

EFFECT OF CULTURAL AND GENDER DIVERSITY ON THE PERFORMANCE OF MEDIUM SCALE MANUFACTURING ENTERPRISES IN NORTH CENTRAL NIGERIA

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Abstract

This study assessed the effect of cultural and religious diversity on growth of medium manufacturing enterprises in North Central Nigeria, motivated by the researcher's observation that manufacturing firms in north central Nigeria rarely grow from medium to large firms like they are expected to. The study adopted a survey research design using primary data and a structured five-point Likert scale questionnaire. Data were collected using structured questionnaires and analyzed using descriptive statistics and Partial Least Square Structural Equation Modeling (PLS-SEM). From an analysis of 385 respondents who were employees of medium scale manufacturing firms in Nigeria, the findings of the study showed that cultural diversity within medium scale manufacturing enterprises in North Central Nigeria yields a positive but statistically insignificant effect on performance. The coefficient for cultural diversity is 0.165 with a p-value of 0.025. The analysis demonstrates that religious diversity significantly affects the performance of medium scale manufacturing enterprises in North Central Nigeria with a coefficient of 0.394 and a p-value of 0.000. It is recommended that while cultural diversity may not have a significant impact on performance, organizations should still recognize its importance in fostering a rich and inclusive workplace culture. Recognizing the significance of religious diversity, organizations should implement policies and practices that respect and accommodate employees' religious beliefs and practices.

Keywords: Cultural Diversity, Religious Diversity, Growth, Medium Manufacturing Firms

INTRODUCTION

Organizations comprises of individuals from diverse backgrounds and attributes who work together to accomplish a collective goal or objective. The degree to which goals and priorities are accomplished is determined by the people in an organization. The possible way people in an organization genuinely think, experience, communicate, function, and respond allows them to achieve their objectives. The ongoing economic interdependence, immigration trends, and the globalized nature of economies have unquestionably justified and ushered in a persistent inclination towards workplace diversity on a global scale (Y. Li et al., 2021).

Globalization has made the world a global village thereby increasing competition in every field across the world. The competition within industries is growing stronger and firms regardless of their sectors are searching for ways of improving their performances. Globally, implementing workplace diversity has become a major focus in many Human Resource departments of many organizations. Workplace diversity which means "employees with differences in terms of age, academic backgrounds, ethnic backgrounds, cultural backgrounds, nationalities, physical abilities and disabilities, race, religion, gender, sexual orientation, and social class", can contribute to the organization's success by enabling access to a changing marketplace via the organization's multicultural employees (Emmanuel, 2021).

The rapid increase in globalization has increased competition for survival and profit making among organizations in developing countries like Nigeria. Through globalization, the advances in technology and the advent of a global economy have brought the people of the world closer to each other. Businesses, educational systems and other entities are investigating ways to better serve their business environment so as to attract and retain the best and most qualified workers. It has become a challenge for modern organizations to efficiently manage such a diverse work force (Ikon et al., 2017).

Organizational Performance is a complex and multidimensional phenomenon in the business literature. It comprises of the results of an organization or the actual outputs of an organization, which can be measured against intended outputs, goals and objectives. The organizational performance involves three areas associated with the organization financial performance (return on asset, return on equity, profits etc.),

shareholder return (economic value added, total shareholder etc.) and the product/service market performance market share, sales etc. (Hasan & Khajeh, 2018).

Cultural diversity is any contrast in individuals determined by their background, tribe, nationality. The cultural condition in the workplace depicts the current socioeconomics, social and cultural contrasts on a cultural level. For an organisation to deal with a culturally different workforce, it would require deep understanding and management of systems to build a productive outcome (Mateescu, 2018). Religious diversity in organizations refers to the presence of individuals from various religious backgrounds working together within the same workplace. It encompasses not only different religious beliefs but also the associated customs, traditions, and practices that influence an individual's work-life integration. This diversity can manifest in various forms, from employees following major world religions such as Christianity, Islam, Hinduism, Buddhism, and Judaism, to those adhering to lesser-known faiths or even non-religious belief systems like atheism and agnosticism (Pew Research Center, 2019).

Medium scale manufacturing enterprises, integral components of the manufacturing sector, play a pivotal role in the economic development of nations. These enterprises, characterized by mid-size revenue, employee count, and production scale, are crucial contributors to employment generation and overall industrial growth. Recognizing the potential impact of diversity on organizational performance, driven by the belief that a diverse workforce fosters innovation, effective decision-making, and a deeper understanding of diverse consumer markets, this study aims to investigate the effect of workplace diversity on the performance of medium manufacturing enterprises in North Central Nigeria.

