RELATIONSHIP BETWEEN DIVERSITY MANAGEMENT PRACTICES AND PERFORMANCE OF DEVOLVED MINISTRIES IN THARAKA SOUTH SUB COUNTY

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Abstract

Globalization because of advancement in technology in the 21st century has brought about diversity in workforce in business enterprises, government and civil society. Arguably, an organization that exploits diversity in human resources improves its competitiveness in the market by offering quality and customized services. Therefore, organizations should value both differences and similarities of individuals within the work environment. This study investigated the growing impact of diversity management practice and its relationship to performance of devolved ministries in Meru county. The factors underlying diversity management practices were Age Consideration and Ethnicity Contemplation. The target population was 150 employees, however, a sample of 109 employees was studied which comprised 73% of the total population. The study employed probability sampling design whereby stratified sampling and simple random sampling determined sample for the study. The underpinning theories of the study were Upper Echelon theory, Strategic Choice theory and Social Identity theory. Questionnaires containing open and closed ended questions were used to collect the data. The responses from the questionnaires were summarized in form of descriptive and inferential statistics with the aid of SPSS (Version 20). Multiple linear regressions showed the relationship between the performance of devolved ministries and the independent variables (Age Consideration and Ethnicity Contemplation). Frequency tables, pie charts and bar graphs were used to present the analyzed data. The study found that age consideration was a positive significant factor while ethnicity contemplation was a positive albeit insignificant in explaining the performance of devolved ministries in Meru County. Devolved ministries should therefore adopt diversity in ethnic contemplation and especially age consideration in order to improve their performance.

Key words: Age Consideration, Ethnicity Contemplation, Performance of Devolved Ministries

Introduction

Modern organizations are increasingly becoming diverse as far as their workforce is concerned. Thomas and Ely (2010) observed that diversity is present in a given organization when its employees are different from each in various aspects. Further, diversity is arguably present when organizations utilize employees' knowledge, skills and perception to enhance organizational effectiveness and efficiency in service. Diversity has been a growing concept; with the term being both specific and contextually defined through societal constructs (Moore, 2012).
According to Johnson (2003), diversity characteristics is organized into four areas: Personality (traits, skills and abilities); Internal (gender, race and ethnic background); External (culture, nationality, religion, marital and parental status); and Organizational (position, department, union/non-union). Diversity in an organization promotes recognition, respect and teamwork among employees. Hence, organizations that overcome certain diversity issues mostly achieve greater productivity, profit due to increased employee morale.

Kreitner & Kinicki (2011) defines organizational performance as a situation where an organization meets its set targets putting into consideration all other personality, external and internal dimensions that influence performance. This includes three specific areas of organization outcomes. That is, shareholder return; which covers total shareholder return and economic value added, product market performance; that is, sales and market share, and financial performance; which covers profits, return on assets and return on investment (Richard et al, 2010).

According to Bagshaw (2004) diversity management is a logically and designed commitment by an organization to attract, recruit, develop, reward, separate and encourage a different combination of workforce. Thus, the issue of diversity management emerged to enhance creation of equal job opportunities at the place of work. The perspective of equal opportunities in any given organization is meant for guaranteeing that the organization attain the best as a result of differences that result from a diverse work team instead of losing capabilities which might aid the organization to be more successful (Bryan, 2000).

When diversity is perfectly managed then the success of an organization can be achieved which can be determined using various measures; which include rapid growth, huge profits, stability in the market, reduced employee turnover and above all productivity (Jackson et al., 2005). Kinyanjui (2013) on his study found out that when diversity is perfectly managed, employees’ morale is enhanced; resulting to improved organizational performance. While mismanaged work team diversity may result to poor employee morale; hence low performance in an organization. Human resource managers therefore should come up with practices that aid in
managing various talents to enhance improved organizational performance (Mutuku, 2013 & McArthur, 2010).

In Kenya, the issue of diversity has received a lot of weight; with Kenyan constitution (2010) putting clauses that prohibit events that encourage bias on people based on their disability status, gender, age, religion race and ethnic background. To attain and retain important workers’ diversity policies and programs in Kenya, any form of biasness in both public workplaces and private sectors need elimination. Hanappi-Egger (2011) stresses that organizations’ senior management team should emphasis on equal job opportunities and do away with practices that promote bias among employees. Bagsawe (2004) looks at diversity management as an organized obligation by an organization’s top management team to attract, recruit, retain and always encourage a varied combination of employees with an intention of enjoying the benefits that come about. Diversity management is therefore of great significant to the effective organizational performance of public office. To this end, the study evaluated the relationship between diversity management practices and performance of devolved ministries in Meru-County.

