Workforce Diversity and Employee Affective Commitment of Selected Deposit Money Banks in Lagos State, Nigeria

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Abstract

Employee affective commitment is critical to the success of every organization. However, the issues of unequal age distribution, gender discrimination, educational background, religious and unethical practice during recruitment, promotion, training and compensation have adversely affected employee commitments. There seems to be paucity of studies on the effect of workforce diversity on employee affective commitment in the banking sector in Nigeria. This study examined the effect of workforce diversity on employee affective commitment of selected deposit money banks in Lagos State, Nigeria. Survey research design was adopted for the study. The population of the study covered 4,873 management staff of the selected deposit money banks in Lagos State, Nigeria. The sample size of 464 respondents was determined through the Raosoft sample size calculator. Multi stage sampling method was utilized for sample selection. Data were collected through adapted validated questionnaire which Cronbach's alpha reliability coefficient ranged from 0.709 to 0.891. The instrument achieved a response rate of 78.01%. Data collected were analyzed using descriptive and inferential statistics. The result revealed that workforce diversity sub-variables had significant effect on employee affective commitment (Adj. $R^2 = 0.287; F(5, 357) = 49.495; p<0.05$); of selected deposit money banks in Lagos State, Nigeria. The study concluded that workforce diversity sub-variables affect the continuance commitment of employees of deposit money banks in Lagos State, Nigeria. The study recommended that management of selected deposit money banks should ensure that equal opportunities are given to employees in the banks irrespective of their age, gender, educational qualification, religious and ethics diversity as these will enhance employee affective commitment in the banks.

Keywords: Age diversity, Deposit money banks, Employees, Employee affective commitment, Workforce diversity.

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Background to the Study
In the banking industry globally, it has been difficult to achieve the commitment of employees in the entire workforce owing to the labour market competition (Akinnusi, Sonubi & Oyewunmi, 2017). Kerga and Asefa (2018) asserted that majority of organizations employee in different industry especially the banking firm's lack commitment, resulting in decreasing employee productivity. They further ascribed that no organisation in today's competitive world can perform at its peak, unless each employee is committed to the organisation’s objectives and works as an effective team member. One of the challenges facing modern organisations involves maintaining employee affective commitment in the current business environment (Kathimba & Anyieni, 2018).

Letasina (2016) pointed that numerous organizations see workforce diversity as a venture towards segregation of employee based on ethics, religion, age, gender and educational qualification which has reduced employee productivity and commitment. Furthermore, failure to manage diversity in terms of race, gender, level of education, profession, ethics affiliation, religious affiliation often leads to differences in promotions, pay, training, turnover, mutual acceptance, job satisfaction and other forms of inequality (Merritt & Reskin, 2003). According to Obuma and Worlu (2017), poor management of workforce diversity in terms of education, ethics, religion, gender and age in Nigeria banking operations processes and decision making have negatively affected employee commitment, employee job satisfaction and declined in financial performance. Obuma and Worlu (2017) further revealed that Nigerians are excessively affective especially towards their relatives and culture which had promoted employee laziness in contributing to organization performance. However, the main objective of the study is to examine the effect of workforce diversity dimensions on employee affective commitment of selected deposit money banks in Lagos State, Nigeria.

Literature Review
Conceptual Review
Workforce Diversity
Workforce diversity has become a fundamental aspect used by organizations to channel or link workforce diversity initiatives towards business goals (Patrick & Kumar, 2012). Thomas (2013) asserted that workforce diversity is the variety of demographic characteristics that constitute a company's workforce particularly in terms of age, color, origin, race, culture, disability. Corroborating this assertion, Dessler (2012) is of the view that workforce diversity comprises of the reality, invisible, in which people differ. Carrell (2006) defined workforce diversity as the various ways that people differ which can affect a task or relationship within the banking industry such as age, gender, race, education, religion and culture.

Age Diversity
Age diversity is a shared phenomenon that is present in nearly all groupings, such as families, higher institutions, sport teams, and work or team groups with members of varying ages (Kunze, Boehm, & Bruch, 2013). According to Kunze (2013), age diversity is defined as the differences in age distribution among employees and is used to describe the composition of the banking industry or the composition of workgroups within the banking industry. Boehm and
Kunze (2015) argued that an age heterogeneous workforce yields a host of multiple skills, intellectual styles, morals, and preferences that may result in increased productivity. Where age diversity is practiced, the benefits accrue both to the organization and the employees. Having an age diverse environment produces and creates better working relationships and enhances social cohesion for all.

