

An Empirical Study on the Influence of Cultural Diversity on Organisational Effectiveness in Zambia: A Case of ZANACO Bank, Kitwe District.

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ABSTRACT

In a rapidly globalizing corporate landscape, effectively managing workplace diversity is crucial for organizational competitiveness. This empirical study examines the influence of cultural diversity on organizational effectiveness within the Zambian financial sector, focusing on the Zambia National Commercial Bank (ZANACO) in the Kitwe district. Grounded in Social Identity Theory and the Information and Decision-Making Perspective, the research aimed to determine the relationship between cultural diversity management, employee interaction, and overall employee performance. A descriptive research design utilizing a quantitative methodology was employed. Data was collected through structured questionnaires distributed to a stratified random sample of employees across four ZANACO branches, achieving an 80% response rate with 80 valid responses from a target of 100. The research instrument demonstrated high internal reliability, yielding an overall Cronbach's alpha of 0.882. Thematic and descriptive analyses were supplemented by inferential statistics using the Statistical Package for Social Sciences.

According to the results, the majority of employees said that their encounters with people from different cultures had improved their communication skills, which they felt were good. There were a few subtle clues that communication and engagement are problems that require investigation. The findings showed that improved interaction and communication among staff members improves their comprehension of other stakeholders. The Pearson correlation analysis revealed a strong, positive, and statistically significant relationship between strategic cultural diversity management and employee performance ($r = 0.714$, $p < 0.01$). Furthermore, improved cross-cultural interaction strongly correlated with enhanced workplace communication ($r = 0.680$, $p < 0.01$). The findings suggest that when management fosters cultural awareness and mitigates stereotyping, diversity acts as a strategic asset that enhances comprehension of stakeholder needs and daily functional responsibilities. The study recommends implementing formalized cultural diversity policies, restructuring work teams to maximize multicultural integration, and establishing regular social events to strengthen employee connections. While the findings are limited by organizational and geographic specificity, they provide critical empirical evidence that effectively managed cultural diversity directly drives organizational effectiveness in the Zambian banking sector.

Keywords: Cultural diversity, organizational effectiveness, diversity management, employee performance, ZANACO Bank, social identity theory.

INTRODUCTION

The term "diversity" basically encompasses the variety and differences within a group (Nile and Dyer, 2004). This includes individual differences such as ethnicity, age, religion, disability status, location, personality, sexual orientation, and various other personal, demographic, and organizational traits (Herring, 2009). Therefore, diversity is a broad concept that includes people from diverse backgrounds (Herring, 2009). While mutual respect is the cornerstone of workplace diversity, accommodating the attitudes and opinions of each diverse employee can be a significant challenge for companies, making diversity management difficult (Ashton, 2010). Employee work restrictions such as race, religion, and culture can be burdensome at times, especially if the organization's diversity is so great that the firm needs to hire a full-time staff to keep track of the employees' requirements (Dike, 2013). In instances where it is a sacred day, some Muslim workers may opt not to work on Fridays, and it is the responsibility of employers to arrange for alternative coverage as needed.

It is crucial for any forward-thinking company to continuously explore methods to acknowledge and adapt to these shifts. Modern successful businesses must understand that diversity, rather than uniformity, is the key to innovation and competitive edge. As Sales (2010) suggests, organizations need to strike a balance between these distinctions rather than viewing them as discrepancies to be minimized. Sales (2010) emphasized the importance of nine key methods through which an organization, due to its diverse staff, can gain a competitive edge over its competitors. The presence of diversity within organizations can lead to improved problem-solving abilities, enhanced communication, and increased adaptability to market changes and innovation. Additionally, cultural diversity significantly contributes to the complexity of diversity, making it crucial for organizations to thoroughly comprehend the variations and diverse cultures present within their workforce. Hence, the need for this study.

Problem Statement

Corporate financial accountability is a key requirement for the effective operation of Many companies are no longer competing solely with each other, but are now facing competition from global companies. This shift requires some companies to develop improved strategies for managing their businesses. These strategies should focus on enhancing the significance, creativity, and competitive edge of these companies. Marler and Fisher (2013) suggest that organizations can accomplish this by implementing Strategic Human Resources Management (SHRM). According to Marler and Fisher (2013), strategic human resource management involves aligning the organization's human resources to support its overall vision. One of the key strategic HR issues is Diversity Management, which many organizations prioritize in order to leverage cultural differences and achieve their primary goals.

METHODOLOGY

This study adopted a descriptive research design utilizing a quantitative methodology to examine the influence of cultural diversity on organizational effectiveness. The target population consisted of employees across ZANACO Bank branches in the Kitwe district. To ensure a high degree of accuracy and representativeness, a sample size of 80 employees was determined using Sloven's formula.