Research Problem

There is growing global perception of employees’ as far as organization and market is concerned. In the 21st century, organizational survival and profitability largely depends on workforce diversity and management. In Kenya, the issue of diversity has received a lot of attention since 2007 after the General elections that led to ethnic clashes, which further led to the enactment of the National Cohesion and Integration Act, (2008). Since not all practices of diversity have the same impact, organizations should come up with practices that positively influence their performance.

Shume (2013) investigated practices implemented by global nongovernmental sectors and discovered that such organizations maintained a working situation which recognizes and accommodates all categories of workforce. Njoki (2013) studied challenges encountered in the process of implementing diversity in public sector in Kenya and established that ethnicity is a vital diversity practice that needs to be given weight; by including employees of different background in all activities of an organization. The researcher concentrated only on ethnicity.
while there are so many other practices of managing diversity for effective and efficient performance of a public office. Kossek&Lobel (2011) observes that discrimination in the public service has reached a level of concern. A working environment full of bias as a major threat in public sector set up; with existence of negative ethnicity and intolerance from organizations' top management team.

Many studies have previously been undertaken concerning diversity matters but none has gone further to investigate how diversity management relate to performance of public sector under county governments in Kenya. This thus gave the researcher an opportunity to fill the information gaps acknowledged from prior studies and come up with responses to the question of; how does implementation of diversity management practices relate to performance of county governments in Kenya. Therefore, the researcher sought to ascertain from the target respondents the relationship that exists between diversity management practices (Age Discrimination and Ethnicity Contemplation) and performance of the devolved ministries under Meru County.

**Broad Objective of the Study**

To establish the relationship between diversity management practices and performance of devolved ministries under Meru County.

**Specific Objectives of the Study**

i. To investigate the relationship between Age Consideration and performance of devolved ministries in Meru County.

ii. To investigate the relationship between Ethnicity Consideration and performance of devolved ministries in Meru County.

**Theoretical Review**

**Upper Echelon Theory**

The upper echelon theory states that uniqueness of the organizations’ top management or leadership can manipulate the resolution made and the practices that organizations assume. Gelfandet al. (2004) in Hanbrick and Mason (1984) found out that organizations desiring to be productive and remain in the market should first consider increasing mixture of the top
management team (TMT). That is, the tone should be set at the top regarding the recruitment and retention of qualified personnel. Therefore, a person’s background determines ones principles, how one view and handle situations; which can influence the decisions arrived at by the organizations management. Lee and Park (2006) discovered that there is a strong relationship between the organizations upper leadership uniqueness and the approaches adopted by an organization and its performance.

If an organization has a varied combination of the TMT, it will reflect in increased performance. Baron (2001) discovered that organizations with female in the senior management positions ensured inclusion of gender consideration during employee recruitment to greater extent than those with male in the similar positions. Perry et al (2004) found that when “non-traditional” persons; ethnic minorities, women, and people with disabilities hold leadership positions, they help to create new schemas in the minds of employees, in which leadership attributes and competence become associated not only with popular, but also with minority characteristics’. Cox (2004) observed that in modern times require workforce diversity in order to benefit from combined problem solving abilities. This is achieved by eliminating bias during recruitment, training and development of staff.

**Strategic Choice Theory**

The strategic choice theory explains the responsibility that leaders or leading groups play in influencing an organization through making choices in a dynamic political process. This theory emphasizes that an organization needs feedback from its environment in order to make objective adjustments for realizing its objectives. According to Astley (2003), strategic choice viewpoint is similar to the action theory; which states that the way an organization forms and the way it reacts to issues depends on the individuals in authority. Strategic Choice Theory shows the vulnerability of the organization to the decisions made by top leaders in the light of external environmental forces (Dean and Sharfman, 1996). Finkelstein and Hambrick (2006) observed that organizations should consider a voluntary adoption of diversity management practices. Therefore, diverse management team is able to resonate with the changing environment hence increasing the probability of making sound decisions.
**Social Identity Theory**

Social Identity Theory was originally developed by Tajfel and Turner in 1979 to understand the psychological basis of intergroup discrimination. The theory suggests that people tend to classify themselves into social categories that have meaning for them, and this dictates the way individuals interact with others from their own identity group and from other groups. Stets and Burke (2000) observed that social identification leads to actions and status of the group, the salience of out-groups, and the aspects that are normally linked with the formation of a group, uniqueness of the group, the aid foundation that signify the group’s uniqueness and also cultivating the group’s view as well as of others. The theory further gives essential basis for researchers intending to investigate more about diversity and more so to the study of authority and difference referred to as “minimal inter-group paradigm” (Prasad et al, 2006).

