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# Workforce Diversity and Organizational Competitiveness of Small and Medium Enterprises (SMES) in Rivers State Nigeria

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**Abstract:** This study investigated the relationship between workforce diversity and organizational competiveness of SMEs in Rivers state, Nigeria. The cress sectional survey was carried out in the study. A total of eight hundred and forty-seven (847) managers and supervisors of SMEs served as the population of the study. However, a sample of two hundred and sixty-five respondents was drawn from the population. The systematic sampling technique was used in the study in order to avoid bias in selection of the sample cases. Questionnaire was used in collecting data from respondents and the copies of questionnaire was personally administered to the respondents. The retrieved data was analysed using spearman rank order correlation coefficient. The outcome of the analysis revealed that the dimensions of workforce diversity (professional diversity and age diversity) is significantly and positively correlated with the measures of organizational competitiveness (product differentiation and innovativeness). It was thus concluded that workforce diversity is thus essential in enhancing the competitiveness of SMEs which could thus help boost the organizations position in the industry. Therefore, the study recommended that the owners and managers of the small and medium enterprises should ensure that employees of diverse profession are employed in the organization in order to enhance the competitiveness of the organization.

**Keywords:** Age Diversity, Innovativeness, Organizational Competitiveness, Product Differentiation, Professional Diversity, Workforce Diversity.

#### 1.0 Introduction

The imponderable nature of the business world which is characterised by high uncertainty has made many organisations to develop diverse means to stay agile and competitive in the industry. The small and medium enterprise (SMEs) play a vital role in enhancing the economic wellbeing of any country. Considering the indisputable role of the SMEs in the development of nations, it is thus imperative to ensure that these firms are able to compete favourable with other big firms so as to survive the turbulent movement. The ability of organisations to compete favourably and outperform rivalries made their market leaders in their various industries. Worthy of note is that fact no organisation can stand the test of time if they are unable to compete in an ever changing business domain. In alignment with the above assertion, Anton, Muzakan Muhammad, Sudin and Sidiq (2015) argued that the SMEs competitiveness increases their position in the global business domain. Tambunan (2009) maintained that the competitiveness of SMEs is paramount because it help absorbs millions of employees. Furthermore, organisations are not independent neither do they exist in isolation, they interact

constantly with the external environment which possesses unpredictable threat and opportunity to the organisation. Considering this indisputable reality, it is thus essential that the SMEs develop relevant strategies that could help enhance their competiveness in the marketplace. Ifungu and Arasa (2017) remarked that for organisations to stay competitive, they must have the capacity to effectively respond swiftly to barriers and opportunities in the firm. A firm is able to attain competitive edge over rivalries when they can better attract customers and cope with competitive turbulence. Manole, Nisipeanu and Decuseara (2014) defined a firm's competitiveness as the ability to sustain a position in the market by providing quality and timely product at a more favourable competitive price. The ability is manifested by quick response in variation in demand and through successful management of product differentiation by enhancing the culture of innovation and efficient marketing system. With the global trend, uncompetitive firms do fizzle out within a short period. Forter (1985) identified cost leadership, product differentiation and focus strategy as the measures of organisational competitiveness. In similar manner, Tuan and Mai (2012) identified quality, reduction in cost and innovation as the measures of organisational competitiveness.

The high dynamism of the workplace coupled with the search of best talent to enhance competitiveness has intensified the rate of diversity in the workplace. Employing a diversified workplace is critical and essential for all organisation to enhance their wellbeing (Sexena, 2014) workforce diversity (WFD) simply means the differences among employees working in a particular organisation (Cletus, Mahmood, Umar & Ibrahim, 2018). The authors maintained that firms that employ diverse workforce are able to compete favourably in the industry. Dike (2013) postulated that diversity is essential in organisations because it enhances productivity, leas to team work and variety of ideas, enhances learning and growth and boost diverse experience. Sexena (2014) identified age, language, caste and religion, different perception and attitude, gender and professional qualification as the dimensions of WFD. Paul and Eketu (2013) identified age diversity, professional diversity and ethnic diversity as the dimensions of WFD.

