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Workforce Diversity on Organisational Performance: Evidence from a Commercial Bank in Nigeria

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Abstract: This study examines the relationship between workforce diversity and organisational performance, using Unity Bank Plc, Nigeria, as a case study. Specifically, it investigates how ethnic, religious, age, and educational diversity influence key performance indicators such as profitability, customer acquisition, and customer retention. A quantitative research design was adopted, with primary data collected through structured questionnaires administered to 195 staff members, out of which 147 valid responses were analysed. The study employed simple random sampling, while descriptive and inferential statistical techniques were used to test the hypotheses. Findings reveal that ethnic diversity has a statistically significant effect on organisational profitability. Furthermore, imbalances in religious and age diversity were found to significantly influence customer acquisition and retention. The results suggest that workforce diversity, when not properly managed, can impact organisational outcomes both positively and negatively. The study concludes that workforce diversity is a critical determinant of organisational performance. It recommends that Unity Bank Plc should implement inclusive recruitment and workforce distribution strategies to ensure equitable representation across ethnic and demographic groups. Such strategies would enhance brand perception, broaden customer base, and improve overall competitiveness. The study contributes to the growing body of literature on diversity management within the Nigerian banking sector and provides practical insights for organisational policy and decision-making.

Keywords: *Workforce Diversity, Organisational Performance, Ethnic Diversity, Customer Retention, Nigeria, Banking Sector*.

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I. INTRODUCTION

➢ *Background*

Workforce diversity has become an increasingly significant area of interest in contemporary organisational studies, particularly in the context of globalization and evolving labour markets. Organisations today operate in environments characterized by cultural, ethnic, religious, and generational heterogeneity. As a result, the composition of the workforce has shifted from relatively homogeneous groups to more diverse and complex structures. Workforce diversity refers to the variety of differences among employees in an organisation, including but not limited to ethnicity, age, religion, gender, and educational background. These differences shape employees' perspectives, behaviours, and interactions within the workplace.

Over the past three decades, globalization has played a critical role in accelerating workforce diversity. The movement of human capital across borders has led to increased interaction among individuals from different cultural and social backgrounds. Consequently, organisations are compelled to manage diversity effectively in order to harness its potential benefits while minimizing associated challenges. Scholars have argued that a diverse workforce can enhance creativity, innovation, and decision-making by bringing together varied perspectives and experiences. At the same time, diversity can also lead to interpersonal conflicts, communication barriers, and reduced cohesion if not properly managed.

In developing economies such as Nigeria, workforce diversity is particularly complex due to the country's rich cultural, ethnic, and religious composition. Nigeria is one of the most diverse nations in the world, with over 250 ethnic groups and multiple religious affiliations. This diversity is reflected in organisational settings, especially in sectors such as banking, where institutions operate across different regions and serve a wide range of customers. In such environments, workforce diversity is not merely a human resource issue but

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a strategic factor that can influence organisational performance outcomes such as profitability, customer acquisition, and customer retention.

Organisational performance, on the other hand, refers to the extent to which an organisation achieves its objectives and meets stakeholder expectations. It is commonly measured using financial indicators such as profitability, as well as non-financial indicators such as customer satisfaction, retention, and market share. The relationship between workforce diversity and organisational performance has been widely debated in academic literature, with some studies reporting positive effects and others highlighting negative or inconclusive outcomes. This inconsistency suggests that the impact of diversity may depend on how it is managed within specific organisational contexts.

In the Nigerian banking sector, workforce diversity has gained attention due to increasing competition, regulatory pressures, and the need for inclusive growth. Banks are expected to attract and retain customers from diverse backgrounds, which requires a workforce that reflects the diversity of the market. However, some banks are perceived to have regional or cultural biases in their workforce composition, which may affect their public image and performance. This study focuses on Unity Bank Plc, an organisation that has faced performance challenges and is often associated with a particular regional identity. Understanding how workforce diversity influences its performance is therefore both timely and relevant.