**Empirical Review**

**Age Consideration and Organizational Performance**

Talents of both old and young workers are vital to delivering outstanding performance. However, some organizations miss the benefits derived from the making use of abilities of old employees (Davey, 2006 and Taylor, 2003). This emanates from the belief by some organizations that old employees are very expensive to retain, slow in adapting technology, more likely to have health problem issues and more so performs poorly when compared to younger employees in the organization. Barton (2004) and Levin (2003) found that workforce with a composition of less diversity in age was much more industrious compared to the workforce with greater age diversity. William & O’Reilly (2008) and Zenger & Lawrence (2009) also concluded that employees of a diverse age set would be much industrious compared to a related age set. On the contrary, Illmarinen (2005) established that there was no much relationship between employee age and work performance.

Age barriers are also created by organization intending to maintain an established age allocation within its set up should consider employing workers at their youthful age and keeping them throughout their working period. This creates a composition of workforce with young generation at the bottom and older generation at the center and at the apex of the organization’s structure (Armstrong & Stassen, 2005). However, increase in competition has made organizations...
sensitive to the issues of employee recruitment and retention. Webber (2001) established that organizations intending to attain strategic agreement should have top management which has larger age diversity; who may not likely to involve in agreement-seeking deeds.

**Ethnicity Diversity/Contemplation and Organizational Performance**

Ethnic diversity may imply variety in languages, religions, races & cultures of employees in an organization. According to Sander &Mirjam (2012), increased level of cultural diversity enhanced organization’s performance whereas a fair level of cultural diversity has no effect on an organization’s results. A multidisciplinary workforce in an organization result in team performance; which creates positive impact on organizations output, enhanced innovativeness, increased market share, and more so increased sales volumes (Gupta, 2013).

White (2002) was of the opinion that ethnicity is the beauty of an individual's culture which one brings to the work place to blend with diverse ethnic backgrounds to give it flavor. This is contrary to the findings of Jackson (2013) who observed that when cultural diversity in white communities within the United States increased; the same lead to increased cultural disagreement. Additionally, cultural diversity resulted into significant levels of expressive disagreement in groups. This disagreement forms a gap that this study envisages to fill by investigating whether ethnicity contemplation adds value to organizational performance.

**Research Methodology**

This study adopted a cross-sectional descriptive research design. The major purpose of descriptive research is to give a description of the state of affairs as it exists at present (Kothari, 2014; Mugenda and Mugenda, 2008). The results of this study give an accurate description of the relationship between performance of devolved ministries in Meru-County and diversity management (Age Consideration and Ethnicity Contemplation).

The target population for this study comprised all classes of employees working under the devolved ministries in Meru County. There is nine devolved ministries under Meru County namely: Health, Finance, Agriculture, Trade and Co-operative, Education (ECDE), Lands (Survey), Tourism, Public Service and Roads & Infrastructure.
Total Population

<table>
<thead>
<tr>
<th>NO</th>
<th>Ministry</th>
<th>Superintendents</th>
<th>Chief Officers</th>
<th>Subordinates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Health</td>
<td>5</td>
<td>10</td>
<td>27</td>
<td>42</td>
</tr>
<tr>
<td>2.</td>
<td>Finance</td>
<td>2</td>
<td>3</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>3.</td>
<td>Agriculture</td>
<td>8</td>
<td>9</td>
<td>23</td>
<td>40</td>
</tr>
<tr>
<td>4.</td>
<td>Trade &amp; Co-op.</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>5.</td>
<td>Education (ECD)</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>6.</td>
<td>Lands (Survey)</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>7.</td>
<td>Tourism</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>8.</td>
<td>Public Service</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>9.</td>
<td>Roads &amp; Inf.</td>
<td>2</td>
<td>4</td>
<td>7</td>
<td>13</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>27</td>
<td>39</td>
<td>84</td>
<td>150</td>
</tr>
</tbody>
</table>

(Source: Ministerial Reports)

Sample size of 109 was determined using Yamane (1965) formulae at a confidence interval of 95% with p=0.5

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

Where:
- \( n \) is the sample size
- \( N \) is the population size and
- \( e \) is the level of precision.