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

at a 95% confidence level and a 5% margin of error. Questionnaires were distributed to 100 targeted employees to maximize reach, and 80 valid, fully completed questionnaires were successfully retrieved. This yielded a robust and statistically justified response rate of 80%.

A stratified random sampling technique was applied to divide the population into specific branch strata. This approach was chosen to ensure proportionate representation across different operational environments within the Kitwe district, thereby minimizing sample selection bias and ensuring smaller branches were not underrepresented. Primary data was collected using structured and unstructured questionnaires.

To ensure methodological rigor, the reliability of the survey constructs was tested using Cronbach's alpha in the Statistical Package for Social Sciences (SPSS 20.0). The analysis confirmed that the instrument was highly reliable, yielding an overall alpha coefficient of 0.882, which is well above the acceptable threshold of 0.70 for social science research. Following this reliability confirmation, raw data was captured in both Microsoft Excel and SPSS 20.0 for thematic and descriptive analysis.

Empirical Research

The Positive Impacts of Cultural Diversity

A substantial body of literature highlights cultural diversity as a catalyst for organizational competitiveness and innovation. Studies indicate that culturally diverse workplaces benefit from higher output, enhanced creativity, inspiration, lower employee turnover, and fewer interpersonal conflicts. Baleviciene (2021) and Kamales and Knorr (2019) demonstrated that cultural variety fosters flexibility, advanced problem-solving, and the generation of new insights. Furthermore, Oduro et al. (2019) found that effectively managing cultural diversity directly affects an organization's ability to achieve its goals and maintain competitiveness. In the context of team

development, employees often view cultural diversity as a major asset that equips them with a variety of complementary skills. At a sectoral level, Nyagadza et al. (2022) found that inclusivity and cooperation among culturally diverse employees help reduce employment discrimination and improve overall operational impartiality. Additionally, foundational studies like that of Curry and Kkolou (2004) highlight that teamwork fueled by diverse cultural variables significantly improves customer relations outcomes.

The Challenges and Drawbacks of Workplace Diversity

Despite its benefits, cultural diversity introduces significant operational challenges if not properly integrated. Don-Solomon and Fakidouma (2021) observed that workforce diversity can have distinct drawbacks depending on how management governs the workforce. Baleviciene (2021) noted that diverse environments raise the possibility of disagreements, conflict, and even harm to an organization's reputation. One of the primary operational hurdles is the impediment to idea sharing; Masanja and Mwita (2021) found that cultural differences can obstruct communication, leading to stress and disillusionment within teams. Furthermore, Miminoshvili and Černe (2022) revealed that when minorities face workplace exclusion, linguistic obstacles, or biased attitudes, they often engage in knowledge-hiding behaviors, which severely hampers their ability to innovate or generate new ideas. Demographic factors also heavily influence employee satisfaction and performance in diverse settings. For instance, Qiaoxin and Liswandi (2018) demonstrated that while gender has little bearing on contentment, factors like religion, language, and age have a profound impact. Similarly, Mecheo (2016) found that religion can have a deleterious impact on specific productivity metrics, even while positively influencing job devotion.

Strategies for Managing Cultural Diversity

The consensus across recent empirical reviews is that the outcomes of cultural diversity—whether positive or negative—are heavily dependent on the presence of robust management strategies. Areiqat et al. (2020) and Celikdemir and Katrinli (2020) argue that management must possess specific intercultural managerial expertise to address racial disparities and provide the company with a competitive edge. To effectively lead a multicultural workplace, managers need traits such as cultural competency, intercultural awareness, and high interpersonal intelligence. Practical management interventions are also critical. Baleviciene (2022) identified key organizational activities necessary to guarantee functional diversity, including strategic communications, eligibility screening, integrating multiple cultures, and diversity advocacy. Moreover, Inegbedion et al. (2020) emphasized that managing the opinions of marginalized employees and actively resolving cultural conflicts are paramount for ensuring effective diversity implementation and enhancing overall organizational effectiveness.

Research Gap

While the synthesized literature confirms that cultural diversity impacts organizational effectiveness globally and regionally, there remains a distinct scarcity of empirical literature focusing on the Zambian corporate landscape, particularly within the financial sector. Furthermore, as noted by Abugre and Debrah (2019), many existing studies neglect to investigate how specific demographic variables, such as the educational attainment or age of employees, moderate the relationship between cultural diversity and organizational performance indicators. Most studies treat diversity as a general concept without exploring its constituent parts within a localized, developing-economy context. Therefore, a critical research gap exists regarding the specific mechanisms of cultural interaction, stereotyping, and diversity management strategies within Zambian commercial banking. This study addresses this gap by providing primary, empirical evidence from ZANACO Bank in Kitwe District, systematically investigating how these culturally diverse dynamics influence employee performance and organizational effectiveness.

