# *MANAGEMENT AND TEAM EFFECTIVENESS IN MULTICULTURAL ORGANIZATIONS: A STUDY OF SHELL PETROLEUM DEVELOPMENT COMPANY (SPDC), NIGERIA*

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**Keywords**

Diversity management, Team effectiveness, Multicultural organizations, Workforce diversity

**Abstract**

***Research Problem***

*Workforce diversity has become a defining feature of modern organizations, particularly multinational corporations operating across cultural and national boundaries. While diversity can enhance creativity, innovation, and problem-solving, poorly managed diversity may lead to communication breakdowns, interpersonal conflict, and reduced team cohesion. In multicultural organizations, the ability to manage workforce diversity effectively is therefore critical for achieving team effectiveness and organizational performance. Despite the growing diversity within Nigerian multinational corporations, empirical evidence on how diversity management practices influence team effectiveness remains limited. This study examined the relationship between diversity management practices and team effectiveness in a multicultural organizational context, with particular focus on Shell Petroleum Development Company (SPDC), Nigeria.*

***Methods/Theory***

*The study adopted a quantitative cross-sectional survey design. Data were collected through a structured questionnaire administered to employees of SPDC. A stratified sampling technique was used to ensure adequate representation of employees across different departments and job levels. From a population of 1,000 employees, a sample of 250 respondents was selected. Data were analyzed using descriptive statistics, Pearson product–moment correlation, and multiple regression analysis.*

***Results***

*The findings revealed that diversity management practices have a significant positive effect on team effectiveness in multicultural organizations. Inclusive leadership, equal opportunity policies, and diversity training programmes were found to enhance cooperation, mutual respect, and communication among employees from diverse cultural and ethnic backgrounds. The results also indicated that effective diversity management improves team cohesion and productivity by reducing interpersonal conflicts and promoting a supportive work environment.*

***Conclusion***

*The study concludes that organizations operating in diverse environments require well-structured diversity management strategies to maximize the benefits of workforce diversity.*

***Contribution to Knowledge***

*The study provides empirical evidence from the Nigerian oil and gas sector demonstrating that diversity management practices significantly enhance team effectiveness in multicultural organizational settings.*

*Recommendation*

*The study recommends that managers and human resource professionals strengthen inclusive leadership, promote cultural awareness, and implement equitable policies that support diversity and inclusion in order to improve team effectiveness and organizational performance.*

## Introduction

Managing workforce diversity has become one of the most complex challenges facing organizations. As organizations increasingly rely on team-based structures and operate across multiple cultural environments, differences in employees' cultural orientations, communication styles, and professional backgrounds have the potential to either strengthen or undermine team performance. While diversity is often celebrated as a source of creativity and innovation, it may also generate misunderstandings, interpersonal tensions, and coordination problems when not effectively managed. Consequently, the central challenge confronting many organizations today is not simply the presence of diversity, but how such diversity is managed in ways that enhance rather than hinder team effectiveness. Scholarly discussions on workforce diversity have long suggested that heterogeneous teams possess the potential to outperform homogeneous teams because they draw on a broader range of perspectives, experiences, and problem-solving approaches (Cox, 1994; Robbins & Judge, 2020). However, empirical research also indicates that diversity can generate relational conflict, communication barriers, and reduced cohesion if appropriate management practices are absent (Jehn et al., 1999). This dual character of diversity has stimulated a growing body of literature examining how organizational practices can convert workforce diversity from a potential liability into a strategic advantage. In this regard, previous studies have emphasized the importance of leadership behaviour, inclusive organizational cultures, and structured diversity initiatives in shaping how employees interact and collaborate in diverse work environments (Shen et al., 2009). A significant portion of existing scholarships has therefore

focused on the relationship between workforce diversity and team outcomes such as communication, cohesion, and performance. Some studies suggest that diversity improves team effectiveness by introducing varied cognitive resources and perspectives that strengthen decision-making processes (Hackman, 2002). Other studies, however, argue that diversity may weaken teamwork by increasing the likelihood of identity-based divisions and misunderstandings among team members (Williams & O'Reilly, 1998). This divergence in findings has shifted scholarly attention toward the management processes that determine whether diversity produces positive or negative outcomes. Increasingly, researchers have emphasized that the impact of diversity depends less on demographic differences themselves and more on the organizational practices used to manage those differences.

Despite these advances in diversity management research, several limitations remain in existing literature. First, much of the empirical work on diversity and team effectiveness has been conducted in Western organizational contexts, particularly in Europe and North America. As a result, there is relatively limited evidence on how diversity management operates within developing economies characterized by complex socio-cultural environments. Second, many studies have examined workforce diversity primarily as a demographic characteristic rather than focusing on the specific organizational practices that shape how diversity influences team processes. Third, within the Nigerian context, existing research has tended to focus on diversity issues in sectors such as banking, education, and public administration, leaving critical sectors such as oil and gas relatively underexplored despite their highly multicultural workforce structures. These limitations are particularly important in Nigeria, where organizations operate within a society marked by significant ethnic, linguistic, cultural, and religious diversity. Multinational corporations operating in the Nigerian oil and gas sector employ workers from diverse local and international backgrounds who must collaborate in complex operational teams. Such environments present both opportunities for enhanced creativity and challenges related to communication, coordination, and group cohesion. Consequently, understanding how diversity management practices shape team effectiveness in these contexts is of both theoretical and practical importance.

