

## **CULTURAL DIVERSITY AS A CHANGE AGENT IN INTERNATIONALIZATION OF FOREIGN MANUFACTURING FIRMS IN SOUTH-EAST, NIGERIA**

**OBIALOR, DONATUS CHUKWUEMEKA**

*Department of Business Management, Faculty of Management Sciences,  
University of Uyo, Uyo Nigeria.  
[chukwuemekadobialor@uniuyo.edu.ng](mailto:chukwuemekadobialor@uniuyo.edu.ng), 08034092759*

**HARRISON, QUEEN UBONG**

*Department of Business Management, Faculty of Management Sciences,  
University of Uyo, Uyo Nigeria.  
[Queenharrison001@gmail.com](mailto:Queenharrison001@gmail.com), 08037925713*

**ETTE, BLESSING OTTOBONG**

*Department of Business Management, Faculty of Management Sciences,  
University of Uyo, Uyo Nigeria.  
[Blessingottobongette@gmail.com](mailto:Blessingottobongette@gmail.com), 08032364313*

### **ABSTRACT**

Cultural ethics, perceptions and customs prevalent in societies often influence how organizations function, frame strategies and approach issues. The study is on cultural diversity as a change agent in internationalization of foreign manufacturing firms in Imo State, Nigeria. The study adopts the survey research design on a finite population of 50, thus adopted as the sample size because of the size of the population. Data analysis was carried out using the ordinary least square regression analysis. Result shows that with F-statistic : 5.693 greater than  $F_{0.05, 3, 46} = 2.84$ , Cultural Diversity indices (Socio economic status, Gender and Race) have joint significant effect on Internationalization of foreign manufacturing firms. It was recommended among others that foreign firms should ensure that Cultural ethics, perceptions and customs prevalent in the societies are efficiently managed so as not to influence how organizations function. The study concludes that Cultural Diversity indices (Socio economic status, Gender and Race) have significant joint effect on Internationalization of foreign manufacturing firms in Imo State, Nigeria.

**Keywords:** Culture, Diversity, Change, Internationalization, Business, Agent, Manufacturing, Firm

JEL C10, C11, 31

### **1. INTRODUCTION**

Multiculturalism is a group of diverse individuals from different cultures or societies. Cultural Diversity is a growing phenomenon that has increased attention and importance in the 21<sup>st</sup> century and could be in form of internal, external, organizational and worldview as regards the types of cultural diversity (Ijeoma & Olise (2022)). Cultural diversity could be viewed in terms of experiences, viewpoints, backgrounds, life experiences and affects the way global businesses defines their roles, applications and responsibilities within its operating environment (Hofstede 1991). Individuals, teams and organizations have in recent times, and

in the views of Onyeulo (2014) continued to realize the essence of culture and cultural diversity in their individual and corporate lifestyles. Many writers have defined culture in various ways, hence, Hofstede (1991) defined culture as the sum of attitudes, customs, and beliefs that distinguish one group of people from another. However, culture is transmitted through language, material objects, ritual, institutions, art, cuisine, social habit and music. Dahms et al (2021) posit that culture determines what is acceptable or unacceptable, important or unimportant, right or wrong, workable or unworkable, that encompasses all learned and shared explicit or trait assumptions, beliefs, knowledge, norms, and values, as well as attitudes, behaviour, dress, and language.

Cultural practices vary widely around the world and from one ethnic group to another and cover many aspects of daily life and influence behaviours of individuals and entire societies. Culture is therefore diverse and a term commonly used to describe the society with people of different ethnic origins, which is manifested in their languages, the way they dress, art and other traditional practices that are either similar or very different from each group (Yuliya et al, 2022). Cultural diversity is the quality of diverse or different cultures, as opposed to monoculture, the global monoculture, or a homogenization of cultures, akin to cultural decay.