➢ *Problem Statement*

Despite the recognized importance of workforce diversity, many organisations in Nigeria continue to experience challenges in managing diversity effectively. Issues such as ethnic bias, religious discrimination, age imbalance, and unequal access to opportunities persist in some organisational settings. These challenges can negatively affect employee morale, reduce productivity, and ultimately impact organisational performance.

In the case of Unity Bank Plc, there are concerns regarding the composition of its workforce, particularly in terms of ethnic and regional concentration. The dominance of certain groups in recruitment, promotion, and placement decisions may limit the organisation’s ability to attract a diverse pool of talent. This, in turn, can affect innovation, customer engagement, and overall competitiveness. Additionally, the presence of age imbalance, with a tendency to favour older and more experienced employees over younger graduates, may hinder the bank’s ability to connect with a younger customer base.

Religious diversity also presents a significant challenge. The concentration of employees from a particular religious background may influence organisational culture and customer perception, potentially affecting customer retention and acquisition. Furthermore, limited investment in training and development may exacerbate these issues by preventing employees from adapting to diverse work environments and evolving customer needs.

Although Unity Bank Plc has made efforts to improve its performance, including attempts to enhance profitability and expand its customer base, the desired outcomes have not been fully achieved. This raises important questions about the role of workforce diversity in shaping organisational performance. Specifically, there is a need to examine whether diversity factors such as ethnicity, age, religion, and education significantly influence key performance indicators within the organisation.

➢ *Research Gap*

A review of existing literature reveals that several studies have examined the relationship between workforce diversity and organisational performance in Nigeria. However, many of these studies have focused on general organisational settings or specific aspects such as employee engagement and strategic management. Limited attention has been given to the banking sector, particularly in relation to individual institutions.

Moreover, previous studies have often treated workforce diversity as a broad concept without examining the distinct effects of specific diversity dimensions such as ethnicity, age, religion, and education. This lack of granularity limits the ability to understand how different aspects of diversity influence various performance outcomes. In addition, there is a scarcity of empirical studies that link diversity directly to performance indicators such as profitability, customer acquisition, and customer retention within a single organisational context.

Another notable gap is the limited focus on underperforming or low-performing organisations. Most studies tend to examine high-performing firms, thereby overlooking the unique challenges faced by organisations that are struggling to achieve their performance targets. Unity Bank Plc represents a relevant case for addressing this gap, given its performance history and diversity-related concerns.

This study seeks to bridge these gaps by providing an empirical analysis of the effect of workforce diversity on organisational performance within a specific banking institution in Nigeria. By focusing on multiple dimensions of diversity and linking them to key performance indicators, the study offers a more comprehensive understanding of the subject.

➢ *Objectives of the Study*

The main objective of this study is to examine the effect of workforce diversity on organisational performance in Unity Bank Plc.

- *The Specific Objectives are to:*

✓ Evaluate the extent to which ethnic and educational diversity influence organisational profitability
✓ Examine the impact of age diversity on customer acquisition
✓ Assess the effect of religious diversity on customer retention

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- *Contribution of the Study*

This study makes several important contributions to both academic literature and practical management. First, it provides empirical evidence on the relationship between workforce diversity and organisational performance within the Nigerian banking sector. By focusing on a specific organisation, the study offers context-specific insights that are often missing in broader analyses.

Second, the study contributes to the understanding of how different dimensions of diversity ethnicity, age, religion, and education affect distinct performance outcomes. This multidimensional approach enhances the depth of analysis and provides a more nuanced perspective on diversity management.

Third, the findings of this study have practical implications for organisational leaders and policymakers. The recommendations offered can guide recruitment, training, and diversity management strategies aimed at improving organisational performance. In particular, the study highlights the importance of inclusive practices and equitable workforce distribution in enhancing competitiveness and customer engagement.

Finally, the study serves as a valuable reference for future researchers interested in exploring workforce diversity in similar contexts. It lays the groundwork for further studies that can build on its findings and address its limitations, thereby advancing knowledge in the field of business management.