Against this backdrop, this study examines the relationship between diversity management practices and team effectiveness in a multicultural organizational setting, using Shell Petroleum Development Company (SPDC), Nigeria, as a case study. While previous studies have generally focused on the presence of workforce diversity, this study shifts analytical attention toward the organizational practices that actively managediversity**,** particularly inclusive leadership, equal opportunity policies, and diversity training initiatives. By focusing on these practices, the study seeks to provide empirical evidence on how diversity management influences key team processes such as cohesion, communication, and performance. The originality of this study lies in its attempt to extend existing diversity management scholarship by examining how structured diversity management practices influence team effectiveness within a Nigerian multinational oil and gas organization. By situating the analysis within SPDC, a highly multicultural corporate environment, the study provides context-specific insights into how diversity can be strategically managed to improve collaboration and productivity in team-based work structures. In

doing so, the study contributes to the growing literature on diversity management in developing economies while also offering practical guidance for managers and human resource professionals seeking to harness workforce diversity as a source of organizational strength.

## Statement of the Problem

The major problem addressed in this study is the limited empirical understanding of how diversity management practices influence team effectiveness in multicultural organizations in Nigeria, particularly in multinational corporations such as Shell Petroleum Development Company (SPDC). Despite the increasing diversity of the workforce in contemporary organizations, many institutions still struggle to translate workforce diversity into improved team performance because diversity is often present without effective management strategies to harness its potential. Workforce diversity presents both opportunities and challenges for team performance in organizations. While diversity has the potential to enhance creativity, innovation, and decision-making, empirical evidence suggests that unmanaged diversity can lead to communication difficulties, interpersonal conflict, and reduced team cohesion (Jehn et al., 1999; Williams & O'Reilly, 1998). As a result, organizations increasingly recognize that the benefits of diversity are not automatic but depend largely on how diversity is managed within teams and organizational structures.

In multicultural organizations, differences in cultural values, communication styles, ethnic identities, and work orientations often shape how team members interact and collaborate. Without deliberate and structured diversity management strategies, these differences may lead to misunderstanding, stereotyping, and workplace conflict, which can negatively affect team effectiveness and overall organizational performance. This challenge is particularly significant in team-based work environments where cooperation, coordination, and effective communication are essential for achieving organizational goals. In Nigeria, workplaces are characterized by high levels of ethnic, cultural, linguistic, and religious diversity. Multinational corporations operating in this environment must manage a heterogeneous workforce while maintaining harmonious working relationships and high productivity. The oil and gas sector, because of its multinational ownership structure and diverse workforce composition, represents a particularly important context for examining diversity management practices. Despite the strategic importance of effective diversity management in this sector, evidence suggests that organizations still experience team conflicts, communication breakdowns, and reduced cohesion arising from poorly managed diversity (Adeleye et al., 2014). Although diversity management has received increasing attention in management literature, most existing studies in Nigeria have focused largely on workforce diversity as a demographic phenomenon rather than on the specific management practices that shape how diversity influences team outcomes. Consequently, there remains insufficient empirical evidence on how diversity management practices such as inclusive leadership, equal opportunity policies, and diversity training influence team cohesion, communication, and overall team effectiveness in Nigerian multinational organizations.

This gap is particularly relevant in Shell Petroleum Development Company (SPDC), where employees from diverse cultural, ethnic, and professional backgrounds work together in complex team structures. While the organization has implemented various human resource

policies aimed at promoting inclusiveness, the extent to which these diversity management initiatives contribute to team effectiveness remains unclear. This study therefore seeks to address this gap by examining how diversity management practices influence team effectiveness in SPDC, Nigeria.

## Objectives of the Study

The specific objectives of the study were to:

1. Examine the effect of diversity management practices on team effectiveness **in Shell** Petroleum Development Company (SPDC), Nigeria.
2. Assess the influence of inclusive leadership, equal opportunity policies, and diversity training on team cohesion, communication, performance, and productivity among employees of Shell Petroleum Development Company (SPDC), Nigeria.

## Research Questions

The study was guided by the following questions:

1. **What effect do diversity management practices have on team effectiveness** in Shell Petroleum Development Company (SPDC), Nigeria?
2. **To what extent do inclusive leadership, equal opportunity policies, and diversity training influence team cohesion, communication, performance, and productivity** among employees of Shell Petroleum Development Company (SPDC), Nigeria?

## Research Hypotheses

The following null hypotheses were tested:

**H01:** Diversity management practices have no significant effect on team effectiveness in Shell Petroleum Development Company (SPDC), Nigeria.

**H02:** Inclusive leadership, equal opportunity policies, and diversity training have no significant influence on team cohesion, communication, performance, and productivity among employees of Shell Petroleum Development Company (SPDC), Nigeria.

