diversity, although a good number, especially the multinationals and those that have adopted professionalism as a value hired purely on merit (Zgourides & Watson, 2002). While there have been a significant number of studies that have explored the effect of diversity at individual and group level, there is little theoretical guidance and a scarcity of empirical findings concerning the potentially beneficial impact of firm-level cultural diversity on organizational outcomes (Richard et al, 2007). Researchers have observed that diversity in a cultural context can influence organizational synergies, innovativeness, and effectiveness in implementation of technological programmes (Gomez-Mejia & Palich, 2015). Cultural diversity can further influence interpersonal dynamics within an organization.

**Organizational Performance**

The concept of “scientific management’ by Frederic Taylor in the early twentieth century laid the foundation for the modern concept of organizational performance. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). It is one of the most important variables in the field of management research today. Although the concept of organizational performance is very common in academic literature, its definition is not yet a universally accepted concept. (Gavrea, Ilies & Stegerean, 2011). Richard (2006) view organizational performance as encompassing three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment.), product market performance (sales, market share); and (shareholder return (total shareholder return, economic value added). Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance (shareholder return), customer service, social responsibility, internal business processes & employee stewardship.

Richard and Shelor (2009) define organizational performance as the organization’s ability to attain its goals by using resources in an efficient and effective manner; effectiveness being the degree to which the organization achieves a stated goal, and efficiency being the amount of resources used to achieve an organizational goal. (Allen, Dawson, Wheatley & White, 2007) note that, when defining firm performance, it is important to consider a wide range or variety of organizational performance measures which include quality, productivity, market share, profitability, return on equity, customer base and overall firm performance. The term performance was sometimes confused with productivity. Ricardo, (2001) explains that there is a difference between performance and productivity. Productivity is a ratio depicting the volume of work completed in a given amount of time. Performance is a broader indicator that could include productivity as well as quality, consistency and other factors. Waiganjo, Mukulu & Kahiri, (2012) note that organizational performance may be measured in terms of its multiple objectives of profitability, employee satisfaction, productivity, growth among many other objectives. Advocates of the balanced score card performance management system have proposed a broader performance measurement approach that recognizes both the financial and non-financial measures including sales, profitability, return on investments, market share, customer base, product quality, innovation and company attractiveness. In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility, & employee stewardship. Khan & Khan, (2011) assert that organizational performance depends on various factors including the contributions of human resource capital. This is because human resource in an organization plays an important role in growth and organizational performance. Abu-Jarad, Yusuf & Nikbil, (2010) note that although many studies have found that different organizations tend to emphasize on different objectives, literature suggests that financial profitability and growth are the most common measures of organizational performance. Richard &Shelor (2009) explains that organizational performance comprises of the actual output or results of an organization as measured against its intended outputs (goals & objectives). Kunze, (2013), has defined organizational performance as consisting of both organizational and operational dimensions of performance. Operational performance is measured in terms of employee productivity (ratio of sales/to number of employees) as well as employee retention and fluctuation. Research on performance has gone through many phases in the last decades. Initially, they were focused mostly on financial indicators but with time, the complexity of the performance measurement system increased by using both financial and non-financial indicators (Gavrea,Ilies & Stegerean 2011). Many actions taken by firms do not seem to affect their financial performance much. This has led scholars to widen the definition of firm performance to include corporate social performance (Brammer & Millington, 2007)

**Theoretical Framework**

This research is anchored on Resource Based View (RBV) Barney 2011).The theory was advanced by Penrose, who viewed a firm as a bundle of resources and argued that it is the heterogeneity of resources that gives each firm its unique character (Penrose 1959). The focus therefore is on the assets of the firm and specifically people, since they have been viewed as being vital in the attainment of sustainable competitive advantage. Asset-Based View (ABV) of the firm is therefore established on the conviction that organizations inside an industry direct heterogeneous assets. Assets are for the most part resources, capacities, organizational procedures, firm properties, data, information, and so forth controlled by a firm that empower the it catch and actualize systems that propel its productivity and adequacy (Barney 2011). Expressed in an unexpected way, assets are the qualities that enable firms to actualize their procedures. As indicated by the Resource Based

View (RBV), certain benefits with specific highlights will prompt legitimate preferred standpoints.

