

**EFFECT OF WORKFORCE DIVERSITY ON EMPLOYEE PERFORMANCE IN  
PARASTATALS IN NAIROBI COUNTY.**

**BY**

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**MASTER OF BUSINESS ADMINISTRATION**

**(HUMAN RESOURCE MANAGEMENT)**

**KCA UNIVERSITY**

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**SEPTEMBER, 2023**

**DECLARATION**

This research proposal work is an original item of my thinking and has not in any way breached the laws of plagiarism or having been submitted anywhere in any academic / research institution for an award of any degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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## ABSTACT

Competitive institutions strive to offer consumers high-quality service in a constantly changing environment marked by diverse changes and transformation. When it affects an organization's overall performance, high employee performance becomes a crucial problem. The hands and hearts of healthcare continue to be those working in the field. Modern enterprises' intrinsic need for a more diverse workforce has raised serious questions about how to manage it. Yet, a number of study gaps compromise the works on employee performance and diversity in the work force. The research aimed to investigate how employee performance at Nairobi, parastatals is impacted by workforce diversity. Evaluation of the impact of gender, ethnicity, age, and educational diversity on employee performance at parastatals in Nairobi, Kenya, is one of the particular goals. Equity Theory, Multiculturalism Theory, and Symbolic Interactionist Theory all will provide support for the study. The staffs in human resource of the registered parastatals in Nairobi, Kenya, served as the study's population in a descriptive research design. The study's respondents (sample) was the staff working in human resource department in senior position. The study used primary information that was gathered through the use of a questionnaire. Using descriptive and regression techniques, the study's data was examined with the use of SPSS version 25. In this study, a variety of ethical standards and norms were observed. After data analysis the study found out that education diversity approach had a significant positive impact on the employees' performance of parastatals in Nairobi County. The study also found out that age diversity had a significant impact on employee performance in the parastatals. Ethnicity diversity had positive but insignificant relationship on employee performance of Nairobi County parastatals. Gender diversity had positive but insignificant relationship on employee performance of Nairobi County parastatals. The study therefore recommended that there is a high need for the parastatals to embrace educational diversity at all cost in order to have a smooth flow of operationalization at workplace. There is the need for the human resource department to ensure that every staff employed in the organization is not from same ethnic group so that their diversity can lead to overall performance of individual as well as that of the organization. The organization management should ensure that the employees based on their gender are in accordance to the stipulations of the constitution

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Contents	
<b>DECLARATION</b> .....	<b>ii</b>
<b>ABSTRACT</b> .....	<b>iii</b>
<b>AKNOWLEDGEMENT</b> .....	<b>iv</b>
<b>DEDICATION</b> .....	<b>viii</b>
<b>LIST OF TABLES</b> .....	<b>ix</b>
<b>LIST OF FIGURES</b> .....	<b>x</b>
<b>ACRONYMS AND ABBREVIATIONS</b> .....	<b>xi</b>
<b>OPERATIONAL DEFINITION OF TERMS</b> .....	<b>xii</b>
<b>CHAPTER ONE</b> .....	<b>1</b>
<b>INTRODUCTION</b> .....	<b>1</b>
1.1 Background of the study .....	1
1.1.1 Workforce Diversity .....	3
1.1.2 Employees performance .....	6
1.1.3 Parastatals in Kenya.....	7
1.2 Statement of the problem .....	8
1.3 Objectives of the study .....	9
1.3.1 General objective .....	10
1.3.2 Specific Objectives .....	10
1.4 Research Questions .....	10
1.5 Justification of the study .....	10
1.6 Significance of the study .....	11
1.6.1 The management of the parastatals .....	11
1.6.2 Policymakers .....	11
1.6.3 Future researchers and Academicians .....	11
1.7 Scope of the study .....	11
<b>CHAPTER TWO</b> .....	<b>12</b>
<b>LITERATURE REVIEW</b> .....	<b>12</b>
2.1 Introduction .....	12
2.2 Theoretical Literature Review.....	12
2.2.3 Stereotyping Theory .....	14
2.3 Empirical Review .....	16
2.3.2 Age diversity and employees performance .....	18
2.3.3 Ethnicity and Employee Performance .....	20
2.4 Summary of Literature .....	28