II. LITERATURE REVIEW

- *Conceptual Review of Workforce Diversity*

Workforce diversity has emerged as one of the most significant human resource management issues in modern organisations due to globalisation, demographic changes, migration, and increased workplace integration. Contemporary organisations are characterised by employees from different ethnic, religious, educational, cultural, and generational backgrounds. As organisations continue to operate in highly competitive and multicultural environments, the management of workforce diversity has become increasingly important for organisational sustainability and performance.

According to Human Resource Management scholars, workforce diversity refers to the differences and similarities among employees in terms of demographic, social, cultural, and psychological characteristics within an organisational setting. Cletus, Mahmood, Umar, and Ibrahim (2018) define workforce diversity as the coexistence of employees from various backgrounds with differences in ethnicity, religion, age, gender, education, and experiences within an organisation. Similarly, Sharma (2016) argued that workforce diversity reflects the extent to which organisations incorporate heterogeneous groups into their operational and managerial systems.

Recent studies have increasingly emphasised that workforce diversity is no longer merely a social responsibility issue but a strategic organisational resource capable of influencing performance outcomes. According to Roberson (2019), organisations that effectively manage workforce diversity tend to experience improved creativity, innovation, and problem-solving capabilities because diverse employees contribute different perspectives and experiences to organisational processes. Likewise, Guillaume et al. (2017) noted that diversity broadens employees' cognitive perspectives, thereby improving organisational flexibility and strategic decision-making.

In the Nigerian context, workforce diversity is particularly important because Nigeria is one of the most culturally diverse countries in Africa, with over 250 ethnic groups and multiple religious affiliations. Consequently, organisations operating in Nigeria must manage diversity carefully to avoid discrimination, workplace conflict, and social exclusion. Obi, Awanmu, and Akinola (2021) observed that workforce diversity significantly shapes employee interactions, customer relations, and organisational image within Nigerian institutions.

Despite its advantages, workforce diversity may also create challenges if poorly managed. Research by Madera, Dawson, and Neal (2016) revealed that diversity can result in communication barriers, stereotypes, and interpersonal conflicts, especially when employees perceive unequal treatment or exclusion. This perspective aligns with the argument of Shore et al. (2018), who asserted that organisations that fail to establish inclusive workplace cultures may experience reduced employee commitment and lower productivity despite having a diverse workforce.

- *Dimensions of Workforce Diversity*

- *Ethnic Diversity*

Ethnic diversity refers to differences in cultural origin, language, tribe, and heritage among employees within an organisation. Ethnic diversity has become increasingly relevant in multinational and multicultural societies because employees from different ethnic backgrounds contribute unique experiences and viewpoints that can enhance organisational creativity and competitiveness.

According to Stahl, Maznevski, Voigt, and Jonsen (2017), ethnically diverse organisations often demonstrate superior innovation and problem-solving abilities because diversity improves knowledge sharing and critical thinking. Similarly, Richard, Kirby, and Chadwick (2017) found that ethnic diversity positively influences organisational adaptability and market expansion, particularly in customer-oriented industries.

In Nigeria, ethnic diversity is a highly sensitive organisational issue because ethnic identity strongly influences social relationships and perceptions. A study by Ehimare and Ogaga-Oghene (2020) revealed that organisations perceived to favour a particular ethnic group often struggle with employee dissatisfaction and poor public perception. This is particularly relevant to the banking sector, where customer trust and inclusiveness significantly influence patronage.

However, ethnic diversity can also create workplace tensions. According to van Knippenberg and Mell (2016), ethnically diverse teams may experience communication difficulties and reduced cohesion if organisational leaders fail to promote inclusivity and equal opportunities.

- *Age Diversity*

Age diversity refers to the presence of employees from different age groups within an organisation. Modern organisations increasingly consist of multiple generations working together, including Baby Boomers, Generation X, Millennials, and Generation Z. These generations differ in attitudes, work preferences, technological competence, and communication styles.

Research by Kunze, Boehm, and Bruch (2016) found that age diversity positively influences organisational performance when organisations encourage intergenerational collaboration and knowledge sharing. Younger employees often contribute technological adaptability and innovation, while older employees provide experience, mentorship, and institutional memory.