In any case, an asset-based view procedure cannot convey upper hand without being operationalized. Operationalization implies a formalization of the hypothesis' thoughts and ideas into pertinent models, which empower all phases of technique detailing and basic leadership (Barney 2011). The operationalization of RBV hypothesis is pertinent since it directs managers in their asset-based procedure execution. In Penrose's view, the administration's part is two-fold: the organization of assets, and administration as an asset parse, taking the supposition that managers convey and procure administrative assets and capacities. Both are firmly related on the grounds that administrators as assets render administrations for the administration of different assets.

A firm has an unobtrusive favourable position or competitive advantage over another firm when this preferred standpoint is not being acknowledged by any contender (Barney 2011). In analysing sources of competitive advantage, the Asset-Based View has two assumptions (Barney 2011). Firstly, a firm within an industry may be heterogeneous with respect to the strategic resources it controls. Secondly, the model assumes that these resources may not be perfectly mobile across firms, and thus heterogeneity can be long lasting. The asset-based model of the firm examines the repercussions of these two suppositions for the analysis of sources of sustained competitive advantage.

Operative resource-based models should provide guidelines for resource identification and selection and address the dynamic aspect of bundling (Ghapanchi 2014). Hence, they have to face biases and errors arising from uncertainty, complexity, and organizational conflicts. Resource-based models support strategy design by providing operative tools that make it possible to trace consequences of different strategies. Therefore, operational resource-based models should "reveal flaws and inconsistencies in proposals that might not otherwise come to light until the proposals are implemented and under way" (Ghapanchi 2014). To do this, operative resource-based models must embody four characteristics: provide guidelines to identify and select valuable resources, portray the resources' intrinsic endowment dynamics, depict how managerial policies affect resource management and have the ability to trace consequences of potential strategies over time.

The resource-based view distinguishes two variables that determine whether a resource is strategic or not: the imitability of a resource and imperfect mobility, contribute to the uniqueness of a resource and with this uniqueness to a potential sustained competitive advantage (Barney 2011). When a resource can be imitated by a current or potential competitor, the firm loses the opportunity to gain a sustained competitive advantage.This is because the leading company is more knowledgeable and developed and therefore, these potential and current competitors are probably not able to overtake the company. Causal ambiguity occurs when imitators do not know what to imitate, because they cannot draw a causal relation between the success of the "successful" firm and the actions of that firm. Social complexity arises when resources can be socially complex in a way that other firms are not able to manage and influence these resources themselves.

Imperfect mobility occurs when a resource that can be bought by another firm in a market cannot result in a competitive advantage. For example, a machine that can be bought on a market by firms cannot be unique for one of the buyers of that machine. Examples of resources that can be unique are property rights and reputation; other firms on a market cannot buy these unique resources. An abstract form of immobility is imperfect mobility (Barney 2011). Imperfect mobility makes certain resources more valuable to one firm compared to another firm. An example could be a product developer in a product-developing team. The value of the product developer separate from the product developing team is lower than the value within his team. So, when a competitor is interested to "buy" the product developer, he or she will be of less worth to the competitive firm since he or she performs best in the product-developing team of the current firm.

**Empirical Review**

Akpoviroro and Owotutu (2018) examined the impact of cultural diversity on organizational performance. It specifically examined the effect of employees' behavior on cultural diversity in frozen fish industry in Nigeria in selected companies, and the impact of cultural diversity on organizational performance. 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 were employed. The findings revealed that employees' behavior has effect on cultural diversity in work place, and cultural diversity has impact on organizational performance.

Rumana and Mutuku (2017) examined the effect of age and culture diversity on the performance of quality control organizations in Nairobi County, Kenya. Questionnaire was used to collect the data that was analyzed using descriptive and inferential statistics. The Pearson product movement correlation coefficient was used to determine the strength of the relationship between age, cultural diversity and performance of quality control organizations. A multiple regression model was used to test the significance of the effect of age and cultural diversity on organizational performance. Findings indicated that age diversity was positively and significant related with organizational performance. Similarly, cultural diversity was positively and significantly related with organizational performance. The study concluded that age diversity and cultural diversity affected the performance of quality control organizations in Kenya.