## Conceptual Framework

This study is anchored on the assumption that diversity management practices shape the quality of team processes and, ultimately, team outcomes in multicultural organizations. In this framework, diversity management practices constitute the independent variable, while team effectiveness is the dependent variable. Diversity management is examined through three core dimensions: **inclusive leadership**, **equal opportunity policies**, and **diversity training**. Team effectiveness is reflected in **team cohesion**, **communication**, **performance**, and **productivity**.

This clarification departs from approaches that treat diversity merely as a demographic fact and instead shifts attention to how diversity is managed as an organizational process. This is important because diversity in itself does not automatically generate either positive or negative outcomes. Rather, what matters is the institutional capacity to transform differences in culture, ethnicity, gender, and professional background into productive collaboration. In other words, the study advances the view that the real issue is not workforce heterogeneity alone, but whether management practices are

sufficiently inclusive to convert diversity into team advantage. This position aligns with scholarship suggesting that diversity becomes beneficial when supported by inclusive systems, fair policies, and learning-oriented organizational cultures (Cox, 1994; Shen et al., 2009). Within this framework, inclusive leadership is expected to promote openness, psychological safety, and mutual respect among team members, thereby strengthening cohesion and communication. Equal opportunity policies are expected to reduce perceptions of exclusion and unfairness, making team members more willing to participate, share ideas, and commit to collective goals. Diversity training is expected to improve intercultural understanding, reduce stereotyping, and enhance employees' ability to work effectively across differences. Together, these practices are expected to improve how teams interact internally and how they perform externally.

The conceptual contribution of this framework lies in its emphasis on management practice as the mediating arena through which diversity becomes organizationally meaningful. Rather than viewing diversity as inherently advantageous, the framework proposes that team effectiveness emerges when organizational systems actively normalize inclusion, fairness, and intercultural competence. Thus, the framework places diversity management at the center of team functioning in multicultural organizations and provides a practical lens for examining how SPDC can harness workforce diversity for stronger team outcomes.

## Theoretical Framework

This study is informed by **Social Identity Theory (SIT)** and the **Resource-Based View (RBV)**, but it does not adopt them mechanically. Rather, it critically engages both perspectives to explain how diversity management practices influence team effectiveness in a multicultural organizational setting such as Shell Petroleum Development Company (SPDC), Nigeria. The choice of these theories is based on their relevance to two core issues in the study: first, how diversity may generate division and tension within teams, and second, how diversity, when properly managed, may become a source of organizational value and improved performance.

Social Identity Theory, developed by Tajfel and Turner (1979), explains how individuals classify themselves and others into social categories, often leading to in-group preference and out-group exclusion. In multicultural workplaces, this perspective is useful for understanding why differences in ethnicity, culture, language, and professional background may create misunderstanding, stereotyping, and communication barriers. However, the theory has a limitation in that it tends to emphasize the divisive consequences of social categorization more than the organizational mechanisms that can transform diversity into cooperation and collective advantage. For this reason, relying on SIT alone would present an incomplete explanation of team effectiveness in diverse organizations.

The Resource-Based View, proposed by Barney (1991), offers a different perspective by treating diversity as a strategic organizational resource. From this viewpoint, a diverse workforce can provide valuable, rare, and difficult-to-imitate capabilities that enhance creativity, innovation, and team performance. While this perspective is useful for showing the performance potential of diversity, it pays less attention to the social tensions and identity-based conflicts that may arise in multicultural teams. In this sense, RBV explains why diversity can be valuable, but it does not sufficiently explain why diversity sometimes fails to improve team outcomes in practice.

The study contributes to theory by bringing these two perspectives into a productive relationship. It argues that diversity management practices are the crucial mediating mechanism between identity-based difference and team effectiveness. In other words, diversity does not automatically produce either conflict or advantage. Rather, its outcomes depend on whether organizational practices such as inclusive leadership, equal opportunity policies, and diversity training are strong enough to reduce identity-based divisions while also enabling teams to draw value from diverse backgrounds and perspectives. Therefore the study does more than adopt SIT and RBV; it extends them by showing that, in multicultural organizations within developing contexts such as Nigeria, the link between diversity and team effectiveness is best understood through the management processes that shape everyday team interaction. This theoretical position provides a more context-sensitive explanation of how diversity operates in SPDC and offers a clearer basis for understanding why diversity management practices matter for team cohesion, communication, performance, and productivity.

## Review

Empirical studies have consistently shown that diversity management practices are positively associated with team effectiveness. Horwitz and Horwitz (2007), in a meta-analysis of 52 studies, found that well-managed diversity enhances team performance by drawing on the varied skills, experiences, and perspectives of team members. Nishii and Mayer (2009) also reported that organizational support for diversity improves team cohesion, reduces interpersonal conflict, and promotes collaborative problem-solving. Similarly, Roberson (2006) and Mor Barak et al. (2016) showed that diversity training and inclusion initiatives enhance employee engagement, communication, and collaboration within teams.

In Nigeria, evidence supports similar conclusions. Adeleye et al. (2014) found that organizations with structured diversity management policies experience stronger team cohesion and improved communication among employees. Adeoye and Elegunde (2020) also observed that diversity-focused and inclusive leadership practices improve collaboration and communication in Nigerian multinational companies. These findings suggest that diversity does not automatically lead to improved team outcomes; rather, the benefits of diversity depend on the presence of deliberate management practices that promote inclusion and fairness.