Several scholarly work has been carried out over the years with the intent of boosting the competitiveness of firms. Zeebaree and Siron (2017) examined advance of SMEs in Iraq. The study noted a significant correlation among the variable. Bonaventure, Amah and Olori (2017) examined how entrepreneurial orientation correlates with the competitiveness of organisation. They study observed a significant correlation among the variables. Rabbi, Ahad, Kousar and Ali (2015) reviewed if talent management relates with competitive advantage. They observed that talent management help boosts competitive advantage. Other studies have also been done in an attempt to enhance competitiveness (Barney, 1991; Ade, Akanbi & Tubosun, 2017; Aziz, 2019). Ensari Gurel and Alay (2017) examined how diversity management leads to competitive advantage in Turkey. They noted a significant relationship among the variables Akey, Jiang; Antwi and Torku (2016) did a work on how diversity management leads to competitive advantage in multinational companies residing in Sub-Sahara Africa. The study observes a significant correlation, Handayeni, Udin, investigated how managing the diversity in the workforce can help sustain competitive advantage in Indonesia. From extant literature, there

exist a dearth of scholarly work on how workforce diversity relates with organisational competitiveness of SMEs within the Nigerian work content. Thus, this study filled the gap by empirically examining the relationship between workforce diversity and organisational competitiveness of SMEs in Rivers state.

#### Statement of Problem

Over the years it has been observed that most SMEs are faced with the problem of how to gain competitive advantage over rivalries in their global market. The SMEs in Nigeria and specifically in Rivers state, operates in a harsh environment and they compete with multinational firms that can leverage on their technological endowment to enhance their competitiveness. Furthermore, the inability of these SMEs to gain competitiveness has negatively affected the firm's performance level of the years. The SMEs of any county has been recognised as the main source that enhances the economy growth of the country (Tambunan, 2019). As such, it is imperative to address the issue of competitiveness of SMEs. The low level of competitiveness of SMEs has also manifested in the reduction of economic activities and growth in the country and it has over the period lead to the liquidation of the firms. It is observed that most SMEs are just within a short period of time as a result of low competitiveness ability of the firm. Again, SMEs helps absorb many unemployed in the country. However, considering the low competitive ability of the firms to operate effectively, such as in an upsurge in unemployment which is unhealthy for the country. Irrespective of previous work to address this issue, yet the problem still persists. Thus this study examined how workforce diversity in terms of professional and age diversity relates with organisational competitiveness of SMEs in Rivers State, Nigeria.

#### **Research objectives**

The objectives of this study are to;

- I. Examine the relationship between professional diversity and product differentiation of SMEs in Rivers state, Nigeria.
- II. Investigate the relationship between professional diversity and innovativeness of SMEs in Rivers state, Nigeria.
- III. Determine the relationship between age diversity and product differentiation of SMEs in Rivers state, Nigeria.
- IV. Find out the relationship between age diversity and innovativeness of SMEs in Rivers state, Nigeria.

#### **Research Questions**

The following research questions were proffered in the study

- I. What is the relationship between professional diversity and product differentiation of SMEs in Rivers state, Nigeria?
- II. What is the relationship between professional diversity and innovativeness of SMEs in Rivers state, Nigeria?

- III. What is the relationship between age diversity and product differentiation of SMEs in Rivers state, Nigeria?
- IV. What is the relationship between age diversity and innovativeness of SMEs in Rivers state, Nigeria?

# **Research Hypotheses**

The null hypotheses of this study are;

- I. There is no significant relationship between professional diversity and product differentiation of SMEs in Rivers state, Nigeria.
- II. There is no significant relationship between professional diversity and innovativeness of SMEs in Rivers state, Nigeria.
- III. There is no significant relationship between age diversity and product differentiation of SMEs in Rivers state, Nigeria.
- IV. There is no significant relationship between age diversity and innovativeness of SMEs in Rivers state, Nigeria.