**Gender Diversity**
Gender is regarded as the description of masculinity or femininity of people (Connell & Messerschmitt, 2013). Gender-based inequities in organizations are reinforced and justified by stereotypes and biases that describe positive characteristics and therefore a higher status to the males (Leonard & Levine, 2013). Elsaid (2012) defined Gender diversity in the workforce as the equal treatment and acceptance of both males and females in the banking industry. Leonard & Levin (2013) asserted that most constitutional challenge is overcoming the thought that women are not equal to man. Kossek, Lobel, and Brown (2015) stated that only 54% of working age women are in the workforce worldwide compared to 80% of men. Furthermore, women continue to have the upper hand on the „invisible care“ economy, which relates to care giving and domestic work. Discrimination on hiring workers based on gender has resulted in a firm’s hiring workers who are paid higher wages than alternative workers, but are no more productive (Barrington & Troske, 2013). However, according to Emiki and Eunmi (2009), workforce diversity remains ineffective if gender issues are not first recognized and managed.

**Ethics Diversity**
Ethics diversity abounds in organizations. That is, there are diverse beliefs among employees, managers, and executives in organizations as to what are the most ethically appropriate or inappropriate courses of actions to take in their daily workplace situations Max (2011). Ethics diversity in the banking industry is defined as the behavior which is morally accepted as “good” and “right” as opposed to “bad” or “wrong” in a given situation (Sims, 2011). Different organizations and jobs may have different ethical issues arise and require a set standard of ethics. This is common in professional practices such as law, medicine and psychology. It is concerned with describing and prescribing moral requirements and behaviors, which suggests that there are acceptable and unacceptable ways of behaving that serve as a function of philosophical principles (Minkes, Small, & Chatterjee, 2009). Understanding the importance of ethics in human resources is crucial for any business owner, whether in a local startup or a multinational powerhouse (Billington, 2015).

**Education Diversity**
It is a common perception that people who are educated can perform certain tasks easily, effectively and efficiently than those who are not (McCullough and Willoughby, 2009). This means an individual who knowledgeable can perform better at tasks that requires that skills and knowledge. Educational background could be seen as the type of formal training or education or even career that a person has acquired over the years. Education diversity according to Assefa (2014) is the physical dimension of diversity which is indicated by the number of people having different demographics in the company, ultimately which will affect
employees' in the banking industry towards achieving organization performance. In addition, heterogeneous education diversity tends to increase the level of discomfort and conflict that may lead to decreased social integration and performance in teams (Jindal, Bagade & Sharma, 2013).

**Religion Diversity**
Religion has in the past been seen as a private matter, as companies embrace an expanding global economy and increase their sourcing of global job candidates, religious diversity in the workplace is rising. A growing number of employees are taking their religion to work. Religion for many employees, are no longer a part of their lives that they leave at home. Religion for these employees is a way of life—their religion defines who they are. According to Tuggy (2016) Religious diversity is the fact that there are significant differences in religious belief and practice. Religion has in the past been seen as a private matter with little or no place in the corporate world. As companies embrace an expanding global economy and increase their sourcing of global job candidates, religious diversity in the workplace is rising.

**Employee Affective Commitment**
Employee affective commitment refers to the emotional attachment that an employee has in an organization (Price, 2014). It is the extent at which employees appreciate to be members of an organization. According to Rhoades, Eisenberger and Armeli (2015), affectively committed employees are seen to have a sense of identification and belonging and this motivates them to increase their participation in the activities of an organization. Additionally, affective commitment makes employees to have willingness to meet the goals of an organization as well as the desire to stay in the organization. Beck and Wilson (2014) noted that organizational members who have an affective level of commitment have a longing to remain in the organization because they view their values and goals to be congruent with those of the organization. Coetzee, (2015) points out that employee affective commitment is related with work attitude and positive feelings about their organization. The work attitude is related with how employees view the organization and this attaches them to the institution. According to Eliyana (2012) employees with strong affective commitment would be motivated to high levels of performance and make more meaningful contributions than employees who expressed continuance and normative commitment.

