

Chapter 11

Ethnic Diversity and Social Sustainability of Business Organisation

Dr Nchelem Elenwo

Department of Management, Faculty of Business Studies

Ignatius Ajuru University of Education

Email: chukuigwen@yahoo.com

Introduction

Studies indicate that the consciousness and importance of environmental, economic and social issues has become vital to oil exploration in Nigeria and around the world. It has been over twenty years since the Brundtland Report drew the attention of the world to the need to re-examine the corporate firm's behaviour and ways of increasing use of resources with little or no interest for either the environment or future generations (Guterres & Spiegel 2012). Nonetheless, this notion remains elusive within the region of Nigeria and its environs since, oil and gas multinationals and indigenous corporations within the region still express deficiencies in behavioural and attitudinal change, which do not bode well for sustainable development in the long term.

Reports of research studies have been recorded on the concept of workplace diversity within different economies and contexts with the aim of ascertaining the extent of relationships between workplace diversity and conflict (Milliken & Martins, 1996), workplace diversity and corporate performance (Dike, 2013; Nyako, 2017). Others include workplace diversity and productivity (Barrington & Troske, K. 2001), workplace diversity and wage differences (Ashraf, 1996; Blau & Beller, 1988), and the effect of workplace diversity on stability, innovation, competitive and technological advantages (Colbert & Kurucz, 2007). However, there is a near lack of documented empirical evidence on the relationship between the chosen dimensional workforce diversity and corporate sustainability in the oil and gas corporations in Nigerian. Hence, the search for a measurable corporate sustainability. It is against this backdrop that the study sort to examine the relationship between workforce diversity and corporate sustainability especially, as it concerns the issues of environmental, economic and social problems of oil and gas corporations in Nigeria.

Ethnic diversity

Rasul and Rogger (2015) argued that ethnic diversity has an effect on productivity by shaping how people feel and motivated about their jobs, the level of efficiency in the firm, employee satisfaction with their job and the quality of products and services that a firm produces. Hoogendoorn and van Praag (2012) observe that ethnic diversity is one of the most relevant and salient dimensions of workforce heterogeneity. They define ethnic diversity as the heterogeneity in (mother) or primary languages, races, religions and cultures measured in terms of country of birth, of the parents of/or an individual. It is underscored by a multiplicity of information sets, norms, ability levels and knowledge (Morgan & Vardy, 2009). As such, ethnic diversity can potentially shape how people feel motivated about their jobs, the level of efficiency in the firm, employee satisfaction with their job and the quality of products and services that a firm produces. This is because of the diversities in terms of knowledge, skills, perspectives and experiences inherent in it.

Darwin (2014) has contended that ethnic diversity has a positive effect on organizational performance as it creates a pool of skills sets and learning opportunities that the firm can tap into for positive performance results. The point is that ethnic diversity allows or permits the firm to match individuals from different ethnic or cultural background tasks and assignments in which they are

most competent (Rasul & Rogger, 2015). According to Gupta (2013), ethnic diversity also has a similar impact on organizational performance. Ostergaard, Timmermans & Kristinsson (2011) who found that ethnic diversity increases creativity and innovativeness in the firm by expanding the perspectives and viewpoints in the firm support this view. Some studies have found that a more ethnically diverse workforce exhibit more creativity, innovativeness than a more ethnically homogenous workforce does (Darwin & Palanisamy, 2015). This is probably because of the learning opportunities, perspectives and complementarities that ethnic diversity brings to the firm.

Social sustainability

Polese and Stren (2000) defined social sustainability as a development which is able to occur by balancing the evolution of civic society, and this development will result in a more prosperous environment. They also emphasized the crucial role played by social integration, cultural diversity, and equity in their concept of social sustainability. This definition applies mainly to the urban environment, and the importance of social aspects that contain social integration, civic society, cultural diversity, the economic dimension, and physical environment. More specific definitions of social sustainability have been provided for built environment and housing.

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, 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.
- ii. 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.

References

Ahiauazu, A. I., & Asawo, S. P. (2016). *Advanced social research methods*. Port

Strategic Management

Harcourt: CIMRAT publications.

- Ashraf, B., & Ashraf, J. (1996). Evidence on Gender Wage discrimination from the 1984-85 HIES a Note. *Pakistan Journal of Applied Economics*, 12(1), 85-94. n
- Barrington, L., & Troske, K. (2001). Workforce diversity and productivity: An analysis of employer-employee matched data. *Economics Program Working Papers*, (01-02).
- Blau, F. D., & Beller, A. H. (1988). Trends in earnings differentials by gender, 1971–1981. *ILR Review*, 41(4), 513-529.
- Colbert, B. A., & Kurucz, E. C. (2007). Three conceptions of triple bottom-line business sustainability and the role for HRM. *People and Strategy*, 30(1), 21.
- Dike, P. (2013). *The impact of workplace diversity on organisations* (Degree Thesis). Degree programme in international business-ARCADA.
- Gupta, R. (2013). Workforce diversity and organizational performance. *International Journal of business and management innovation*, 2(6) 36 – 41.
- Guterres, A., & Spiegel, P. (2012). The state of the world's refugees: adapting health responses to urban environments. *Jama*, 308(7), 673-674.
- Hoogendoorn S, van Praag M. (2012) *Ethnic diversity and team performance: A field experiment*. Tinbergen institute discussion paper, TI 2012-068/3.
- Morgan, G. (2011) 'Reflections on the macro-politics of micro-politics'. In Do"rrenba"cher, C. and Geppert, M. (eds) politics and power in the multinational corporation: The role of institutions, interests and identities, Cambridge, Cambridge University Press, 415 – 436.
- Nyako, Z. I. (2017). *Impact of workforce diversity on organizational performance in Calabar, Cross-River State* (Doctoral dissertation, American University of Nigeria, School of Business Management and Entrepreneurship).
- Polèse, M., Stren, R. E., & Stren, R. (Eds.). (2000). *The social sustainability of cities*. Diversity and the management of change. University of Toronto Press.