#### 2.0 Review of Related Literature

The study is founded on the social identity theory and capability-base theory. Social identity theory is a social-psychological theory that attempts to explain cognitions and behaviour with the help of group-processes. It assumes that we show all kinds of "group" behaviour, such as solidarity, within our groups and discrimination against out-groups as a part of social identity processes, with the aim to achieve positive self-esteem and self-enhancement (Reicher & Spears, 2008). Social identity is the part of an individual's self-concept which he derives from knowing that he is a member of a social group (or groups) in addition with the emotional significance and value he has as a member. This theory is more or less based on favourable comparisons between the in-group and a relevant out-group. In the capability-based view, Grant (1991) contended that capabilities are seen as the source of competitive edge while resources are seen as the basis of capabilities. Again, Amit and Shoemaker (1993) submitted that capability do contribute substantially to competitive edge of a firm. Haas and Hansen (2005) remarked that the capabilities base view enable a firm to gain advantage over rivalries from its distinct ability to utilize its capabilities to achieve vital activities in the firm. Resourcebased view are information-based, palpable or impalpable processes which are firm-specific and established over time via complex interactions between the firm's resources'. The ability of the firms to harness the various resources create competitiveness for the firm. It further help build and integrate both internal and external competences which thus help boost competitiveness.

#### **Concept of Workforce Diversity**

Most enterprise sees workforce diversity as a vital concern. Workforce diversity needs to be effectively managed and well recognised in today's business world. Generally, diversity is

defined as understanding, recognising and accepting individual differences despite their class, age, race, gender, ethnicity, sexual orientation, physical ability, spiritual practice and so on. This view was supported by Grobler (2002) who added that each individual though may share a number of biological or environmental characteristics are unique. Diversity management is a planned and systematic commitment organisations adopt to employ, sustain, motivate and promote a heterogeneous mix of employees. Diversity refers to the coming together of employees from different socio-cultural backgrounds within the company.

It is competitively advantageous to manage diversity. Diversity will continue to gain relevance as the economies translate from production to service economies. This is made possible by the importance of interactions effectiveness in service economy and peoples' communication which makes for the success of any business (Wentling & Palma-Rivas, 2000).

A mixture of people who put together variety of perspectives, backgrounds, benefits and values as enterprise and groups in which they interact is what is referred to as diversity by Otike, Messah, and Mwaleka (2010). Gupta, (2013) studies shows that diversity facilitates higher creativity, improvement in making decisions, innovation, and greater competitive advantage. Armstrong, (2006) states that managing diversity is about making sure that everyone's potentials is maximized and their contribution to the enterprise are fully made. Workforce diversity is a multifaceted phenomenon to manage in an organisation. Workforce diversity management as a tool for increasing the effectiveness of any organizational cannot be overemphasised, considering the current waves of global changes. In this recent labour market dynamism around the globe, organizations which appreciates diversity will arguably foster success and continue to be in business (Jain & Verma, 1996). Both government and private sectors has embraced the important role workforce management diversity play organizational growth. This importance has mainly stern from the unhindered shifting in labour necessitated by globalization and certain minority group's fight for human rights – who feel excluded from the employment sector.

Workplace diversity increase and improvement has gained ground in the recent years due to the workplace changes recognised by the management. Hence some organizations bring about creativity and openness to change in their own perception, using diversity at workplace or organisation to. Some managers and business still interpret diversity to be a serious challenge despite the limitless nature of it and without organizational boundaries. The work force in industrialized countries has become increasingly heterogeneous over the past decade and these nation spend large amount for workforce diversification. Thus, with regards choosing goal either to be an employer labour to provide an excellent customer service or to competitively maintain an edge, diversity is highgly recognized & employed as an important organizational resource. (Weiliang et al, 2011). According to Dahm (2003), within an organization diversity can induce a crew of emotions. Though some researchers agree that diversity consciousness adds value to their performance organizations, several other still argue that diversity is something to be dealt with rather than a tool used for organizations' improvement.

# **Professional Diversity**

Organisation is faced with challenge to manage increasingly competing environmental issues that require professionals with diverse perspective and extensive scope of skills. According to William (2007) various professional workforce diversity covers the marketing profession, accounting profession, finance profession among others. Professional diversity is the how much workers from different professions are employed and made to work together in same organization. The working together of employees from different profession in an organization will put together different knowledge and skill into manifestation which could help boost the wellbeing of the organization. Paul and Eketu (2018) argued that when heterogeneity in the firm is brought about by diversity in profession it will result in opportunity to learn, share and grow from the experience of others in the organization. The intricate and changing nature of the world of business require the organization to attract employees of diverse profession so as to effectively deploy their skills towards improving the competitive stand of the organization. Teams that are heterogeneous tend to be more inspired and innovative (Paul & Eketu, 2018). Drawing from the above assertion, one can argues that a firm with professionally diversified workforce have better chances of being innovative and creative which thus could help boost the affluence of the firm.