**Empirical Review**
Shifnas and Sutha (2016) revealed that workforce diversity as an insignificant factor in explaining any variation in employee performance. Their studies further established that managers to implement effective human resource management programs in order to enhance the effectiveness of workforce diversity. However, education diversity can also negatively affect team performance and social integration in teams (Peretz, Levi & Fried, 2015). They also stated that educational diversity can negatively affect decision-making consensus in top management teams thus resulting in poor performance and declined in employee commitment. In addition, heterogeneous educational diversity tends to increase the level of discomfort and conflict that may lead to decreased social integration and performance in teams (Jindal, Bagade & Sharma, 2013). Furthermore, Durga (2017) empirically argue based on his findings that no connection exist between workforce diversity and organizations' and employee effectiveness, only a minimal impact was discovered.
According to Coetzee (2015), Durga (2017), Saxena (2016) and Kirton and Greene (2016), the findings of scholars on workforce diversity have produce conflicting results. There are lots and mixed and contradictory evident surrounding diversity effects (Darwin & Palanisamy, 2015). The reason is that different dimensions of diversity are often seen to have different effect on team outcomes in different business and organizational contexts. Most of these studies that found a negative effects employed social identity theory as an exploratory framework, arguing that people are drawn to similar other and even work better when they are in groups whose members are similar to them. This is often called similarity attraction paradigm (Kirton & Greene, 2016).

Theoretical Review

Similarity-Attraction Paradigm

This theory was put forward by Byrne (1971) and it is used to explain group formation. This theory focuses on people's preference to interact with other individuals who share common life values, beliefs and experiences with them. One reason for this preference is that having knowledge of this shared attitude could help them to predict the future behaviour of the other person or people. Similarity attraction theory assumes that people like to associate themselves with those whom they perceive to be like them based on demographic characteristics such as age, ethnicity, gender, culture, religion etc. Similarity attraction theory also assumes that people tend to apply negative assumptions and attitude to their colleagues who are different from them etc. It is believed that this attraction helps to promote cohesion, communication and cooperation among team members (Kunze, Boehm, & Bruch, 2011). For instance it is possible to find younger employees in an organization pursuing common social activities with fellow colleagues within their age group and even going for lunch breaks with their colleagues who are of the same age group. This kind of attraction and personal ties tends to promote communication and cooperation among them because they are able to share similar life and work experiences with one another and as such develop their similar life attitudes and beliefs.

However, employees who are either colleagues within their age group and even going for lunch breaks with their colleagues who are of the same age group. However, employees who are either older, middle aged or younger than such unified group, may conclude that the reason why they are not invited or accepted in such group is due to their age and as a result may start generating and exhibiting age prejudiced attitudes in the organization (Kunze, Boehm, & Bruch, 2011). This paradigm also assumes that people tend to apply negative assumptions and attitude to their colleagues who are different from them. Thus, stereotypes and prejudice, based on gender, ethnicity/race, and age often reflect the categorization process of distinguishing between similarity and difference, and often lead to miscommunication.

Methodology

Cross-sectional survey research design was adopted as the study seeks to examine the effect of workforce diversity components on employee continue commitment of selected deposit money banks in Lagos State, Nigeria. The population used for this study stands at four thousand, eight hundred and seventy-three (4,873). The target population consists of top-level
management staff, middle level management staff, and lower level management staff of the selected deposit money banks head offices base on categorization of national and international banks by the Central Bank of Nigeria (2016). The sample size for the study was determined using the Roasoft Sample Size calculator. In order to compensate for the non-response and for wrong filling of questionnaires, the sample of 357 will increase by 107, or 30% of the total sample which equal 464. A multi-stage method sampling technique was adopted in selecting the sample from the working population of this study. The primary data were collected through administering of questionnaire. The questionnaires were distributed directly to the target respondents within the population. A total of 464 copies of questionnaires were administered to the respondents of the selected deposit money banks in Lagos State, Nigeria. In order to make sure that the research instrument was valid, the instrument was subjected to face content and construct validity. The main measures used to test the validity of an instrument in exploratory factor analysis include the Kaiser-Meyer-Olkin's (KMO) measure of sampling adequacy and Bartlett's test of Sphericity. The study employed the KMO sampling adequacy and Bartlett's Sphericity test to determine whether the statements that comprise the research instruments of each variable actually measure what are intended ranges from 0.612 to 0.850. The Cronbach Alpha test was employed using Statistical Packages for Social Sciences (SPSS) to confirm the reliability of the instrument. A high degree of consistency and similarity of results indicates a high degree of reliability study which ranged from 0.709 to 0.891.

Data Analysis
Data analysis for the study has been done in two stages: the descriptive and inferential analysis. The first stage (the descriptive analysis) features descriptions of the properties of the data to show the variations in responses of the study's participants using such tools as frequencies and percentage distribution tables, means and standard deviations. The second stage (the inferential analysis) is the analysis of the responses on the quantitative data and the relationships. This has been carried out using statistical tools of multiple regression method of analysis using SPSS (Statistical Package for Social Sciences) software version 23.0 to test the effect of independent variables on the dependent variable.