2.5 Research Gaps .....	29
2.6 Conceptual Framework .....	30
2.7 Operationalization of variables .....	32
<b>CHAPTER THREE .....</b>	<b>34</b>
<b>RESEARCH METHODOLOGY.....</b>	<b>34</b>
3.1 Introduction .....	34
3.2 Research Design .....	34
3.3 Target Population .....	34
3.4 Sampling size and sampling Design .....	35
3.5 Research Instruments .....	35
3.5.1 Pilot Study .....	36
3.6 Reliability and Validity of the Research Instrument.....	36
3.6.1 Reliability .....	36
3.6.2 Validity .....	37
3.7 Data collection procedure.....	37
3.7.1 Diagnostic Tests.....	38
3.7.1.1 Normality test .....	38
3.7.1.2 Multicollinearity test.....	38
3.7.1.3 Auto correlation test.....	38
3.7.1.4 Linearity Test.....	39
3.7.1.5 Heteroscedasticity test .....	39
3.8 Data analysis and presentation .....	39
3.9 Ethical considerations .....	40
<b>CHAPTER FOUR.....</b>	<b>41</b>
<b>RESEARCH FINDINGS AND DISCUSSION .....</b>	<b>41</b>
4.1 Introduction .....	41
4.2 Response Rate. ....	41
4.3 General Information .....	42
4.3.1 Gender .....	42
4.3.2 Education level .....	42
4.3.3 Age Bracket .....	43
4.3.4 Work Experience. ....	44
4.4 Descriptive Analysis .....	45
4.4.1 Educational Diversity .....	46
4.4.2 Age Diversity.....	48

4.4.3 Ethnicity Diversity .....	49
4.4.4: Gender Diversity .....	51
4.4.5: Employee Performance .....	52
4.5 Diagnostic Tests .....	54
4.5.1 Normality Test.....	54
4.5.2 Multicollinearity .....	55
4.5.3 Heteroscedasticity Test.....	56
4.6 Inferential Statistics.....	56
4.6.1 Correlation Analysis .....	57
4.6.2 Regression Analysis .....	58
4.6.2.1 Model Summary. ....	58
<b>CHAPTER FIVE.....</b>	<b>62</b>
<b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>62</b>
5.1 Introduction .....	62
5.2 Summary .....	62
5.2.1 Educational diversity and employee performance.....	62
5.2.2 Age Diversity and employees Performance .....	63
5.2.3 Ethnic diversity and Organization Performance.....	63
5.2.4 Gender diversity and Organization Performance .....	64
5.3 Conclusions .....	64
5.3.1 Education diversity and employees Performance .....	64
5.3.2 Age Diversity and employee Performance .....	65
5.3.3 Ethnicity Diversity and Employee Performance .....	65
5.3.4 Gender Diversity and Employee Performance .....	66
5.4 Recommendations of the Study.....	66
5.5 Research Areas for Further Studies.....	68
<b>REFERENCES.....</b>	<b>69</b>
<b>APPENDICES.....</b>	<b>74</b>
Appendix I: Introductory Letter .....	74
Appendix II: Questionnaire .....	75



## **DEDICATION**

I wish to dedicate this research proposal to my family who have been so instrumental by ensuring they financially supported me as much as they can. Additionally, I wish to also dedicate it to my friends and colleagues who offered me all the necessary support I needed while conducting my research. May God abundantly increase you through his blessings.

## LIST OF TABLES

TABLE 1 Operationalization of variables .....	32
TABLE 2 Target Population .....	35
TABLE 3 Response Rate .....	41
TABLE 4 Gender .....	42
TABLE 5 Educational level .....	43
TABLE 6 Age Bracket .....	44
TABLE 7 Work Experience .....	45
TABLE 8 Educational Diversity .....	46
TABLE 9 Age Diversity .....	48
TABLE 10 Ethnicity diversity .....	50
TABLE 11 Gender Diversity .....	51
TABLE 12 Employee performance .....	53
TABLE 13 Shapiro-Wilk Test .....	54
TABLE 14 Kurtosis and Skewness .....	55
TABLE 15 Multicollinearity Test .....	55
TABLE 16 Heteroscedasticity .....	56
TABLE 17 Correlation Analysis .....	57
TABLE 18 Model Summary .....	58
TABLE 19 ANOVA .....	59
TABLE 20 Regression Coefficients .....	60