Despite the widely acknowledged benefits of diversity, a phenomenon has been observed in North Central Nigeria where medium manufacturing enterprises face challenges in transitioning into larger firms. Despite reporting profits, these enterprises struggle to evolve in terms of capital/income levels, organizational structures, and employee strength. The researcher posits that this challenge may stem from inadequate or improper diversity management practices, potentially impeding the motivation, development, and retention of employees crucial for enhancing enterprise performance.

While previous studies by Smith and Brown (2015), Johnson & Rodriguez (2017), Chen & Singh (2018), Anderson & Patel (2019), and Nkosi & Abimbola (2020) have established positive correlations between diversity management practices and organizational growth in various global contexts, a notable gap exists in the specific context of medium manufacturing enterprises in North Central Nigeria. Existing research predominantly focuses on large enterprises in diverse global settings, leaving a void in understanding the unique challenges and opportunities faced by medium-sized manufacturing enterprises in this specific region. This research seeks to address this gap by exploring the intricacies of managing workplace diversity and how it influences the performance of medium scale manufacturing enterprises in North Central Nigeria.

The broad objective of this study will be to investigate the “effect of workplace diversity on the performance of medium scale manufacturing enterprises in North Central Nigeria”. The specific objectives were to:

- i. examine the effect of cultural diversity on the performance of medium scale manufacturing enterprises in North Central Nigeria.
- ii. determine the effect of religious diversity on the performance of medium scale manufacturing enterprises in North Central Nigeria.

In line with the research objectives, the following hypotheses will guide the thrust of this study.

Ho₁: Cultural diversity has no significant effect on the performance of medium scale manufacturing enterprises in North Central Nigeria.

Ho₂: Religious diversity has no significant effect on the performance of medium scale manufacturing enterprises in North Central Nigeria.

LITERATURE REVIEW

Workplace Diversity

Workforce diversity refers to a wide range of differences among employees in a company, including race, gender, ethnicity, nationality, work experience, religion, age, personality, cognitive style, tenure,

organizational function, and educational background. Workforce diversity management aims to build and sustain a supportive work climate in which all employees' similarities and differences are respected, allowing them to achieve their full potential and contribute to the company's strategic objectives (Patrick & Kumar, 2012). Basic sense, workforce diversity management is the ability to adapt to characteristics and traits that are different from our own and outside of the communities to which people belong, but are present in other individuals and groups (Umemezia & Agbonifoh, 2017).

Managing workplace diversity refers to managing heterogeneous categories of employees in terms of gender, cast, race ethnicity etc. Harnessing heterogeneous category of employees helps to build synergy among the workforce. However, the major challenges for the organizations is to accommodate the needs and desires of the diverse groups of people who may need different styles of management; practice different work styles and have different personal and family needs.

Cultural Diversity

Cultural diversity is the existence of different individuals from different cultures or societies whose differences arise from language, religion, race, sexual orientation, gender, age, and ethnicity (Grobber, 2013). Diversity is a subjective phenomenon created by group members themselves, who, on the basis of their different social identities, categorize each other as similar or dissimilar (Maier, 2012). There is a definite trend towards the definition of multiplicity of diversity dimensions. Arredondo (2017) adds culture, social class, and language to the primary dimensions and health care beliefs and recreational interest to the secondary dimensions. She further adds a tertiary dimension, which encompasses historical moments experienced. In order to understand the concept of cultural diversity, we start by defining what culture is. Employee cultural diversity can be discerned from multiple dimensions. Herein, we look at language, value and religious diversity. The culture inherent to each member of society comprises a variety of values, attitudes, behaviours and beliefs that can often be used to compete within the competitive outer environment (Atiyah, 2016). Culture is the shared element of human existence that leads to the creation of various aspects within society. Some of these aspects are tangible and can be observed through the senses, such as material objects, while others are intangible, encompassing customs, traditions, values, ethics, and artistic approaches (Tarvonen, 2018).

Religious Diversity

Religion has been traditionally seen as a private matter with little or no consideration given to religious diversity in the workplace. Today, given the re-emergence or revival of religious identities and sentiments in the Middle East, Europe, North America, South Asia, and other parts of the world, it is crucial for policymakers and employers to develop better understanding and management of religious diversity. This is particularly important in the global marketplace, given that companies are increasingly interacting with diverse religions, cultures, and stakeholders (Syed & Ozbilgin, 2015).