# Age diversity

Bias in age or ageism seems to be more broadly conceptualized today, referring to subsequent discrimination and potential prejudices against any age group, including prejudice towards employees based on the issue of either being too young or too old (Palmor, 1999; White, Duncan, & Loretto, 2000). The conceptualization of age discrimination differs from work previous done (e.g., Finkelstein & Farrel, 2007; Finkelstein, Burke and Raju, 1995) as regard two aspects of the issue: First, age discrimination can be seen as unfair, age-connected treatment touching any age group, not only against older members of the group. Second, conceptualize age discrimination is also an organizational-level variable that refers to the general perception of member concerning the treatment of age relation issues of different age groups in an organization. Perceived practices of discrimination are as much a problem for organizations as actual discrimination since "the belief of employees, even though they are actually consistent with reality or not, affect their behaviors" (Ensher, Grant-Vallone, & Donaldson, 2001).

Whereas for most corporations, higher in age diversity is now seen as a reality, although its possible effects on age discrimination, commitment, and performance have not been fully understood. Also, for other diversity categories (e.g., gender, ethnicity) some scholars have reasoned that increasing diversity should bring about diversity climate that is positive as employees sense a growing workplace heterogeneity and conclude that diversity is valued by the organization (e.g., Kossek & Zonia, 1993; Kossek, Markel, & McHugh, 2003).

#### **Organizational Competitiveness**

Competition is already global, so today's organizations must step out on the market with global strategies, and it also apply on the domestic markets not foreign market only. Permanent

changes are an central part of the success and competitiveness, because organisations that do not apply innovation become not only less competitive, but usually disappear from the market (Porter, 2008). In order for an organization to penetrate new markets, i.e. to be competitive, it must constantly promote their work, constantly introduce and enable new models for success, and continually introduce innovations.

Organisational competitiveness can be defined as the permanent capability of organization to persistently deliver quality products and services, to surpass the competition, to acquire customers, increase its presence on the market and to conclude contracts for profitable operations that enable organisation's strategic growth and increase the standard of employees. Important determinant factors for the acquisition, maintenance and improvement of competitiveness are dynamic, changeable, having a different meaning and influence on the functional, territorial and temporal context (Unkovic, 2010) Competitiveness is evidently a decisive factor for survival in the sphere of business. To achieve it requires setting priorities, which can be defined as a set of options of varying importance that a firm needs to have to compete in the market over a determined time frame (Santos, Pires & Gonçalves, 1999).

#### **Product Differentiation**

Globalization results in more forceful competition among manufacturing organizations and customers demand increases along same line. Organizations therefore tend produce goods and services that have features of greater valued to get competitive advantage. Such goods and service include quality product, flexibility of product or reliable delivery (Baines and Langfield-Smith, 2003). As such, strategic differentiation would give greater possibility for better valued products will be produced by these organizations as a way of meeting up with such demands. Differentiation is all about making a remarkable difference between the products of one firm and the other. Simply put, it is creating a product believed to be unique industry-wide. Berkowitz et al (2002) sees product differentiation as a way firm tries to convince customers that their product is better that other firm's product by using different advertising and product features. Product differentiation brings about superior profitability because it protects against competitive rivalry as a result of its brand loyalty by customers and thus brings lower sensitivity to price. It also raise margins, which avoids low-cost position. The strategy of product differentiation as an organisational tool can be of competitive advantage as it is used to provide products that satisfies the need of individual customers. Quality is a vital differentiating factor in satisfying the need of individual customer (Shammot, 2011). Firms with successful differentiation strategy always have critical internal strengths: vibrant sales team that successfully communicate and corporate reputation for innovation and quality (Hitt, et. al., 2012).

#### **Innovativeness**

A culture of innovativeness requires that all functional areas – like sales, manufacturing and operations, distribution, information technology, customer relationship management, and human resources – be open and committed to the idea that innovativeness helps to keep the firm's brand relevant to their customers (Gerzema and Lebar 2009). This openness to

innovation happens by managing in such a way that the firm's attention is on recognizing the need for new ideas and action in the organization (Van de Ven 1986). Building a culture of innovativeness through sustained strategic emphasis is an antecedent to consistently delivering innovation. In addition, how the firm implements its innovative culture through its organizational structure and formal processes has a great impact on its success.