Theoretical Foundations

According to definitions, "culture" describes a stable set of attitudes, beliefs, and behaviours within a society. On the other hand, "Organisational culture" refers to the extension of culture into organisations. As a result, businesses and the people who work for them function in a particular sociocultural environment. Due to globalization, employers are hiring individuals from a wider range of sociocultural backgrounds, which has increased cultural diversity within the organisation (Hofstede, 2001).

Culture as consisting of three levels:

- (1) Behaviours and artefacts: this is the most manifest level of culture, consisting of the constructed physical and social environment of an organization.
- (2) Values: being less visible than are behaviours and artefacts, the constituents of this level of culture provide the underlying meanings and interrelations by which the patterns of behaviors and artefacts maybe deciphered.
- (3) Basic assumptions: these represent an unconscious level of culture, at which the underlying values have, over a period of time, been transformed and are taken for granted as an organizationally acceptable way of perceiving the world. By this definition, basic assumptions are also the most difficult to relearn and change.

In a workplace with a diverse workforce, team building, worker productivity, and communication have been recognised by a number of organisations, including ZANACO, as critical performance metrics. In a multicultural company, management uses team building as a critical strategy to increase efficiency. In addition to promoting a healthy work environment, effective team building can assist an organisation in realising its vision and mission. Contrarily, according to Barcenas, employee productivity is the quantity of work (or output) a worker produces in a given amount of time. Employees Productivity boosts the overall efficiency of an organization (Mecheo, 2016).

Diversity is often understood by most people to mean appreciating and honouring individual differences in things like culture, ethnicity, and religion. Bell (2012) characterises diversity as actual or perceived distinctions between individuals based on their race, ethnicity, sex, age, family status, religion, weight, appearance, and other identitybased characteristics that influence their relationships and interactions. Cole and Kelly (2011) state that there appear to be two main methods for characterising workforce diversity:

According to the first, limited perspective, workforce diversity is solely associated with equal employment opportunities. Usually, classifications of race, colour, religion, sex, and national origin are adopted by the narrow perspective. The second contends that workforce diversity is a larger term that incorporates all the ways in which people can be diverse. Organisations are realising that diversity may be seen as a resource that can provide them a competitive edge (Weiliang et al., 2011). Most organisations that value diversity have highly motivated personnel that are constantly willing to perform to the best of their capacity, in order to boost productivity and profitability (Chuah, 2013).

Diversity is so delicate and emotional, according to Dahm (2003), that businesses must take it seriously and use it as a tool to improve. Sales (2010) adds credence to Dahm's declaration by stating that diversity can improve a company's performance in ways that cannot be achieved in other methods if it receives enough attention. These days, businesses are adopting a broader definition of diversity that takes into account a range of distinctions that affect how workers approach their jobs, engage with one another, find fulfilment in their work, and define their own identities in the workplace.

According to Scheider and Northcraft (2011), culture is a complex, multifaceted idea that may be studied at a wide range of levels, including the international, national, regional, business, and organisational. Every person is typically influenced by a wide range of cultural factors, including those that are national, organisational, and ethnic. Racial, sexual, organisational, professional, and national heterogeneity are among the categories of cultural variety that are frequently employed (Berry & Sam, 2013). The range of national cultures among team members is the concept of cultural diversity in this context.

Organisational cultures have seen so many changes that it is now essential for managers and executives to comprehend cultural diversity and how it may impact their company. Cultural variety is defined as the presence of individuals with significantly various culturally significant group connections within a single social system (Scheider & Northcraft, 2011).

Race, ethnicity, sex, socioeconomic class, religion, nationality, and sexual identity are among the demographic characteristics in this study that influence cultural identity. Scheider and Northcraft (2011) suggest that cultural identities are derived from belonging to diverse socio-cultural groupings. They are frequently linked to certain

bodily characteristics (like skin tone), biological characteristics (like genitalia), or stylistic characteristics (like attire), albeit these can be more or less identifiable based on an individual's preferences regarding whether and how they want to be recognised by others.

According to their theory Scheider and Northcraft (2011), people that belong to the same cultural identification group typically have similar goals, values, norms, worldviews, and sociocultural histories. Communication patterns, norms, common understanding, and even dialects or languages, which others may or may not identify as culturally related can all be used as symbols of these kinds of groupings.

Simpson and Yinger (2013) propose that cultural identities are linked to certain power positions within society, resulting in the relative dominance, prestige, and status of different cultural identity groups. These authors provide the following instances to bolster their agreement: In Western society, white people are more powerful than people of colour, Christians are more powerful than Jews, presumed heterosexuals are more powerful than gays, lesbians, and bisexuals, and the middle and upper classes are more powerful than the working and lower classes. Men also hold more formal positions of organisational and political power than women as a group.