In this era of technology and globalization, cultural diversity manifests when companies are open in hiring employees from all sorts of different backgrounds regardless of race, religion and culture. Indeed, Bloch et al (2021) maintain that when companies reveal and retain a diverse pool of people, It brings about different benefits to the organization as well as its employees. Cultural diversity is not without challenges, because social tension can occur as a result of cultural and linguistic differences and thus occasional workplace issues can arise (Obialor, 2020). Cultural diversity may therefore be seen as a change agent in businesses, although, one of the critical impacts of migration and globalization is the “dramatic increase in the opportunity and need to interact with people” who are diverse in culture (Yuliya, 2022)

Business organizations are arenas where “social construction of diversity uncovers the interaction between the various elements and mechanisms of working life which transcends traditional borders between labour market, work environment and work organization (Bulus & Madueme (2022). Cultural ethics, perceptions and customs prevalent in the society often influence how organizations function, frame strategies and approach issues (Shachi, 2017). These are inspiring times for cross-cultural collaboration and strategic action focused on embracing differences and leveraging inclusions. Forward-thinking companies are at the helm of navigating such change-building innovative and data-driven strategies and leveraging organizations’ core identity, championship, relationship design and processes to cultivate inclusive workplace that factor in changing societal trends (Shachi, 2017). While a few diversity and inclusion practices have been in existence for some time now, the need of the hour is the conscious efforts to deal with the issues of workplaces. These are some of the notable actions that can be taken by individuals and groups to bring in change and ensure gender diversity inclusion in workplaces (Shachi, 2017). Variables of cultural diversity include, language, religion, race, sexual orientation, gender, age, socio economic status, exceptionalities and ethnicity. Cultural diversity is an organizational scenario and how it is managed within, is of importance at this point.

Increasing globalization requires more interaction among people from diverse cultures, beliefs and backgrounds than ever before. People no longer live and work in an insular marketplace; they are now part of a worldwide economy with competition coming from nearly every continent. For this reason, businesses need diversity to become more creative and open to change (Raju, 2017 in Sola 2021). Global businesses need to focus on diversity and ways of

becoming totally inclusive organizations because diversity has the potential of yielding greater productivity and competitive advantages. Managing and valuing diversity is a key component of effective people management, which can improve workplace productivity (Evelyn et al, 2022). It could be established from the above discussion that a study on cultural diversity is an organizational scenario and how it is managed within manufacturing firms that have employees who share different languages, religion, sexual orientations, age, ethnicity, race and gender. Thus, the challenge before this study is to examine cultural diversity as a change agent in Internationalization of foreign manufacturing firms in Imo state, Nigeria. The specific objectives are to: examine how economic status affects internationalization of foreign manufacturing firms in Imo State, Nigeria; ascertain the effect of gender on internationalization of foreign manufacturing firms in Imo State, Nigeria, and to determine how race affects internationalization of foreign manufacturing firms in Imo State, Nigeria.

## **2. LITERATURE REVIEW**

### **2.1 Conceptual Literature: Hofstede's view**

Hofstede (1991) defines national culture as the set of rules which determines the actions and thoughts of a given group. It relates to the common languages, religion, politics, moral and so on. Hofstede (1993) conducted a survey in over 50 countries, within the same multinational group (IBM), which revealed common problems within four areas that aim to measure and understand cultural differences impacting the management of multinationals.

Cateora & Ghauri (2000) in Kabiru & Liman (2021) posit that culture have five main elements which include material culture, social institutions, aesthetics, belief system, education and language. Fulton (2021) acknowledged that each of these cultural elements should be evaluated in terms of how it could affect strategic management within a multinational. Global businesses takes into consideration the material culture of a particular business environment where its economy and infrastructure should be regarded. The social institutions should be studied in terms of the role of individuals within the concerned business environment. Trompenaars (1996) completed Hofstede's research and conducted a survey among 30 different companies over 50 countries. From his research, he identified seven dimensions of culture: individualism and collectivism, universalism and particularism, specific and diffuse culture, neutral and emotional relationships, achievement and ascription, sequential and synchronic, internal and external control.

