

Diversity, Equity, And Inclusion (DEI) Practices And Employee Outcomes In Multinational Firms Operating In Nigeria: A Literature Review

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Abstract

This study provides an empirical review of the relationship between diversity, equity, and inclusion (DEI) initiatives and employee outcomes within multinational corporations (MNCs) operating in Nigeria. While DEI has received substantial scholarly attention in Western contexts, limited studies have explored its dynamics in emerging economies, where organizational structures and socio-cultural complexities present unique challenges. Drawing on relevant theories and existing literature, the review clarifies the concepts of diversity, equity, inclusion, and employee outcomes, highlighting how these dimensions interact to influence job satisfaction, commitment, engagement, performance, and turnover intentions. Evidence from global scholarship indicates that effective DEI initiatives foster positive employee outcomes by promoting fairness, belonging, and trust. However, the Nigerian experience reveals that without contextual adaptation, DEI strategies designed at headquarters may not adequately address local realities such as ethnic plurality, socio-economic disparities, and cultural norms. The study concludes that a globalized approach—balancing global consistency with local responsiveness—is critical for maximizing the impact of DEI initiatives on employee outcomes in Nigerian subsidiaries of MNCs.

Keywords: Diversity, Equity, Inclusion (DEI), Employee Outcomes, Multinational Corporations (MNCs), Nigeria, Organizational Practices

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I. Introduction

The globalization of organizational operations has intensified the significance of workforce diversity, fairness, and inclusivity as strategic imperatives for competitiveness, innovation, and long-term survival. Multinational corporations (MNCs), by virtue of their global reach, bring together employees from diverse cultural, ethnic, gender, and socio-economic backgrounds, creating both opportunities and challenges for human resource management. In such contexts, diversity, equity, and inclusion (DEI) have evolved from peripheral corporate social responsibility initiatives to central elements of organizational strategy, shaping culture, employee experiences, and ultimately, organizational performance (Roberson, 2019; Shore, Cleveland, & Sanchez, 2018). DEI is now widely recognized not only as a moral or legal obligation but also as a strategic lever for innovation, employee engagement, and organizational resilience.

For MNCs operating in Nigeria, DEI takes on heightened importance. Nigeria is one of the most culturally heterogeneous nations in Africa, with over 250 ethnic groups, pronounced religious pluralism, and significant socio-economic inequalities (Akinwale, 2022). These structural realities make the management of diversity particularly complex, as issues of equity and inclusion intersect with deep-seated historical, political, and economic factors. Nigerian subsidiaries of MNCs often inherit global DEI frameworks from their parent organizations, but the effectiveness of these frameworks depends on their alignment with local institutional, legal, and cultural contexts (Syed & Özbilgin, 2009). The process of transferring and localizing DEI policies is therefore a critical determinant of employee outcomes such as job satisfaction, organizational commitment, and performance.

While DEI is frequently justified on ethical or legal grounds, a growing body of scholarship underscores its instrumental value in achieving positive employee and organizational outcomes. Research has shown that inclusive HR practices contribute to higher job satisfaction, stronger commitment, and improved performance (Guillaume, Dawson, Otaye-Ebede, Woods, & West, 2017). Nevertheless, translating DEI ideals into measurable outcomes is far from straightforward. Factors such as leadership commitment, organizational

culture, regulatory frameworks, and employee perceptions mediate the extent to which DEI initiatives succeed. Poorly designed or tokenistic initiatives risk undermining employee trust and may even produce cynicism and disengagement (Dobbin & Kalev, 2016). Conversely, when DEI practices address both systemic inequities and employees' lived experiences, they foster belonging, creativity, and sustainable organizational outcomes (Nishii, 2013).

Despite increasing global interest in DEI, scholarly attention to Africa—and Nigeria in particular—remains limited. Most of the extant literature originates from Western contexts (Cox & Blake, 1991; Shore et al., 2011; Guillaume et al., 2017; Roberson, 2019), where socio-economic and institutional realities differ markedly from those in emerging economies. Consequently, there is a pressing need to explore how DEI practices operate within Nigerian MNCs, where issues such as expatriate-local staff relations, inequities in pay structures, ethnic pluralism, and limited enforcement of labor regulations complicate DEI outcomes. Furthermore, Nigeria's positioning as Africa's largest economy and its prominence in global markets make it a critical case for examining how DEI can be localized to foster employee well-being and organizational sustainability.

This literature review therefore aims to synthesize current knowledge on DEI initiatives and employee outcomes, contextualize global insights within the Nigerian environment, and identify key gaps that warrant further investigation. The paper is organized as follows: Section 2 clarifies the concepts of DEI and reviews relevant theoretical perspectives; Section 3 synthesizes empirical evidence, including cases from Nigeria; Section 4 highlights research gaps and implications; and Section 5 concludes with recommendations for both practice and scholarship.