The allocation of power among cultural identity groups, both inside the business and in the greater community is crucial to how individuals think, feel, and behave at work (Hogg, van Knippenberg & Rast 2012). Similar to this, Hogg, Knippenberg, and Rast (2012) contend that a large portion of the consequences we associate with belonging to specific identification categories, like race or sex are actually caused by the status or value that our society assigns to those groups. Status differentials in organisations, according to Ely, Padaric, and Thomas (2012), are challenged when members of higher-status identity groups are not perceived as having a particular relative status within the organisation, and they are reinforced when they are disproportionately represented in positions of authority. This in turn impact one's expectations and behaviours (Ely, Padaric & Thomas, 2012).

Simpson and Yinger (2013) emphasize that the general stance of these theories, that in order to comprehend the effects of cultural diversity in work groups, one must take into account the relative power positions of cultural groups both inside and outside of the organization, is supported by empirical evidence demonstrating differential impacts of race and sex as a function of the social status accorded to different race and sex groups. The demographic variables of interest in this study are framed as components of cultural identity, whose meaning and consequences are socially constructed and dynamic. This allows one to think about how various work group conditions might affect whether and how cultural diversity affects the functioning of work groups.

The characters in cross-cultural work are anchored in organisational contexts, which significantly influence the dynamics, thus the cultural makeup alone does not define the outcome. Reciprocally, the knowledge of the organizational dynamics cannot dispose of the varied cultural worldviews through which actors give meaning to social situations (Culture & Diversity in the Workplace 2013).

Social Identity Theory

Social Identity Theory, originally formulated by Tajfel and Turner (1979), posits that individuals cognitively categorize themselves and others into various social categories, such as organizational membership, age, gender, and cultural background. This categorization process leads to the formation of "in-groups" (groups to which an individual belongs) and "out-groups" (groups to which they do not belong). In the context of workplace diversity, this theory provides a foundational understanding of how employees perceive and interact with colleagues from different cultural backgrounds. Social Identity Theory is highly relevant to this study as it explains the psychological mechanisms behind cultural tolerance, stereotyping, prejudice, and discrimination within an organization. When employees strongly identify with their specific cultural in-group, it may lead to intergroup bias, negatively affecting communication, teamwork, and networking. Conversely, effectively managing these dynamics by fostering a superordinate organizational identity such as a shared corporate identity among employees at ZANACO Bank can mitigate conflict, reduce resistance to change, and enhance positive workplace interactions.

The Information and Decision-Making Perspective

The Information and Decision-Making Perspective, widely discussed in organizational diversity literature by scholars such as Williams and O'Reilly (1998) and Cox and Blake (1991), argues that diverse workforces offer

a strategic advantage by bringing together a wider array of task-relevant knowledge, skills, perspectives, and experiences. Unlike homogeneous groups, culturally diverse teams have access to a broader network of information and cognitive approaches, which enhances problem-solving capabilities, creativity, and innovation. This perspective directly underpins the current study's focus on the relationship between cultural diversity and organizational effectiveness. It supports the premise that an effectively managed diverse workforce can lead to a higher level of productivity, a richer exchange of ideas, and improved learning and growth among employees. By integrating various cultural viewpoints, organizations are better equipped to understand diverse stakeholder needs, communicate effectively across markets, and make more robust organizational decisions, ultimately driving competitive advantage and sustained success.

Understanding Culture together with Diversity

Certain terms, such as diversity and culture, are employed interchangeably in many contexts without a clear knowledge of their meanings, claim Berry and Sam (2013). Many people use the same phrases to describe certain circumstances, but they don't comprehend what they imply. When asked to define diversity, people tend to link it with differences since they don't realise that diversity may also refer to parallels between objects or people. Common beliefs, morals, traditions, and behaviours give rise to cultures, which are then transmitted from one generation to the next via education. People in communities and workplaces can collaborate if they have a mutual understanding of one another's cultures. Prejudice and discrimination may result if it isn't the case (Culture & Diversity in the Workplace 2013).

This occurs during a process known as cultural exchange, in which people from other cultures exchange cultural experiences and engage in interactions that broaden their understanding of other cultures. In order to reduce miscommunication, the first goal of this activity is to help people and their counterparts have a solid grasp of their cultures and learn to appreciate such differences (Gill et al., 2012). A group of individuals who identify with a certain culture share cultural elements of behaviour, such as the language they speak, the religion they practice, the values they uphold, and the standards and conventions they have learnt from childbirth. (Workplace Diversity & Culture, 2013).