Similarly, Wegge et al. (2018) argued that age-diverse organisations are more capable of understanding and responding to diverse customer needs because employees from different age categories can relate to varying market segments. This is particularly important in the banking industry, where customer demographics are constantly evolving.

Conversely, age diversity may create conflicts arising from generational differences in values, expectations, and communication styles. According to Rudolph and Zacher (2017), organisations that fail to manage generational differences effectively may experience reduced teamwork and employee dissatisfaction.

- *Religious Diversity*

Religious diversity refers to the coexistence of employees with different religious beliefs and practices within an organisation. Religious beliefs often influence employees' attitudes, ethical orientations, and workplace behaviours. In multicultural societies such as Nigeria, religion remains a significant aspect of social identity and organisational interactions.

According to King and Ahmad (2019), organisations that respect religious diversity tend to experience improved employee satisfaction and stronger customer trust because inclusiveness promotes fairness and social acceptance. Likewise, Ghumman et al. (2017) found that religious accommodation in workplaces positively influences employee commitment and organisational loyalty.

In Nigeria, religious diversity is particularly important because religion strongly shapes social and cultural relationships. Organisations perceived as favouring a particular religion may face reputational challenges and customer alienation. Research by Yusuf and Adamu (2022) showed that religious imbalance within organisations often affects customer perceptions and organisational legitimacy.

Nevertheless, religious diversity may also generate workplace tensions where discriminatory practices or unequal treatment exist. Therefore, organisations are expected to establish inclusive policies that promote tolerance and equal opportunities regardless of religious affiliation.

- *Educational Diversity*

Educational diversity refers to differences in employees' educational qualifications, knowledge, and professional backgrounds. Educational diversity enhances organisational learning because employees possess different competencies and technical expertise.

According to Ali and Konrad (2017), educationally diverse teams demonstrate stronger analytical and problem-solving capabilities because employees' approach organisational challenges from different intellectual perspectives. Similarly, Bell, Villado, Lukasik, Belau, and Briggs (2019) noted that educational diversity promotes innovation and strategic thinking within organisations.

However, educational diversity may also create communication barriers and differences in professional orientation if not properly coordinated. Organisations must therefore ensure that educational differences are integrated effectively into organisational processes.

➢ *Organisational Performance*

Organisational performance refers to the extent to which an organisation achieves its goals and objectives efficiently and effectively. In business management literature, organisational performance is commonly measured using both financial and non-financial indicators such as profitability, customer acquisition, customer retention, productivity, innovation, and market share.

According to Taouab and Issor (2019), organisational performance reflects the organisation's ability to utilize its resources effectively to achieve strategic objectives. In the banking sector, performance is often assessed through profitability, customer satisfaction, and customer retention because these indicators determine competitiveness and sustainability.

Recent studies suggest that workforce diversity significantly influences organisational performance. Ozgen, Nijkamp, and Poot (2017) argued that organisations with diverse employees are more innovative and customer-oriented because diversity enhances creativity and market understanding. Similarly, Nathan and Lee (2018) found that diversity contributes positively to organisational productivity and financial performance when supported by inclusive leadership practices.

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- *Theoretical Review*

- *Resource-Based View Theory*

The study is anchored on the Resource-Based View (RBV) Theory developed by Jay Barney. The RBV theory argues that organisations achieve sustainable competitive advantage through valuable, rare, inimitable, and non-substitutable resources.

From the RBV perspective, workforce diversity represents a strategic organisational resource capable of improving innovation, creativity, and customer relations. According to Barney (1991), organisations that effectively utilize their human capital are more likely to outperform competitors.

Recent scholars such as Ferreira and Coelho (2020) further argued that diversity enhances organisational adaptability and competitiveness because employees from different backgrounds contribute varied perspectives and experiences.

- *Social Identity Theory*

The study also adopts the Social Identity Theory developed by Henri Tajfel and Turner (1979). The theory explains how individuals classify themselves into social groups based on characteristics such as ethnicity, religion, and age.

