

INFLUENCE OF WORKFORCE DIVERSITY AND CORPORATE SUSTAINABILITY: A MODERATING ROLE OF ORGANISATIONAL CULTURE OF OIL AND GAS CORPORATION IN NIGERIA

¹Dr. Florence O. Iroanwusi and ²Godwin Olai Ph.D. Mnim, Mcai

¹Department of Employment and Human Resource ²Department of Management, Management, ^{1&2}Faculty of Management Sciences IAUE, PHC

Email; florenceokoh16@gmail.com ,olai.godwin@iaue.edu.ng,olaimbas@gmail.com

ABSTRACT

This study investigated the relationship between workforce diversity and corporate sustainability of oil and gas multinational corporations in Nigeria. Research evidence indicates that the corporate sustainability goal is yet at its optimum using the infrastructural and social responsibility approach. The study adopted the cross-sectional survey design. Structured questionnaire from 158 members of the 44 target organizations was used to generate data for the study. The Spearman's rank order correlation coefficient was used to test the hypothesis. The test was carried out at 0.05 level of significance and analysed using SPSS tool. The finding showed that there is a significant relationship between the age diversity and environmental sustainability. In conclusion, the study affirmed that age diversity, of oil and gas corporations in Nigeria impact significantly on corporate sustainability as it contributes substantially towards the unification of organizational members' ideals and values. Based on the findings, the study recommends that organizations in pursuit of corporate sustainability, inclusive age workforce with focus on generational gaps to achieve a greater corporate sustainability.

Keywords: Workforce Diversity, Corporate Sustainability, Organisational Culture

INTRODUCTION

The concept of sustainability in an organizational context, predicated the principle of enhancing the societal, environmental and economic systems within which a business operates (White, 2009). It relates to the consideration organizations offer their contexts about the impact of their actions on the overall wellbeing of the context. This therefore, connotes the essence of planning and establishment of organization, basically, for the provision of goods and services for satisfying human needs. The satisfaction of these needs expectedly is to have a long-time consistency, developmental and progressive effect on the society and the environment. This by extension indicates that the overall goal or purpose of any organization is to consistently grow and survive on a long-term basis (White, 2009). A sustainable economy, according to Ogbo, Eneh, Agbaeze, Chukwu & Isijiola (2017) is not only that which is profitable for a short time period but also an economy whose focus is from one generation to the other. They opined that sustainability means meeting our needs without compromising the ability of future generations. In addition to natural and mineral resources found in the environment, there is also a need for social and economic resource sustainability (Steiner, 2008). Thus, sustainability is not just environmentalism, embedded in the definition of sustainability in this context is the thought of sustainability to mean, 'the ability to sustain' for environmental, social equity and economic development (Ogbo, Eneh, Agbaeze, Chukwu & Isijiola, 2017).

Corporate sustainability in Nigeria is culture specific and for this reason, it has been affected substantially by the local context (Edoho, 2008). Consequently, the abundance of age, gender and ethnic diversity in Nigeria has provided a paradigm shift in the approach to sustainability concept as the MNCs have the opportunity to draw extensively from the highly diversified Nigerian labour market to effectively engage their regions based on the perspectives offered by most indigenous workers or staff. From this point, it can be argued that such diversity within the workplace offers MNCs a variety of options and views that suggest adequate or effective ways of tackling their sustainability problems and the modes most suited to the people of the region. It also facilitates the

effective embeddedness of MNCs within the institutional framework of their context. Frynas (2009) noted that a key feature and premise of corporate sustainability development is the process and modes of managing the human activities of the organization in such a way that they meet physical and psychological future needs of the individual, without compromising the ecological, social or economic base, which enable these needs to be met. Consequently, Hart (2007) noted that the alignment of values and orientations within the organization is key to its functionality and overall consistency in the pursuit of its goals and objectives. In his view, multinational corporations are the only organisations with resources, technology, the global reach, and, ultimately the capacity to achieve sustainability. To him, this depends on the level of harmony and collaboration within the organization.

The organizational culture with its manifest indicators as the shared values, the norms and the fair policies that characterize the organization in this study is moderating the relationship between workforce diversity and corporate sustainability.