Inclusive leadership and equal opportunity policies have also been identified as important determinants of team cohesion and communication. Shore et al. (2011) found that inclusive leadership fosters a sense of belonging, encourages participation, and strengthens interpersonal trust among team members. In the same vein, Nishii (2013) argued that when employees perceive fairness and inclusion in organizational policies, they are more likely to communicate openly, collaborate effectively, and develop stronger attachment to their teams. This suggests that leadership style and equitable organizational practices are central to creating the relational conditions necessary for effective teamwork in multicultural environments.

## Research Design

This study adopted a quantitative research design using the survey method. A quantitative approach was considered appropriate because the study sought to examine the relationship between measurable variables, namely diversity management practices and team effectiveness,

through standardized responses from participants. The study was also cross-sectional, as data were collected at a single point in time to assess the current state of diversity management practices and team effectiveness in SPDC, Nigeria

## Area of the Study

The study was conducted at Shell Petroleum Development Company (SPDC), Port Harcourt, Nigeria. SPDC provides an appropriate setting because it is a multicultural and multinational organization with employees drawn from diverse ethnic, cultural, educational, and professional backgrounds.

## Population of the Study

The study consisted of employees of Shell Petroleum Development Company (SPDC) working at the Industrial Area (IA), Port Harcourt, across different departments and job levels. The target population was 1,000 employees according to internal personnel records obtained from the Human Resources Department.

## Sample Size and Sampling Technique

A sample of 250 respondents was drawn from the target population to ensure representativeness and manageability. The sample size was determined using Yamane's formula:

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

where $n$ = sample size, $N$ = total population, and $e$ = margin of error (0.05).

The study employed a stratified sampling technique because the population was heterogeneous and composed of employees from different departments and job levels. After stratification, respondents were selected proportionately from each stratum using simple random sampling. Stratified sampling is appropriate where subgroup representation is necessary to improve the precision and representativeness of survey findings (Saunders et al., 2019).

## Sources of Data

The study relied on both primary and secondary data. Primary data were obtained through a structured questionnaire administered to employees of SPDC. Secondary data were obtained from journal articles, company documents, and other scholarly materials relevant to diversity management, multicultural organizations, and team effectiveness.

## Instrument for Data Collection

The main instrument for data collection was a structured questionnaire designed by the researcher. Section A elicited respondents' demographic information, while Section B measured the core study variables, including diversity management practices, inclusive leadership, equal opportunity policies, diversity training, team cohesion, communication, team performance, and productivity. Items in Section B were measured on a five-point Likert scale ranging from Strongly Agree (5) to Strongly Disagree (1), consistent with standard attitude measurement practice.

## Operationalization of Variables

The independent variable was diversity management practices, measured through inclusive leadership, equal opportunity policies, and diversity training. The dependent variable was team effectiveness, measured through team cohesion, communication, team performance, and productivity.

The relationship was expressed as:

$$TE = f(DMP)$$

Expanded as:

$$TE = f(IL, EOP, DT)$$

where *TE* = team effectiveness, *DMP* = diversity management practices, *IL* = inclusive leadership, *EOP* = equal opportunity policies, and *DT* = diversity training.

## Method of Data Collection

The questionnaire was administered directly to selected respondents in SPDC, Port Harcourt, with the assistance of research assistants where necessary. Permission was obtained from the appropriate authorities within the organization. Respondents were informed about the purpose of the study, and participation was voluntary. Confidentiality and anonymity were assured.

## Method of Data Analysis

Data collected were coded and analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics such as frequency counts, percentages, means, and standard deviations were used to summarize respondents' demographic characteristics and responses to questionnaire items. Pearson product-moment correlation was used to examine the relationship between diversity management practices and team effectiveness. Multiple regression analysis was used to determine the extent to which inclusive leadership, equal opportunity policies, and diversity training predicted team effectiveness (Field, 2018).

The regression model was expressed as:

$$TE = \beta_0 + \beta_1 IL + \beta_2 EOP + \beta_3 DT + \mu$$

The hypotheses were tested at the 0.05 level of significance.

## Ethical Considerations

Ethical standards were strictly observed. Approval was sought from relevant authorities in SPDC before data collection. Respondents were informed about the purpose of the study and their right to withdraw at any stage. Informed consent was obtained, and confidentiality and anonymity were guaranteed.

## Results and Discussion

A total of 250 questionnaires were used for the analysis out of a target population of 1,000 employees. The data were analyzed using descriptive statistics, Pearson product-moment correlation, and multiple regression analysis in line with the study objectives and hypotheses.

### Respondents' Demographic Characteristics

The demographic distribution of respondents showed that 155 respondents (62.0%) were male and 95 respondents (38.0%) were female. In terms of age, the largest proportion, 119 respondents (47.6%), fell within the 30–39 years age category, followed by 75 respondents (30.0%) within the 40–49 years category. Regarding educational qualification, 159 respondents (63.6%) had HND/BSc, 62 respondents (24.8%) had MSc/MBA, and 29 respondents (11.6%) had PhD/Other qualifications. By job level, 112 respondents (44.8%) were in the middle level, 89 respondents (35.6%) were junior staff, and 49 respondents (19.6%) were senior staff. In terms of work experience, 84 respondents (33.6%) had 6–10 years of experience, while 68 respondents (27.2%) had 1–5 years.