Hofstede (1991) view culture as the "software of the mind" that separate members of different groups from each other. This software or mental programming is based with social environment where people grew up and developed their life experiences. Hence, cultural diversity is very important to organizations that have adopted global strategies when doing business internationally and dealing with multi-cultural teams (Adler, 1997 in Hernandez 2015). The followings are ways to change culture in a workplace; provide intrinsic motivators to your employees, don't forget the extrinsic motivators, create intentional connectedness, communicate, reward and recognize preferred/behaviours, and understand motivation theory. Carefully focusing on the role of Cultural diversity can help global business construct and maintain a truly multicultural society. Diverse cultural perspectives can inspire creativity and drive innovation, hence, local market knowledge and insight makes a business more competitive and profitable (Aboramadan, 2020).

## 2.2 Theoretical Literature

### 2.2.1 Page Theory of Diversity Management

Jehn & Jackson, (2008) reports that Scott page expanded the theory of diversity management of Thomas who based it on observation by conducting experiments in a group response to complexity. Page's diversity prediction and diversity-trumps-ability theories are based on the dynamic behaviours of groups in the process of problem solving, predicting, and innovating, decision-making and managing complexity. Page used scientific method to set up diversity-management processes which can be replicated in real-world situations to get the most value out of diverse groups (Jehn & Jackson 2008).

### 2.2.2 Roosevelt Diversity Management Theory

Roosevelt Thomas initiated the diversity management movement in 1985 and based his theory on direct observation of the changing attitudes of young college students. Roosevelt translated these observations into a theory that involved a few basic tenets regarding the relationship of increasing diversity to improve business outcomes. Roosevelt theory states among other things that; managing the inevitable diversity of the changing workforce is an essential skill for both managers and leaders; better business results are the goal of diversity management; diversity management allows everyone to contribute naturally to organizational goals; successful diversity management does not privilege one group to the disadvantage of other groups. Roosevelt having outlined these principles, sparked interest in the executives of hundreds of corporations seeking new insights into the changing demographic profile of their companies (Jehn & Jackson, 2008).

## 3. METHODOLOGY

### 3.1 Theoretical Framework

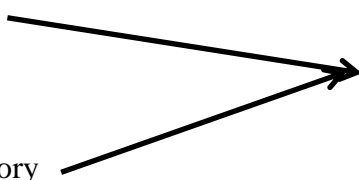
- Page's Theory of Diversity Management

(Diversity Mgt Processes)

- Roosevelt Diversity Mgt. Theory

(Observation, Experiment, & Prediction)

Internationalization of Foreign  
Manufacturing Firms



### 3.2 Model Specification

$$\text{IntMF} = f(\text{ScE} + \text{Gnd} + \text{Rc})$$

$$Y = b_a + b_1 X_1 + b_2 X_2 + b_i X_i$$

This section covers the design procedure and methodology of the work and adopts survey research design. The population size of the study based on the identified manufacturing firms in the Owerri metropolis is 50. Thus, given a finite population size of 50, it was adopted as the sample size. Data analysis was carried out using the ordinary least square regression analysis.

**Parameters:  $b_0, b_1, b_2, b_3$ , are estimated from the formula:**

$H_0 : b_i = 0$  ie Socio economic status index  $X_1$  has no significant effect on internationalization of manufacturing firms.

$H_1 : b_1 = 0$  ie Socio economic status index  $X_1$  has a significant effect on internationalization of manufacturing firms.

$H_2 : b_2 = 0$  ie Gender has no significant influence on internationalization of manufacturing firms.

$H_{2,} : b_2 = 0$  ie Gender has a significant influence on internationalization of manufacturing firms

$H_{03,} : b_3 = 0$  ie Race has no significant effect on internationalization of manufacturing firms.