Hypotheses

HO₁: Organizational culture does not significantly moderate the relationship between workforce diversity and corporate sustainability of oil and gas corporations in Nigeria.

Workplace Diversity and Corporate Social Sustainability

Earlier study on workplace diversity indicate that diversity can be either favourable or unfavourable for organizational or corporate outcomes. For instance, the positive side of diversity in organizations is associated with problem-solving talents, creativity and negatively associated with collaboration and cohesiveness (Erasmus, 2007). Research indicates that maintaining a pro-diversity work environment can effectively provide a firm with a strong competitive advantage (Clarke & Iles, 2000). Given the age of globalization and knowledge economy, business organizations will be successful only to the extent that they are able to embrace and encourage diversity by ensuring that their workplace is significantly diverse, their diverse workforce is respected, appreciated and valued (Okoro & Washington, 2012). The underlying premise is that heterogeneous groups are more likely to be creative, productive, or effective in attainment of organizational goals as opposed to homogeneous groups (Milken & Martins, 1996).

The demographic changes occurring in most countries present an urgent challenge for many organizations (Kunze et al, 2013). These changes imply that organizations that have a largely homogeneous workforce with respect to age have to consider a pressing question and concerns on the consequences of age diversity on the company's overall orientation and actions. For organizations to make informed decisions, regarding the use of scarce resources or the decision to be sustainable, they must be able to compare the effects of different potential initiatives.

Currently, the case of diversity is enjoying high profile in organizational debate partly due to changes in workforce demographics (Armstrong, Flood, Liu, Guthrie & Mkamwa, 2010). Since 1996, organizations around the world are learning how to leverage on diversity for enhanced organizational outcomes. They view workforce diversity as one of the initiatives for increasing organizational effectiveness (Kotchan, Ely, Joshi, & Thomas, 2002). Jones et al, (2011) explains that the diversity of organizational members can be a source of competitive advantage helping an organization provide customers with better goods and services.

Redman & Wilkinson (2006) also affirmed that effective diversity management contributes to best use of human resource; flexible workforce to aid re-structuring; workforce representativeness of the local community; improved corporate image with potential employees and customers; attracting ethical investors; and the integration of sustainability values and focus on the environment. Nishii, Gotte and Raver (2007) found that the demographic diversity of senior management teams is positively associated with demographic diversity of work forces at large and those forms that adopted diversity initiatives outperformed those that did not. Diversity recognizes the fact that the human race is characterized by differences in gender, ethnic origin, age, religion, lifestyle, and physical abilities. Simons and Rowland (2011) argue that diversity and diverse interpretation of

viewpoints into organizations are pertinent in a world of shifting demographic patterns and work practices.

Organizational Culture as a moderator of the relationship between workforce diversity and corporate sustainability

Organizational culture shows how members of an organization think, and the development of an attitude considering the needs of society as a whole is dependent on it. Thus, it is the role of organizational culture to create or develop new ways of people's thinking and acting in everyday activities, and the increase of social sustainability to environment and future generations. In this respect, changing the culture of the organization is necessary, because through it, its members are informed about the objectives, methods and accepted values, about how to act, desirable practices, a guide of behaviour for overcoming the complexity and uncertainty, specific to their work (Khademian, 2002, in Austin and Classen, 2008).

The organizational culture of sustainability is the culture in which the organization's members share common beliefs about the importance of ensuring a balance among economic efficiency, social equity and social responsibility. Organizations with a strong culture of sustainability make efforts to support a healthy environment and to improve others' lives, operating with success on long-term (Bertels, Papania, & Papania, 2010). There are several types of organizational cultures, depending on the degree of integration of sustainability principles: reactive, defensive, adaptive, proactive. The reactive organization is any organization that does not approach items regarding sustainability in its work, being concerned solely in maximizing the value of its stakeholders, while the defensive organization is characterized by responses to legislative pressures, assuming some actions targeting sustainable development. The adaptive organizations have already integrated sustainable development principles in the management processes, but they do not have clear objectives in this regard, while sustainable / proactive organizations are those in which actions that aim community and environment are considered an important asset (Zerbe, Hartel, & Ashkanasy, 2010).