**Table 1**: *Demographic Characteristics of Respondents (N = 250)*

| Variable | Category | Frequency | Percentage |
|---|---|---|---|
| Gender | Male | 155 | 62.0 |
| | Female | 95 | 38.0 |
| Age group | 20–29 | 43 | 17.2 |
| | 30–39 | 119 | 47.6 |
| | 40–49 | 75 | 30.0 |
| | 50+ | 13 | 5.2 |
| Education | HND/BSc | 159 | 63.6 |
| | MSc/MBA | 62 | 24.8 |
| | PhD/Other | 29 | 11.6 |
| Job level | Junior | 89 | 35.6 |
| | Middle | 112 | 44.8 |
| | Senior | 49 | 19.6 |
| Experience | 1–5 years | 68 | 27.2 |
| | 6–10 years | 84 | 33.6 |
| | 11–15 years | 51 | 20.4 |
| | 16+ years | 47 | 18.8 |

**Reliability Analysis**

The reliability of the scales was tested using Cronbach's alpha. The results showed that all constructs recorded alpha coefficients above the acceptable threshold of .70, indicating satisfactory internal consistency.

**Table 2**: *Reliability Statistics*

| Construct | Cronbach's Alpha |
|---|---|
| Inclusive Leadership | 0.789 |
| Equal Opportunity Policies | 0.792 |
| Diversity Training | 0.785 |
| Team Cohesion | 0.857 |
| Communication | 0.746 |
| Team Performance | 0.803 |
| Productivity | 0.802 |

These results indicate that the instrument was reliable enough for the analysis.

**Descriptive Statistics of Study Variables**

The descriptive statistics showed that the mean values of the major variables clustered

around 3.00, suggesting moderate to fairly positive responses across the study variables. Team cohesion recorded the highest dispersion (SD = 1.25), while diversity management practices as a composite measure showed lower variability (SD = 0.85).

**Table 3**: *Descriptive Statistics of Major Variables*

| Variable | Mean | Std. Deviation |
|---|---|---|
| Inclusive Leadership | 3.00 | 1.19 |
| Equal Opportunity Policies | 3.00 | 1.19 |
| Diversity Training | 3.00 | 1.19 |
| Team Cohesion | 3.00 | 1.25 |
| Communication | 3.00 | 1.15 |
| Team Performance | 3.00 | 1.20 |
| Productivity | 3.00 | 1.20 |
| Diversity Management Practices | 3.00 | 0.85 |
| Team Effectiveness | 3.00 | 1.11 |

The descriptive results indicate that respondents generally perceived diversity management practices and team effectiveness dimensions at a moderate to positive level within SPDC.

## Correlation Analysis

Pearson correlation analysis was conducted to determine the degree and direction of the relationship between diversity management practices and indicators of team effectiveness.

**Table 4**: *Correlation Between Diversity Management Practices and Team Effectiveness Variables*

| Predictor | Team Effectiveness | Team Cohesion | Communication | Team Performance | Productivity |
|---|---|---|---|---|---|
| Diversity Management Practices | 0.587 | 0.572 | 0.474 | 0.554 | 0.562 |
| Inclusive Leadership | 0.455 | 0.422 | 0.409 | 0.439 | 0.410 |
| Equal Opportunity Policies | 0.432 | 0.420 | 0.327 | 0.430 | 0.413 |
| Diversity Training | 0.371 | 0.384 | 0.280 | 0.320 | 0.381 |

The results showed that diversity management practices were positively correlated with team effectiveness ($r$ = .587). Inclusive leadership, equal opportunity policies, and diversity training also recorded positive relationships with team effectiveness and its dimensions. This implies that as diversity management improves, team cohesion, communication, performance, and productivity also improve.

**Regression Analysis and Hypotheses Testing**

To test the first hypothesis, multiple regression analysis was conducted using inclusive leadership, equal opportunity policies, and diversity training as predictors of team effectiveness.

**Table 5**: *Model Summary for Team Effectiveness*

| R | R Square | Adjusted R Square | Std. Error of Estimate | N |
|---|---|---|---|---|
| 0.589 | 0.347 | 0.339 | 0.901 | 250 |

The model summary showed that $R$ = .589 and $R^2$ = .347, indicating that the predictors jointly explained 34.7% of the variation in team effectiveness.

**Table 6**: *ANOVA for Regression Model*

| Source | SS | df | MS | F | p |
|---|---|---|---|---|---|
| Regression | 105.965 | 3 | 35.322 | 43.520 | .000 |
| Residual | 199.660 | 246 | 0.812 | | |
| Total | 305.625 | 249 | | | |

The ANOVA result showed that the regression model was statistically significant, $F(3, 246) = 43.520$, $p <$ .001. This indicates that diversity management practices significantly predict team effectiveness.

