

Effect of Diversity Management on Sustainable Competitive Advantage of Zenith Bank PLC, Lagos.

AFOLAYAN, Michael Ayorinde*, NWOKEDI, Chinenye., LAWAL, Oloyede Raheem., GABRIEL Olayinka Enoch., ABDULGANIYU, Toheeb Olayemi

Faculty of Management Sciences, Department of Business Administration, Lagos State University, Ojo, Lagos State. Department of Business Administration, Anchor University, Lagos.

*Corresponding Author

DOI: <https://dx.doi.org/10.47772/IJRISS.2025.914MG00176>

Received: 15 September 2025; Revised: 25 September 2025; Accepted: 01 October 2025; Published: 29 October 2025

ABSTRACT

This study examines the effect of diversity management on the sustainable competitive advantage of Zenith Bank in Nigeria, with emphasis on workplace diversity, gender diversity, and religious diversity. The research adopted a descriptive survey design, with a population of 7,704 employees drawn from Zenith Bank Plc (Zenith Bank Annual Report, 2022). A sample size of 380 was determined using Yamane's formula (1967), and a stratified random sampling technique was employed. Data were collected using a structured questionnaire, tested for reliability using Cronbach's Alpha (threshold of 0.70) and validated through expert review. Out of 380 questionnaires distributed, 301 were returned, giving a 79% response rate. Data were analyzed using regression analysis with SPSS version 26. The findings reveal that all three dimensions of diversity significantly and positively affect sustainable competitive advantage: workplace diversity ($\beta = 2.489$, $p = 0.001$, $R^2 = 0.539$), gender diversity ($\beta = 0.821$, $p = 0.000$, $R^2 = 0.481$), and religious diversity ($\beta = 0.437$, $p = 0.000$, $R^2 = 0.567$). This demonstrates that inclusive diversity management enhances innovation, improves decision-making, boosts employee morale, and strengthens organizational resilience. The study concludes that diversity management is not merely an ethical or compliance function but a strategic resource that fosters long-term competitive advantage in line with the Resource-Based View (RBV) theory. The study recommends that Zenith Bank should strengthen workplace diversity through inclusive recruitment, training, and collaboration programs; the study also recommended to enhance gender diversity by ensuring equitable representation in leadership and promoting mentorship and flexible policies.

Keywords: Competitiveness, Diversity Management, Gender Diversity, Innovation, Religious Diversity, Sustainable Advantage, Workplace Diversity.

INTRODUCTION

In an increasingly globalized economy, diversity management has emerged as a critical factor in influencing sustainable competitive advantage (Osibanjo et al., 2020). The Nigerian banking sector has experienced remarkable growth and transformation over the past two decades, resulting in intense competition among financial institutions (Akpakip, 2017). To remain competitive and maintain sustainable advantage, banks must adopt strategic practices that leverage diversity management effectively (Ume & Araga, 2024). Diversity management involves recognizing and valuing employees' differences in backgrounds, experiences, and perspectives to create a more inclusive and productive work environment (Osibanjo et al., 2020). This trend is particularly significant in Nigeria, a country characterized by diverse ethnicities, religions, gender, ages, and political affiliations (Martins et al., 2023).

Research has shown that diversity management positively impacts organizational performance in the Nigerian banking sector (Uwaifo & Okoh, 2024). For example, a study on Nigerian banks revealed that gender diversity had a positive but insignificant relationship with sustainability reporting, while board nationality showed a positive and significant relationship with sustainability reporting (Uwaifo & Okoh, 2024). This implies that a diverse board, particularly with international representation, can strengthen sustainability reporting and improve overall performance (Uwaifo & Okoh, 2024). Similarly, other studies have emphasized that diversity management fosters innovation, creativity, and adaptability in competitive markets (Osibanjo et al., 2020). In today's dynamic business environment, organizations increasingly recognize the strategic role of diversity management in achieving and sustaining competitive advantage (Ume & Araga, 2024).

Diversity management is implemented through policies and practices addressing workplace diversity, gender diversity, and religious diversity (Ume & Araga, 2024). Workplace diversity reflects the mix of cultural, educational, and experiential backgrounds that employees bring to organizations (Martins et al., 2023). Gender diversity highlights the importance of equitable participation of men and women in organizational decision-making processes (Osibanjo et al., 2020). Religious diversity recognizes the multiple faiths within the workforce and the need for inclusion in organizational culture (Akpakip, 2017). Sustainable competitive advantage, on the other hand, refers to the ability of firms to maintain a superior market position over time through unique resources and strategies (Barney, 1991). Thus, aligning diversity management with business strategies enhances innovation, decision-making, and financial performance (Ume & Araga, 2024).

Although several studies affirm that diversity management drives innovation, improves decision-making, and enhances financial performance (Martins et al., 2023; Ume & Araga, 2024), there is still insufficient empirical evidence focusing specifically on its impact on sustainable competitive advantage within the Nigerian banking sector. While global literature highlights the positive relationship between diversity and competitiveness, contextual studies in Nigeria remain limited (Osibanjo et al., 2020). This knowledge gap underscores the need to examine how different dimensions of diversity management workplace, gender, and religious contribute to sustainable competitive advantage in Nigerian banks, particularly in Zenith Bank, which has a large, diverse workforce and significant market presence (Akpakip, 2017).

Despite its benefits, diversity management presents challenges, especially in addressing discrimination and biases based on factors such as age, gender, political affiliation, job experience, education, race, and culture (Osibanjo et al., 2020). Discriminatory practices and lack of inclusivity can negatively affect employee morale, reduce collaboration, and undermine organizational performance (Martins et al., 2023). The primary objective of diversity management is to cultivate an inclusive organizational culture where diverse value systems are acknowledged and respected (Ume & Araga, 2024). For Zenith Bank in Nigeria, effective diversity management is not only a moral imperative but also a strategic necessity to achieve sustainable competitive advantage and improve organizational performance (Uwaifo & Okoh, 2024).