II. Literature Review

Conceptual Clarification

Diversity, equity, and inclusion, though interrelated, represent distinct dimensions of organizational practice. Diversity refers to the heterogeneity of the workforce, encompassing differences in demographic attributes (such as gender, age, ethnicity, and disability), functional backgrounds, and cognitive perspectives (Cox & Blake, 1991). While diversity highlights representation, scholars argue that representation alone does not guarantee positive organizational outcomes unless supported by equitable and inclusive systems (Roberson, 2019).

Equity emphasizes fairness, justice, and impartiality in organizational processes, outcomes, and opportunities. Unlike equality, which prescribes identical treatment for all, equity acknowledges historical and systemic disparities and seeks to provide differentiated support that levels the playing field (Mor Barak, 2016). In the Nigerian context, equity concerns manifest in issues such as gender representation in leadership, equitable access to promotions, and pay fairness across expatriate and local staff. Equity therefore plays a corrective role in addressing structural inequalities while ensuring fair participation in organizational opportunities.

Inclusion refers to the organizational climate and practices that enable all employees to feel respected, valued, and empowered to contribute fully (Shore et al., 2011). Inclusion goes beyond representation and fairness, focusing instead on the subjective experiences of belonging and psychological safety. Employees are more engaged and innovative in inclusive environments where their voices are heard and contributions are valued (Jansen, Otten, van der Zee, & Jans, 2016).

In addition to DEI, the concept of employee outcomes is central to this review. Employee outcomes refer to the measurable consequences of employees' work experiences and organizational practices on their attitudes, behaviors, and performance. They typically encompass job satisfaction, organizational commitment, employee engagement, productivity and performance, turnover intentions, and sometimes broader indicators such as employee well-being (Judge & Kammeyer-Mueller, 2012; Meyer & Allen, 1997). Positive employee outcomes reflect the extent to which the workforce perceives fairness, belonging, and growth opportunities, while negative outcomes may manifest as disengagement, absenteeism, or attrition.

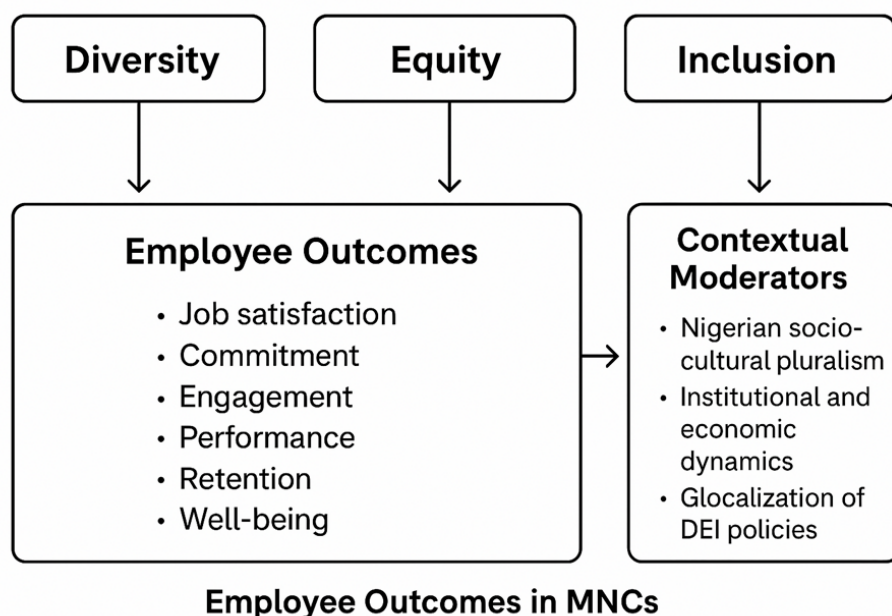
Within the DEI discourse, employee outcomes provide a useful lens for evaluating the effectiveness of organizational initiatives. For instance, the presence of diversity without equity and inclusion may increase workplace conflict and undermine satisfaction. Conversely, well-implemented DEI practices have been shown to improve employee trust, strengthen organizational identification, and enhance performance (Guillaume et al., 2017; Nishii, 2013). By clarifying employee outcomes alongside DEI, this review underscores the importance of linking organizational practices to tangible individual and collective results.

In multinational contexts, DEI concepts take on added complexity. What counts as diversity or equity in Western settings may be interpreted differently in Nigeria, where ethnic diversity, religious plurality, and socio-economic disparities dominate organizational dynamics (Akinwale, 2022). Similarly, inclusion initiatives developed in headquarters may not resonate with local employees unless adapted to Nigeria's cultural values and institutional norms. Consequently, effective DEI management in MNCs requires a globalized

approach—balancing global consistency with local responsiveness (Syed & Özbilgin, 2009; Guillaume et al., 2017).