Therefore \[ n = \frac{150}{1 + 150 (0.05)^2} \]

\[ n = 109 \text{ respondents} \]

According to Mugenda (2008), a sample size of 30% or above would be adequate representation of the population. The researcher used a sample size of 73% from each of the stratified population for this study. The study employed Stratified and random to choose the respondents to form the sample size.

Sample Size

<table>
<thead>
<tr>
<th>NO</th>
<th>Ministry</th>
<th>Superintendents</th>
<th>Chief Officers</th>
<th>Subordinates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Health</td>
<td>4</td>
<td>7</td>
<td>20</td>
<td>31</td>
</tr>
<tr>
<td>2.</td>
<td>Finance</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>3.</td>
<td>Agriculture</td>
<td>6</td>
<td>7</td>
<td>18</td>
<td>31</td>
</tr>
<tr>
<td>4.</td>
<td>Trade &amp; Co-op.</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>5.</td>
<td>Education(ECD)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>6.</td>
<td>Lands (Survey)</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>Tourism</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td>5</td>
</tr>
</tbody>
</table>
Questionnaires containing open and closed-ended questions were used to collect primary data using a pick and drop approach. Multiple linear regression was used to link the relationship between the independent variables (Age Consideration and Ethnicity Contemplation) and the dependent variable (Performance) aided by SPSS (version 20). Four assumptions of multiple linear regression were tested: Heteroscedasticity, Normality, Linearity and Multicollinearity and found to be satisfactory.

Results

A total of 120 questionnaires were issued which represented 110 percent of the sample size. The researcher was able to retrieve 110 filled questionnaires, which was more than the minimum sample size of 109. Therefore, the response rate was 100 per cent strictly in terms of the minimum sample size expected. This response rate was appropriate because the inferential results obtained would be generalized to the targeted 150 employees of the devolved ministries.

Linear Regression Assumptions

Linearity

Osborne and Waters (2002) states that ‘the accuracy of multiple linear regressions in estimating the relationship between dependent and independent variables depends on whether there is an inherent linear relationship between the independent and the dependent variable. This study tested linearity using scatter plots of standardized residuals against standardized predictors in the appendix, which shows a general linearity of data despite some cases being slightly away from the regression line. There is constant variance of residuals along the zero line of the x-axis. This was an indication of a linear relationship among study variables. This is corroborated with the ANOVA statistics that tests the null hypothesis that the slope of the regression line is not zero; which means that the alternate is that there exist a linear relationship between the independent variables and the dependent variable. The observed p-value was 0.01 that is less than 0.05, as
result there is a significant linear relationship between the dependent and the independent variables.

**ANOVA Results**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>129.792</td>
<td>4</td>
<td>32.448</td>
<td>3.515</td>
<td>0.0106</td>
</tr>
<tr>
<td>Residual</td>
<td>969.299</td>
<td>105</td>
<td>9.231</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1099.091</td>
<td>109</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Multicollinearity**

Multicollinearity is a state when there is a high level of correlation between independent variables (Kothari, 2013 and Osborne, 2002). The probability of making Type I errors increases as multicollinearity increases the standard errors of the coefficients (Osborne and Waters, 2003). In order to test for multicollinearity, this study employed Variance Inflation Factor (VIF). VIF measures how much the variance of the estimated coefficients increases over the case of no correlation among the independent variables. According to Ombaka (2014), if the VIF for one of the variables is around or greater than five, it is concluded that there is collinearity associated with that variable. The independent variables under this study had a VIF of between 1.005 and 1.084 with corresponding tolerance value of 0.995 and 0.93 respectively. This indicates that there was no multicollinearity among the independent variables.