$H_{3,} : b_3 = 0$  ie Race has a significant effect on internationalization of manufacturing firms.

$b_0$

$b_1$

$$b_2 = (X^T X)^{-1} X^T Y$$

$b_3$

Thus, the estimated regression is:  $Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3$

### Tests of Hypotheses

The study involves two types of test, namely, joint test, and individual test.

**Individual Test:** This test was conducted to see if each of the three Cultural Diversity indices significantly affects Internationalization of foreign manufacturing firms in Imo State, Nigeria.

$$t - \text{calculated} = \frac{b_i}{S.E(b_i)} \quad i = 1, 2, 3, 4, 5$$

Where S.E ( $b_i$ ) = standard error of the estimated parameter,  $b_i$ .

The t-calculated is compared with the t-tab, where  $t\text{-table} = t_{\alpha, (n-k)}$

**Decision Rule:** If the t-calculated is less than t-tabulated; we accept the null hypothesis ( $H_0$ ) and reject the alternative hypothesis ( $H_1$ ) otherwise, vice versa.

**Joint Test (ANOVA test):** This is carried out to see whether the three explanatory variables that make up Cultural Diversity are jointly significant in influencing Internationalization of foreign manufacturing firms in Imo State, Nigeria.

The test is best carried out using the Analysis of Variance (ANOVA) table, as shown below.

**Table 1. ANOVA table**

Source of Variation	Degree of Freedom	Sum of Square	Mean square	F-ratio
Regression	$K - 1$	$RSS = Br X^T Y - 1/n (\sum y)^2$	$RMS = RSS/(K-1)$	$\frac{RSS/(K-1)}{MSE}$

				ESS/(n-k)
Residual (Error)	n-k	ESS = YTY-	EMS = ESS/(n-k)	
Total	n-k	TSS=YTY - 1/n (Σy)l		

The test statistic is given by:

$$F\text{-calculated} = \frac{\text{RMS}}{\text{EMS}}$$

Where RMS = regression mean square, EMS = error mean square, F critical =  $F_{\alpha} (K-1) (n-K)$

Where;  $\alpha$  = level of significance, (K-1) = degree of freedom for regression and (n-k) = degree of freedom for error

Decision Rule: If F-calculated is greater than F-critical/tabulated, i.e. (F-cal > F-tab) we reject the null hypothesis ( $H_0$ ) and accept the alternative( $H_1$ ). But if F-calculated is less than F-critical (F-cal < F-tab) we accept the null hypothesis and reject the alternative hypothesis.

### Presentation of Data

**Question 1:** What is the effect of Cultural Diversity as a change agent on internationalization of foreign manufacturing firms in Imo State, Nigeria?

**Table 2: The mean responses on the relationship between Cultural Diversity as a change agent on internationalization of foreign manufacturing firms.**

S/N	Internationalization of foreign manufacturing firms (Y)	SA	A	N	D	SD	Mean	Decision
1.	Cultural diversity is very important to organizations that have adopted global strategies	29	11	2	2	6	4.14	Positive
2.	Acceptance of new ideas in the organization, as opposed to performing instructions, is the factor for the growth of foreign manufacturing firms.	27	16	5	1	1	4.34	Positive
3.	When doing business internationally and dealing with multi-cultural teams, it is important to understand other cultures within the environment.	22	15	3	5	5	3.88	Positive
4.	Diverse cultural perspectives can inspire creativity and drive innovation	15	25	0	8	2	3.86	Positive
5.	Innovative ideas are encouraged in our organization.	21	9	4	12	4	3.62	Positive
6.	All employees have a general knowledge about the goals of the organization.	22	16	5	4	3	4.00	Positive
7	All employees contribute to achieve to overall goals of the organization.	17	15	9	5	4	3.72	Positive
8	Local market knowledge and insight makes a business more competitive and profitable.	10	4	13	11	2	3.38	Positive

9	Focusing on the role of Cultural diversity can help global business construct and maintain a truly multicultural society.	25	5	5	8	7	3.66	Positive
10	Experiences and ideas provided by external sources are used as a tool for learning in our environment	16	11	6	5	12	3.28	Positive

Criterion mean = 2.5

The result in table 2 above shows a summary of the responses of Cultural Diversity and Internationalization of foreign manufacturing firms. We can observe that the mean responses are above the 2.5 criterion mean, hence the respondents all agree that focusing on the role of Cultural diversity can help global business construct and maintain a truly multicultural society.