To capture these dynamics, this review proposes a conceptual model linking DEI practices to employee outcomes within Nigerian multinational corporations. The model illustrates that diversity, equity, and inclusion must function as an integrated system to generate positive outcomes such as satisfaction, engagement, retention, and well-being. It also recognizes the role of contextual moderators, including Nigeria's socio-cultural pluralism, institutional dynamics, and the localization of global DEI policies, in shaping these relationships (see Figure 1).

Figure 1. Conceptual model illustrating how diversity, equity, and inclusion (DEI) interact to shape employee outcomes in Nigerian multinational corporations.



Source: Author's Idea (2025)

The model (Figure 1) emphasizes that DEI dimensions must operate in tandem to foster positive outcomes such as job satisfaction, commitment, engagement, performance, retention, and well-being. Contextual moderators—such as Nigeria's socio-cultural pluralism, institutional dynamics, and the glocalization of corporate policies—mediate the effectiveness of DEI practices in producing these outcomes.

Theoretical Review

Several theoretical perspectives illuminate the relationship between DEI practices and employee outcomes.

The Resource-Based View (RBV) emphasizes human capital as a source of sustainable competitive advantage when it is valuable, rare, inimitable, and non-substitutable (Barney, 1991). Diverse human resources, if effectively managed, can enhance innovation, problem-solving, and organizational resilience. DEI practices thus represent strategic investments in building and preserving human capital.

Social Identity Theory (Tajfel & Turner, 1986) explains how individuals' identification with social groups affects workplace experiences. DEI practices that promote belonging and reduce intergroup biases enhance collaboration and trust, whereas exclusionary practices can trigger discrimination, conflict, and disengagement.

Institutional Theory (DiMaggio & Powell, 1983) highlights how organizations adopt DEI practices in response to coercive, mimetic, and normative pressures from their environments. In Nigeria, legal frameworks such as labor laws, societal expectations of fairness, and global corporate standards all shape the adoption and localization of DEI initiatives.

Together, these theories provide a multi-dimensional lens for analyzing how DEI initiatives affect employee outcomes in MNCs. RBV emphasizes internal strategic value, Social Identity Theory foregrounds psychological mechanisms, and Institutional Theory situates DEI within broader socio-political contexts.

Empirical Review of Literatures

Empirical studies on DEI and employee outcomes reveal both consistent patterns and significant contextual variations. In Western contexts, several studies have demonstrated the instrumental value of DEI practices for improving employee experiences and organizational performance. For example, Cox and Blake (1991) argued early on that diversity enhances organizational competitiveness by providing access to wider talent pools, improving problem-solving, and fostering creativity. Building on this, Nishii (2013) empirically established that inclusive climates moderate the relationship between diversity and group performance, particularly for gender-diverse teams. Similarly, Guillaume et al. (2017) conducted a meta-analysis of workplace diversity studies and found that inclusive leadership and organizational cultures amplify the benefits of diversity on employee engagement and innovation. These findings underscore the importance of contextual factors such as organizational support and psychological safety in translating diversity into positive outcomes.

Further, Roberson (2019) synthesized nearly three decades of DEI scholarship and highlighted that equity-related practices—such as transparent pay systems and fair promotion pathways—were positively associated with employee trust, motivation, and retention. Sabharwal (2014) also demonstrated that diversity management practices in U.S. public sector organizations significantly predicted inclusion, which in turn was strongly correlated with employee performance outcomes. Collectively, these Western-based findings provide a strong evidence base that DEI, when properly implemented, enhances employee satisfaction, loyalty, and creativity.

However, the transferability of these findings to African contexts is not straightforward. In Nigeria, research has shown more nuanced results. Akinwale (2022) highlighted that ethnic diversity in Nigerian organizations can either stimulate creativity or fuel conflict, depending on the inclusiveness of HR practices and leadership. Adubor, Omoregie, and Osemene (2022) found that green HRM practices linked to fairness and inclusivity improved sustainability performance, suggesting that equity-driven initiatives are not just moral imperatives but also business enhancers. Ucha, Okolie, and Adebayo (2024), comparing Nigeria and the U.S., revealed that while DEI practices in U.S. firms were often embedded and measurable, Nigerian firms tended to treat them as aspirational goals with little systematic implementation. Similarly, Ojokuku and Akanbi (2024) reported that although strategic HRM practices enhanced retention and reputation in Nigerian universities, weak institutional enforcement meant these practices often lacked consistency and depth.

Another dimension in Nigeria concerns expatriate-local staff relations in MNCs. Empirical evidence suggests persistent inequities in pay structures, career progression, and access to leadership positions (Syed & Özbilgin, 2009; Akinwale, 2022). These inequities erode perceptions of fairness and reduce employee commitment. Gender inclusion also remains an under-researched but significant issue: while Western studies highlight the performance benefits of gender-diverse leadership teams (Nishii, 2013; Shore et al., 2018), Nigerian studies point to persistent barriers to female advancement in corporate hierarchies, including socio-cultural biases and inadequate organizational support systems.