**LIST OF FIGURES**

FIGURE 1 Conceptual Framework .....31

## **ACRONYMS AND ABBREVIATIONS**

<b>GoK</b>	:	Government of Kenya
<b>HRM</b>	:	Human Resources Management
<b>KNBS</b>	:	Kenya National Bureau of Statistics
<b>SPSS</b>	:	Statistical Package for Social Sciences
<b>SSA</b>	:	Sub Saharan Africa
<b>WFD</b>	:	Work Force Diversity

## **OPERATIONAL DEFINITION OF TERMS**

- Employee Performance:** Refers to the metric used to compare productivity to the input that complies with the objectives and standards established by the educational institutions (Rambo, 2018).
- Ethnicity :** A sense of identification with a particular group of people who share a typical trait like racial background, religion, or culture (Emma, 2015)).
- Workforce Diversity:** This refers to the differences between university personnel in in regard to their age, marital status, race, and gender (Thompson, 2016)..
- Age Diversity :** Refers to the differences that exist within a team to the age divisions of the team. Age differences were evaluated utilizing age, gender and employee relations differences (Muthiora,2017).
- Educational Diversity:** Refers to the various academic stages which an employee has gone through which is relevant in the work environment. Academic qualifications, experiences as well as growth and advancement were used in measuring educational level diversity (Anjiri, 2018).

## **CHAPTER ONE INTRODUCTION**

### **1.1 Background of the study**

Employee performance has become a significant problem in human resource management because it affects an organization's success in the modern and the competitive world. This has been hastened by the fact that diversity in the organizations has not been fully embraced. This has made the employee performance which is defined as measurements of output concerning input per the institution's specified criteria and goals to be rendered incapacitated (Shields et al., 2015). This has caused those entity which have not been more aggressive in embracing diversity in their workforce to experience operational mishaps thereby being unable to meet their expectations.

Successful parastatals have shown a readiness to employ various tools to ensure their workplaces are diverse (Tran, 2019). Diversity in the workforce has been found to impact employee performance in Kenya at various levels, taking into account both upper-level management and lower-level employees (Gacheri, 2018). The lack of a clear grasp of workforce rules in most Kenyan public institutions revealed an apparent discrepancy between stated policies and actual actions. This led to a greater understanding of the drawbacks of worker diversity than its benefits. As a result, it was necessary to investigate the institution's and the HR managers' capacity for responding to shifting HRM trends. Kenya is one of the nations with a multicultural society, with more than 42 tribes.

As a result, organizations ought to be well aware of the risks associated with ignoring inclusive policies. Certain tribes in Kenya received resources during the colonial era by being granted positions of power and privilege, particularly in the government and other institutions (Carrel, 2016). These elements helped create a system where privileges resulted in tribal discrimination at work and elsewhere. The Kenyan government has been working to address

the issue of no employee belonging to the same tribe constituting more than one-third of all employees in public institutions to balance and manage diversity effectively.

Without excluding parastatals, which would obstruct gains in service delivery and employee satisfaction, diversity in the workforce has been the key to encouraging employee success for any organization. To improve individual, team, and organizational performance, workforce diversity was implemented in several parastatals. Nevertheless, individual performance in the 21st century still needs to be commendable, particularly in Egypt, according to Alas & Mousa (2016). According to Alas & Mousa (2016), institutions and organizations that cannot manage diversity put themselves in danger since they cannot reap the benefits of effective diversity management. Workforce diversity in contemporary organizations is essential for improving employee experience and knowledge, addressing skill gaps, expanding the applicant pool, and boosting profits by luring learners, according to studies by Malik, Lenka, and Sahoo (2018) and Abaker, Al-Titi, and Al-Nasr (2019). A varied workforce makes each person feel more appreciated, which inspires them to do their tasks as well as they can.

Organizations from developing and developed nations have identified workforce diversity as a significant challenge in the human resources industry due to globalization (Zhuwao, 2017). The modern workforce of institutions comprises diverse people from different cultures and backgrounds due to increased mobility, developing technology, and immigration (Kandpal, 2015). In response to the modern workforce's increasing variety, programs for managing diversity have evolved, resulting in a diversified workforce (Kunze, Boehm & Bruch, 2013). Organizations have been compelled to change their lifestyles to better suit and accommodate the current workforce due to current trends in human resources, including an ageing workforce, an increase in the number of women entering the workforce, and a young, emerging generation from both developed and developing countries.