**Normality**

According to Osborne and Waters (2002) and Field (2009), regression analysis is done on the assumptions that data is normally distributed. Data that is not normally distributed may lead to inaccuracy of results. This study tested normality using histograms of Regression Standardized Residual and normal P-P plots in the appendixes. The p-p plot shows data points that lay along the straight regression line giving an indication that the data was normally distributed. Histogram of Regression Standardized Residual shows normal distribution of the standardized residuals with a bell-shape. There was an apparent symmetrical distribution around the mean score albeit skewed insignificantly to the left. There was an indication of normal distribution; as the standard deviation was 0.981 on a sample of 110 respondents. The Shapiro-Wilk statistic was 0.946, which is near unity; hence, it shows that the data was normal.
Statistical Tests of Normality

<table>
<thead>
<tr>
<th></th>
<th>Kolmogorov-Smirnov&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistic df p-value</td>
<td>Statistic df p-value</td>
</tr>
<tr>
<td>Organizational</td>
<td>0.125 110 0.000</td>
<td>0.946 110 0.000</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Lilliefors Significance Correction

**Heteroscedasticity**

The scatter plot of standardized residuals against standardized predictors shows that standardized residuals are evenly scattered around the horizontal line of the predicted values albeit little outliers indicating homoscedasticity in the data. Further, heteroscedasticity was determined statistically using Breusch-Pagan and Koenker test. Based on these investigations, the null hypothesis is that heteroscedasticity not present (homoscedasticity). Breusch-Pagan test is a big sample test and assumes the residuals to be normally distributed. Table 4.23 demonstrates the outcome of Breusch-Pagan and Koenker test.

**Breusch-Pagan and Koenker test**

<table>
<thead>
<tr>
<th>Test Statistic</th>
<th>LM</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP</td>
<td>3.907</td>
<td>0.419</td>
</tr>
<tr>
<td>Koenker</td>
<td>2.952</td>
<td>0.566</td>
</tr>
</tbody>
</table>

The p-value of the Koenker test shows that the observed p-value was 0.566, which was more than the cut-off point of 0.05. Therefore, the null hypothesis that there was homoscedasticity was not rejected indicating that the data had a constant variance.

**Hypothesis Results**

**Model Summary**

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.344&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.118</td>
<td>0.084</td>
<td>3.03832</td>
</tr>
</tbody>
</table>

The coefficient of determination of the independent variable is 11.8 percent. This is the R Square value in the second column from the left. This shows 11.8% disparities in the dependent variable are determined by the independent variables.
### Regression Coefficients

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>16.672</td>
<td>2.518</td>
<td>6.620</td>
<td>0.000</td>
</tr>
<tr>
<td>Age Consideration</td>
<td>0.401</td>
<td>0.168</td>
<td>0.219</td>
<td>2.387</td>
</tr>
<tr>
<td>Ethnicity Contemplation</td>
<td>0.044</td>
<td>0.194</td>
<td>0.021</td>
<td>0.225</td>
</tr>
</tbody>
</table>

The study used t-test as the default statistic in multiple linear regression when generated from SPSS. The corresponding p-values formed basis for rejecting the null hypotheses. Age Consideration (p-value = 0.019) had a significant influence on performance while Ethnicity Contemplation (p-values = 0.822) did not have a significant influence on performance.

### Discussion and Conclusions

The study found age consideration to have significant influence on performance of the devolved Ministries in Meru-County. Due to the fair recruitment practice in regards to age group, there was a proper mix of older senior officers and younger officers. Hence, the older generation who have experience train the younger generation on work performance within the ministry. The study proves that if practicing age consideration during recruitment will eliminate age discrimination and the same would bring about harmony among the employees working within the ministries and sharing experiences; hence increased performance.

In regards to Ethnicity contemplation, the study results indicate that ethnicity did not contribute significantly to performance of the devolved Ministries in Meru-County, however, it played a positive role in the same performance and therefore, to achieve better standards of performance involvement of employees from diverse background is vital. The respondents felt that merit is vital in putting into practice fairness policies to contain the minority groups. This means that even underprivileged communities should also obtain the correct credentials to compete with those from other communities; which could result in sharing of ideas from employees of range backgrounds.

### Recommendations

The ministry needs to ensure proper age diversity during recruitment while creating adequate policies to guard against any form of age discrimination. The ministry should continue with the
spirit of including people from different ethnic communities during recruitment and in safeguarding the latter group's interest through policies and rules. In summary, the results from this study prove that workforce diversity and organizational performance positively relate. Thus, in order to avoid possible performance losses and achieve high performance returns of workforce diversity, organizations must enhance a victorious environment for diversity; that is, perfectly manage diversity.

References


**Appendixes,**

![Normal P-P Plot of Regression Standardized Residual](image)

Dependent Variable: Organisational Performance

Expected Cum Prob

Observed Cum Prob