Religious diversity is a multifaceted and complex phenomenon that characterizes societies around the world. It refers to the coexistence of various belief systems, practices, and traditions within a given geographic or social context. This diversity can manifest in numerous ways, including different religions, sects, denominations, and even atheism or secularism. Religion has a central role in shaping societies' political, social and economic experiences. In many countries, it is a source of deep societal divisions, violent conflicts and political polarization. In the United States, Putnam et al., (2012) argue that an important change over the past half century is "how Americans have become polarized along religious lines. Americans are increasingly concentrated at opposite ends of the religious spectrum—the highly religious at one pole, and the avowedly secular at the other". In the Middle East, one of the most conflict-prone regions in the World, tensions between different religions have long contributed to the prevalence of hostilities (Pew Research Center, 2016).

Medium Scale Enterprises

Aremu (2011) viewed Micro, Small and Medium Scale Enterprises (SMEs) as privately owned organisations which are structured with the sole purposes of producing goods or services at compromise which is profit-based. There is no universally standard definition for micro, small and medium enterprises. This is due to

the fact that different scholars and professionals approach its definition, considering various criteria which may differ from country to country, situation and sector specifics. Most definitions of SMEs however, usually include a combination of two or more criteria that spell out the main features of these business units. In Nigeria, the small and medium enterprises development agency of Nigeria (SMEDAN) (2017) defined micro enterprises as those with less than 10 employees, and less than 5 million naira in assets excluding land and buildings; while small enterprises are those with 10 to 49 employees and assets between 5 to 50 million naira, excluding land and buildings; and medium enterprises are those with 50 to 199 employees and assets of 50 to 500 million naira excluding land and buildings. This study therefore adopts the SMEDAN's classification of MSMEs, which states that Micro Enterprises are those with less than 10 employees and less than 5million naira in assets excluding land and buildings.

Organizations' Performance

Performance is the impact of activities of an individual over a given period of time. Managing employees' performance is necessary in order to achieve goals. According to Shahzad et al (2011), assessing an employee's competency and measuring his productivity is essential in the overall plan of the organization. Pacing itself production is important and cannot be done if the employee's potential and his ability to perform are not measured. Employees' performance is directly related to organizational productivity and its success. Better performance of each employee creates immense outcomes which mainly include congruence among employees' quality production and commitment at work place (Saddam & Muhammad, 2010).

Performance incorporates the resulting outcomes of the performed actions of employees based on their expertise and skills. In organizational settings, employees' performance is the accumulates result of the skills, efforts and abilities of all the employees contributed in organizational improved productivity leading towards its goal achievement. Improved organizational performance indicates the efforts towards goal achievement while requiring more efforts in terms of improved employee performance (Ellinger et al, 2003). Employee performance is among the critical factors that contribute significantly in organizational success. Learning organizations play important role in enhancing employee performance through providing trainings and developments for their employees (Gitongu et al, 2016). Organizations' performance can be measured in different ways using market capitalization, enterprise value, Tobin's Q, Return on Assets (ROA), Return on Equity (ROE), or other means of assessment deemed fit by the analysts or valuers at any given time or situation.

Empirical Review

Cultural Diversity and Performance of Medium Scale Manufacturing Enterprises

Mecheo (2016) investigated the effects of employee cultural diversity on organizational performance. Descriptive quantitative research method was used. Simple random sampling technique was used to obtain a sample size of 350 employees. Primary data was collected using a five scale likert questionnaire. The questionnaire was distributed to oil Libya petrol stations employees who are situated in Nairobi. SPSS 20.0 statistical software was used to analyse the data using descriptive and regression analysis. The study revealed that was a significant relationship between employee cultural diversity and organizational performance. The study concluded that wide cultural diversity promotes innovativeness, synergy and improved performance in an organization.

Zozan et al., (2022) studied the management of cultural diversity and the effect of this management on organizational performance are the subject of the study. The survey method was used to collect the data, and the related survey was applied to the employees of the telecommunication companies in Iraq. As a result of the analysis, it has been determined that cultural diversity management increases organizational performance with a strong effect coefficient. It has been determined that all components of cultural diversity such as color blindness, justice, equal access, cultural integration and learning have a significant impact on organizational performance. In particular, it can be said that organizations with culturally different workforces have a managerial contribution to the scope of the research, considering cultural diversity while determining their strategies. In addition, it should be ensured that the improvement of organizational performance is better understood and that the factors affecting organizational performance are clearly known by the employees.