**Question 2:** What is the effect of Socio economic status on internationalization of foreign manufacturing firms in Imo State, Nigeria?

**Table. 3 The mean responses on the relationship between Socio economic status and Internationalization of foreign manufacturing firms.**

S/N	Socio Economic Status (X <sub>1</sub> )	SA	A	N	D	SD	Mean	Decision
1.	Culture in a workplace can provide intrinsic and extrinsic motivators to your employees.	11	11	4	16	2	3.02	Positive
2.	Culture can create intentional connectedness, communicate, reward and recognize behaviours.	19	23	1	5	2	4.04	Positive
3.	When doing business internationally and dealing with multi-cultural teams, it is important to understand other cultures within the environment.	9	7	11	14	9	2.86	Positive
4.	Cultural elements should be evaluated in terms of how it could affect strategic management within a multinational.	24	16	1	7	2	4.06	Positive
5.	Cultural ethics, perceptions and customs prevalent in the society often influence how organizations function.	25	21	2	1	1	4.36	Positive

**Criterion Mean = 2.5**

The result in table .3 above shows that the responses are all positive, ie. They fall within the acceptance area; hence we accept the question items presented above. Consequently, conclude that Cultural ethics, perceptions and customs prevalent in the society often influence how organizations function.

**Question 3:** To what extent has Gender influence internationalization of foreign manufacturing firms in Imo State, Nigeria?

**Table 4: The Mean responses on Gender and internationalization of foreign manufacturing firms**

S/N	Gender (X <sub>2</sub> )	SA	A	N	D	SD	Mean	Decision
1.	Hofstede aim was to measure and understand cultural differences impacting the management of multinationals: individualism and collectivism, male and female.	29	16	1	2	2	4.36	Positive

2.	Diversity management allows everyone to contribute naturally to organizational goals	21	28	0	1	0	4.38	Positive
3.	The organization reacts to the ideas and opinions of employees and encourages them for developing social patterns.	6	17	2	1	8	2.92	Positive
4.	The organization documents individual's knowledge and skills.	22	18	6	2	2	4.12	Positive
5.	The social institutions should be studied in terms of the role of individuals within the concerned business environment.	32	9	5	3	1	4.36	Positive

**Criterion Mean = 2.5**

Table 4 above shows a summary of the responses on Gender and internationalization of foreign manufacturing firms. The mean values points to the fact that the organization reacts to the ideas and opinions of employees and encourages them for developing social patterns.

**Question 4:** To what extent has Race affects internationalization of foreign manufacturing firms in Imo State, Nigeria?

**Table 5: The mean responses on Race and internationalization of foreign manufacturing firms**

S/N	Race ( $\bar{X}_3$ )	SA	A	N	D	SD	Mean	Decision
1.	Diverse cultural perspectives can inspire creativity and drive innovation.	16	21	0	4	9	3.62	Positive
2.	Cultural ethics, perceptions and customs prevalent in the society often influence how organizations function, frame strategies and approach issues.	17	10	12	2	9	3.48	Positive
3.	Social tension can occur as a result of cultural and Linguistic differences and thus occasional workplace issues can arise.	11	25	4	7	3	3.68	Positive
4.	Cultural diversity may be a change agent in businesses in terms of dramatic increase in the opportunity and need to interact with people who are diverse in culture.	8	19	11	6	6	3.34	Positive
5	New ideas, insights and knowledge are welcomed in the organization irrespective of gender for redesigning processes and working methods of the organization.	6	13	19	7	5	3.16	Positive

**Criterion Mean = 2.5**

A summary of the responses in table 5 shows the responses on the extent Race affects internationalization of foreign manufacturing firms. The mean values are greater than the 2.5 criterion mean, hence we conclude that Cultural ethics, perceptions and customs prevalent in the society often influence how organizations function, frame strategies and approach issues.