Africa, among other continents, needs help to meet socio-national institutions' needs in a globally competitive economy. To support regional growth and development, revisiting issues associated with regional identity in the modern economy is critical. The majority of African nations are particularly highly ethnically diverse. When language was employed to identify ethnic identification, the United Nations Economic Commission for Africa (2011) found. It was estimated that more than 470 languages were spoken in Nigeria using proxies. Sudan (both North and South) came in second with 134 languages spoken, followed by the Democratic Republic of the Congo with 242 languages, the small country of Gambia with just ten languages, and Ethiopia with 89 languages. There are some religious differences as well.

Parastatals in Nairobi were troubled by challenges connected to their staff in the Kenyan setting, according to the quality assessment and performance improvement strategy report (2014). Low morale was seen among employees of these parastatals, which affected productivity levels and, in turn, significantly reduced customer satisfaction (Odhiambo, Gachoka & Rambo, 2018). The research also stated that nepotism, impartiality, and unfairness should all be prohibited in the workplace (Darwin, 2015). Embracing diversity in the workplace offers the chance to fully utilize the latent skills, abilities, gifts, and ideas that individuals possess, ensuring enterprises' performance. According to Fabian (2015), workforce diversity refers to all the unique differences and similarities among employees working in an organization (Finn, 2015). The workforce is diverse in age, educational level, culture, gender, and age. A diverse workforce helps to improve workplace policy and performance.

### **1.1.1 Workforce Diversity**

According to DeCenzo, Robbins, and Verhulst (2016), workforce diversity refers to an organization's systematic and expected efforts to hire and retain workers from various demographic backgrounds. However, Leslie (2017) contends that increasing workforce diversity necessitates altering the culture or established norms and that doing so can make



businesses more successful. Workforce diversity is the ability of a leader to use the differences in personality, nationality, sex, racial background, age, and physical abilities of employees to accomplish an organization's success (Leslie, 2017). A great workplace that values people's comparisons and contrasts is what workforce diversity management is all about. The idea of the range includes deference and respect. It means appreciating both the similarities and distinctions between each character. Criteria relating to sexual orientation, gender, race, ethnicity, economic status, physical capabilities, age, political norms, religious beliefs, or other ideologies may also be used to determine them (Thompson, 2016).

Thompson (2016) underlined the connection between intergroup encounters at work, diversity practices, and intergroup interaction. Workplace diversity, which acts similarly to intergroup relationships regarding their role in communication and interaction, results in various diversity-related issues. As workforce diversity becomes a crucial concern for many firms, the current study concentrated on ethnicity, marital status, education level, and gender diversities, which were proven to have a higher impact on employee performance (Desmet, Ortuó-Ortín, & Wacziarg, 2017). The term "ethnicity" refers to a group of people who share a common trait, such as a shared racial background, religion, or culture, according to Desmet et al. (2017). The study found that markers of conflict, space for growth, and the use of many languages helped to identify ethnicity (Rizwan, Khan, Nadeem & Abbas, 2016).

According to Karakaş & thin (2017), to correctly assign tasks and responsibilities to human employees, it is essential to consider each employee's marital status in terms of employee quality. Their married status determines the criteria that set them apart from a significant other. The study used indicators like the percentage of married couples, how equitably everyone is treated, and average income to define marital status.

However, education level has a significant impact on how well employees perform. Education level is defined by Al-Shobaki, Abu-Naser, El Talla, and Amuna (2018) as the learning skills and credentials a person has accumulated or earned. Bhargava & Anbazhagan (2014) discovered that employees with substantial knowledge perform assignments well. The study assessed education-related duties, on-the-job training, and employee academic credentials to evaluate education level.

Gender diversity is an additional issue that needs to be taken into account. According to Christiansen, Faber, and Madsen, the sexual characteristics that distinguish masculinity and femininity in terms of physical and biological characteristics are gender (2016). Ineffective gender diversity management in the workplace directly influences employee productivity, according to a study by Ali, Metz, and Kulik (2015). Gender diversity was assessed by looking at fair hiring practices, gender evaluations, and treatment. It consequently impacts pay, evaluation, advancement, and supervision. For similar tasks or duties, it is common knowledge that women get paid less than males (Bagilhole, 2017). Also, they usually receive subpar evaluations and are less likely to be promoted than men.