Statement of the Problem

The Nigerian banking sector is one of the most competitive industries in the country, with organizations constantly seeking strategies to gain and sustain a competitive edge (Osibanjo et al., 2020). In today's dynamic market, diversity management has been recognized globally as a key driver of sustainable competitive advantage through its ability to foster innovation, creativity, and adaptability (Martins et al., 2023). However, despite this recognition, many organizations in Nigeria's banking sector, including leading financial institutions, still struggle to manage workforce diversity effectively (Ume & Araga, 2024). Poor diversity management can hinder organizational growth by creating exclusionary practices that affect employee engagement and organizational outcomes (Akpakip, 2017).

Research has shown that ineffective diversity management in Nigerian banks contributes to decreased employee performance, higher turnover rates, and reduced organizational competitiveness (Ume & Araga, 2024). For instance, discriminatory practices related to gender, religion, and workplace differences often result in conflicts, low morale, and lack of collaboration among employees (Osibanjo et al., 2020). These challenges

undermine the potential benefits of diversity, such as improved decision-making and enhanced innovation, thereby preventing banks from fully leveraging their diverse workforce to gain a sustainable advantage (Martins et al., 2023). Consequently, the inability to integrate diversity management into organizational strategies continues to limit the capacity of banks to achieve long-term competitiveness in Nigeria's volatile economic environment (Uwaifo & Okoh, 2024).

Although previous studies have highlighted the positive outcomes of diversity management on organizational performance, there remains a limited understanding of its specific impact on sustainable competitive advantage in the Nigerian banking sector (Osibanjo et al., 2020; Ume & Araga, 2024). In particular, the role of workplace diversity, gender diversity, and religious diversity in shaping sustainable competitive advantage in banks such as Zenith Bank has not been sufficiently explored (Akpakip, 2017). This study, therefore, seeks to fill this gap by examining how diversity management influences sustainable competitive advantage in selected Zenith Banks in Nigeria, thereby providing evidence-based insights into the strategic importance of diversity management for organizational success in the banking sector (Uwaifo & Okoh, 2024).

Research Objectives

The main objective of this study is to examine the effect of diversity management on the sustainable competitive advantage of Zenith Bank in Nigeria. The specific objectives are to:

1. investigate the impact of workplace diversity on the sustainable competitive advantage of Zenith Bank in Nigeria.
2. examine the effect of gender diversity on the sustainable competitive advantage of Zenith Bank.
3. assess the effect of religious diversity on the sustainable competitive advantage of Zenith Bank.

Research Questions

The study was influenced by the following research inquiries:

1. What is the impact of workplace diversity on the sustainable competitive advantage of Zenith Bank in Nigeria?
2. How does gender diversity affect the sustainable competitive advantage of Zenith Bank?
3. What is the effect of religious diversity on the sustainable competitive advantage of Zenith Bank?

Research Hypotheses

1. **H₀₁:** Workplace diversity has no significant impact on the sustainable competitive advantage of Zenith Bank in Nigeria.
2. **H₀₂:** Gender diversity has no significant effect on the sustainable competitive advantage of Zenith Bank.
3. **H₀₃:** Religious diversity has no significant effect on the sustainable competitive advantage of Zenith Bank.

Scope of the Study

The scope of this study is limited to examining the effect of diversity management on the sustainable competitive advantage of Zenith Bank in Nigeria, with particular emphasis on workplace diversity, gender diversity, and religious diversity as key dimensions. The study focuses on Zenith Bank because it is one of the largest and most influential financial institutions in Nigeria, with a vast workforce drawn from diverse backgrounds, making it a suitable context for exploring how diversity management practices influence organizational outcomes.

LITERATURE REVIEW

Conceptual Review

Diversity

Diversity, in this context, refers to a mosaic of individuals who contribute different backgrounds, perspectives, beliefs, and advantages to the groups and organizations with which they interact (Białostocka, 2020). This diversity manifests both globally, where nations and regions reflect unique cultural identities, and locally, within smaller groups such as workplaces, communities, and educational institutions (Durga, 2017). Cultural diversity can be further classified into dimensions such as collectivism versus individualism, tolerance of workplace behaviors, gender, age, and disability (Hofstede, 2017).

Workplace diversity specifically refers to the inclusion of individuals from different genders, ethnic backgrounds, age groups, educational qualifications, religions, and socioeconomic statuses within the labor force (Klarsfeld et al., 2014). Due to globalization, diversity has increasingly become a recurring phenomenon in all aspects of human activity and organizational performance, particularly in the labor market and within work teams (Shen, Tang, & D'Netto, 2014). This shift highlights the importance of diversity as a defining factor in organizational success and sustainability (Osibanjo et al., 2020).

Successful organizations today recognize that innovation and sustainable competitive advantage are better achieved through embracing differences rather than similarities (Gumede, 2016). One of the critical values of cultural diversity is that organizations with heterogeneous employees are better positioned to explore and penetrate international markets (Klarsfeld et al., 2014). Furthermore, diversity enables organizations to solve problems more effectively, improve communication, enhance adaptability to dynamic market conditions, and foster continuous innovation (Ume & Araga, 2024).

The recognition of diversity has become an organizational reality, reflected in initiatives undertaken by leaders in business, government, and civil society to promote inclusivity (Nguyen et al., 2022). At the group level, research findings indicate that diversity positively affects organizational effectiveness, as highly diverse teams outperform less diverse teams under conditions requiring creativity, problem-solving, and job satisfaction (Song et al., 2019). Specifically, in the Nigerian banking sector, evidence shows that diversity within teams enhances creativity and job engagement, thereby improving organizational outcomes (Ohunakin et al., 2019).

Diversity Management

The concept of diversity management was first formally introduced by Roosevelt Thomas Jr. (1990), who defined it as a comprehensive management process aimed at creating an ideal environment for all employees, regardless of race, gender, or other demographic attributes. Diversity management carries different connotations across contexts; however, it is broadly understood as a set of voluntary organizational actions designed to facilitate the inclusion of employees from diverse backgrounds through both formal and informal structures, implemented via policies, events, and targeted initiatives (Thomas, 1990; Osibanjo et al., 2020).