Restatement of Hypothesis One
H1: Workforce diversity sub-variables have no significant effect on employee affective commitment of selected deposit money banks in Lagos State, Nigeria.
Hypothesis one was tested using multiple regression method of analysis. Data for workforce diversity dimensions (Religion Diversity, Gender Diversity, Education Diversity, Age Diversity, Ethics Diversity) were sum up to measure workforce diversity while employee affective commitment, normative commitment and continuous commitment to measure employee commitment as a construct variable. The multiple regression for hypothesis one was presented in Table 4.9 (a-c).
Table 1: Multiple Regression Results between Workforce diversity sub-variables and employee affective commitment

(a) Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.541*</td>
<td>.293</td>
<td>.287</td>
<td>5.535</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Religion Diversity, Gender Diversity, Education Diversity, Age Diversity, Ethics Diversity

(b) ANOVA *

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>5</td>
<td>1516.154</td>
<td>49.495</td>
<td>.000*</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>357</td>
<td>30.632</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>362</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Dependent variable: employee affective commitment
B. Predictors: (constant), Religion Diversity, Gender Diversity, Education Diversity, Age Diversity, Ethics Diversity

(c) Coefficients *

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>9.130</td>
<td>1.494</td>
<td>6.113</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Gender Diversity</td>
<td>.229</td>
<td>.057</td>
<td>.234</td>
<td>4.005</td>
<td>.000</td>
</tr>
<tr>
<td>Ethics Diversity</td>
<td>.107</td>
<td>.063</td>
<td>.103</td>
<td>1.715</td>
<td>.087</td>
</tr>
<tr>
<td>Age Diversity</td>
<td>.112</td>
<td>.013</td>
<td>.171</td>
<td>3.205</td>
<td>.033</td>
</tr>
<tr>
<td>Education Diversity</td>
<td>.451</td>
<td>.06</td>
<td>.351</td>
<td>3.741</td>
<td>.000</td>
</tr>
<tr>
<td>Religion Diversity</td>
<td>.225</td>
<td>.045</td>
<td>.294</td>
<td>5.035</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Employee Affective Commitment

Source: Researcher's Field Results (2019)

Table 1 (a) presents regression results on effect of workforce diversity dimensions (gender diversity, education diversity, ethics diversity, age diversity and religion diversity) on employee affective commitment of selected deposit money banks in Lagos State, Nigeria. From the multiple regression results, the value of adjusted R² was 0.287, indicating that the prediction of workforce diversity dimensions on employee affective commitment account for approximately 28.7% less variance. This means that the workforce diversity dimensions jointly explain approximately 29 percent of variations in the employee affective commitment of selected deposit money banks, while the rest are explained by other variables not included in the model. Therefore, the model can reliably be used to test the effect of workforce diversity dimensions on employee affective commitment. The analysis of variance was used to test whether the model could significantly fit in predicting the outcome than using the means. The F-ratio represents the ratio of improvement in prediction that results from fitting the model, relative to the inaccuracy that exists in the model. The F-ratio was 49.495 and was significant (P<0.05) which implies that workforce diversity dimension are jointly significant in
explaining variations in the employee affective commitment of selected deposit money banks. The model significantly improved the ability to predict the effect of workforce diversity dimensions on employee affective commitment. Therefore, the model can reliably be used to test the effect of workforce diversity dimensions on employee affective commitment.

Table 1(c) shows the estimates of $\beta$ values and gives an individual contribution of each predictor (workforce diversity dimensions) to the model. The $\beta$ value explains about the relationship between employee affective commitment with each predictor (gender diversity and religion diversity). The positive $\beta$ values indicate the positive effect that exists between the predictors and the outcome. The $\beta$ value for gender diversity and religion diversity had a significant positive coefficient thus positive effect on employee affective commitment as summarized in the model below.

The general regression model is indicated below:

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4$$

The model was modified to reflect the variables of this study:

$$y = 9.130 + 0.112 x_1 + 0.229 x_2 + 0.225 x_3 + 0.451 x_4$$

Where: $y =$ Employee Affective Commitment
$x_1 =$ Age Diversity
$x_2 =$ Gender Diversity
$x_3 =$ Religion Diversity
$x_4 =$ Education Diversity

From the above regression equation; the study found out that when all predictors (gender diversity, age diversity, education diversity and religion diversity) are kept constant at zero the employee affective commitment of selected deposit money banks in Lagos State will be at 9.130. At one unit change in gender diversity will lead to 0.229 increases in employee affective commitment of deposit money banks in Lagos State. Similarly, one unit change in age and religion diversities will lead to 0.112 and 0.225 increases in employee affective commitment. Also, a one unit change in education diversity will lead to 0.451 increases in the employee affective commitment of deposit money banks in Lagos State. The findings show that education diversity, gender diversity and religion diversity contribute more to employee affective commitment of deposit money banks in Lagos State followed by age diversity respectively.