## Data Analysis

The data gathered are subjected to ordinary least square regression analysis based on the 5-point likert scale approach. The result obtained is summarized below.

**Table 6: Summary of Ordinary Least Square Estimation**

Variables	Coefficients (B)	Std. error	t-statistic
(Constant)	34.584	9.147	3.781
Social Economic Status	0.059	0.155	0.382
Gender	0.221	0.034	6.500
Race	0.283	0.037	7.649

Source: SPSS Output

The table. 6 above shows the relationship between cultural diversity as a change agent in internationalization of foreign manufacturing firms in Imo State South East Nigeria. It can be observed that Socio economic status, Gender and Race have all positive and direct effect on internationalization of foreign manufacturing firms in Imo State. Consequently, socio economic status exerts 5.9% effect on internationalization of foreign manufacturing firms meaning that given an increase in socio economic status, foreign manufacturing firms are affected positively to the rate of 5.9%.

Also, Gender which is one of the important variables of cultural diversity has 22.1% influence on internationalization of foreign manufacturing firms in Imo State. This implies that given an increase in gender, foreign manufacturing firms increase by 22.1% all things being equal. Race has 28.3% effect on foreign manufacturing firms. This represents the highest effect among the variables and implies that given an increase in race, foreign manufacturing firms grow by 28.3%.

The adjusted R-squared tells us the degree of fitness of the model. It is estimated at 60.5% meaning that the cultural diversity indices used in the model accounts for up to 60.5% of the changes in internationalization of foreign manufacturing firms. This represents a modest fitness and implies that the model is feasible.

## Test of Hypotheses

**Table 7: Summary of t-test**

Variables	t-statistic	P-value	Decision Rule
Socio economic status	0.382	0.704	Not Statistically significant
Gender	6.500	0.010	Statistically Significant
Race	7.649	0.0001	Statistically Significant

**5% Critical Value =  $t_{0.025, 50-3} = t_{0.025, 47} = 1.960$ .**

### Hypothesis One:

**H<sub>01</sub>:** Socio economic status has no significant effect on internationalization of foreign manufacturing firms in Imo State, Nigeria.

t-statistic = 0.382

t-table = 1.960

**Decision Rule:** Since the t-statistic is less than the t-table value at 5% level of significance, we accept the null hypothesis and conclude that socio economic status has no significant effect on internationalization of foreign manufacturing firms in Imo State, Nigeria.

### Hypothesis Two

H<sub>0</sub><sub>2</sub>: Gender has no significant influence on internationalization of foreign manufacturing firms in Imo State, Nigeria.

t-statistic = 6.500

t-table = 1.960

**Decision Rule:** Since the t-statistic is greater than the t-table value at 5% level of significance, we reject the null hypothesis and conclude that gender has no significant influence on internationalization of foreign manufacturing firms in Imo State, Nigeria.

### Hypothesis Three

H<sub>0</sub><sub>3</sub>: Race has no significant effect on internationalization of foreign manufacturing firms in Imo State, Nigeria.

t-statistic = 7.649

t-table = 1.960

**Decision Rule:** The t-statistic is greater than the t-table value at 5% level of significance; therefore, we reject the null hypothesis and conclude that race has a significant effect on internationalization of foreign manufacturing firms in Imo State, Nigeria.

### Joint Test of Significance

H<sub>0</sub>: The Cultural Diversity Indices (Socio economic status, Gender and Race) have no joint effect on internationalization of foreign manufacturing firms in Imo State, Nigeria.