Diversity management is commonly defined as the implementation of organizational policies and practices that recognize, respect, and value differences among employees across dimensions such as race, gender, age, religion, disability, and nationality (Klarsfeld et al., 2014). It has evolved as a strategic human resource tool that contributes to sustainable competitive advantage in increasingly globalized and dynamic business environments (Barney, 1991; Ume & Araga, 2024). By fostering inclusivity, organizations are better positioned to improve innovation, employee engagement, and long-term performance outcomes (Gumede, 2016).

The management of diversity encompasses several human resource practices, including the articulation of diversity policies, active recruitment of underrepresented groups, targeted training and development programs, equitable compensation structures, managerial accountability, and external community engagement (Shen, Tang, & D'Netto, 2014). These practices are designed to maximize the potential of workforce diversity by

ensuring that employees' unique skills and perspectives are fully utilized to advance organizational objectives (Cletus et al., 2018).

Cox and Blake (1991) conceptualized diversity management as the adoption of policies to recruit, retain, and develop talented individuals from diverse backgrounds, emphasizing the importance of leveraging diversity as a source of competitive advantage. The traditional approach to diversity management primarily focused on inherent attributes such as race, gender, age, and physical ability, which are largely determined at birth (Hofstede, 2001). In contrast, contemporary approaches take a more inclusive perspective, recognizing that diversity extends to factors that evolve over time, including educational background, professional experience, income level, marital status, political beliefs, military service, and geographic location (Nguyen et al., 2022). This modern view acknowledges that diversity is dynamic and continuously shaped by changing social, cultural, and organizational conditions (Song et al., 2019).

Workforce diversity

Workforce diversity refers to the differences among employees within an organization, encompassing dimensions such as age, gender, ethnicity, education, socioeconomic background, sexual orientation, and religion (Urbancová et al., 2020). Effective management of workforce diversity is essential for organizational success because it fosters innovation, creativity, and productivity by leveraging employees' unique experiences and perspectives (Handayani et al., 2017). Workforce diversity also implies the presence of individuals with varying characteristics, including race, gender, ethnicity, age, religion, sexual orientation, and physical abilities, which collectively contribute to building inclusive workplaces where multiple perspectives enhance problem-solving and innovation (Yadav & Katiyar, 2017).

Workforce diversity can be categorized into two main types: visible diversity and invisible diversity. Visible diversity includes characteristics that are easily identifiable, such as age, gender, ethnicity, and physical abilities, which can significantly shape interpersonal interactions and workplace dynamics (Atkinson et al., 2022). In contrast, invisible diversity includes characteristics that are not immediately apparent, such as education, socioeconomic status, and sexual orientation, yet these factors strongly influence employee experiences, collaboration, and organizational integration (Köllen, 2021). Recognizing both forms of diversity is crucial for managers to address differences comprehensively and ensure inclusion (Urbancová et al., 2020).

The benefits of workforce diversity are well-documented. First, it enhances innovation and creativity, as employees from diverse backgrounds bring different perspectives and approaches to problem-solving, resulting in innovative solutions and improved decision-making (Handayani et al., 2017). Second, workforce diversity improves employee performance, as employees who feel valued and included are more engaged and motivated, leading to higher productivity and commitment (Yadav & Katiyar, 2017). Third, diverse teams improve problem-solving capacity, since they can analyze issues from multiple viewpoints, increasing the likelihood of developing effective and comprehensive solutions (Jankelová et al., 2022).

However, challenges accompany workforce diversity. Communication issues often arise due to differences in language, cultural norms, and communication styles, which can create misunderstandings and conflict (Urbancová et al., 2020). Discrimination and bias also pose challenges, as employees may face exclusion or unfair treatment based on demographic differences, negatively impacting their well-being and productivity (Köllen, 2021). Additionally, cultural and social issues may lead to conflicting expectations, values, and behaviors within teams, which can hinder collaboration and organizational cohesion (Atkinson et al., 2022).

Gender Diversity

Gender diversity refers to the representation of both men and women in the workplace, and the valuing of their different perspectives, experiences, and contributions (Ume & Araga, 2024). Achieving gender diversity is essential for organizations to leverage the benefits of diversity, including improved decision-making, innovation, and financial performance. There are different benefits of Gender Diversity which are Improved Decision-Making which can be seen in gender-diverse teams bringing different perspectives and approaches to

decision-making, leading to more informed and well-rounded decisions (Dwlharti & Adhariani, 2018), increased Innovation where a diverse workforce including gender diversity driving innovation and creativity, leading to competitive advantage (Khan et al., 2021) and also a better Financial Performance which is where research has shown that companies with gender-diverse boards and leadership teams tend to perform better financially (Awotomilusi & Dare, 2022). There are different challenges which include Gender Bias as where women face biases and stereotypes in the workplace, which can impact their career advancement and opportunities (Tahir et al., 2023), underrepresentation as women are often underrepresented in leadership positions and boards, which can limit their influence and contribution to organizational decision-making (Ume & Araga, 2024) and work-Life Balance where women face challenges in balancing work and family responsibilities, which can impact their career progression and job satisfaction.

Religious diversity

Religion constitutes a coordinated arrangement of beliefs, practices, ceremonies, and imagery intended to foster both a connection with the sacred or otherworldly, such as God or a higher power, and a sense of interconnectedness and commitment to others in earthly life (Koenig, 2020). McCullough and Willoughby (2019), as cited in Fudamu (2023), posit that religion encompasses a profound level of belief, regular participation in religious institutions like churches, synagogues, mosques, and temples, and engagement in religious rituals such as scripture reading, worship, and prayer.

Furthermore, religion has been recognized as a pivotal factor shaping an individual's value system and thereby influencing the cultural milieu of organizations (Kutcher, Bragger, Rodriguez & Masco, 2010). As highlighted by Abdel-Khalek (2010), religion exerts influence on human behavior through the shaping of an individual's value system. Consequently, the concept of religious diversity, which denotes the coexistence of varied beliefs, practices, and traditions within a society or community, is a multifaceted phenomenon with significant implications. It serves to enrich cultures, nurture pluralism and tolerance, and foster intellectual and spiritual development. External religiosity, or religious behavior, encompasses all observable activities carried out in a religious context, notably attending religious services (Steiner, 2010).