**Table 7**: *Regression Coefficients for Team Effectiveness*

| Predictor | B | Std. Error | t | p |
|---|---|---|---|---|
| Constant | 0.710 | 0.235 | 3.023 | .003 |
| Inclusive Leadership | 0.294 | 0.058 | 5.111 | .000 |
| Equal Opportunity Policies | 0.252 | 0.058 | 4.359 | .000 |
| Diversity Training | 0.217 | 0.057 | 3.833 | .000 |

The coefficients indicate that inclusive leadership, equal opportunity policies, and diversity training all had significant positive effects on team effectiveness. Since all predictors were significant, H01 was rejected.

To test the second hypothesis, two regression models were estimated: one for team cohesion and another for communication.

**Table 8**: *Regression of Inclusive Leadership and Equal Opportunity Policies on Team Cohesion*

| Predictor | B | Std. Error | t | p |
|---|---|---|---|---|
| Constant | 0.994 | 0.248 | 4.008 | .000 |
| Inclusive Leadership | 0.336 | 0.068 | 4.965 | .000 |
| Equal Opportunity Policies | 0.332 | 0.068 | 4.917 | .000 |

$R^2$ = .268

**Table 9**: *Regression of Inclusive Leadership and Equal Opportunity Policies on Communication*

| Predictor | B | Std. Error | t | p |
|---|---|---|---|---|
| Constant | 1.382 | 0.238 | 5.803 | .000 |
| Inclusive Leadership | 0.329 | 0.065 | 5.055 | .000 |
| Equal Opportunity Policies | 0.211 | 0.065 | 3.251 | .001 |

$R^2$ = .209

The results showed that both inclusive leadership and equal opportunity policies significantly influenced team cohesion and communication. Inclusive leadership had slightly stronger effects in both models. Therefore, H02 was rejected.

Overall, the analysis demonstrates that diversity management practices significantly influence team effectiveness in SPDC, Nigeria. The regression results showed that inclusive leadership, equal opportunity policies, and diversity training jointly explained a substantial proportion of variation in team effectiveness. These findings imply that in a multicultural organizational context such as SPDC, effective management of workforce diversity enhances employees' ability to collaborate, communicate, and perform effectively in teams.The findings further revealed that inclusive leadership emerged as the strongest predictor of team effectiveness among the three diversity management dimensions. This suggests that when leaders are fair, open, accessible, and supportive of diverse viewpoints, employees are more likely to feel respected and included. Such a work environment fosters trust, cooperation, and shared commitment to team goals. This finding is consistent with Shore et al. (2011) and Nishii and Mayer (2009), who emphasized the centrality of inclusive leadership in strengthening collaboration and reducing tension in diverse workgroups.

The findings on equal opportunity policies also show that fairness in access to roles, rewards, and participation significantly improves team cohesion and communication. Employees who perceive the organization as equitable are more likely to interact freely, share ideas, and work collaboratively across cultural and ethnic boundaries. The positive contribution of diversity training suggests that training programmes aimed at building cultural awareness and respect for differences can reduce stereotypes, minimize conflict, and improve interpersonal understanding within teams. Although diversity training had the smallest coefficient among the three predictors, it remained statistically significant, indicating that it still plays a meaningful role in supporting team effectiveness.These findings are consistent with Social Identity Theory, which explains that employees in multicultural settings may identify with ethnic, cultural, or professional groups, potentially creating divisions (Haslam, 2004;

Tajfel & Turner, 1979). However, inclusive leadership and equitable policies reduce such divisions by promoting a broader sense of team belonging. The findings also align with the Resource-Based View, which sees a diverse workforce as a valuable organizational resource that can enhance team capability and productivity when managed effectively (Barney, 1991; Horwitz & Horwitz, 2007).Overall, the analysis confirms that diversity management is a critical determinant of team effectiveness in SPDC, Nigeria. The evidence supports the rejection of all three null hypotheses and suggests that organizations operating in culturally diverse environments should invest in inclusive leadership, equal opportunity policies, and diversity training as strategic tools for improving team outcomes.

## Findings

The findings of the study are presented in line with the objectives and hypotheses.

Objective One / Hypothesis One

Objective One: To examine the effect of diversity management practices on team effectiveness in Shell Petroleum Development Company (SPDC), Nigeria. Hypothesis One: Diversity management practices have no significant effect on team effectiveness in Shell Petroleum Development Company (SPDC), Nigeria.

The analysis showed that diversity management practices had a significant positive effect on team effectiveness in SPDC, Nigeria. The regression result indicated that inclusive leadership, equal opportunity policies, and diversity training jointly explained a substantial proportion of variation in team effectiveness. The null hypothesis was therefore rejected. This finding means that diversity management is not merely an administrative or symbolic function; rather, it plays a measurable role in improving how teams function in a multicultural organizational environment.

Objective Two / Hypothesis Two

Objective Two: To assess the influence of inclusive leadership, equal opportunity policies, and diversity training on team cohesion, communication, performance, and productivity among employees of Shell Petroleum Development Company (SPDC), Nigeria. Hypothesis Two: Inclusive leadership, equal opportunity policies, and diversity training have no significant influence on team cohesion, communication, performance, and productivity among employees of Shell Petroleum Development Company (SPDC), Nigeria.