Cultural Diversity Climate Factors

The two most talked-about climate factors that are typical in most organizations are listed below:

Prejudice and Discrimination

According to Simpson and Yinger (2013), prejudice is a form of attitudinal bias and a way to make assumptions about something or someone based on a particular trait. It is commonly known as hostility against particular groups and their members. Additionally, he says that prejudice against an individual based on that individual's group identity is known as discrimination. This prejudice stems from what someone hears and assumes about a certain individual without knowing or experiencing it firsthand. Furthermore, according to Simpson and Yinger (2013), this usually refers to attitudes that are primarily negative, have a tendency to separate people, and have an impact on how they interact and communicate in any given setting. According to Colella and Dipboye (2012), discrimination is defined as an unjust behavioural bias directed against another individual. Additionally, according to these writers, discrimination may be more about how one feels about a person, particularly their identity. People with more similar personality types are more likely to discriminate and bias, according to research by Colella and Dipboye (2012). This is because to their belief that these people are unique and do not fit into their group. These authors also discovered that dominating personalities are not tolerant, or if they are, it is to a lesser extent towards group members if they are biased and discriminatory.

When there seems to be a double standard regarding acceptable behaviour, individual behaviours need to be questioned. Employees and subordinates alike will likely find it difficult to trust a leader who demonstrates prejudice or discrimination (Shih et al., 2016). The subordinate's motivation and drive to be productive will then be impacted by this. According to Shih et al. (2016), relationships between people should be founded on trust and free from bias or discrimination. As a result, these opinions greatly influence how people interact and treat one another. The study by Shih et al. (2016) also shows that communication is considerably simpler when two people have a same culture, as compared to the one of different culture.

Stereotyping

Stereotyping, according to Colella and Dipboye (2012), is the process by which people are perceived as belonging to groups and the knowledge that they have about the group is attributed to them. Therefore, the focus here is on group identity categorization processes and the presumed characteristics of these categories, whereas the focus in prejudice is on attitudes and emotional responses to individuals. Stereotypes are not effective in decision-making, but generalizations which are sometimes perceived negatively (Martin et al., 2014). Usually, they are misrepresentations and errors stemming from incorrect presumptions and flawed analysis. Therefore, in order to value diversity, one must understand what stereotyping is and base their opinions about

group characteristics on trustworthy data and information while acknowledging that there are intra-group distinctions (O'Reilly, 2012).

When embracing diversity, we also need to keep in mind that stereotypes are an assessment of differences rather than just an acknowledgement of them. This assessment is typically viewed negatively. Lee and Jeyaraj (2013) state that organisations struggle with how to accept differences in a constructive way. Stereotyping in organisations can lead to power disputes and job conflicts.

For instance, many people perceive status incongruence when women, who historically have had a lesser social standing than men, are assigned to high management roles. Power disparities within an organisation and issues in the leader-subordinate relationship may result from this. Members of minority groups may find it challenging to influence organisational decision-making processes as a result of this (Young, 2012). Furthermore, when a person's expected roles outside of work clash with their workplace expectations, role conflicts may occur.

Cultural Diversity in the Workplace and its Societal Dimensions

It would be possible to appropriately perceive people, improve exposure to, and learn more about a diverse population if biases were viewed logically, claims Mor Barak (2013). Diverse viewpoints and new information can be a source of creativity and flexibility (vanDyne, 2015). If individuals of an organisation recognize the strategic resource potential of diversity, then experiencing more creativity and innovation can foster better intergroup interactions and a commitment to change. Diversity may gain traction or fall victim to inertia as it develops into a learning tool that shapes future change. People are more likely to accept diversity in behaviour and help it be implemented with more concentration, perseverance, and effort if they think it fosters creativity and learning. Positive attitudes and emotions can counter dysfunctional reactions and create upward spirals through contagion (vanDyne, 2015).

According to Klarsfeld (2014), a new interpretive scheme is created when all the components change since this results in new communal schemas, values, and beliefs regarding variety. This would have an impact on how the company handles unforeseen consequences and future results. For example, rather than being a problem, intergroup conflict can be seen as substantive and a source of discussion and disagreement. If an organisation develops resilience, the capacity to recover from waning diversity change by drawing lessons from the past, it will become clear how to maintain diversity change. The fresh viewpoint, information, and concepts that variety brings can be a source of creativity and knowledge (Klarsfeld, 2014).

Organisations are now recognizing the value of diversity and using "change management," which Dowson et al. (2013) define as the management of organisational features and functions, including strategies, structures, systems, processes, people, and culture, to continuously renew the organization's capabilities and directions to meet the constantly shifting needs of the workforce, the organisation, and the marketplace. Again, diversity may be demonstrated via the example of South Africa. A deeper comprehension of cultural parallels and contrasts is one benefit of realising the importance and strength of cultural diversity (Thomas, 2012). Effective communication can increase decision-making and team performance on challenging tasks, which can result in better teamwork. An organisation may eventually get a competitive edge in the market as a result of this (Culture & Diversity in the Workplace, 2013).