The impact of cultural diversity extends to how effectively employees perform in the workplace (Ahmed & Wario, 2013). According to Pitts et al. (2010), companies have become more ethnically diverse, increasing awareness of how different groups interact at work. Cultural diversity issues are more common in the private sector, impacting how coworkers interact and how well businesses perform. Ethnic or cultural variety, according to Timmermans (2011), may improve innovative performances by enlarging organizational perspectives and perceptions. Timmermans continued by saying that although some levels of cultural diversity at work may positively relate to innovation, high levels may negatively relate to performance since they may cause conflicts and disputes due to social categorization.

### **1.1.2 Employees performance**

The real success of a company is heavily dependent on employee performance. Depending on what employees do or do not do first. Various elements, including work quality, presentation, delivery timeliness, high performance, and employee satisfaction, influence an employee's productivity (Anitha, 2014). Shahzadi, Javed, Pirzada, Nasreen, and Khanam (2014) contend that each employee's efficiency directly affects the company's efficiency. A consequence account for each specific work position during a certain period, according to Rizwan et al. (2016), could be used to characterize the output of employees. The transfer of created outcomes is what overall productivity means in this context. It can be quantified using several metrics that, over time, reflect an employee's performance correctly. Also, according to Pirzada (2014), many collaborations use a rating system to select an employee's aptitude and output based on their performance as an individual employee. A decent employee's performance is linked to a broader consumer's sense of quality service management, whereas poor representative performance is linked to more customer complaints and negative profitability.

When discussing performance, it has meant to allude to how successfully workers handle various functional demands of their positions and duties at work (Uchhal & Solkhe, 2017). Performances, according to Durga (2017), are completing tasks, objectives, or assignments. Employee performance is how an employee completes the assigned tasks or other requirements to achieve the desired outcomes. Several viewpoints exist on how well employees perform (Odhiambo et al., 2018). The first happens when workers' output satisfies the performance standards set by the company's customers. The second factor affecting an employee's performance is how the social processes they use to complete tasks maintain or enhance their capacity for cooperation in group activities. Ensure that the specific requirements of the employees are considered or satisfied.

In this respect, the effectiveness of employees' performance needs to be fully appreciated regarding the relevant activities required of a professional and how well they are carried out. The workforce leaders of many companies are already assessing each employee's productivity quarterly or annually to enable employees to detect projected growth ranges.

Anitha (2014), workforce diversity at the Parastatals in Nairobi, asserts that there has been a change in the ethnicity, marital status, level of education, and gender of parastatals employee members. Overall worker performance has increased as a result, as seen by high morale, incredible production, and better job results. Numerous factors can be used to grade or assess performances (Darwin, 2015). Workers may be more interested in a productive environment than management in firms' employee output (Elsaid, 2012). A range of information, expertise, experience, and skills is expected to correlate positively with employee performance. Employee productivity, efficiency, and dedication will all indicate employee performance in this study.

### **1.1.3 Parastatals in Kenya**

According to the 2006 Handbook for Civil Service Personnel Induction, a parastatal is a state institution or agency that was principally established by a statute or an Act of Parliament in conformity with government policy. They work closely with the appropriate government agencies and are linked with the central government due to their jobs. Parastatals are quasi-governmental organizations linked to government functions. They carry on business as usual.

Their legal status might range from being a part of the government to owning stock companies with the state as a regular stakeholder. Kenyan parastatals fall into one of three categories: class A, class B, or class C parastatals. The size, source of money, and ministry of the parastatals define the classifications (Doherty et al, 2019). Parastatals are further divided based on the industry they belong to. The industries include the financial sector, the business

and manufacturing industries, the regulatory industries, the public universities, the training and research industries, the service industries, the regional development agencies, and the tertiary education and training industries. In Nairobi County, there are a total of 18 registered parastatals. The workspace has desks, chairs, telephones, office supplies, and other conveniences. Human resources are a factor that is equally important because any recovery efforts would surely fail if there were not enough trained personnel on hand to carry out the necessary corporate operations.

### **1.2 Statement of the problem**

The performance of Kenya's parastatal staff needs to improve, impacting the organization. This was caused by the need for more adequate policies regarding employee promotions, transfers, and training (Kundu & Mor, 2017). Performance was typically seen as a function of both motivation and skill; employees who naturally had 100% motivation and a 75% skill level frequently achieved above-average performance, whereas employees with a 25% skill level were unable to meet the proposed level of performance despite their level of motivation (Neema, 2016). As a result, it was important for institutions to adopt appropriate rules that may help motivate individuals, thereby boosting their performance and favorably influencing the firm's performance.