From a cultural standpoint, religious diversity contributes to the vibrancy of societies by showcasing unique customs, festivals, art, music, and literature. This diversity fosters cross-cultural understanding and appreciation, thereby bolstering social cohesion and harmony. Pluralism and tolerance, integral values stemming from religious diversity, promote acceptance and respect for divergent beliefs and practices. Such exposure prompts individuals to engage in critical thinking and intellectual inquiry, fostering personal growth and empathy towards others. However, as noted by Robbins and Judge (2013), individuals adhering to different religious doctrines may engage in disputes, potentially leading to prolonged interpersonal conflicts and misconceptions within closely knit organizational settings (Day, 2015).

Nonetheless, the management of religious diversity is not devoid of challenges. Historical animosities, ideological disparities, and power struggles frequently exacerbate tensions among religious groups, resulting in discrimination, prejudice, and even conflict. Legal and political considerations arise concerning issues such as freedom of religion, the separation of church and state, and the accommodation of religious practices in public life. Employees who are permitted to express their faith, religion, or spirituality often report enhanced quality of work life, benefiting themselves if not others (Miller, 2017).

Sustainable Competitive advantage

Sustainable competitive advantage refers to the ability of organizations to maintain a competitive advantage over time (Barney, 1991). Competitive advantage is an important concept in business strategy as it represents the unique attributes or strengths that enable a company to outperform competitors within a given market or industry. It serves as the cornerstone of a company's success, essential for long-term profitability and growth. Competitive advantages can manifest in various forms, each with distinct characteristics and strategic implications. As Christos (2015) argues, competitive advantage is the key to success in strategic management as it is a strategy designed to achieve corporate value.

According to Charles, Gareth, and Melissa (2014), competitive advantage is defined as "a company that has a competitive advantage over its rivals when its profitability is greater than the average profitability of all companies in its industry." The foundation of competitive advantage is based on something unique that a firm possesses, and the key to success in the marketplace lies in the ability to create and sustain competitive advantage, as emphasized by Sazzad, Kashif, Suresh, and Sree (2021). However, competition is inherent in all businesses, compelling manufacturing firms to continuously face and manage the quality of their products/services to maintain a competitive advantage.

Innovation stands as a potent driver of competitive advantage, enabling companies to develop groundbreaking products, services, processes, or business models that disrupt existing markets or create entirely new ones. Through relentless innovation, companies can attract customers with novel offerings, adapt to changing market dynamics, and maintain leadership positions in rapidly evolving industries. Therefore, creativity and innovation are essential characteristics in a competitive business setting, which ultimately contributes to product perfection. Management support is pivotal in developing a supportive and learning working environment that fosters knowledge sharing and innovative activities, as highlighted by Hermenegildo, Vicente, Raul, and José Antonio (2020). For organizations, knowledge and innovation serve as modern-firms' drivers for a set of competitive advantages.

Similarly, the confluence of organizational culture (OC), knowledge sharing (KS), and organizational innovation (OI) is assumed to be significant for the firm's structure or strategy that drives business excellence, as noted by Wen, Shu-Hsien, and Tai-Te (2017). Thus, firm competitiveness ought to rely on capabilities and resources to attain differentiation in advancement, risk tolerance, and tendencies towards taking risks in front of rivals, ultimately being incredibly effective in seizing business opportunities and obtaining the prime market share to remain competitive in the world of business, as suggested by Muhammad (2018).

Theoretical Review

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) of the firm, initially introduced by Penrose (1959), argues that organizations achieve growth and performance by effectively utilizing their internal resources. Wernerfelt (1984) further developed the RBV by emphasizing that firms can secure a competitive position in the market by deploying resources that are valuable, rare, inimitable, and non-substitutable (VRIN). Building on this foundation, Barney (1991) articulated that sustainable competitive advantage arises when firms possess resources and capabilities that are not easily replicable by competitors. These resources extend beyond physical and financial assets to include intangible resources such as organizational culture, employee knowledge, and workforce diversity, which collectively enhance firm performance (Barney, 1991).

In the context of diversity management, RBV posits that workforce diversity represents a strategic resource that organizations can leverage to strengthen their market position. For example, managing work diversity allows firms to draw from a broad range of perspectives and skills, thereby fostering creativity and innovation (Cox & Blake, 1991). Similarly, gender diversity can provide access to diverse leadership styles and decision-making approaches that improve organizational adaptability (Ali, Kulik, & Metz, 2011). Religious diversity also enhances cultural sensitivity and inclusiveness, enabling organizations to better serve diverse customer bases and expand their market reach (Syed & Ozbilgin, 2009). Therefore, RBV highlights diversity management as a resource that, when effectively integrated, contributes to sustainable competitive advantage.

The relevance of RBV to this study lies in its explanation of how Zenith Bank can strategically utilize diversity management as a unique resource to differentiate itself in Nigeria's competitive banking sector. As banks in Nigeria operate in a highly dynamic and globalized environment, resources such as workforce diversity become critical for innovation, customer satisfaction, and adaptability (Okoro & Washington, 2012). Specifically, work diversity provides a wide knowledge base for problem-solving; gender diversity enhances equitable opportunities and leadership diversity; and religious diversity ensures inclusiveness in service delivery. By aligning these diversity dimensions with organizational objectives, Zenith Bank can strengthen its competitive advantage in line with RBV principles (Barney, 1991).

RBV is particularly relevant to this study because it frames diversity management as a strategic resource that contributes to long-term organizational success. Unlike traditional views that treat diversity merely as a compliance or ethical concern, RBV underscores its potential to create measurable value and sustainable advantage (Barney, Wright, & Ketchen, 2001). This study, therefore, adopts RBV as its underpinning theory to examine how work, gender, and religious diversity function as strategic resources that can enhance the sustainable competitive advantage of Zenith Bank in Nigeria. By doing so, it extends the RBV framework into the domain of cultural and workforce diversity, illustrating its applicability to human capital-driven industries such as banking.