Organizational Embeddedness Theory

In explaining the concept of organizational embeddedness, Krippner and Alvarez (2007) assert that Karl Polanyi in the 1940s, in order to distinguish traditional, institutionally embedded societies from modern, dis-embedded market societies, initially proposed the concept of embeddedness theory. He summarized his discussion of the social conditions for the emergence of a relatively autonomous economic sphere, i.e. a market economy, in the nineteenth century as follows: 'Instead of economy being embedded in social relations, social relations are embedded in the economic system' (Krippner & Alvarez, 2007). His macro-sociological or structural notion of embeddedness has become an essential cornerstone of economic sociology in criticizing the neoclassical assumptions of atomistic, self-interested economic actors (Krippner & Alvarez, 2007).

Beckert (2003) proposes the following definition, which will form the basis of this studies approach towards the relationship between diversity and sustainability: 'Embeddedness refers to the social, cultural, political, and cognitive structuration of decisions in economic contexts. It points to the indissoluble connection of the actor with his or her social surrounding on three dimensions. First, the concept of agency is useful for avoiding an institutional determinism, i.e. the assumption that institutions exercise some sort of inescapable similarities, yet genetically different pressure on social actors and companies. In this regard, (Ng & Feldman, 2007) viewed Organizational embeddedness as the totality of forces (fit, links, and sacrifices) that keep people in their current organizations. Second, it is useful to distinguish between different dimensions or 'mechanisms' of embeddedness, as already pointed out by Zukin and DiMaggio (1990), who distinguish between cognitive, cultural, structural (or social) and political kinds of embeddedness. Third, embeddedness has to be understood as a dynamic process in which institutional change takes place both as a reaction to new opportunities or challenges and as a result of changing interests, ideas and identities. In contrast to

Polanyi, Granovetter (1985) proposes a less structural and relational understanding of embeddedness.

METHODOLOGY

Research Design

In view of the philosophical stance of the researcher, the study adopts a deductive approach as being suited for its purpose. Hence, the research design adopted in this study is a census cross-sectional survey(explanatory) design, which as a form of quasi-experimental research, supports the systematic integration of the stages of the research (from theoretical statements and prescriptions, to actual empirical activities), and provides the required blueprint for the accomplishment of the research goal.

Population size of the study

The population for this study comprised of 44 active oil-producing firms as licenced by the Department of Petroleum Resources (DPR). These oil and gas corporations were the notable oil and gas corporations operational in Nigeria. Thus, Human resources managers, administrative managers, operations managers, and finance managers of the 44 corporations were targeted as respondents within the organization. These classes of workers are noted to have the capacity to contribute meaningfully based on their knowledge of the operations, and functioning of the organization. One manager each from these organizations, making it a total of 176 questionnaire were distributed through our research assistance's visits and inquiry from the administrative personnel and human resource officers at the main offices of the target oil-producing corporations in Nigeria. The study adopted a census survey technique, given the specification of respondents which follows a purposive sampling and draw members from the exclusive category of management staff as stated.

Data Analysis Technique

The Spearman's rank order correlation coefficient was utilized in the assessment of the relationship between the variables of the study at a 95% confidence (implying a 0.05 level of significance). The choice of the Spearman is premised on its flexible features and applicability for hypothesis test for data scaled both as interval and as ordinal.

Results

Multivariate Analysis

The result on the test on the moderating effects of organizational culture on the relationship between workforce diversity and corporate sustainability is presented in this section. The test follows the premise put forward by Preacher & Hayes (2004) in their emphasis that, for the affirmation of moderating effect, results must satisfy three major outcomes; (i) the evidence of a significant relationship between predictor and moderator; (ii) the evidence of a significant relationship between moderator and criterion; and (iii) the evidence of a significant relationship between predictor and criterion.

Hence, where indirect effect (predictor → moderator → criterion @ $\rho=0.731$) is more significant than the direct effect (predictor → criterion @ $\rho=0.686$) then there is a significant moderating effect.