### ANOVA

MODEL	SUM OF SQUARES	df	Mean Square	F	Sig.
Regression	57.743	3	19.248	5.693	0.000 <sup>6</sup>
Residual	155.537	46	3.381		
<b>Total</b>	213.280	49			

a: Dependent Variable: Internationalization of global businesses

b: Predictors (Constants), SES, G, R

F-statistic = 5.693

F-table = F 0.05, 3, 46 = 2.84

Decision Rule: Since the F-statistic is greater than the F-table at 5% level of significance, we reject the null hypotheses and conclude that the Cultural Diversity indices (Socio economic status, Gender and Race) have joint effect on Internationalization of foreign manufacturing firms.

### **Test for Autocorrelation**

The presence of autocorrelation renders the regression results spurious. The Durbin Watson Statistic from our analysis is 1.989. Therefore, going by the decision rule, the DW value lies within the rejection region and tends towards 2 than to 0. This means that there is no auto correlation in the model.

### **Test for Multi Collinearity**

The condition index tells us the level of collinearity of the independent variables. The condition index values of 10.957, 19.003 and 19.158 shows that there is moderate multi collinearity since the Condition Index values are within the range of 10 and 20.

## **4. Results and Discussion of Findings**

The analysis made in this research work has highlighted to a very high extent the Cultural Diversity on Internationalization of foreign manufacturing firms in Imo State, Nigeria. The mean responses of the questionnaires distributed showed that businesses require Socio-economic status, gender and race to enhance Internationalization. Also, the mean responses revealed that firms react to the fact that focusing on the role of Cultural diversity can help global business construct and maintain a truly multicultural society. The model coefficient revealed that Cultural Diversity indices (Socio economic status, Gender and Race) all have positive effect on Internationalization of foreign manufacturing firms and exerts 5.9%, 22.1% and 28.3% effect on Internationalization of manufacturing firms respectively.

The hypotheses of the study were tested using the t-test and the result revealed that while socio economic status and gender has no significant effect on Internationalization of manufacturing firms, both Race have significant effect on Internationalization of manufacturing firms. The Cultural diversity indices were found to have joint effect on Internationalization of foreign manufacturing firms contributing to about 60.5% of the effect on Internationalization of foreign manufacturing firms. The model was deemed to have a very good fit with no Autocorrelation and Multicollinearity.

## **5. RECOMMENDATIONS AND CONCLUSION**

- i. Manufacturing firms should ensure that Cultural ethics, perceptions and customs prevalent in the society are well managed so that it will not influence how organizations function.
- ii. Organizations should have in place well-structured strategies to manage Social tension that can occur as a result of cultural and linguistic differences that can cause occasional workplace issues.
- iii. Cultural elements should be evaluated in terms of how it could affect strategic management within a multinational environment.

The researchers conclude that gender and race have all positive and direct effect on internationalization of global businesses in Imo State. Socio economic status exerts 5.9% effect on internationalization of foreign manufacturing firms meaning that given an increase in socio economic status, businesses are affected positively to the rate of 5.9%.

Also, gender has 22.1% influence on internationalization of foreign manufacturing firms which implies that given an increase in gender, foreign businesses increase by 22.1%, and race has 28.3% effect on foreign manufacturing firms which represents the highest effect among the variables and implies that given an increase in race, foreign manufacturing firms grow by 28.3%. The adjusted R-squared is estimated at 60.5% meaning that the cultural diversity indices used in the model accounts for up to 60.5% of the changes in internationalization of foreign manufacturing firms.

The F-statistic is greater than the F-table at 5% level of significance, thus, the null hypotheses was rejected and conclude that the cultural diversity indices (Socio economic status, gender and race) have joint effect on Internationalization of foreign manufacturing firms. The Durbin Watson Statistic is 1.989 and the DW value lies within the rejection region and tends towards 2 than to 0 indicate that there is no auto correlation in the model and with the condition index values of 10.957, 19.003 and 19.158 shows that there is moderate multi collinearity since the Condition Index values are within the range of 10 and 20.