Empirical Review

Al Raisi et al. (2019) conducted a study on workplace diversity, focusing primarily on ethnicity, age, and gender. Their methodology involved analyzing the dynamics of diverse teams to assess both the positive and negative outcomes of diversity on group performance. The findings indicated that workplace diversity can enhance creativity and innovation by exposing members to multiple perspectives and problem-solving approaches. However, the study also revealed adverse effects such as dissatisfaction, lack of group identification, role conflict, role ambiguity, and perceived discrimination. In the short term, these challenges manifested in reduced commitment and social integration, while in the long term, the study predicted negative consequences for organizational performance if diversity was not effectively managed. The researchers concluded that diversity must be strategically managed to avoid performance decline and recommended that organizations develop mechanisms for inclusion and conflict resolution to balance the positive and negative outcomes of diversity.

Similarly, several other studies, including Hossain et al. (2020), Jaiswal and Dyaram (2020), Tamunomiebi and John-Eke (2020), Raut and Gokhale (2021), Cletus et al. (2018), Ayega and Muathe (2018), Sohail et al. (2019), Ohunakin et al. (2019), Song et al. (2019), Nguyen et al. (2022), Creek et al. (2017), Philip and Soumyaja (2019), Igbadoo et al. (2021), Mousa et al. (2020), Chen and Tang (2018), Schaffer (2019), and Porcena et al. (2021), explored the nexus between workplace diversity and organizational outcomes. Collectively, their methodologies ranged from survey-based research designs, interviews, and regression analyses to case-based approaches across different industries and countries. The findings largely corroborated that diversity, when effectively managed, enhances employee performance, decision-making, and innovation. However, they also cautioned that poor diversity management can heighten conflicts and lower satisfaction. Most of these studies concluded that workplace diversity is a double-edged sword that requires deliberate management, and they recommended structured diversity training, equitable recruitment practices, and inclusive policies as pathways to harness its benefits.

In Nigeria, Abinabo, Mashi, and Abubakar (2021) investigated workplace diversity management and organizational performance of deposit money banks in Katsina State. The study employed a survey design with data collected through structured questionnaires, interviews, and observations administered to 296 employees using Yamane's (1967) sampling technique and simple random sampling. Data analysis was carried out using percentages, correlation, and regression through SPSS. The findings revealed that diversity team building, recruitment, and training had significant positive impacts on organizational performance. The researchers concluded that workplace diversity directly contributes to improved employee engagement and bank performance. They recommended that banks sustain and expand their diversity-related initiatives, particularly team-building and motivational programs that recognize younger employees' contributions to organizational success.

Ngalo, Ogohi, and Ibrahim (2023) extended this perspective by examining the effect of workplace diversity on employee performance across twenty-two commercial banks in Nigeria. Using a survey research design, they sampled 300 employees with a high response rate (90%), collecting data through internet-based questionnaires. The data was analyzed with descriptive and inferential statistics using SPSS (version 25). Their regression results showed that gender diversity, ethnic diversity, income diversity, and belief diversity significantly influenced employee effectiveness, whereas age and educational diversity did not. The study concluded that while some dimensions of diversity drive effectiveness, others may have neutral effects depending on context.

The authors recommended that banks consciously manage demographic characteristics to gain competitive advantage and invest in diversity education programs for both new and existing employees to foster inclusion and awareness.

At the international level, Ferrary and Déo (2022) used a unique dataset from 159 large French firms to examine the link between gender diversity and firm performance. Their methodology included quantitative analyses across both middle management and staff levels, which constitute the operational layers of organizations. The findings revealed that gender diversity at these levels positively impacted economic performance and firm competitiveness, serving as a strategic resource that is valuable and difficult to imitate. They also observed a nonlinear relationship: firms with balanced gender diversity (40–60% women) achieved the highest profitability, whereas predominantly male or female firms performed at similar but lower levels. The study concluded that balanced gender diversity is the real contributor to sustainable competitive advantage. The authors recommended that organizations adopt gender-inclusive policies at operational levels, aiming for balanced representation rather than dominance by one gender group.

Miller (2022) provided a different perspective by analyzing religious diversity through the lens of strategic management. His methodology involved theoretical analysis grounded in both resource-based and institutional perspectives to explain how religious organizations build competitive advantage. The findings highlighted that religious diversity, when strategically managed, can strengthen organizational identity, resource mobilization, and long-term sustainability. The study concluded that diversity within religious organizations has implications not only for internal cohesion but also for external competitiveness in their broader environments. Miller recommended that organizations leverage political strategies, alliances, and institutional legitimacy to turn diversity into a sustainable source of competitive advantage.

METHODOLOGY

This study adopts a descriptive survey research design, which is considered appropriate for examining the relationship between diversity management and sustainable competitive advantage. The population of this study comprises all employees of Zenith Bank Plc in Nigeria, with a total staff strength of 7,704 as reported in the bank's 2022 Annual Report (Zenith Bank Plc, 2022). The sample size was determined using Yamane's formula (1967) for sample size calculation:

$$n = \frac{N}{1 + N(e)^2}$$

Where: n = sample size, N = population size (7704), and e = level of precision (0.05)

$$n = \frac{7704}{1 + 7704 (0.05)^2};$$

$$n = \frac{7704}{1 + 7704 \times 0.0025};$$

$$n = 380.267$$

Thus, a sample size of 380 employees was selected for the study to ensure adequate representation and generalizability of the findings. A stratified random sampling technique will be employed to ensure adequate representation across different categories of employees such as managerial, supervisory, and operational staff. Data for this study were collected using a structured questionnaire designed based on the research objectives. The questionnaire consists of closed-ended items measured on a five-point Likert scale, ranging from "strongly disagree" to "strongly agree." To ensure reliability, the instrument will be subjected to a pilot test, and the internal consistency was assessed using Cronbach's Alpha, with a threshold of 0.70 considered acceptable. Content validity ensured by subjecting the instrument to expert review in the fields of human resource management and organizational behavior. Regression analysis was adopted to test the research hypotheses using the Statistical Package for Social Sciences (SPSS). A total of three hundred and eighty (380) copies of

questionnaire were administered to staff of Zenith Bank in Nigeria while three hundred and one (301) were fully completed and returned. This indicates an average of 79% success rate.