Effects of Cultural Diversity on Employee Performance

According to Young (2013), employee performance and cultural diversity both have several positive effects on

the workplace. The idea that a corporation with varied staff has a better grasp of the global economy is one of the main tenets of diversity (Klarsfeld, 2014). According to *Culture and Diversity in the Workplace* (2013), employers stated that their varied organisations gain from a range of perspectives, increased productivity, and profit because of corporate cultures that motivate workers to provide their best effort. Additionally, employers might see the benefits of workplace diversity right away. Customers from foreign countries or those who speak different languages can need customer support in their native tongue. Success in fields like marketing and advertising depends on understanding what customers from various backgrounds desire. Kristinsson (2011) expressed the following advantages of having a culturally diverse workforce: a. High level of Productivity

Any employee, regardless of their cultural background, will have a sense of belonging to the company when management prioritizes their well-being by providing them with appropriate pay, health benefits, and employee appraisals. They consequently continue to be devoted and diligent, which boosts the business's output and earnings. Other cultures have a tendency to both inspire and push people, which leads to them performing to the best of their abilities and beyond.

b. Exchange of varieties of ideas and team work

A team can work at a faster speed than an individual handling several duties. In order to efficiently arrive at the best solution in the shortest amount of time, each team member contributes distinct ideas and a unique perspective during problem solving. Some people from different cultures are workaholics, while others enjoy taking responsibility for their job and some even think that one should not leave the office before finishing a task. These kinds of attitudes spread to other members and become ingrained in the culture (Kristinsson, 2011).

c. Learning and growth

Diversity in the workplace fosters personal development for employees. Exposure to many cultures, ideas, and viewpoints can help employees expand their horizons intellectually and gain a better understanding of their role in the world and, consequently, their own surroundings. Teams will undoubtedly be challenged to execute to the best of their abilities since diverse cultures bring with them varied work ethics. Because diverse cultures operate differently, hold different opinions, and approach problems in different ways, team members can grow as individuals as a result (Kristinsson, 2011).

d. Effective Communication

By improving communication, workplace diversity can significantly improve a business's interaction with a particular consumer base. Customers from a certain area or location can be paired with customer service representatives to help them feel comfortable with the representative and, consequently, the business. Improved knowledge of tasks and the ability to produce the necessary output more quickly and efficiently are two benefits of improved communication among varied people (Kristinsson, 2011). e. Diverse Experience

When working in teams or on group projects, coworkers from various backgrounds provide some special perspectives and experiences. By enhancing the team's responsiveness and productivity to adjust to changing circumstances, combining the varied expertise and abilities of culturally diverse workers can greatly benefit the business (Kristinsson, 2011).

Challenges of Diversity in the Workplace

There are obstacles in the way of fully reaping the rewards of diversity in the workplace. The following list includes a few of the difficulties that arise from workplace diversity. Organisations should not ignore these issues since they have a big influence on their efficiency and output (*Culture & Diversity in the Workplace*, 2013). a. Communication

Young (2013) asserts that a significant language barrier associated with cultural diversity may make it more difficult to collaborate towards a shared goal. The success of diversity programs depends on overcoming linguistic, cultural, and perceptual obstacles. Confusion, a lack of teamwork, and low morale are the outcomes of ineffective communication of important goals. This might affect how outcomes are perceived and cause the

company to lose a lot of customers and revenue (Culture & Diversity in the Workplace, 2013). b. Resistance to change

Change is brought about by cultural variety because it forces workers to work together and develop a shared understanding. There are always going to be times when workers don't want to acknowledge that their workplace's social and cultural composition is shifting. According to Mor Barak (2014), the "we've always done it this way" mentality stifles innovation and impedes advancement. This way of thinking can also lead to a lack of confidence and ambiguity about every move or advancement that businesses make.

c. Implementation of diversity in workplace policies

It is challenging for businesses to develop uniform rules to accommodate a highly diverse workforce, claims Klarsfeld (2014). Those that support diversity may find this to be an insurmountable obstacle. Diversity advocates must therefore develop and put into practice a tailored plan to optimize the benefits of workplace diversity for their specific organisation, armed with the findings of employee assessments and research data. d. Successful Management of Diversity in the Workplace

It can be challenging for the same people who are attempting to address the issue of cultural diversity to handle it as they may be dealing with the same problem among themselves. The effectiveness of an organization's diversity management strategy cannot be determined solely by diversity training. To establish a culture of diversity that permeates all organisational departments and functions, a plan must be developed and put into action (MorBarak, 2013).