According to the theory, employees tend to favour members of their own social groups, which may result in workplace bias and discrimination. However, organisations that promote inclusivity and equal treatment can reduce intergroup conflicts and improve collaboration.

Recent studies by Ashikali and Groeneveld (2021) confirm that inclusive workplace environments reduce social categorization and improve organisational commitment among diverse employees.

- *Empirical Review*

Empirical studies on workforce diversity and organisational performance have produced mixed findings, reflecting the complexity of the relationship.

Ogbo, Kifordu, and Wilfred (2014) examined the impact of workforce diversity on organisational performance in Nigerian firms and found that diversity positively influences employee productivity and organisational effectiveness. Similarly, Obuma and Worlu (2017) reported that diversity enhances innovation and decision-making, leading to improved performance outcomes.

Onyokoko and Onuoha (2019) focused on employee engagement and found that diverse work environments can increase employee satisfaction and commitment, which in turn improves organisational performance. These studies support the argument that diversity can be a valuable resource when properly managed.

However, other studies have highlighted the potential challenges associated with diversity. Akpakip (2017) found that while diversity can enhance performance, it may also lead to conflicts and reduced cohesion if not effectively managed. This suggests that the relationship between diversity and performance is contingent on organisational context and management practices.

In the banking sector, studies have shown that diversity can influence customer-related outcomes. For instance, Messara (2014) found that religious diversity can affect customer perceptions and interactions, thereby influencing customer retention. Similarly, studies have indicated that age diversity can impact customer acquisition, particularly in industries where customer demographics are changing rapidly.

Despite these contributions, there remains a lack of empirical studies focusing on specific banking institutions in Nigeria. Most existing studies adopt a broad approach, limiting their applicability to individual organisations. This study addresses this gap by examining the effect of workforce diversity on organisational performance in Unity Bank Plc.

- *Hypotheses Development*

Based on the theoretical and empirical review, the following hypotheses are formulated:

- *Ethnic and Educational Diversity and Profitability:*

The RBV suggests that diverse skills and perspectives enhance decision-making and innovation, which can improve profitability. Empirical studies also support the positive relationship between diversity and financial performance. However, Social Identity Theory highlights potential conflicts that may reduce efficiency. Therefore, it is hypothesized that ethnic and educational diversity significantly influence profitability.

- *Age Diversity and Customer Acquisition:*

Age diversity can enhance organisational adaptability by combining experience with innovation. Younger employees may better connect with emerging customer segments, while older employees bring experience and stability. Thus, age diversity is expected to influence customer acquisition.

- *Religious Diversity and Customer Retention:*

Religious diversity can shape organisational culture and customer perceptions. A balanced representation of religious groups may enhance inclusivity and customer trust, thereby improving retention. Conversely, imbalance may lead to bias and reduced customer loyalty.

- *Summary of Literature Review*

The literature reviewed demonstrates that workforce diversity remains a multidimensional and context-dependent organisational phenomenon. Existing studies generally acknowledge that diversity may contribute positively to innovation, customer responsiveness, organisational adaptability, and market competitiveness. However, the literature also reveals that diversity can generate operational

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and interpersonal challenges where organisations lack inclusive management systems.

Theoretical perspectives such as the Resource-Based View and Social Identity Theory provide complementary explanations for understanding the diversity-performance relationship. While RBV emphasizes diversity as a strategic organisational resource, Social Identity Theory highlights the potential risks associated with group categorization and workplace fragmentation.

Empirical findings remain inconsistent across sectors and national contexts. Some studies report strong positive relationships between diversity and organisational performance, whereas others identify negative or insignificant effects. These inconsistencies suggest that organisational context, leadership practices, and institutional culture significantly influence whether diversity produces beneficial outcomes.

Within the Nigerian banking sector, empirical evidence remains relatively limited, particularly at the organisational level. Existing studies often focus on broad workforce diversity concepts without examining how specific dimensions such as ethnicity, age, religion, and education influence distinct performance indicators.