Overall, the empirical evidence shows that while DEI practices have the potential to improve employee outcomes globally, their effectiveness in Nigeria depends heavily on contextual adaptation, cultural sensitivity, and enforcement mechanisms.

Gaps in the Literature

Although scholarship on DEI has expanded considerably, significant gaps persist in understanding its relationship with employee outcomes, especially within Nigeria and the wider African context. Much of the existing evidence remains grounded in Western settings (Cox & Blake, 1991; Roberson, 2019; Shore et al., 2011), with limited empirical focus on Africa. Nigeria, despite its sizeable workforce and high cultural diversity, continues to be underrepresented in comparative DEI research. This imbalance raises questions about the suitability of Western-derived models for emerging economies, where socio-cultural, institutional, and economic conditions differ substantially.

Another limitation lies in the fragmented treatment of DEI dimensions. Many Nigerian studies emphasize workforce diversity in isolation (Akinwale, 2022), with less attention to how diversity, equity, and inclusion interact to influence organizational and employee outcomes. This siloed approach constrains a holistic appreciation of the DEI framework and its combined effect on employee well-being, motivation, and performance.

Measurement challenges further compound the problem. While Western studies often employ established metrics such as representation levels, pay equity indicators, and employee engagement scores (Guillaume et al., 2017), Nigerian research tends to rely on descriptive or qualitative approaches, with few efforts to design standardized, rigorous measures. The absence of reliable metrics hampers cross-organizational and cross-national benchmarking of DEI practices. Moreover, most Nigerian studies adopt organizational or managerial viewpoints, overlooking employees' lived experiences of inclusion or exclusion. By contrast, works such as Nishii (2013) in Western contexts emphasize employee perceptions and psychological safety, offering

deeper insights into the mechanisms through which DEI influences motivation and performance. Capturing these lived experiences within Nigeria is essential for developing contextually responsive DEI frameworks.

Another recurring issue is the gap between policy and practice. In Nigeria, organizations often adopt DEI policies to comply with global reporting standards but fail to embed them in daily operations (Ucha et al., 2024). Such tokenistic approaches undermine credibility, risk fostering cynicism, and may ultimately disengage employees. Furthermore, the predominance of cross-sectional research designs provides only static snapshots of DEI implementation, without revealing its long-term effects on employee career progression, innovation capacity, or organizational resilience. Sectoral comparisons are also scarce—despite the likelihood that industries such as oil and gas, telecommunications, banking, and higher education experience and implement DEI in distinctive ways.

Finally, Nigerian DEI research often treats identity categories such as gender, ethnicity, or disability independently, overlooking how these dimensions intersect to shape unique employee experiences. Intersectionality, which is more developed in Western DEI scholarship, remains largely neglected in Nigeria despite its highly stratified social and cultural environment.

Taken together, these limitations point to the need for a more context-sensitive, integrated, and employee-centered approach to DEI research in Nigeria. Bridging these gaps would enrich theoretical advancement while enhancing the practical effectiveness of DEI initiatives in multinational and local organizations alike.

III. Discussion And Implications

This review underscores the critical role of DEI in shaping employee outcomes within MNCs in Nigeria. By fostering fairness, belonging, and inclusivity, DEI practices contribute to improved job satisfaction, engagement, and retention. However, their effectiveness depends on organizational culture and contextual adaptation. Nigerian subsidiaries of MNCs must therefore localize DEI initiatives, aligning global policies with local realities such as ethnic pluralism, socio-economic inequalities, and evolving gender norms.

For theory, the review highlights the need to integrate RBV, Social Identity Theory, and Institutional Theory into a composite framework that captures both internal and external determinants of DEI outcomes. For practice, MNCs in Nigeria should adopt context-sensitive DEI metrics, strengthen leadership accountability, and invest in inclusive organizational cultures. Policymakers and regulators can also play a role by providing clearer guidelines and incentives for DEI implementation.

IV. Conclusion

Diversity, equity, and inclusion are not merely aspirational values but strategic imperatives for MNCs operating in Nigeria's complex environment. Evidence shows that well-implemented DEI practices foster positive employee outcomes, but their success depends on organizational culture, leadership, and contextual adaptation. Despite growing recognition of their importance, significant research gaps remain, particularly in emerging economies. Future research should focus on developing standardized DEI metrics, exploring cross-national variations, and conducting longitudinal studies to assess long-term impacts. For MNCs in Nigeria, adopting a globalized approach to DEI—balancing global policies with local responsiveness—will be essential for achieving sustainable organizational performance and employee well-being.

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