Mutegi (2016) studied the influence of social-cultural diversity on employees' attitude towards performance using private universities in Meru, Kenya. The study adopted a descriptive survey design. Primary data was collected through questionnaires administered to sampled university employees selected through simple random sampling. The collected data was comprehensively edited, coded and analyzed, using SPSS. The results indicated that most of the university employees had Bachelor's degree which highly improved their competence at work thus high performance.Religion had an important role to play since it affected the relationship among employees and their work, Gender considerations especially on women was necessary to boost morale and affect gender mainstreaming, and income levels of employees affected how they interacted with each other at the work place thus affecting their performance. The study concluded that the above factors affected the performance of employees in private universities in the greater Meru region, Kenya.

Moises(2017) evaluated the effect of religious diversity management strategies on varyingemployees' attitudes. An evaluation of the previous research in the field of religion and itseffect on management strategies with a basis in title VIIl was also addressed. Based on asample of 300 participants, significant results in the frameworks and their corresponding variables revealed that, out of the four frameworks utilized, the faith-friendly frameworkwas found to be by far the most favored of all, regardless of religion,while the faith-avoiding framework was displayed as the least favored. With the following findings, thisstudy encourages future research that addresses not only diversity management strategiesbut also strategies accommodating to title VIIl as well.

Kemunto (2016) examined the effects of employee cultural diversity on organizational performance. A descriptive quantitative research method was used. Data submitted through questionnaire was entered into SPSS 20.0 statistical software and analyzed for descriptive statistics. Sampling technique was used to select a population sample from the entire employee population. Descriptive statistics was used to analyze data. Regression analysis was used to establish the relationship between employee cultural diversity and organizational performance. The research found out that employee religion had an effect on organization performance. Seven religion variables did not have a significant effect on organizational performance with only three significantly affecting organizational performance in a positive way. Religious beliefs had a negative effect on employee work performance however, they positively influenced work commitment. The study also established that cultural values affected organization performance positively. Five employee value system variables did not have a significant effect on organizational performance with only five which were; company values, customer, business outcomes and team work significantly affecting performance in a positive way.

**Methodology**

This study adopted survey research design**.** It was carried out in Anambra state. Three (3) manufacturing firms were selected from each senatorial zone in Anambra state. The population of the study was 2150. The sample size for the study, 421 was determined using Borg and Gall (1973) formula. The study used only primary sources of data. Questionnaire was used as the instrument of data collection. The researchers used face and content validity. Cronbach's alpha was used to verify the internal consistency of each construct in order to achieve reliability. The analysis of data was performed using SPSS package. This involved descriptive analysis. Multiple regression analysis with value was considered significant at level 0.05.

**Data Presentation and Analysis**

In this section, the data generated from the manufacturing firms were presented, analyzed and interpreted. A total of four hundred twenty one copies of the questionnaire were distributed to the respondents, out of which three hundred and seventy five were properly filled and found relevant to the study, 46 copies of the questionnaire were not properly filled.

Therefore, the analysis in this section was based on the three hundred and seventy five relevant copies. The first section covers the demographic features of the respondents, followed by the analysis of research questions. Therefore the descriptive characteristics of the variables used in the study were examined followed by correlation analysis. Finally, multiple regression analysis was employed in analyzing the data.

**Descriptive Statistics**

The descriptive statistics shows the minimum value, maximum value, mean and standard deviation of the variables used in the study. The result is presented in table 1 below:

**Descriptive Statistics**

**Table 1**

| | **N** | **Minimum** | **Maximum** | **Mean** | **Std. Deviation** |
|---|---|---|---|---|---|
| Religion diversity | 371 | 9 | 30 | 21.20 | 4.301 |
| Language diversity | 371 | 11 | 30 | 20.22 | 4.086 |
| Gender diversity | 371 | 10 | 30 | 20.14 | 4.275 |
| Norms diversity | 371 | 8 | 29 | 19.26 | 4.002 |
| Organizational performance | 371 | 11 | 30 | 22.54 | 3.208 |
| Valid N (listwise) | | | | | |

Source: SPSS Version 21.0

This table presents the summary of statistics used in the analysis. It provides information about the mean and standard deviation of the variables used in the study. Religion diversity has a mean value of 21.20 with a standard deviation of 4.301.