Accordingly, this study contributes to existing literature by providing a more context-specific examination of workforce diversity within Unity Bank Plc. The study further extends current knowledge by linking multiple dimensions of diversity to key organisational performance indicators including profitability, customer acquisition, and customer retention.

III. METHODOLOGY

➢ *Research Design*

This study adopted a quantitative research design to examine the effect of workforce diversity on organisational performance in Unity Bank Plc. The quantitative approach was considered appropriate because it allows for objective measurement and statistical analysis of relationships between variables. Specifically, the study utilized a cross-sectional survey design, where data were collected from respondents at a single point in time. This design is widely used in business and management research due to its efficiency in capturing perceptions and relationships among variables.

➢ *Population of the Study*

The population of the study comprised staff and management employees of Unity Bank Plc. The choice of this population was informed by the need to obtain insights from individuals directly involved in the organisation's operations and human resource practices. Employees at different levels were included to ensure a comprehensive understanding of workforce diversity and its impact on performance.

➢ *Sample Size and Sampling Technique*

A sample size of 195 respondents was selected for the study. Out of these, 147 valid responses were retrieved and used for analysis, representing a response rate of approximately 75%. This response rate is considered adequate for statistical analysis in social science research.

The study employed a simple random sampling technique, which ensured that every member of the population had an equal chance of being selected. This method minimized sampling bias and enhanced the representativeness of the sample.

➢ *Sources and Method of Data Collection*

Primary data were collected using a structured questionnaire. The questionnaire was designed to capture information on workforce diversity dimensions (ethnicity, age, religion, and education) and organisational performance indicators (profitability, customer acquisition, and customer retention).

- *The Questionnaire Consisted of Two Main Sections:*

✓ Section A: Demographic information of respondents
✓ Section B: Statements measuring variables using a 5-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1)

The instrument was administered physically and electronically to respondents within the organisation.

➢ *Measurement of Variables*

The study examined both independent and dependent variables:

- *Independent Variables (Workforce Diversity):*

✓ Ethnic Diversity
✓ Age Diversity
✓ Religious Diversity
✓ Educational Diversity

- *Dependent Variables (Organisational Performance):*

✓ Profitability
✓ Customer Acquisition
✓ Customer Retention

➢ *Validity and Reliability of Instrument*

To ensure content validity, the questionnaire was reviewed by academic experts and professionals in business management. Their feedback helped refine the clarity and relevance of the items.

Reliability was assessed using Cronbach's Alpha, with values above 0.70 considered acceptable. The instrument demonstrated satisfactory internal consistency, indicating that the items reliably measured the constructs of interest.

➢ *Model Specification*

The study employed regression models to examine the relationship between workforce diversity and organisational performance:

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- Profitability = β0+β1ED+β2EUD+ϵ
- Customer Acquisition = β0+β1AD+ϵ
- Customer Retention = β0+β1RD+ϵ

Where:

- ED = Ethnic Diversity
- EUD = Educational Diversity
- AD = Age Diversity
- RD = Religious Diversity
- β_0 = Constant
- β_1 = Coefficient
- ε = Error term

➢ *Method of Data Analysis*

Data collected were analyzed using Statistical Package for Social Sciences (SPSS). Both descriptive statistics (frequencies, percentages, means) and inferential statistics (correlation and regression analysis) were employed.

- Descriptive statistics were used to summarize respondents' characteristics
- Inferential statistics were used to test the hypotheses

The level of significance was set at 5% ($p < 0.05$).

IV. RESULTS AND DISCUSSION

➢ *Descriptive Statistics*

Table 1 Demographic Distribution of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	82	55.8
	Female	65	44.2
Age	20–30 years	40	27.2
	31–40 years	60	40.8
	41+ years	47	32.0
Education	HND/BSc	90	61.2
	MSc/PhD	57	38.8

- *Interpretation:*
  The results indicate a fairly diverse workforce in terms of gender, age, and education.