Religious Diversity and Performance of Medium Scale Manufacturing Enterprises

Ikechi et al., (2019) examined the effect of religious diversity on job satisfaction of employees of selected manufacturing companies in Nigeria. The study adopted the survey research design through quantitative research approach. Primary data was used through the administration of questionnaires. 200 copies of questionnaire were administered to employees of the selected manufacturing companies. Findings reveal that religious diversity significantly affects job satisfaction ($R = 0.263$, $Adj. R^2 = 0.081$, $p < 0.05$, $F = 11.497$). It was found that religious diversity significantly affects job satisfaction of employees of selected firms in Nigeria. The study suggests that care of the employees by the management is one of the ways of achieving job satisfaction in an organization.

Reetesh and Mansi (2020) study was on Understanding religious diversity and its implications at the workplace. Various dimensions of diversity such as gender, race, age, ethnicity, culture, etc. have been extensively mentioned in the literature, but diversity on the basis of religion has proven to be far less traceable. Since there is no consensus among researchers till date with regard to one particular definition of religion, the current study thus attempts to define and differentiate religions on the basis of three elements i.e. beliefs, practices and culture. Further, after reviewing the literature, the positive as well as negative outcomes of religious diversity at the workplace have been identified and it has been found that studies favouring such diversity at the workplace outnumber those that mention the negative outcomes of the same.

The Resource Based – Theory

The Resource Based – theory of the firm developed by Barney in 1991, which is regarded as one of the theories of strategic management that is widely referenced particularly because of its practical relevance to contemporary management practices both in the private as well as the public sector organizations. The theory, for all intent and purposes, contends that the possession of strategic resources provides an organization with a golden opportunity to become effective and develop competitive advantages over its rivals. With respect to diversity management, the main focus of resource-based theory is how the implementation of diversity will affect organizational resources to produce desirable outcomes.

Diversity dimensions such as race/ethnicity, gender, age, experience, culture or religion within organizations, increase both financial and non-financial performance of the organization. This perspective views organization as consisting of a variety of resources, generally including the four mentioned above (Barney and Clark, 2007). Having said that resources can either enhance or inhibit organizations from efficiently and effectively conceiving and implementing organization's strategies, the attributes of resources held by organizations determine performance heterogeneity. Resources that allow an organization to conceive and implement strategies that improves its efficiency and effectiveness are viewed as valuable and can be a source of competitive parity (Barney, 1989). This study will therefore be anchored by the Resource Based – theory of the firm developed by Barney in 1991, which is regarded as one of the theories of strategic management that is widely referenced particularly because of its practical relevance to contemporary management practices both in the private as well as the public sector organizations.

METHODOLOGY

This study adopted a survey research design. The design would include taking a sample of the study's population and conducting the inquiry with the selected sample respondents, after which the findings can be generalised to the entire population. The population of this study is all employees of medium scale manufacturing firms in North Central Nigeria which was infinite, otherwise known as unspecified since there was no such record on databases of the National Bureau of Statistics (NBS) or Manufacturers Association of Nigeria (MAN). The sample size for the study was therefore determined using the Cochran (1963) formula for sample size attainment from an infinite population. The formula is given as:

$$N_s = \frac{Z^2 P Q}{e^2}$$

Where: N_s is the required sample size, Z^2 is the abscissa of the normal curve that cuts off an area α at the tails ($1 - \alpha$ equals the desired confidence level, e.g., 95%), e^2 is the desired level of precision, P is the estimated proportion of an attribute that is the population, and q is $1 - p$. This study therefore uses: $P = 0.5$ (maximum

variability). The study desires a 95% confidence level and ±5% precision. This implies that the minimum sample size N_s is as follows:

$$\frac{(1.96)^2(0.5)(0.5)}{(0.5)^2}$$

= 385.

The sample size of 385 was therefore adopted for the study and was distributed using purposive sampling technique where the respondents of the study were selected in line with the objectives of the study.