**Table 2. Correlation Matrix**

| | | **Organizational performance** | **Religion diversity** | **Language diversity** | **Gender diversity** | **Norms diversity** |
|---|---|---|---|---|---|---|
| Organizational performance | Pearson Correlation | 1 | -.604" | .544* | .510* | .602* |
| | Sig. (2-tailed) | | .009 | .001 | .004 | .020 |
| | N | 371 | 371 | 371 | 371 | 371 |
| Religion diversity | Pearson Correlation | -.604" | 1 | .112* | -.135** | .031 |
| | Sig. (2-tailed) | .009 | | .031 | .009 | .549 |
| | N | 371 | 371 | 371 | 371 | 371 |
| Language diversity | Pearson Correlation | .544* | .112* | 1 | .072 | -.045 |
| | Sig. (2-tailed) | .001 | .031 | | .168 | .382 |
| | N | 371 | 371 | 371 | 371 | 371 |
| Gender diversity | Pearson Correlation | .510* | -.135** | .072 | 1 | .079 |
| | Sig. (2-tailed) | .004 | .009 | .168 | | .057 |
| | N | 371 | 371 | 371 | 371 | 371 |
| Norms diversity | Pearson Correlation | .602* | .031 | -.045 | .079 | 1 |
| | Sig. (2-tailed) | .020 | .549 | .382 | .057 | |
| | N | 371 | 371 | 371 | 371 | 371 |

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Version 21.0

Language diversity has a mean value of 20.22 and a standard deviation of 4.086. Gender diversity recorded a mean value of 20.14 with a standard deviation of 4.275. Also, Norm diversity has a mean value of 19.26 with a standard deviation of 4.002, while organizational performance recorded a mean value of 22.54 with a standard deviation of 3.208. Low values of standard deviation for each of the variables indicate a consensus on statements associated with each of the variables.

**Correlation Analysis**

Pearson correlation was employed to measure the strength of relationship between variables especially between the dependent and independent variables. And to measures the existence or otherwise of multicolinearity in the research model. The result of the analysis is presented in table 4.36 below.

The table above shows the extent of association between the dependent and independent variables used in the study. Religion diversity recorded a correlation coefficient value of -.604 with organizational performance which is statistically significant at 5% level of significance. This indicates that Religion diversity has very strong negative relationship with organizational performance in manufacturing firms. Also, Language diversity has a correlation coefficient of .544 with organizational performance with a probability value of .001 which is statistically significant at 5% level. This implies that Language diversity has a strong positive relationship with organizational performance in manufacturing firms.

Furthermore, Gender diversity recorded a correlation coefficient value of .510 with a probability value of .004 which is statistically significant at 5% level. This indicates that Gender diversity has a strong positive relationship with organizational performance in manufacturing firms. Also, Norm diversity recorded a correlation coefficient value of .602 with a probability value of .020 which is statistically significant at 5% level. This implies that Norm diversity has a very strong positive relationship with organizational performance in manufacturing firms.

Finally, since there is no correlation coefficient in greater than 0.8 which is the rule of thumb, we conclude that explanatory variables are not perfectly linearly correlated. Therefore, there is no problem of multicolinearity in the model used in this study.

**Analysis of Regression Result**

The four hypotheses earlier formulated in this study were tested using ordinary least square regression. The results are presented in the tables below:

**Table 3. Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | .171[a] | .591 | .490 | 3.178 | 1.910 |

a.Predictors: (Constant), Norms diversity, Religion diversity, Language diversity, Gender diversity

b. Dependent Variable: Organizational performance

Source: SPSS Version 21.0

The table above indicates the summary of the regression model. The regression result shows as R Square value of 0.591. This indicates that the explanatory variables (Religion diversity, Language diversity, Gender diversity and Norm's diversity) used in this study accounts for 59.1 percent of the variation in organizational performance in manufacturing firms, all thing being equal. The remaining 40.9 percent is accounted for by other factors not covered in this study. This is supported by an Adjusted R Square value of 49.0%. Durbin-Watson statistics recorded a value of 1.910 and this shows that the variables used in this study are not auto-correlated. This implies that the model is reliable for predictions.