➢ *Correlation Analysis*

Table 2 Correlation Matrix

Variables	Profitability	Customer Acquisition	Customer Retention
Ethnic Diversity	0.62**	0.48*	0.50*
Age Diversity	0.45*	0.58**	0.46*
Religious Diversity	0.40*	0.44*	0.60**

(*$p < 0.05$, **$p < 0.01$)

- *Interpretation:*
  All diversity variables show positive relationships with performance indicators, suggesting that workforce diversity influences organisational outcomes.

➢ *Regression Analysis*

Table 3 Regression Result (Profitability)

Variable	Coefficient (β)	t-value	p-value
Constant	1.245	2.10	0.037
Ethnic Diversity	0.532	4.56	0.000
Educational Diversity	0.287	2.89	0.005
$R^2 = 0.48$			

- *Interpretation:*
  Ethnic and educational diversity significantly influence profitability. Hence, H01 is rejected.

Table 4 Regression Result (Customer Acquisition)

Variable	Coefficient (β)	t-value	p-value
Constant	1.102	1.98	0.049

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Age Diversity	0.611	5.12	0.000
$R^2 = 0.42$			

- *Interpretation:*
  Age diversity significantly influences customer acquisition. Hence, H02 is rejected.

Table 5 Regression Result (Customer Retention)

Variable	**Coefficient (β)**	**t-value**	**p-value**
Constant	1.356	2.25	0.026
Religious Diversity	0.584	4.87	0.000
$R^2 = 0.46$			

- *Interpretation:*
  Religious diversity significantly affects customer retention. Hence, H03 is rejected.

➢ *Discussion of Findings*

The findings reveal that workforce diversity significantly influences organisational performance. Ethnic diversity enhances profitability by promoting inclusivity and broader market appeal. Age diversity improves customer acquisition by aligning workforce demographics with customer segments. Religious diversity influences customer retention by shaping trust and organisational identity.

These results are consistent with the Resource-Based View, which posits that diverse human capital enhances competitive advantage. However, they also highlight the need for effective diversity management to avoid potential conflicts as suggested by Social Identity Theory.

V. CONCLUSION AND FINDINGS

➢ *Findings*

This study set out to examine the effect of workforce diversity on organisational performance in Unity Bank Plc, focusing on key diversity dimensions—ethnicity, age, religion, and education—and their influence on profitability, customer acquisition, and customer retention. The findings provide strong empirical support for the argument that workforce diversity is a significant determinant of organisational performance when properly understood and managed.

First, the study found that ethnic diversity has a significant positive effect on profitability. This result aligns with the Resource-Based View (RBV), which posits that diverse human capital serves as a valuable organisational resource capable of enhancing competitive advantage. A workforce composed of individuals from different ethnic backgrounds brings varied perspectives, cultural insights, and problem-solving approaches, which can improve decision-making and innovation. In the context of Unity Bank Plc, ethnic diversity appears to enhance the bank's ability to appeal to a broader customer base across Nigeria's diverse population, thereby increasing patronage and profitability.

This finding is consistent with prior empirical studies that emphasize the positive role of diversity in improving organisational outcomes. However, it also highlights a critical nuance: the benefits of ethnic diversity are more likely to be realized when diversity is equitably distributed and not skewed toward a particular group. Where imbalance exists, it may create perceptions of bias or exclusion, which could undermine organisational effectiveness.

Second, the study revealed that age diversity significantly influences customer acquisition. This finding underscores the importance of generational diversity in organisations, particularly in service-oriented industries such as banking. Younger employees are often more adaptable to technological innovations and digital banking trends, making them better positioned to attract younger customers. At the same time, older employees contribute experience, institutional knowledge, and relationship management skills.

The interplay between these generational cohorts creates a dynamic workforce capable of engaging a wider spectrum of customers. This result supports existing literature suggesting that age-diverse teams can enhance organisational adaptability and market responsiveness. However, it also implies that organisations must actively manage generational differences to avoid conflicts arising from differing work values, communication styles, and expectations.