Hurley and Hult (1998) sees innovativeness to be derived from beliefs that stresses training, improvement. Although innovativeness is not a condition sufficient to bring innovation, it usually serves as a facilitator for innovations as it creates an internal environment of a firm which fosters the exploration of customer information or new operational processes (e.g., the development of new relationship structures with supply chain partners) in ways that fulfil current unmet and/or anticipated future needs.

#### **Empirical Review**

Several study abide on how workforce diversity relates with various organizational outcomes. Joy and Eketu (2018) did a work on workforce diversity and organisational survival of manufacturing firms in Rivers state. The study aimed at investigating the extent to which workforce diversity (professional diversity, ethnic diversity, age diversity) relate to organisational survival of manufacturing firms in rivers state. 109 samples were collected in the study with leadership climate as a moderating variable. Cross section survey was adopted and inferential statistics of spearman's rank order correlation and partial correlation were used in testing the study hypotheses. The result showed a positive significant relationship between the dimension of workforce and measures of organisational survival and leadership climate significantly moderates the relationship between the two variables in manufacturing firms in rivers state. The study concluded that that business unit with healthy style of leadership will benefit from workforce diversity.

Ursil and Fayaz (2018) did a work to review the various studies pertaining to workforce diversity and its relationship with organizational/employee performance. The study used review methodology by conducting a literature search concerning workforce diversity and employee performance for the period 1990-2014. Results of the study showed an evidence of empirical relationship among organizational performance and workforce diversity and it was given to be contradictory, giving mixed results.

Hafiza and Faiza, (2015) did a work to discover the impact of diversify workforce towards performance of organisational with focus into the education sector. In the research, 100 questionnaires were distributed to the faculty members of 5 different universities of Karachi. The result outcomes showed an impact of work diversity on performance in the education sector.

Ensari, Gurel and Alay (2017) investigated whether there is a relation between responding to increasing competition due to globalization and ability to manage changing labor force, 39 questions were asked to ascertain the competition strategy and individual's ability to manage

diversities in 501 workplaces. Response received were loading into the SPSS package program for evaluation. A significant relationship between the management of individual diversities and all competition strategies was found. A positive interaction between cost leadership strategies at the highest level was also found. Also found in the study is a significant relationship between the organizational diversities management and all competition strategies.

#### 3.0 Methodology

The cross sectional survey which is a form of quasi experimental design was used in this study. This design is deemed preferable considering the fact that the variables was not within the control of the researcher. The total population of 847 managers and supervisors was covered in the study. The Krejcie and Morgan (1970) table for sample size determination was used in arriving at a sample size of 265 employees. The systematic sampling technique was utilized in this work. Questionnaire was employed in gathering relevant data for the study. workforce diversity was operationalized in professional diversity and age diversity as identified in Paul and Eketu (2018). Professional diversification was measured using a set of 5 items (e.g. my organization is made up of employees with divers profession), 5 items was further utilised in measuring age diversity (e.g. I think that my age would predict the way I do my job). Again, 5 items were used in measuring product differentiation (e.g. Our brand stands us out from competitors) and 5 items for measuring innovativeness (e.g.This organization is constantly introducing new services in the market). the data was analysed utilizing the spearman rank order correlation coefficient.

#### 4.0 Results and Discussion

From the total questionnaire of 265 copies distributed to the respondents, only 248 copies representing 93.6% copies of questionnaires was retrieved and used for the study. The inquiry was based on 95% level of confidence. The decision role was to reject null hypotheses if P-value was less than .05 and accept when the P-value is above .05.

Table 1 Professional Diversity and Product Differentiation Correlations

			Professional	Product
			Diversity	Differentiation
Spearman's rho	Professional Diversity	Correlation Coefficient	1.000	.528**
		Sig. (2-tailed)		.000
		N	248	248
	Product Differentiation	Correlation Coefficient	.528**	1.000
		Sig. (2-tailed)	.000	
		N	248	248

# \*\*. Correlation is significant at the 0.05 level (2-tailed).

Drawing from the outcome of table 1, the result indicates a linear correlation amongst professional diversity and product differentiation given the P-value was less than level of significant (.000 < .05; rho= .528). The null hypothesis was rejected and the study accepted the alternate hypothesis.