The t-test was used as a measure to identify whether the predictors (gender diversity, education diversity, age diversity and religion diversity) were making a significant contribution to the model. When the t-test associated with B-values is significant and the predictor is making a significant contribution to the model. The smaller the value of significance (the larger the value of t) that is the greater is the contributor of that predictor. From the findings, ethics diversity was statistically insignificant and was removed from the
model. The results of the multiple regression showed that Gender diversity indicates \( t = 4.005, p<0.05 \), Education diversity \( t = 3.741, p<0.05 \), Age diversity \( t = 3.205, p<0.05 \), and Religion diversity \( t = 5.035, p<0.05 \) are significant predictors of employees affective commitment. The results showed that workforce diversity dimensions had significant effect on employee affective commitment of selected deposit money banks in Lagos State, Nigeria. Therefore, the null hypothesis one \( (H_1) \) which states that Workforce diversity sub-variables (age diversity, gender diversity, ethics diversity, religion diversity, education diversity) have no significant effect on employee affective commitment of selected deposit money banks in Lagos State, Nigeria is hereby rejected.

Discussion

The objective one of this study was to examine the effect of workforce diversity dimensions (age diversity, gender diversity, ethics diversity, religion diversity and educational diversity) on employee affective commitment of selected deposit money banks in Lagos State, Nigeria. The study established that workforce diversity dimensions (age diversity, gender diversity, ethics diversity, religion diversity and educational diversity) have positive and significant effect on employee affective commitment. Diverse studies (Carelse, 2013; Ikenyi & Worlu, 2018; Kirton & Green, 2016; Magoshi & Chang, 2010; Mahadevan, Primecz & Romani, 2014; Maingi, 2015; Munjuri, 2012; Mwatumwa, 2016; Ohimare, 2012; Odhiambo, 2014; Selvaraj, 2015; Shifnas & Sutha, 2016; Zhuwao, 2017 among others) have supported this finding that workforce diversity has positive and significant effect on employee affective commitment. Similarly, Akpakip (2017), Akinnusi, Sonubi, and Oyewunmi (2017), Ohimare (2012), Maingi (2015), Trittin and Schoeneborn (2015), Tooranloo and Saghafi (2018), Oyedele, Issa and Brimah (2018) and Zhuwao (2017) found that workforce diversity positively and significantly affects employee affective commitment. Shifnas and Sutha (2016), Zhuwao (2017), Ananthanarayanan and Priyadarshini (2018) empirically showed a positive and significant relationship between age diversity, gender diversity, ethics diversity, religion diversity and education diversity and employee affective commitment.

On the contrary, Kurtulmus (2016), Odhiambo (2014), Saxena (2014), Selvaraj (2015) and Shifnas and Sutha (2016) found no direct effect of workforce diversity on employee affective commitment. Joshi and Jackson (2003), a positive relationship was found between gender diversity and intra-team cooperation, but only within regions that were relatively diverse in terms of gender. Based on these majority findings that workforce diversity has positive and significant effect on employee affective commitment, this study therefore rejected the null hypothesis one \( (H_1) \) that workforce diversity dimensions (age diversity, gender diversity, ethics diversity, religion diversity and educational diversity) have significant and positive effect on employee affective commitment. Considering theoretical support for this study, Similarity-Attraction Paradigm theory is in line with our finding that people's preference to interact with other individuals who share common life values, beliefs and experiences with them. One reason for this preference is that having knowledge of this shared attitude could help them to predict the future behaviour of the other person or people. Furthermore, Similarity attraction theory stated that people like to associate themselves with those whom they perceive to be like them based on demographic characteristics such as age, ethnicity, gender, culture, religion etc.
Based on these empirical findings and theoretical support of our finding, this study rejected the null hypothesis one \( (H_0) \) that workforce diversity dimensions (age diversity, gender diversity, ethics diversity, religion diversity and education diversity) have no significant and positive effect on employee affective commitment.

**Conclusion and Recommendation**

The core objective of this study was to examine the effect of workforce diversity on employee continuance commitment of selected deposit money banks in Lagos State, Nigeria. The study concluded that workforce diversity sub-variables had significant effect on employee continuance commitment of selected deposit money banks in Lagos State, Nigeria. The study therefore recommends that managers should give a form of incentives to employees who improve on their educational qualification or those individuals who were able to align their personal values with the organizational values. Further studies should consider the effects of workforce diversity on the employee continuance commitment from other members of the organization such as top management, board of directors in other sectors such as manufacturing.

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