Third, the findings indicate that religious diversity has a significant effect on customer retention. In a culturally and religiously diverse society such as Nigeria, religious identity plays a crucial role in shaping individual perceptions and behaviours. A workforce that reflects religious diversity may foster a sense of inclusivity and trust among customers from different religious backgrounds, thereby enhancing customer loyalty.

However, this finding also aligns with Social Identity Theory, which suggests that individuals tend to associate more strongly with groups that share similar characteristics. If not properly managed, religious diversity may lead to in-group favoritism and out-group bias, potentially affecting workplace cohesion and customer interactions. Therefore, while religious diversity can enhance customer retention, it requires careful management to ensure that it promotes inclusion rather than division.

Overall, the study demonstrates that workforce diversity is not merely a demographic characteristic but a strategic organisational asset. The positive relationships observed between diversity dimensions and performance

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indicators suggest that diversity, when effectively managed, can enhance organisational outcomes. However, the findings also imply that diversity alone is insufficient; organisations must implement appropriate policies and practices to harness its benefits.

➢ *Conclusion*

This study examined the effect of workforce diversity on organisational performance in Unity Bank Plc, with a focus on ethnic, age, religious, and educational diversity. The findings provide compelling evidence that workforce diversity significantly influences key performance indicators, including profitability, customer acquisition, and customer retention.

Specifically, the study concludes that ethnic diversity enhances profitability, age diversity improves customer acquisition, and religious diversity strengthens customer retention. These results highlight the multifaceted nature of workforce diversity and its impact on different aspects of organisational performance. The study further establishes that diversity is a critical driver of organisational success in the Nigerian banking sector, where customer bases are inherently diverse.

The findings reinforce the importance of adopting a strategic approach to diversity management. Organisations that embrace diversity and implement inclusive practices are more likely to achieve improved performance outcomes. Conversely, organisations that fail to manage diversity effectively may experience reduced cohesion, inefficiencies, and missed opportunities for growth.

In the case of Unity Bank Plc, the study suggests that addressing imbalances in workforce composition and promoting inclusivity could significantly enhance organisational performance. By aligning workforce diversity with organisational goals, the bank can strengthen its competitive position and improve its overall effectiveness.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations are proposed:

➢ *Promote Inclusive Recruitment Practices:*

Unity Bank Plc should implement recruitment strategies that ensure equitable representation of different ethnic, religious, and age groups. This will enhance diversity and improve the organisation's ability to connect with a broader customer base.

➢ *Ensure Balanced Workforce Distribution:*

The organisation should conduct periodic audits of its workforce composition to identify and address imbalances. A balanced workforce will reduce perceptions of bias and promote inclusivity.

➢ *Invest in Diversity Management Training:*

Management and employees should be trained on diversity and inclusion practices to foster mutual respect and collaboration. This will help mitigate potential conflicts arising from diversity.

➢ *Leverage Generational Diversity:*

The bank should create opportunities for knowledge sharing between older and younger employees. This will enhance innovation and improve customer engagement.

➢ *Strengthen Organisational Culture:*

The organisation should promote a culture of inclusivity that values diversity as a strength rather than a challenge. This will improve employee morale and customer perception.

➢ *Implications of the Study*

This study has important implications for both theory and practice. Theoretically, it contributes to the growing body of literature on workforce diversity by providing empirical evidence from the Nigerian banking sector. It also reinforces the relevance of the Resource-Based View and Social Identity Theory in explaining the diversity-performance relationship.

Practically, the study provides insights for organisational leaders and policymakers on how to manage workforce diversity effectively. The findings highlight the need for inclusive policies and strategic diversity management practices to enhance organisational performance.

➢ *Limitations and Suggestions for Future Research*

Despite its contributions, this study has some limitations. First, it focused on a single organisation, which may limit the generalizability of the findings. Future studies should consider multiple organisations across different sectors to enhance external validity.

Second, the study adopted a cross-sectional design, which does not capture changes over time. Longitudinal studies are recommended to examine how workforce diversity influences performance in the long term.

Finally, the study relied on quantitative data. Future research could adopt a mixed-method approach to provide deeper insights into the dynamics of workforce diversity.

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