**Table 2 Professional Diversity and Innovativeness** 

#### **Correlations**

			Professional	Innovativeness
			Diversity	
Spearman's rho	Professional Diversity	Correlation Coefficient	1.000	.618**
		Sig. (2-tailed)		.000
		N	248	248
	Innovativeness	Correlation Coefficient	.618**	1.000
		Sig. (2-tailed)	.000	
		N	248	248

<sup>\*\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Based on the result in table 2, it is clear that professional diversity in firms has a noteworthy link with innovativeness given the P-value less than significant level (.000 < .05; Rho = .618). The null hypothesis was rejected and alternate hypothesis was accepted.

**Table 3 Age Diversity and Product Differentiation** 

#### **Correlations**

			Age Diversity	Product
				Differentiation
Spearman's rho	Age Diversity	Correlation	1.000	.118**
		Coefficient		
		Sig. (2-tailed)		.021
		N	248	248
	Product	Correlation	.118**	1.000
	Differentiation	Coefficient		
		Sig. (2-tailed)	.021	
		N	248	248

<sup>\*\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Table 3 revealed the significant positive outcome amongst age diversity and product differentiation. This is owing to the fact that the significant value of .021 was less than .05 level of significant. Thus the hypothesis in null form was rejected and alternate hypothesis was accepted.

**Table 4 Age Diversity and Innovativeness** 

#### **Correlations**

			Age Diversity	Innovativeness
Spearman's rho	Age Diversity	Correlation Coefficient	1.000	.422**
		Sig. (2-tailed)		.001
		N	248	248
	Innovativeness	Correlation Coefficient	.422**	1.000
		Sig. (2-tailed)	.001	
		N	248	248

<sup>\*\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

The outcome in table 4 revealed that P-value of .001 was less than .05 significant value and the rho-value of .422 show a linear correlation amongst age diversity and innovativeness. Therefore, the hypothesis in the null form was rejected and the alternate hypothesis was accepted.

# **Discussion of Findings**

The diversity among the workforce enhances divers talent in the work place. Considering the outcome of the analysis, result indicated that the diverse dimensions of workforce diversity positive correlated with competitiveness of SMEs. The detailed discussion is given as follows;

#### **Professional Diversity and Product Differentiation**

The result of the bivariate analysis revealed that there is a noteworthy correlation existing between professional diversity and product differentiation in SMEs in Rivers state. The P-value of .000 which was less than .05 level of confidence, indicated that there is a noteworthy correlation among the variables. Furthermore, the correlational value of .528 indicated that there is a substantial linear correlation amongst professional diversity and product differentiation. This denotes that increasing professional diversity in the SMEs will subsequently help boost the product differentiation of the firm. Additionally, the coefficient of determination (r²) is 0.278. This indicated that 28% total variation in product differentiation in SMEs can be explained by the extent of professional diversity in the firm. Thus, the ability of the firm to search for employees that are characterized by relevant professional diversity will help create and enhance perceived product differentiation of the firm. This study aligns with that of Joy and

Continue (2018) which observed that professional diversity does substantially correlates with the survival of organizations. This implies that organizations that pay attention to professional diversity are able to harness the professional peculiarity of the employees to drive the organization towards achieving optimal performance. Furthermore, professional diversity help organization to tackle different challenges that could have posed threat to the firms wellbeing. Professional diversity help enhance the capability of firms in delivering product that are of superior quality to customers which will subsequently help boost the firm's performance and wellbeing.

### **Professional Diversity and Innovativeness**

Innovativeness is paramount and of high essence in enhancing the firms stand in the industry. The outcome of the bivariate analysis denote that the P-value is less than level of significance (.000 < .05). This implies that professional diversity is considerably related with innovativeness of SMEs. The rho value of .618 shows a strong noteworthy correlation between professional diversity and innovativeness. This is to say that the higher the rate of professional diversity, the higher the innovativeness in the firm. Professional diversity enables the different employees to bring in their talent to bear and thus enhance the innovativeness of the firm. Furthermore, the coefficient of determination ( $r^2$ ) was 0.382. This denotes that 38% total variation in innovativeness of SMEs in Rivers state, can be accounted for by the extent of professional diversity in the organization. This study concord with the finding of Ensari, Gurel and Alay (2017) that observed that the management of group diversity relates positively with competitiveness of organizations. The finding shows that individual diversity in the organization help enhance the competitiveness of organization. Firms with a diverse workforce in terms of professional diversity are able to build synergy through the harnessing of their professional expertise and as such help enhance the competitiveness of the organization.