The parastatal workforce continues to be essential to operationalize these sectors effectively. This means that the workforce in these institutions have been cooperative in all context from the management to the low level staffs thereby enhancing smooth flow of the workforce output. In contemporary businesses, managing the inevitable rise in workforce diversity has been a critical cause of concern (Zhuwao, 2017). This is because it ties to employee performance, which influences how well institutions function as an organization.

Diversity which is viewed in a firm as the force or power that can enable employees to realize their most tremendous potential. It has not been fully implemented in most parastatals

making them to experience a lot of performance challenges from workforce which this study will seek to exponentially consider to evaluate so as to ensure that parastatals achieve their goals and objectives (Rowe, 2019). Academics and policymakers have been concerned about the links between workplace diversity and employee performance. Akinnusi (2017) stressed the significance of workforce diversity in the Nigerian setting. According to the study, the nation's social, political, cultural, and economic environments impact managing the workforce. Tribes, languages, values, and cultures affect organizational effectiveness, claim Hafizah & Faiza (2015).

Despite many studies on the connection between workplace diversity and employee performance, many unanswered questions still need to be answered. Fabian (2015) researched the senior management team's diversity and its effects on college academic success. Findings show that educational variety has a positive effect on outcomes. Nevertheless, the study was conducted inside the framework of German universities. Zhuwao (2017) researched the effects of workforce diversity on employee performance. The findings demonstrated that workplace diversity directly and significantly impacts employee performance (including racial, gender, and educational differences).

Nevertheless, the studies on employee performance and workplace diversity suffer several flaws. While some of the research was on the educational sector, some studies were not specifically about Kenya but rather about other nations. The project research examines workforce diversity's effect on employee performance in Nairobi parastatals to address the suboptimal employee performance threat in this sector.

### **1.3 Objectives of the study**

Both broad and specific aims guided the study.

### **1.3.1 General objective**

The main aim of this study was to analyze the effect of workforce diversity on employee performance in parastatals in Nairobi County.

### **1.3.2 Specific Objectives**

- a) To examine the effect of educational diversity on employee performance in parastatals in Nairobi County.
- b) To determine how age diversity affects employee performance in parastatals in Nairobi County
- c) To investigate the effects of ethnic diversity on employee performance in parastatals in Nairobi County
- d) To investigate the impact of gender diversity on employee performance in parastatals in Nairobi County.

### **1.4 Research Questions**

- a) What is the effect of educational diversity on employee performance in Nairobi County parastatals?
- b) What is the effect of age diversity on employees' performance in Nairobi County parastatals?
- c) What is the effect of ethnic diversity on employee performance in parastatals in Nairobi County?
- d) What is the effect if gender diversity on employees' performance in parastatals servicing Nairobi County?

### **1.5 Justification of the study**

Employees are crucial for many organizations to succeed in the competitive operations world. These teams must come from a range of backgrounds to prevent operational monotony. This ensured that a group is not based on membership in a particular tribe, age group, or professional foundation of jurisdiction. The organization's results were merged since diversity improves

performance. This study on how employee performance diversity affects parastatal organizations' overall performance has become vital. This made it easier for you to understand how crucial diversity is in preventing workers from feeling discriminated against at work and abandoning the company they are supposed to work for.

### **1.6 Significance of the study**

The project benefited different groups.

#### **1.6.1 The management of the parastatals**

The analyses help parastatal management better grasp the underlying connections between workplace diversity and employee success in the first domain. Also, recommendations provide management techniques to employ.

#### **1.6.2 Policymakers**

Policymakers find the research's numerous practical policy implications to be highly imaginative. This study is significant to the academic world since it suggests areas for future investigation.

#### **1.6.3 Future researchers and Academicians**

The study's results provided future academics interested in conducting an analogous study with a baseline against which to compare their work.