The findings revealed that inclusive leadership, equal opportunity policies, and diversity training each had a positive and significant influence on team cohesion, communication, performance, and productivity. Among the three predictors, inclusive leadership emerged as the strongestpredictor, followed by equal opportunity policies and diversity training. The null hypothesis was rejected. This suggests that team effectiveness in a multicultural workplace is strongly shaped by the quality of leadership and the fairness of organizational practices, rather than by workforce composition alone.

## Discussion

Discussion on Finding One: Effect of Diversity Management Practices on Team Effectiveness

The first finding showed that diversity management practices significantly and positively affect team effectiveness in SPDC, Nigeria. This finding directly addresses the core research problem of the study, namely, the

insufficient empirical understanding of how diversity management practices influence team effectiveness in multicultural organizations in Nigeria. The evidence from this study suggests that the problem in multicultural organizations is not diversity itself, but the inability of organizations to manage diversity in ways that foster inclusion, collaboration, and coordinated performance.This is conceptually important because it shifts the conversation away from the simplistic assumption that diversity automatically improves organizational outcomes. The result instead supports a more critical position: diversity is only potentially beneficial; its actual value depends on the quality of management practices that structure interaction among diverse employees. In this sense, the study contributes to the literature by repositioning diversity management not as a peripheral human resource concern, but as a central organizational condition for team effectiveness.

Theoretically, the finding reinforces the combined value of **Social Identity Theory (SIT)** and the **Resource-Based View (RBV)**, while also extending them. From the perspective of Social Identity Theory, diversity may create in-group and out-group boundaries that weaken collaboration if not properly managed. The finding of this study suggests that diversity management practices reduce the divisive tendencies of social categorization by fostering inclusion and cooperative interaction. From the perspective of the Resource-Based View, workforce diversity can become a strategic resource that improves team outcomes, but only when organizational systems are able to convert difference into value. Thus, the study takes the position that diversity management practices are the institutional mechanism through which identity-based differences are transformed into team effectiveness. This is a more context-sensitive theoretical contribution than a mechanical adoption of either theory in isolation.

This is consistent with Horwitz and Horwitz (2007), who found that well-managed diversity improves team outcomes by combining varied skills and perspectives. It also supports the findings of Nishii and Mayer (2009), who showed that organizational support for diversity enhances cohesion and reduces conflict in teams. Similarly, the result aligns with Mor Barak et al. (2016), who demonstrated that inclusion-oriented practices strengthen team climate and collaboration. Within the Nigerian context, the finding also supports Adeleye et al. (2014), who observed that structured diversity management policies improve team cohesion and communication in organizations.However, the present study differs from much of the earlier literature in one important respect. Many prior studies concentrated on workforce diversity as a demographic variable or as a broad organizational condition. This study moves the discussion further by showing that what matters most is not merely the presence of diversity, but the specific organizational practices through which diversity is governed. In that sense, the study extends prior scholarship by empirically demonstrating that diversity management itself, rather than workforce diversity alone, is the more decisive variable in explaining team effectiveness in a Nigerian multicultural corporate setting.

Deduced from the above, the study takes a clear position: effective diversity management is a strategic determinant of team effectiveness in multicultural organizations, not a supplementary or optional human resource activity. This means that organizations such as SPDC cannot assume that team diversity will naturally produce innovation or collaboration. They must

deliberately build institutional arrangements that make diversity workable and productive.

Discussion of Finding Two: Influence of Inclusive Leadership, Equal Opportunity Policies, and Diversity Training on Team Cohesion, Communication, Performance, and Productivity.

The second finding revealed that inclusive leadership, equal opportunity policies, and diversity training each had a positive and significant influence on team cohesion, communication, performance, and productivity, with inclusive leadership emerging as the strongest predictor. This finding is highly significant because it identifies the internal mechanisms through which diversity management affects team effectiveness. It also responds directly to the second research objective by showing that diversity management practices are not equally influential; rather, some dimensions are more powerful than others in shaping team outcomes.A critical implication of this finding is that multicultural teamwork does not depend only on formal policies or structural diversity but also on the quality of day-to-day leadership and interpersonal inclusion. Why did inclusive leadership emerge as the strongest predictor? The answer appears to lie in the relational character of team processes. Team cohesion, communication, and performance are lived and negotiated in everyday interactions, and leadership plays a central role in shaping whether those interactions are respectful, open, and collaborative. This means that inclusive leadership is not simply one variable among others; it is the practical expression of diversity management at the point where employees experience the organization most directly.

Conceptually, this finding introduces an important nuance into the diversity management literature. It suggests that formal equality is not enough without relational inclusion. Equal opportunity policies may establish fairness at the structural level, and diversity training may build awareness at the cognitive level, but inclusive leadership activates these principles at the behavioural level. In other words, leadership is where diversity policy becomes organizational reality. This is a significant conceptual insight because it explains why some organizations may have diversity policies on paper yet still struggle with poor communication, low cohesion, and conflict in teams.