Table 1: Questionnaires Distribution

S/N	State	Name of Company	Questionnaire Administered
1	Benue State	Ashi Rice Limited	102
2	Niger State	Dana Pharmaceuticals	105
3	FCT	Watson Doors Limited	168
	Total		385

Source: Researchers Computation 2024

The criteria for selection of respondents for this study include, a) the firm must be registered medium enterprise in Nigeria with an authorized body, b), the firm should be a member of the manufacturers association of Nigeria, and c) the firm must have its head office, regional office or major factory located in North Central Nigeria, where its employees were approached for the study. Primary data was collected with a structured questionnaire which was made up entirely of closed ended questions. This study analyzed the data using descriptive statistics like the mean, median, maximum and standard deviation to analyze the characteristics of the variable. The Partial Least Square Structural equation model (PLS-SEM) was used to model the regression analysis used to test the hypothesis to determine if there is an effect relationship between each of the independent variables and the dependent variable.

RESULTS AND DISCUSSIONS

Table 4.1 showed the mean responses to each of the question for all the respondents, the median, the minimum, the maximum, and the standard deviation of the responses. Although, from the minimum and maximum values, there is no sign of outliers, but it is still necessary to state that the best measure of average for an ordinal response is median.

Table 4.9: Summary Statistics of the Measurement Variables for the Study

S/N	Item	Measurement Factor	Frequency	Mean	Median	Standard Deviation
1	CLD1	Cultural Diversity positively contributes to the overall performance	385	4.264	5	1.009
2	CLD2	Cultural Diversity foster a more inclusive and adaptable work environment	385	4.285	5	0.952
3	CLD3	Cultural Diversity enhances the ability to navigate and succeed in diverse global markets	385	4.030	4	0.987
4	CLD4	Cultural Diversity leads to better cross-cultural communication	385	4.103	4	0.985
5	CLD5	Cultural Diversity contribute to a more creative and innovative organizational culture	385	4.358	5	0.867
6	RGD1	Religious Diversity positively contributes to the overall performance	385	4.155	4	0.949
7	RDG2	Religious Diversity contribute to a more tolerant and harmonious work environment	385	3.973	4	0.964
8	RGD3	Religious Diversity enhances the ability to build strong and diverse business relationships	385	3.818	4	1.069

9	RGD 4	Religious Diversity positively impacts the corporate culture and values	385	3.615	4	1.082
10	RGD 5	Religious Diversity contribute to better understanding and respect among employees	385	3.761	4	1.059
11	PERF 1	Diverse in workplace positively contributes to performance	385	3.839	4	1.019
12	PERF 2	Diverse workforce lead to increased creativity and innovation	385	3.936	4	0.934
13	PERF 3	An inclusive workplace culture enhances employee satisfaction and engagement	385	3.988	4	0.924
14	PERF 4	Diversity and inclusion practices contribute to attracting and retaining top talent	385	3.982	4	0.881
15	PERF 5	A diverse and inclusive workplace lead to better decision-making processes	385	3.688	4	0.998

Source: *Researcher's Computation in Smart-PLS (2024)*

In summary, table 1 above shows that there are no missing values, all the minimum values were 1 (strongly disagree) and all the maximum values were 5 (strongly agree). All the means and medians of all the construct items were close and their rounded values are the same ranging from 3-5 (undecided, agreed and strongly agreed) with standard deviations all less than 1.2. These values did not indicate the presence of any outliers, showing that the data was good for further analyses.

Data Analysis

The assessment of Partial Least Squares Structural Equation Modelling (PLS-SEM) results involves a two-step approach: (1) the evaluation of the measurement models and (2) the assessment of the structural model (Chin, 2010; Hair et al., 2016). The measurement model assessment involves the evaluation of construct measures' reliability and validity. This assessment draws on different measures, depending on whether a construct is measured reflectively or formatively.

Evaluation of Reflective Measurement Models

The assessment of reflective measurement models involves evaluating the measures' reliability (i.e., indicator reliability and internal consistency reliability), and the validity (i.e., convergent and discriminant validity).

Construct Reliability and Validity of the Indicators

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Performance	0.876	0.884	0.909	0.668
Cultural Diversity	0.863	0.869	0.898	0.595
Religious Diversity	0.884	0.883	0.912	0.635

Source: *Researcher's Computation in Smart-PLS (2024)*

In summary, the composite reliability values, which depict the degree to which the construct indicators indicate the latent construct, exceeded the recommended value of 0.7 while average variance extracted, which reflects the overall amount of variance in the indicators accounted for by the latent construct, exceeded the recommended value of 0.5 (Hair et al., 2013). Also, the Cronbach alpha internal consistency reliability values are also all above the recommended 0.7 (Chin et al, 2008). This is supported by the rho_A internal consistency reliability values that are also all above the recommended 0.7 (Ringle, et al, 2015).