**Table 4. ANOVA Result**

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 111.469 | 4 | 27.867 | 122.759 | .008[b] |
| | Residual | 3696.790 | 366 | 10.101 | | |
| | Total | 3808.259 | 370 | | | |

a. Dependent Variable: OP

b. Predictors: (Constant), RD, LD, GD, ND

Source: SPSS Version 21.0

Table 4 above shows that F statistics recorded a value of 122.759 with a probability value of 0.008 which is highly statistically significant. This implies that all the independent variables namely Religion diversity, Language diversity, Gender diversity and Norm diversity has a joint significant influence on the independent variable (organizational performance in manufacturing firms). This implies that culture has significant influence on organizational performance in manufacturing firms.

**Test of Hypotheses**

Here, the hypotheses earlier formulated in chapter one was tested using t-statistics and its significance value. The result of the coefficient of the regression model is presented in table 5. below.

**Table 5. Coefficients of the Model**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 22.198 | 1.563 | | 14.204 | .000 |
| | Religion diversity | -.024 | .039 | -.032 | -2.614 | .040 |
| | Language diversity | .049 | .041 | .062 | 2.191 | .005 |
| | Norms diversity | .028 | .044 | .204 | 2.228 | 0.023 |

a. Dependent Variable: OP

Source: SPSS Version 21.0

**Test of Hypothesis One**

Ho: Religion diversity has no significant influence on organizational performance in manufacturing firms.

Hi: Religion diversity has a significant influence on organizational performance in manufacturing firms.

Religion diversity has a t-statistics value of -2.614 which is above the threshold with a probability value of 0.000. Therefore, we reject the null hypotheses and accept the alternate hypotheses and conclude that Religion diversity has a significant negative influence on organizational performance in manufacturing firms.

**Test of Hypothesis Two**

Ho:Language diversity has no significant influence on organizational performance in manufacturing firms.

Hi:Language diversity has a significant influence on organizational performance in manufacturing firms.

Language diversity a t-statistics value of 2.191 with a probability value of 0.005 which is statistically significant. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted. We therefore conclude that Language diversity has a significant positive influence on organizational performance in manufacturing firms.

**Test of Hypothesis Three**

Ho:Gender diversity has no significant influence on organizational performance in manufacturing firms.

Hi:Gender diversity has a significant influence on organizational performance in manufacturing firms.

Gender diversity recorded a t-statistics value of 2.484 with a probability value of 0.013 which is within the acceptance region.

Therefore, the null hypothesis is rejected while the alternate hypothesis is accepted. This implies that Gender diversity has a significant positive influence on organizational performance in manufacturing firms.

**Test of Hypothesis Four**

Ho: Norm diversity has no significant influence on organizational performance

Hi: Norm diversity has a significant influence on organizational performance

Value system diversity recorded a t-statistics value of 2.288 with a probability value of 0.023 which is statistically significant. Therefore, the null hypothesis is rejected while the alternate hypothesis is accepted. This implies that Norm diversity has a significant positive influence on organizational performance in manufacturing firms.

**Discussion of Findings**

This work examined the effect of cultural diversity on organizational performance. Data were sourced from selected manufacturing firms in Anambra State. The study found that religion diversity has a significant negative influence on organizational performance in manufacturing firms**.** This is similar to the findings by Cash & Gray, (2000) whose findings revealed that religion and spirituality strongly influence many American managers' behaviors' at work. The findings revealed that the company respects its employees' religion and it give employees' time to practice their religions. This supports Kutcher, et al., (2010) who noted that the many benefits religious beliefs have been found to have on physical and mental health and ethical decision making has pushed some organizations to support and encourage expressions of religion and faith in the workplace. The finding also revealed that as religious beliefs influenced work performance negatively. The findings agree with Barro and McCleary ( 2005) who argued that, on the average, it is true that the religious are more involved in civic organizations than the non-religious, but up to a certain level; as religiousness increases, religious involvement also increases, leading to individuals spending less time in secular, civic organizations. Individuals who are highly religious often devote a significant amount of their time and resources to their religious activities leaving little time for secular and civic activities. The need to engage more in religious good works surpasses the desire to volunteer in civic activities (King, & Williamson, 2005).