RESULTS AND INTERPRETATION

Pre-Estimation Test

Table 1: Pre-Estimation Results of the Data

Variables	Skewness	Kurtosis	VIF	Workplace Diversity	Gender Diversity	Religious Diversity
Workplace Diversity	0.214	0.336	3.456	1		
Gender Diversity	0.207	0.438	1.839	0.614(0.000)	1	
Religious Diversity	0.243	0.345	3.531	0.412(0.000)	0.683(0.000)	1

Source: Researcher's Field Survey, 2025

Table 1 presents the pre-estimation results of the data, which assess the distributional properties and multicollinearity of the variables under study. The skewness and kurtosis values for workplace diversity (0.214, 0.336), gender diversity (0.207, 0.438), and religious diversity (0.243, 0.345) are all close to zero, indicating that the variables are approximately normally distributed and suitable for further regression analysis. The Variance Inflation Factor (VIF) values for workplace diversity (3.456), gender diversity (1.839), and religious diversity (3.531) are all below the critical threshold of 10, suggesting the absence of harmful multicollinearity and confirming that the independent variables can be included in the same model without biasing estimates. The correlation results show significant positive relationships among the variables, with workplace diversity strongly correlated with gender diversity (0.614, $p < 0.01$) and religious diversity (0.412, $p < 0.01$), while gender diversity is also highly correlated with religious diversity (0.683, $p < 0.01$). This implies that dimensions of diversity are interconnected, but still sufficiently distinct to warrant individual examination in relation to sustainable competitive advantage.

Hypotheses Testing

The hypotheses for the study are tested using single regression analysis.

Hypothesis One

H₀₁: Workplace diversity has no significant impact on the sustainable competitive advantage of Zenith Bank in Nigeria.

Table 2: Workplace Diversity and Sustainable Competitive Advantage

Hypotheses	Variables	B	t-value	p-value	R ²	f-value
1	Workplace Diversity and Sustainable Competitive Advantage	2.489	2.729	0.001	0.539	4.7568

Source: Researcher's Computation, 2025

Table 2 presents the regression results testing the first hypothesis (H₀₁), which states that workplace diversity has no significant impact on the sustainable competitive advantage of Zenith Bank in Nigeria. The findings indicate that workplace diversity has a positive and statistically significant effect on sustainable competitive advantage, with a coefficient (β) of 2.489, a t-value of 2.729, and a p-value of 0.001, which is below the 0.05 significance level. The R² value of 0.539 suggests that workplace diversity explains approximately 53.9% of the variation in sustainable competitive advantage, while the f-value of 4.7568 confirms the overall model's significance. These results lead to the rejection of the null hypothesis (H₀₁) and demonstrate that workplace diversity plays a critical role in enhancing the sustainable competitive advantage of Zenith Bank.

Hypothesis Two

H₀₂: Gender diversity has no significant effect on the sustainable competitive advantage of Zenith Bank.

Table 3: Gender Diversity and Sustainable Competitive Advantage

Hypotheses	Variables	B	t-value	p-value	R ²	f-value
1	Gender Diversity and Sustainable Competitive Advantage	.821	2.315	0.000	0.481	5.3592

Source: Researcher's Computation, 2025

Table 3 shows the regression results for the second hypothesis (H₀₂), which states that gender diversity has no significant effect on the sustainable competitive advantage of Zenith Bank. The results reveal that gender diversity exerts a positive and statistically significant influence, with a coefficient (β) of 0.821, a t-value of 2.315, and a p-value of 0.000, which is well below the 0.05 threshold. The R² value of 0.481 indicates that gender diversity accounts for 48.1% of the variation in sustainable competitive advantage, while the f-value of 5.3592 confirms the model's overall significance. Based on these findings, the null hypothesis (H₀₂) is rejected, implying that gender diversity significantly contributes to enhancing the sustainable competitive advantage of Zenith Bank.

Hypothesis Three

H₀₃: Religious diversity has no significant effect on the sustainable competitive advantage of Zenith Bank

Table 4: Religious Diversity and Sustainable Competitive Advantage

Hypotheses	Variables	B	t-value	p-value	R ²	f-value
1	Religious Diversity and Sustainable Competitive Advantage	.437	2.016	0.000	0.567	4.064

Source: Researcher's Computation, 2025

Table 4 presents the regression analysis for hypothesis three (H₀₃), which states that religious diversity has no significant effect on the sustainable competitive advantage of Zenith Bank. The findings indicate that religious diversity has a positive and statistically significant effect, with a coefficient (β) of 0.437, a t-value of 2.016, and a p-value of 0.000, which is below the 0.05 significance level. The R² value of 0.567 suggests that religious diversity explains 56.7% of the variation in sustainable competitive advantage, while the f-value of 4.064 confirms the robustness of the model. Consequently, the null hypothesis (H₀₃) is rejected, establishing that religious diversity significantly enhances the sustainable competitive advantage of Zenith Bank.

DISCUSSION OF FINDINGS

Hypothesis One (Workplace Diversity and Sustainable Competitive Advantage)

The findings reveal that workplace diversity has a positive and statistically significant impact on the sustainable competitive advantage of Zenith Bank, with an R² value of 0.539 indicating that it explains about 53.9% of the variation in competitiveness. This demonstrates that when employees with diverse cultural, educational, and experiential backgrounds collaborate, they enhance organizational innovation, creativity, and adaptability, which in turn strengthens long-term market positioning. These results are in line with Osibanjo et al. (2020), who asserted that workplace diversity fosters innovation and improves decision-making within Nigerian organizations. Similarly, Martins et al. (2023) found that diverse workforces generate unique perspectives that drive creativity and problem-solving.