Discriminant Validity

Discriminant validity is the extent to which a construct is empirically distinct from other constructs in the structural model. There are many traditional methods for discriminant validity assessment, such as cross loadings and the Fornell-Larcker criterion (Fornell & Larcker, 1981), but researchers are advised to apply the Heterotrait-Monotrait (HTMT) criterion (Henseler et al., 2014). This is because traditional methods fail

to indicate a lack of discriminant validity, even when two constructs are perfectly correlated, rendering this criterion's use ineffective for empirical research. For this thesis, table 4.4 shows the HTMT criterion for all the latent constructs. The discriminant validity of the construct is valid if the upper bound of the 95% confidence interval of HTMT is lower than 0.9. From table 4.4, this condition is satisfied.

Table 4.10: Discriminant Validity (Heterotrait-Monotrait Ratio (HTMT) Criterion)

	PER	CLD	RGD
PER			
CLD	0.640		
RGD	0.665	0.884	

Source: Researcher's computation in Smart-PLS (2024)

Test of Hypothesis

Cultural Diversity and Performance of Medium Scale Manufacturing Enterprises

Ho₁ Cultural diversity has no significant effect on the performance of medium scale manufacturing enterprises in North Central Nigeria.

Table 4.5: Path Coefficient Results Extract for Hypothesis Three

Hypothesis	Coefficient	T- Stats	P-Values
Cultural Diversity -> MSME Performance	0.165	2.243	0.025

Source: Researcher's computation in Smart-PLS (2024)

The results in Table 4.5 shows that the coefficient for the effect of Cultural Diversity on the performance of medium scale manufacturing enterprises is 0.165 with a p-value of 0.025 which is less than the acceptable 5% significance level showing that there is sufficient statistical evidence to reject the null hypothesis three (Ho₃), so the study adopts the corresponding alternative hypothesis. This means that there is a positive but insignificant effect of Cultural Diversity on the performance of medium scale manufacturing enterprises in North-Central Nigeria.

Religious Diversity and Performance of Medium Scale Manufacturing Enterprises

Ho₂ Religious diversity has no significant effect on the performance of medium scale manufacturing enterprises in North Central Nigeria

Table 4.6: Path Coefficient Results Extract for Hypothesis Four

Hypothesis	Coefficient	T- Stats	P-Values
Religious Diversity -> MSME Performance	0.394	7.086	0.000

Source: Researcher's computation in Smart-PLS (2024)

The results in Table 4.6 shows that the coefficient for the effect of Religious Diversity on the performance of medium scale manufacturing enterprises is 0.394 with a p-value of 0.000 which is less than the acceptable 5% significance level showing that there is sufficient statistical evidence to reject the null hypothesis two (Ho₄) and adopt the corresponding alternative hypothesis. This means that there is a positive and significant effect of Religious Diversity on the performance of medium scale manufacturing enterprises in North-Central Nigeria.

Predictive Power of the Model

Table 4.7: Predictive Power of Model Using R² and Q² Predict

	R ²	Q ² _predict
MSME Performance	0.469	0.449

Source: Researcher's computation in Smart-PLS (2024)

The r-square statistics shows the level of determinism of the outcome and mediating variables by the independent variables of the study. The r-square values for the study both have moderate strengths and are higher than the recommended 40% according to Chin *et al*, (2008). Table 4.7 shows that the study has an r-square value of 0.469 for performance of medium scale manufacturing enterprises which indicates that the

independent variables used for the study account for about 46.9% of the variability in the dependent variable (MSME Performance). Other factors not captured in the model may account for the remaining 43.1%. Furthermore, the Q^2 values corroborate the assertions of the R^2 results with 44.9% predictive power for the Performance of medium scale manufacturing enterprises. The Q^2 predict is another measure of predictive power of models that is very similar to the R^2 but more recent and gaining increasing popularity with PLS-SEM researchers who argue that the Q^2 may be a more efficient measure of predictive power (Ringle, et al, 2015). The Q^2 is usually computed in PLS-SEM analysis, particularly PLS-predict analysis in Smart-PLS tool as was used by this study.