The findings revealed that Language diversity has a significant positive influence on organizational performance in manufacturing firms. This affirmed Imberti (2007) study that language allows us to relate and understand each other. It enables one to express one's emotions and feelings, tell stories, as well as convey complex messages and knowledge (Imberti, 2007; Lauring, 2008).In this regard, language can facilitate and significantly limit strategic growth and performance of companies. The study revealed that facing communication challenges when communicating with people positively influenced performance. This contradicted Brannen & Doz, (2012) findings that revealed that language barriers can be key factors that prevent information about the target market from reaching organizational decision makers. The findings also showed that conflict generated by language differences negatively influenced performance. What is considered an appropriate display of emotions differs from culture to culture (Jehn & Bezrukova, 2004).

Gender diversity was found to have a significant positive influence on organizational performance in manufacturing firms. These results are consistent with Campbell and Mı´nguez-Vera (2008) that found a significant positive effect of gender diversity on firm performance. However, the opposite causal relationship was insignificant which means that the better performing firms do not affect the gender composition of the boards. This result was consistent with all the previous findings that have controlled for reverse causality. Similarly, Carter, D'Souza, Simkins and Simpson (2007) found a significant positive relationship between gender diversity and firm financial performance primarily through the percentage of women present on the audit committee.

The study revealed that Norm diversity has a significant positive influence on organizational performance in manufacturing firms. This is in line with Knippenberg (2000) research who states that human beings have different goals and expectations about their work depending on the cultureNorms they live in. Soares, *et.al (*2007) adds that people who lack strong or Norms and values may participate in negative behavior that can hurt the organization. The findings revealed that when employee norms are in line with the organization values, performance is affected positively. This is true according to Ringov *et.al* (2007) who explains that when an organization and its team members unite around a shared set of Norm's values, they become more flexible, less hierarchical, less bureaucratic, and they develop an enhanced capacity for collective action

**Summary of Findings**

The study found that|

1. Religion diversity has a significant negative influence on organizational performance in manufacturing firms.
2. Language diversity has a significant positive influence on organizational performance in manufacturing firms.
3. Gender diversity has a significant positive influence on organizational performance in manufacturing firms.
4. Norm diversity has a significant positive influence on organizational performance in manufacturing firms.

**Conclusion**

This work examined the effect of culture diversity on organizational performance using selected manufacturing firms in Anambra state. Data was subjected to various statistical tests. From the statistical tests the study found that language diversity, gender diversity and Norm diversity have a significant positive influence on organizational performance in manufacturing firms. Religion diversity has a significant negative influence on organizational performance in manufacturing firms. Therefore, the study concludes that culture diversity has a positive effect on organizational performance using selected manufacturing firms Anambra State

**Recommendations**

1. In order to avoid a high employee turnover, there is a dire need to ensure that all employees are given an opportunity to practice their religion. Alternatively there is a need for the firm to have a system that fairly allows all the employees to practice their religion and engage in religious activities that both contribute positively to the individual and organization.
2. The company needs to conduct a training on how on how to minimize communication barriers. A seminar on cultural diversity will also come in handy to curb the conflict that arises from diversity in ethnicity. Having language use policies will also minimize cases of employees feeling neglected when working with colleagues who speak the same language.
3. Gender discrimination should be abolished in the work place. Being a female does not make her less mentally fit, compared to her male counterparts.

4. In order to avoid conflict a company needs to have its norm and values in consonance with the employee cultural norms. Training needs to be done on the different dimensions of cultural norm and values to reduce any conflict that arises because of differences in norm and value system, and enhance unity and cohesion at the work place.

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