Hypothesis Two (Gender Diversity and Sustainable Competitive Advantage)

The analysis indicates that gender diversity significantly enhances the sustainable competitive advantage of Zenith Bank, with a coefficient of 0.821 and an R^2 of 0.481, showing that it explains 48.1% of the variation in competitiveness. This underscores the fact that equitable participation of both men and women contributes to effective decision-making, creativity, and a balanced organizational culture that drives long-term performance. These findings corroborate Uwaifo and Okoh (2024), who demonstrated that gender diversity on Nigerian bank boards positively, though modestly, influences sustainability reporting and competitiveness. Gumede (2016) similarly argued that organizational success in today's global economy is achieved through embracing differences such as gender rather than similarities. In addition, Osibanjo et al. (2020) maintained that gender balance in organizational structures strengthens performance outcomes by harnessing diverse perspectives. Therefore, this study aligns with existing evidence that gender diversity is a critical driver of sustainable competitive advantage in the banking sector.

Hypothesis Three (Religious Diversity and Sustainable Competitive Advantage)

The results show that religious diversity significantly affects the sustainable competitive advantage of Zenith Bank, with an R^2 value of 0.567, indicating that it explains 56.7% of the variation in competitiveness. This finding suggests that inclusive policies which respect different faiths foster employee morale, reduce conflict, and improve organizational cohesion, ultimately enhancing competitiveness. These results align with Martins et al. (2023), who reported that religious inclusivity improves employee collaboration and reduces workplace tensions, thereby driving innovation and adaptability. Akpakip (2017) also stressed that in a religiously diverse country like Nigeria, banks that embrace religious inclusion are more likely to build employee commitment and organizational resilience. Moreover, Ume and Araga (2024) argued that managing religious diversity strategically creates a culture of respect and productivity, consistent with the RBV theory that emphasizes unique resources as sources of sustained advantage.

CONCLUSION

This study examines the effect of diversity management on the sustainable competitive advantage of Zenith Bank in Nigeria, focusing on workplace diversity, gender diversity, and religious diversity. The findings reveal that all three dimensions of diversity significantly and positively influence sustainable competitive advantage, highlighting the strategic importance of inclusive practices in fostering innovation, improving decision-making, enhancing employee morale, and strengthening organizational resilience. These results underscore that diversity management is not merely a human resource function but a vital strategic tool that enables Zenith Bank to maintain competitiveness in Nigeria's highly dynamic and competitive banking sector. In line with the Resource-Based View (RBV) theory, diversity serves as a unique organizational resource that, when effectively managed, can deliver long-term advantages. Therefore, embracing and strategically managing diversity is essential for Zenith Bank to sustain its competitive edge in an increasingly globalized and diverse business environment.

RECOMMENDATIONS

Based on the conclusion of this study, the following recommendation were:

1. Zenith Bank should strengthen its workplace diversity initiatives by creating policies that promote inclusivity across cultural, educational, and experiential backgrounds. This can be achieved through targeted recruitment, training, and development programs that embrace differences and foster collaboration. By doing so, the bank can leverage diverse perspectives to enhance innovation, creativity, and problem-solving capacity, which are crucial for sustaining competitive advantage.
2. Gender diversity should be prioritized by ensuring equitable representation of men and women in leadership and decision-making positions. Zenith Bank can implement mentorship and career development programs to support female employees, while also promoting flexible work arrangements to encourage gender balance. Such measures will not only improve employee morale and retention but also strengthen the bank's capacity to respond to diverse market needs.

3. Finally, religious diversity should be managed through policies that respect and accommodate employees' faith practices, such as flexible holiday scheduling and inclusive workplace culture. This approach will minimize conflict, foster trust, and improve employee engagement. By creating a respectful and inclusive environment, Zenith Bank will be better positioned to harness the benefits of diversity, thereby enhancing organizational performance and securing long-term sustainable competitive advantage.

REFERENCES

1. Abdel-Khalek, A. M. (2010). Quality of life, subjective well-being, and religiosity in Muslim college students. *Quality of life research*, 19, 1133-1143.
2. Abdulhakim, M., & Shimelis, Z. (2021). The Effect of Diversity Management on Organizational Performance: The Case of Ethio-Telecom South West Region. *European Journal of Business and Management Research*, 134-139.
3. Abdullah, Z. A., Mustafa, H. A., Yildiran, C., & Fidan, Y. (2022). The Management of Cultural Diversity and its Impact on Organizational Performance. *Karadeniz Uluslararası Bilimsel Dergi*, 1(53), 46-64.
4. Ahmed, S., Tarique, K. M., & Arif, I. (2017). Service quality, patient satisfaction and loyalty in the Bangladesh healthcare sector. *International Journal of Health Care Quality Assurance*, 30(5), 477-488.
5. Akpoviro, K. S., Owotutu, S. O. & Kadiri, B. (2018). The impact of cultural diversity on organizational performance of selected frozen fish companies in Nigeria. *IJARIE*, 4(3), 420-428.
6. Alexandra G.D. (2022). The impact of cultural diversity on small business strategy. *Journal of Management Research*, 4(2), 1 – 11.
7. Al-Raisi, M. Y., Rawahi, B. S. A., Omrani, N. H. A., Hooti, N. K. A., & Porkodi, S. (2019). The effect of cultural diversity on employees' performance and productivity in Shell Oman marketing company SAOG. *International Journal of Multidisciplinary Research and Publications*, 1(9), 14-17.
8. Alteren, G., & Tudoran, A. A. (2019). Open-mindedness and adaptive business style: Competences that contribute to building relationships in dissimilar export markets. *International Marketing Review*, 36(3), 365-390.
9. Amin, A., Anwar, S., Adnan, A., Nawaz, M., Alawfi, K., Hussain, A., & Huang, K. (2017). Customer churn prediction in the Telecommunication sector using a rough set approach. *Neurocomputing*, 237(November 2016), 242-254.
10. Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
11. Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
12. Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
13. Bartel, C. A. (2001). Social comparisons in boundary-spanning work: Effects of community outreach on members' organizational identity and identification. *Journal of Administrative Science Quarterly*, 46, 379-413.
14. Basha, M. B., Mason, C., Shamsudin, M. F., Hussain, H. I., & Salem, M. A. (2015). Consumers Attitude Towards Organic Food. *Procedia Economics and Finance*, 31(15), 444-452.
15. Bihanta, H., Jayashree, S., Rezaei, S., Okumus, F., & Rahimi, R. (2017). Dual pillars of hotel restaurant food quality satisfaction and brand loyalty. *British Food Journal*, 119(12), 2597-2609.
16. Charles W.L. Hill, Gareth R. Jones, Melissa A. (2014). *Schilling, Strategic Management: Theory & Cases: an Integrated Approach*, Cengage Learning, 2014.
17. Choi, S., & Sy, T. (2019). Language diversity and organizational performance: An empirical study. *Journal of Business Communication*, 56 (3), 345-368. <https://doi.org/10.1177/2329488418811984>
18. Christos Sigalas, (2015). Competitive advantage: the known unknown concept, *Manag. Decis.*, <https://doi.org/10.1108/MD-05-2015-0185>.