## **6. REFERENCES**

- Aboramadan. M (2020) Top Management Teams Characteristics and Firms Performance Literature Review and Avenues for Future Research. *Int. Journal of Organizational Analysis*, 29 (1), 603-628.
- Blien, O.M & Robin. I.P (2015). Cultural Tolerance as a Tool for Effective Team Growth in Business. *Journal of Applied Psychology* 7(9) 101-107.
- Bloch. K.P, Taylor. T, Church. J, & Buch. A (2021) An Inter-sectional Approach to the Glass Ceiling: Gender, Race, and Share of Middle and Senior Management in US *Workplaces*. *Sex Roles* 84 (1), 312-325.
- Bulus. A. & Madueme. S.I. (2022) Location and Gender Analysis of Climate Change Vulnerability and Implication for Poverty Reduction in Taraba State, Nigeria. *Journal of Economics and Allied Research*, 7 (1), 191-204.
- Dahus. S, Kingkaew. S, & Ng. E.S (2021) The Effects of Top Management Team National Diversity and Institutional Uncertainty on Subsidiary CSR Focus. *Journal of Business Ethics*, 1(1) 1-14.
- Evelyn. N.O, & Olotu. M (2022) Climate Change Mitigation and Gender Inequality Nexus: Evidence from Sub-Sahara Africa. *Journal of Economics and Allied Research*, 7 (1), 1-12.
- Fulton. B.R (2021) Bridging and Bonding: Disentangling two Mechanisms Underlying the Diversity -Performance Relationship. *Non-Profit and Voluntary Sector Quarterly*, 50 (1), 54-76.
- Hernandez. J.G.V (2015) International and Cultural Implications on Internationalization Analysis of Multinational Firms. *Journal of Economics and Financial Studies*, 3(2), 101-106. doi: 10.18533/jefs.v3i02.101

- Hofstede. G (1991). *Cultures and Organizations: Software of the Mind*. London: McGraw Hill
- Hofstede. G (1993). "Cultural Constraints in management Theories" *Academy of Management Executive*. 81-94.
- Attama. P.I, Egwuma. S.O, Udenze. C, Ijeoma. U.C, & Olise. C.N (2022) Cultural Diversity as a Pillar for Sustainable Development. *Journal of Economics and Allied Research*, 7(1), 73-82.
- Jehn. E & Jackson. S.E (2008). Cultural Beliefs and Corporate Decision Making. *Vecy Journal of Sociology, Slovakia*, 4(2) 28-34.
- Kabiru. H. & Liman. S.A (2021) Revisiting Cultural Elements Influencing International Business Practices. *Journal of Economics and Allied Research*, 6 (3), 101-107.
- Obialor. D.C (2020) Effect of Government Regulations on New Business (A Case of Beverage Industry in Owerri Metropolis) *Journal of Economics and Allied Research*, 4 (3), 45-56.
- Onyeulo. M.U (2014). *Principles of Management*. Enugu: Vougasen Publications.
- Shachi. I (2017). How to be Change Agents: Creating an Inclusive Work Culture. <https://www.People matters/article/diversity/how-to-be-change-agents-creating-an-inclusive-work-culture-15158> content body.
- Sola. O (2021) Energy Consumption and Manufacturing Output in Nigeria. *Journal of Economics and Allied Research*, 6 (4), 1-12.
- Trompenaars. F (1996). *Riding the Waves of Culture: Understanding Cultural Diversity in Business*. London: publishing LTD.
- Yuliya. P, Timur. U, Virginia. B, & Karl. W (2022) Cultural Diversity in Top Management Teams: Review and Agenda for future Research. *Elsevier Journal of World Business*, 57(1), (1-14).