Communication and Networking of Employees at Workplace

The variables that hinder effective communication, according to Emuze and James (2013), are perception disparities, snap judgements, stereotyping, ignorance, disinterest, and challenges with self-expression and emotions. Verwey and Du Banks (2014) concur with the aforementioned and add that a lack of drive for successful communication causes people to rely on stereotypes to interpret previous conduct and predict future actions. People are less psychologically sympathetic to one another's restrictions and working conditions when they don't interact directly. Parties ought to be given the chance to talk about how they see one another and figure out how to clear up any misunderstandings (Young, 2012).

According to the aforementioned research, implementing intergroup mirroring with the help of a qualified facilitator is one strategy to lessen the influence of some of these elements. The goal is for the opposing factions to voice their opinions, talk about their differences, and then come up with ways to patch things up. Since team member happiness is a crucial objective of total efforts, Young (2012) views it as being equal to productivity. He goes on to explain that managers have a big impact on how happy and productive their relationships with teams are.

Cultural Diversity Management

Cultural diversity management is a strategic approach to human resource management, according to Mor Barak (2014). It is backed by certain programs, activities, and tools and aims to integrate and enhance diversity, which includes both job-related and physical diversity displayed by personnel of an organisation. Diversity management, according to Banks (2014), is the organisational commitment to hire, maintain, reward, and advance a diverse workforce that includes women, individuals with disabilities, and Afro-Americans. With a revised definition, the authors point out that diversity management is a varied approach to human resource management that aims to establish an inclusive workplace and is optional because it is not mandated. Cultural diversity management encourages everyone to participate in work-related activities, supports each employee's unique qualities, and uses such qualities as a strategic lever (Berry, 2013).

According to VanDyne (2015), this management style is one that values each employee based on their individual traits, background, and unique contribution in order to foster better communication and relationships and help them collaborate more effectively. Speaking of cultural diversity management entails realising that people differ from one another and that these differences can be a great asset for businesses to achieve greater results if they are handled well (Moran et al., 2014).

In light of this, it is necessary to update conventional methods and procedures for managing human resources as well as for recruiting, retaining, and inspiring women and members of ethnic minorities (Moran et al., 2014).

Managing a multicultural and multiethnic staff has become increasingly important in businesses. Respecting each group's customs, cultures, and educational backgrounds is essential to managing diversity. Although it is essential to comprehend the similarities and differences across the organization's diversity groups, it is crucial to address senior management variances first since they may have an impact on the culture of the company (Wangen & Winchester, 2013).

Market diversification is another feature of a multiethnic society. A multiethnic market with diverse wants is likewise produced by a multiethnic society. Businesses need to understand that diversifying their marketing and advertising efforts is essential. This is yet another situation when having a diverse workforce greatly enhances competitiveness. Indeed, a diverse staff may swiftly develop various advertising techniques to attract the attention of the multicultural and multiethnic public and satisfy the multiethnic market (VanDyne, 2015). Additionally, a diversified workforce can provide a multicultural public with superior ideas for goods and services (Wangen & Winchester, 2013).

Managing Cultural Diversity in the Workplace

Successful managers understand that building a diverse and successful staff requires a set of abilities. First and foremost, managers need to be aware of issues like prejudice and the repercussions of it. Second, managers need to be aware of their own preconceptions and cultural biases. Diversity is about individual differences rather than differences between groups. Every person is different and does not speak for or represent a specific group. Last but not least, managers need to be prepared to let the company go through change management if needed (Morais, 2014). To succeed in the future, organisations must learn how to handle workplace diversity (Bindu, 2015).

As it mostly relies on the manager's capacity to comprehend what is ideal for the organisation based on teamwork and workplace dynamics, there is regrettably no one formula for success in this area. Morais (2014) asserts that managing diversity is an all-encompassing procedure for establishing an inclusive workplace. An excellent manager should prioritise personal awareness while building a successful diversified workforce. Managers and employees alike must be conscious of their own prejudices. Because a one-day training session won't alter people's behaviour, organisations must create, implement, and sustain continuous training. Additionally, managers need to realise that equality is not always the same as fairness. Affirmative action and fair employment opportunities are only two aspects of managing diversity (Globalisation & Business, 2013).