Table 1 Correlation for variables of study

Control Variables			Diversity	Sustain	Culture
-none- ^a	Diversity	Correlation	1.000	.731	.416
		Significance (2-tailed)	.	.000	.000
		Df	0	156	156
	Sustain	Correlation	.731	1.000	.356
		Significance (2-tailed)	.000	.	.000
		Df	156	0	156
	Culture	Correlation	.416	.356	1.000
		Significance (2-tailed)	.000	.000	.
		Df	156	156	0
Culture	Diversity	Correlation	1.000	.686	
		Significance (2-tailed)	.	.000	
		Df	0	155	
	Sustain	Correlation	.686	1.000	
		Significance (2-tailed)	.000	.	
		Df	155	0	

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

Source: Research data, 2019

Moderating Impact of Organizational Culture

The evidence reveals organizational culture to be a significant moderator of the relationship between workplace diversity and corporate sustainability. This position further draws on the premise that organizational culture determines not only the effects of the diversity within an organisation but also the level of openness to dissimilarity characteristics among the organisation's members, work groups, and culture, Andrew-Patrick (2011). Diversity is not just a racially contentious issue but one of culture too. Understanding the cultural inclinations of organisations would affect the ways diverse workforces operate and also their tendencies for sustainable practices (Nwadike, 2011).

Therefore, organizational culture concerning diversity, within the context of this study addresses the conduct and behaviours of individuals within this oil and gas firms especially those who come from different ethnic backgrounds, of different languages as well as have varying values about corporate sustainability. The linguistic and cultural identity constitutes the core of the cultures of most ethnic groups, absence or denial of these linguistic and cultural rights could promote conflict and violence (Jerman (2016) citing Skutnabb, Kangas & Phillipson (1994). Such ethnic groups in Nigeria include Yoruba, Igbo, Hausa, and Edo, Isoko and Urhobo as well as other minorities with different backgrounds.

CONCLUSIONS

The results on the relationship between the variables provides empirical basis for the assertions put forward in this section of the study. This is as the study finds that workplace diversity has strong implications for the shared values and in this vein contributes towards the extent to which the organization is able to harness the benefits and advantages offered the diversity within its workplace. In this vein, the study identifies workplace diversity as a substantial antecedent of corporate sustainability.

Hence, in conclusion, it was affirmed that workforce diversity, groups or labels, especially that which addresses the age, gender and ethnic diversity of the workforce of oil and gas corporations, has a significant impact on corporate sustainability of oil and gas corporations. Invariably, this contributes substantially towards the unification of organizational members' ideas and values. This is as such could facilitate improved sustainability outcomes in the areas of environmental sustainability, social sustainability and economic sustainability of the 44 oil and gas corporations in Nigeria.

RECOMMENDATIONS

The study, given the evidence of significant associations between the predictor: Workforce diversity and the criterion: corporate sustainability, as well as the moderator: organizational culture, recommends as follows:

- i. The oil and gas corporations in Nigeria should focus on workforce diversity policies frameworks that addresses age differences and generational gaps and adopt a transparent mechanism that follow formats which clearly identify what is expected from the groups and individuals to conform with the corporate sustainability objectives and how deviations from expectations are to be managed or corrected.
- ii. The oil and gas corporations in Nigeria should, as a matter of Policies framework, institutionalize gender diversity and emphasize on fairness, equity, exchange of ideology that involves both male and female sex in the supervisory and managerial level of leadership. This is to achieve corporate sustainability goals and objectives of the organization through members' collaboration and teamwork, rather than particular gender categories of groupings. Such specifications should guide what is expected of the workers and the extent to which their performance as individuals matches with the requirement of the organization.
- iii. Consideration should also be given to the installation of platforms, frameworks and measures by oil and gas corporations in Nigeria to address evidence of ethnic heterogeneity. Such consideration are those, that addresses relationships with others (interpersonal) premised on more receptive, accommodating and collaborative formats that are geared towards establishing the same sustainability values across all ethnic groups within the organization.
- iv. Finally, the culture of the oil and gas corporations in Nigeria should be adequately structured to offer the required format and platform through divergent views and opinions to be harmonized within the organization. This is for the strengthening of ties and experiences across the organization in a way that is healthy and considerate of the goals of corporate sustainability.

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