DISCUSSION OF FINDINGS

Cultural Diversity and Performance of Medium Scale Manufacturing Enterprises

Cultural diversity within medium scale manufacturing enterprises in North Central Nigeria yields a positive but statistically insignificant effect on performance. The coefficient for cultural diversity is 0.165 with a p-value of 0.025. While the coefficient is positive, the p-value exceeds the acceptable significance level. Consequently, the null hypothesis cannot be rejected, and the corresponding alternative hypothesis is not supported. This finding implies that although cultural diversity may exist within these enterprises, it does not significantly influence their performance. This finding disagreed with the findings of Mecheo (2016) who investigated the effects of employee cultural diversity on organizational performance and found a significant relationship between employee cultural diversity and organizational performance. Al-Raisi et al., (2019) also conducted an investigation into the influence of cultural diversity on workplace performance and productivity. Their findings revealed that the presence of cultural diversity within the workplace has a positive impact on employee performance.

Religious Diversity and Performance of Medium Scale Manufacturing Enterprises

The analysis demonstrates that religious diversity significantly affects the performance of medium scale manufacturing enterprises in North Central Nigeria. With a coefficient of 0.394 and a p-value of 0.000, there is sufficient statistical evidence to reject the null hypothesis (H_{04}) and accept the alternative hypothesis. This indicates a positive and significant impact of religious diversity on enterprise performance. Therefore, a diverse religious composition within these organizations contributes significantly to their overall performance. This finding is in tandem with the findings of Ikechi et al., (2019) who examined the effect of religious diversity on job satisfaction of employees of selected manufacturing companies in Nigeria.

CONCLUSION AND RECOMMENDATIONS

Based on the findings of the study, the following conclusions were drawn:

Although cultural diversity exists within medium scale manufacturing enterprises, our analysis indicates that it does not have a significant impact on their performance. While the coefficient for cultural diversity is positive, it does not reach statistical significance. Therefore, cultural diversity alone may not substantially contribute to the performance of these enterprises. Also, religious diversity significantly affects the performance of medium scale manufacturing enterprises in North Central Nigeria. Our analysis reveals a positive and significant impact of religious diversity on enterprise performance. This underscores the importance of recognizing and leveraging religious diversity within these organizations to enhance their overall performance.

Based on the findings of the study, the following recommendations were made:

- a. While cultural diversity may not have a significant impact on performance, organizations should still recognize its importance in fostering a rich and inclusive workplace culture. Embracing diverse cultural perspectives can lead to more creative problem-solving and better decision-making within the organization.
- b. Recognizing the significance of religious diversity, organizations should implement policies and practices that respect and accommodate employees' religious beliefs and practices. Promoting interfaith dialogue and understanding can foster a supportive and inclusive work environment, ultimately enhancing overall performance.

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Research Questionnaire

A. How does cultural diversity affect the performance of medium scale manufacturing enterprises in Nigeria?

		5 S A	4 A	3 U	2 D	1 S D
CLD1	Cultural Diversity positively contributes to the overall performance					
CLD2	Cultural Diversity foster a more inclusive and adaptable work environment					
CLD3	Cultural Diversity enhances the ability to navigate and succeed in diverse global markets					
CLD4	Cultural Diversity leads to better cross-cultural communication within medium scale manufacturing enterprises in Nigeria, positively impacting their performance					
CLD5	Cultural Diversity contribute to a more creative and innovative organizational culture.					

B. How does religious diversity affect the performance of medium scale manufacturing enterprises in Nigeria?

		5 S A	4 A	3 U	2 D	1 S D
RGD1	Religious Diversity positively contributes to the overall performance					
RGD2	Religious Diversity contribute to a more tolerant and harmonious work environment					
RGD3	Religious Diversity enhances the ability to build strong and diverse business relationships					
RGD4	Religious Diversity positively impacts the corporate culture and values					
RGD5	Religious Diversity contribute to better understanding and respect among employees.					

c. Performance

		1 S D	2 D	3 U	4 A	5 S D
PER1	Diverse in workplace positively contributes to performance					
PER2	Diverse workforce lead to increased creativity and innovation					
PER3	An inclusive workplace culture enhances employee satisfaction and engagement, contributing to the improved performance					
PERF4	Diversity and inclusion practices contribute to attracting and retaining top talent, positively impacting the overall performance					
PERF5	A diverse and inclusive workplace lead to better decision-making processes, thus improving the overall performance					