While encouraging change, managers should anticipate that it may happen slowly (Prause 2015). Fostering a "safe" environment for colleagues to speak is another essential necessity when addressing diversity (Moran 2014). Conversation starters include social events and business meetings where all participants must listen and have an opportunity to speak. To give associates access to opportunities and knowledge, managers should put in place rules like mentoring programs. Additionally, colleagues should always be given the critical, helpful, and required feedback they need to learn from their mistakes and accomplishments (Wambui, 2013).

a. Communication:

Accurate and timely information delivery is essential for productive work and team performance. This is especially crucial when a project, for example, is having problems and requires quick fixes. However, people's reactions to terrible news varied depending on their cultural background. While people from other cultures might overstate it, people from some Asian cultures are reluctant to provide negative news to their bosses (Bindu, 2015).

b. Team-building:

Individualistic cultures in the US cause people to choose solitude most of the time. Cooperation within or between teams is valued in other cultures. As teams include of individuals from many cultural backgrounds, team-building exercises may become increasingly challenging. Taking use of the potential benefits of cultural diversity in the workplace requires effective cross-cultural team-building. According to Wambui (2013),

teambuilding fosters an atmosphere in which individuals can better understand one another, complement one another's ideas, and then apply those ideas in their work.

Empirical Findings and Inferential Statistics

While descriptive statistics provide an overview of employee perceptions, inferential statistics are required to substantiate the claims regarding the relationship between the study's key variables. A Pearson product-moment correlation analysis was conducted to examine the relationship between Cultural Diversity Management, Employee Interaction, Communication, and overall Employee Performance, which serves as a proxy for organizational effectiveness.

Table 1: Pearson Correlation Matrix

Variables	1. Diversity Management	2. Employee Interaction	3. Communication	4. Employee Performance
1. Diversity Management	1			
2. Employee Interaction	0.612**	1		
3. Communication	0.545**	0.680**	1	
4. Employee Performance	0.714**	0.592**	0.635**	1

** Correlation is significant at the 0.01 level (2-tailed).

The correlation matrix reveals a strong, positive, and statistically significant relationship between the strategic management of cultural diversity and employee performance ($r = 0.714$, $p < 0.01$). This indicates that as ZANACO Bank improves its cultural diversity management practices, organizational effectiveness and employee performance proportionally increase. Furthermore, employee interaction shows a strong positive correlation with communication ($r = 0.680$, $p < 0.01$), confirming that fostering a culturally tolerant environment directly enhances workplace communication networks. These inferential findings statistically substantiate the descriptive claims that cultural diversity, when effectively managed, is a strategic asset rather than an organizational challenge.

CONCLUSION

The study found that there is cross-cultural interaction at ZANACO Bank. According to the literature, interaction can improve interpersonal communication. Because of their encounters with people from different cultures, the majority of employees thought that their communication skills were good and were always getting better. There were a few subtle clues that communication and engagement are problems that require investigation. The findings showed that improved interaction and communication among staff members improves their comprehension of other stakeholders. Additionally, there were hints that discrimination and preconceptions still occur among employees from different cultural backgrounds, which negatively impacts their relationships. Organizations around the world are undergoing cultural revolution. Global markets are putting pressure on businesses to stay competitive, relevant, and adaptable so they can respond to market shifts effectively. Organizations are hiring increasingly experienced and qualified workers, sometimes even from outside their home base, due to a variety of factors, including customer demands, new product developments, corporate mergers, investments, and skills requirements. The Employment Equity Programs are another significant factor driving this transformation in Zambia, in addition to the previously listed ones. A highly culturally varied workforce has been brought together as a result, and they are expected to collaborate to accomplish a common

objective. Organizations must comprehend and handle the delicate difficulties that come with cultural diversity if they want to function well and remain competitive.

Limitations of the Study

While this study provides valuable empirical insights into the relationship between cultural diversity and organizational effectiveness, it is subject to certain limitations that must be acknowledged. The primary limitation of this research is its organizational specificity. The study is a single case study focused exclusively on the Zambia National Commercial Bank (ZANACO). Because corporate cultures, diversity management policies, and employee demographics vary significantly across different organizations, the findings represent a specific subset of the financial sector. Consequently, the results are highly contextual and cannot be broadly generalized to other commercial banks in Zambia or to organizations operating in different sectors of the economy.

Furthermore, the scope of the sample is geographically restricted to four specific branches within the Kitwe district, namely the Kitwe Business Centre, Industrial branch, Mukuba Mall, and the Copperbelt University agency. The sample size of 80 employees, while statistically justified for this specific population, represents only a fraction of ZANACO's total national workforce. The cultural dynamics, employee interactions, and management challenges experienced in Kitwe may differ from those in other regions. Finally, the study relies on a cross-sectional research design, meaning the data captures employee perceptions at a specific point in time. The reliance on self-reported data via questionnaires inherently carries the risk of social desirability bias, where respondents might provide answers they feel are culturally acceptable rather than reflecting their true experiences. Despite these limitations, the rigorous design ensures that the findings remain valid and highly relevant for understanding diversity management within its specified context.

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