19. Chwialkowska, A., Bhatti, W. A., & Glowik, M. (2020). The influence of cultural values on pro-environmental behavior. *Journal of Cleaner Production*, 268, 122305.
20. Deng, J., Walker, G. J., & Swinnerton, G. (2006). A comparison of environmental values and attitudes between Chinese in Canada and Anglo-Canadians. *Environment and Behavior*, 38(1), 22-47.
21. Diam, L. D. (2014). Impact of Cultural Diversity on Overall Organizational Performance: A Moderating Role Education. *organization*, 9, 10.
22. Durga, P. R. (2017). The impact of workforce diversity on organizational effectiveness: A study of selected banks in Tigray Region of Ethiopia. *International Journal of Science and Research (IJSR)*, 6(1), 427-434.
23. Earley, P. C., & Ang, S. (2003). *Cultural intelligence: Individual interactions across cultures*. Stanford University Press
24. Ellis, P., Williams, T., & Johnson, A. (2020). Religious diversity and competitive advantage: Evidence from global firms. *International Journal of Business and Management*, 12 (2), 45-63. <https://doi.org/10.5539/ijbm.v12n2p45>
25. Fudamu, A. U. (2023). Cultural diversity and organizational performance in Adamawa State University MUBI. *Nigerian Journal of Management Sciences*, 24 (1), 245 -255
26. Griffith, A.D. &Harvey, G.M. (2004) The influence of individual and firm level social capital of marketing managers in a firm's global network. *J. World Bus.*, 39, 244–254.
27. Gumede, M. (2016). The impact of cultural diversity on organizational performance and success. (Unpublished Master Thesis). Business Administration, University of Kwazulu-Natal. South Africa.
28. Gupta, R. (2016). Workforce Diversity and Organizational Performance. *International Journal of Business and Management Invention*, 2(6), 36-41.
29. Gürhan-Canli, Z., Sarial-Abi, G. & Hayran, C. (2018). Consumers and brands across the globe: Research synthesis and new directions. *J. Int. Mark.*, 26, 96–117.
30. Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193-206.
31. Hermenegildo Gil-Gomez, Vicente Guerola-Navarro, Raul Oltra-Badenes, Jos´e Antonio Lozano-Quilis, (2020) Customer relationship management: digital transformation and sustainable business model innovation, *Econ. Res.-Ekonomiska Istraživanja* 33 (1) (2020) 2733–2750. <https://DOI:10.1080/1331677X.2019.1676283>. <https://doi.org/10.5465/amp.2017.0031>
32. Imberti, P. (2017). Who resides behind the words? Exploring and understanding the language experience of the non-English speaking immigrant. *Families in Society*, 88(1), 67-73.
33. Martins, T., Ogundare, J. T., Iyamabhor, O. P., & Ofune, K. (2023). Enhancing Organizational Performance through Diversity Management in Zenith Bank, Delta State, Nigeria. *International Journal of Management & Entrepreneurship Research*.
34. Martins, T., Ogundare, J. T., Iyamabhor, O. P., & Ofune, K. (2023). Enhancing Organizational Performance through Diversity Management in Zenith Bank, Delta State, Nigeria. *International Journal of Management & Entrepreneurship Research*.
35. Martins, T., Ogundare, J. T., Iyamabhor, O. P., & Ofune, K. (2023). Enhancing Organizational Performance through Diversity Management in Zenith Bank, Delta State, Nigeria. *International Journal of Management & Entrepreneurship Research*.
36. Osibanjo, O., Adeniji, A., Falola, H., Salau, O., Ogueyungbo, O., & Efe-Imafidon, O. (2020). Diversity management and organisational performance in Zenith banks in Nigeria. *Cogent Business & Management*.
37. Osibanjo, O., Adeniji, A., Falola, H., Salau, O., Ogueyungbo, O., & Efe-Imafidon, O. (2020). Diversity management and organisational performance in Zenith banks in Nigeria. *Cogent Business & Management*.
38. Osibanjo, O., Adeniji, A., Falola, H., Salau, O., Ogueyungbo, O., & Efe-Imafidon, O. (2020). Diversity management and organisational performance in Zenith banks in Nigeria. *Cogent Business & Management*.
39. Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors*. Free Press.

40. Prahalad, C. K., & Hamel, G. (1990). The core competence of the corporation. *Harvard Business Review*, 68(3), 79-91.
41. Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. *Psychology of Intergroup Relations*, 5, 7-24.
42. Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 537-556.
43. Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 537-556.
44. Ume, E. C., & Araga, A. S. (2024). Diversity and performance of business organisations of selected Zenith Banks in Abuja. *International Journal of Intellectual Discourse*.
45. Ume, E. C., & Araga, A. S. (2024). Diversity and performance of business organisations of selected Zenith Banks in Abuja. *International Journal of Intellectual Discourse*.
46. Uwaifo, N. F., & Okoh, G. A. (2024). Board Diversity and Sustainability Reporting: Examining the Impact of Gender and Nationality in Nigerian Banks.
47. Uwaifo, N. F., & Okoh, G. A. (2024). Board Diversity and Sustainability Reporting: Examining the Impact of Gender and Nationality in Nigerian Banks.