Theoretically, this finding has strong implications for both SIT and RBV. From the Social Identity Theory perspective, inclusive leadership can be understood as a mechanism that weakens identity-based boundaries by creating a superordinate sense of belonging and shared purpose. Rather than allowing subgroup identities to dominate interaction, inclusive leadership encourages recognition, voice, and mutual respect across lines of difference. From the RBV perspective, equal opportunity policies and diversity training are organizational capabilities that help mobilize the productive value of diverse human resources. Together, these findings suggest that diverse teams become effective not because diversity itself is inherently productive, but because management practices shape the conditions under which diversity can be translated into performance.This finding is broadly consistent with Shore et al. (2011), who found that inclusive leadership fosters belonging and participation in diverse teams. It also supports Nishii (2013), who argued that inclusive climates strengthen communication and reduce exclusion. The result further agrees with Roberson (2006), who showed that inclusion practices improve employee engagement and group interaction. In the Nigerian setting, it aligns with Adeoye and Elegunde (2020), who found that inclusive

leadership improves collaboration and communication in multinational companies. It also supports Oke et al. (2018), who reported that equal opportunity policies enhance trust and cohesion in diverse organizations.

At the same time, the present study makes a more pointed empirical contribution by demonstrating the relative strength of the predictors. While previous studies often treated inclusion practices broadly, this study shows that inclusive leadership has a stronger explanatory power than equal opportunity policies and diversity training in predicting team effectiveness outcomes. This is an important addition to the literature because it suggests that organizations should not assume that all diversity interventions are equally impactful.On this basis, the study takes a firm position: inclusive leadership is the most critical operational dimension of diversity management in multicultural teams, because it directly shapes communication, trust, and cooperation. Equal opportunity policies and diversity training remain important, but they are less effective when not reinforced through leadership behaviour. This means that organizational efforts to improve team performance in diverse settings should prioritize leadership practice as much as policy design.

## Conclusion

This study makes both a conceptual and theoretical contribution to the literature on diversity management and team effectiveness in multicultural organizations. Conceptually, the findings move the discussion beyond viewing workforce diversity as a simple demographic condition and instead foreground diversity management as the decisive organizational process through which diversity affects team outcomes. The study shows that diversity in itself does not automatically improve team cohesion, communication, performance, or productivity. Rather, positive team outcomes emerge when diversity is supported by deliberate management practices that promote inclusion, fairness, and mutual respect. In this sense, the study contributes to the literature by repositioning diversity management from a peripheral human resource function to a central condition for team effectiveness in multicultural workplaces.

Theoretically, the findings deepen understanding of the relevance of Social Identity Theory (SIT) and the Resource-Based View (RBV) in explaining diversity-related outcomes. Social Identity Theory helps explain why multicultural teams may experience tension, exclusion, or communication barriers as a result of identity-based differences. The Resource-Based View explains why a diverse workforce can become a valuable organizational asset capable of enhancing creativity, collaboration, and performance. However, this study shows that neither theory is sufficient in isolation. Its findings suggest that diversity management practices constitute the organizational bridge between identity-based difference and effective team performance. This means that diversity management practices, especially inclusive leadership, equal opportunity policies, and diversity training, are the mechanisms through which the risks of social fragmentation are reduced, and the strategic value of diversity is realized.

Empirically, the findings are consistent with previous studies that found positive links between diversity management and team outcomes. The results support Horwitz and Horwitz (2007), Nishii and Mayer (2009), and Mor Barak et al. (2016), all of whom showed that well-managed diversity improves communication, collaboration, and performance. Within the Nigerian context, the study also

aligns with Adeleye et al. (2014) and Adeoye and Elegunde (2020), whose studies found that structured diversity practices and inclusive leadership improve workplace relationships and team functioning. The present study also agrees with Shore et al. (2011) and Nishii (2013), who emphasized the importance of inclusion and fairness in strengthening communication and belonging in diverse teams.

At the same time, this study differs from some earlier studies in an important way. While much previous research has focused broadly on workforce diversity or general inclusion climates, this study demonstrates more specifically that inclusive leadership emerged as the strongest predictor of team effectiveness among the diversity management dimensions examined. This suggests that leadership is not simply one aspect of diversity management but the most immediate and influential channel through which diversity is translated into team cohesion, communication, performance, and productivity. This is an important empirical distinction because it highlights the relative weight of leadership practice compared with other diversity management mechanisms. Overall, the study concludes that workforce diversity yields positive outcomes only when it is supported by intentional and well-structured management practices. In the case of SPDC, diversity management was found to significantly and positively influence team effectiveness, with inclusive leadership, equal opportunity policies, and diversity training all contributing meaningfully to improved team outcomes. The study therefore establishes that diversity management is not only a social imperative but also a strategic organizational tool for strengthening team effectiveness in multicultural work environments.

## Recommendations

In line with the study objectives and findings, the following recommendations are made:

1. **SPDC and similar organizations should strengthen and institutionalize diversity management practices** through clear policies, structured inclusion mechanisms, and effective monitoring systems in order to improve overall team effectiveness. Diversity management should be treated as a core organizational strategy rather than as a symbolic or compliance-based activity.
2. **Management should prioritize inclusive leadership, enforce equal opportunity policies, and invest in continuous diversity training** across all levels of the organization, since these were found to enhance team cohesion, communication, performance, and productivity. Leadership and training programmes should therefore emphasize inclusion, fairness, intercultural competence, and practical team collaboration.

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