# **Age Diversity and Product Differentiation**

The result of the bivariate analysis on how age diversity relates with product differentiation shows that age diversity has a substantial positive correlation with product differential. This is owing to the fact that the P-value of .021 was less than the level of significance. The correlation value (r) was .118. This shows that there is a weak positive correlation existing between age diversity and product differentiation of SMEs in Rivers state, Nigeria. This shows that age diversity has a weak positive correlation with product differentiation. Ability of SMEs to attract and retain employees with age diversity will positively influence the firms level of creating product differentiation in what they offer to the market which could thus influence their competitiveness in the industry. The coefficient of determination (r²) was 0.014. this by implication denotes that 1.4% total variation in product differentiations in the SMEs can be accounted for by the age diversity in the organization. this study disagrees with that of Doris, Mary and George (2016) which maintained that workforce diversity in terms of age may adversely affect the competitiveness and performance of organization. Employing workers of divers age and generation has a positive bearing with the creative ability of firms. Firms that are

able to bring employees of different age are able to enhance their product differentiation ability which could thus help enhance their competitiveness in the industry. Younger employees are creative and like trying out new idea, as such, firms that are characterized by age diversity, stand the chance of attaining higher competitiveness in the marketplace.

# **Age Diversity and Innovativeness**

Drawing from the analysis in table 4, the outcome denotes that there is a significant positive relationship existing amongst age diversity and innovativeness with P-value of .001 which was less than .05 level of significance. This implies that when age diversity increases in the SMEs, such results in the increase in innovativeness. The correlational value (r) of .422 shows that there is a moderate linear correlation amongst age diversity and innovativeness among SMEs in Rivers state, Nigeria. The moderate correlation indicated that age diversity moderately enhances the innovativeness of SMEs. Increasing age diversity help boost the innovative capability of firms. The coefficient of determination (r2) was 0.178, this denotes that 18% total variation in innovativeness in the SMEs can be accounted for by the extent of age diversity in the workforce. This study aligns with that of Hafiza and Faiza, (2015) which noted that workforce diversity does impact the performance of the firm. The finding also agree with that of Paul and Eketu (2018) which observed that age diversity relates significantly with innovativeness.

#### 5.0 Conclusion and Recommendation

Organizational competitiveness is paramount in enhancing the wellbeing and survival of SMEs in Rivers state, considering the ever changing and unquantifiable nature of the environment of business, firms that are able to compete favourably, are most likely to take the lead in the industry. Employees in the organization are key resource that help drive the progress and success of the firm. The competitiveness of the SMEs is influenced by the profession diversity among the employees. When a firm attract employees that have diversity in the area of their profession, such knowledge is brought into manifestation in the workplace which thus enhances the competitiveness of the firm. Enhancing the professional diversity in the workplace, help enhance the product differentiation and innovativeness of the firms. This is to say that any firm where there is professional diversity, such firms are most likely to outperform their rivalries in the industry. The age diversity in the organization create room for various employees of generation Y to be included in the workforce. Most of these employees are highly creative and innovative which could thus help boost the firms competitive position in the industry. Workforce diversity is thus essential in enhancing the competitiveness of SMEs which could thus help boost the organizations position in the industry. Conclusively, organizations that have a highly diverse workforce in terms of professional diversity and age diversity, are able to boost product differentiation and innovativeness in the organization which could thus enhance the competitiveness of the firm in the industry. Drawing from the outcome of the analysis and the conclusion, the following recommendations are proffered;

- i. The owners and managers of the small and medium enterprises should ensure that employees of diverse profession are employed in the organization in order to enhance the competitiveness of the organization.
- ii. The managers of the SMEs in Rivers state should ensure employees of divers age group are employed in the organization as such could help enhance innovativeness in the organization.
- iii. The management of the SMEs should embrace a culture that is diversity tolerance as such will help enhance the competitiveness of the organization.
- iv. The management of the SMEs should ensure that employees of different generation are employed in the organization as such could help create an environment that fosters innovativeness thereby enhancing the competitiveness of the firm.
- v. The management of the SMEs should employ workers that are innovative and creative as such will help enhance the competitiveness of the firm.

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