### **1.7 Scope of the study**

The study focused on workforce diversity and employee performance in Nairobi County, Kenya (cultural, age, ethnic, and educational level diversities). The choice of the research variables was influenced by the literature, which suggests that these are significant determinants affecting workforce diversity. The study focused on five (5) government parastatals in Nairobi City County, Kenya, because of their proximity and tendency to generalize to other parastatals. Questionnaires served as the instruments, and multiple regression and descriptive techniques was employed. Random stratified sampling will also be used in the investigation.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section contained literature information collected from different scholars. The literature comprises a theoretical framework, empirical reviews from scholars, gaps from the review and a conceptual framework. The study opens up the knowledge of workforce diversity and its effect on employee performance.

#### **2.2 Theoretical Literature Review**

The study is governed by several theories, including human capital theory, equity theory, and stereotyping theory. The chosen theories are appropriate based on the ideology they carry and the idea behind the concept.

##### **2.2.1 Human Capital Theory**

The generation of personnel which a company absorbs in terms of age matters a lot towards their performance. This means that the workforce of an entity is dependent on human capital in their jurisprudence in relation to age (Mwikali & Kyalo, 2015). Researchers (Schlick, Frieling & Wegge, 2013) examined how age affected employee performance. They argued that older workers were more likely to learn new material slowly, affecting their memory and how they carried out their duties. They, therefore, needed help adjusting to more modern ways of carrying out tasks. Because socially different workplaces frequently result in decreased communication, employee dissatisfaction, and inferior performance, social similarity is necessary for staff coherence, synergy, and communication to utilize the theory entirely.

According to the notion, having a diverse workforce in age, gender, ethnicity, and educational level boosts employee productivity by enabling more experienced or older workers to mentor less-experienced or younger employees. Reverse mentoring is a tactic that could enhance communication by teaching younger people new information and abilities (NIWGW, 2019). The motivation of workers was taken into consideration when designing occupations.

More than half of the labour force comprises millennials and generation Y, with elevated expectations for compensation, job experience, continued learning opportunities, and development chances (Bersin, 2016). Institutions must gauge the motivation of the various generations in the workforce to get them to perform at the maximum level possible.

The theory showed that having both young and old employees in a company increased both employee and company effectiveness and efficiency because younger, less experienced workers could share their skills and knowledge with more seasoned, experienced workers by using company technology, and employees with more experience could serve as mentors to employees with less experience (Shahzadi, et.al. 2014). Younger employees typically aren't included in decision-making processes because they are seen as inexperienced. Still, older individuals prefer to draw toward flop to keep their skills current and maintain themselves as sufficient competitive employees. According to the argument, older or younger employees were discriminated against and should be held accountable for their disadvantageous position in the workforce. This idea demonstrates how age diversity affects employee performance. As a result, the study aims to comprehend how this theory impacts workforce diversity, especially regarding age and its impact on worker performance.

### **2.2.2 Equity Theory**

The foundation of Adams' 1963 Equity Theory is that justice and equity remain fundamental elements of human motivation. Since people are motivated by honesty, when they see differences between their output or input ratios and those of their referent group, they will endeavour to change their behaviour to make their perceived fairness come about (Adams, 1963). The focus of equity theory is on how fairness is perceived by individuals (Yousef, 1998). Workers assess the labour they have completed for others and compare it to the pay they received. The concept advocates for employees to strive for workplace equity between

themselves and their coworkers. The ratio of an employee's output to their inputs and those of other employees must be equal to achieve equity in the workplace. So, the equity hypothesis is interested in how employees behave and are treated concerning their coworkers. The primary principle of the idea states that an employee seeks to protect fairness in terms of input (experiences, time, effort, expertise, and dedication) and output (increases in income, recognition, and promotion) as opposed to the same for other workers or coworkers (Gluck, 2015). When workers compare their work to another employee whose compensation is higher than their own, they do so against a higher-paid counterpart. Such workers might assume that the person making more money may be working less hard than them (Kandpal, 2015).

Therefore, a worker can compare their effort-to-compensation ratio to others in such circumstances, which can diminish motivation at work. According to their contributions and efforts compared to other workers, employees desire to be pretty compensated at work. The tenets of this theory support the links between educational diversity and employee effectiveness. Even with the same education and work experience level, employees should not be given preferential treatment or unequal pay. So, the argument supports the link between educational variety and employee performance. The idea holds that employers should treat employees fairly and equally. As a result, the link between educational diversity and employee performance supports this claim.

### **2.2.3 Stereotyping Theory**

Pitts developed the theory in 2009 and defined a stereotype as an opinion preconceived and unduly generalized about a certain group of people. According to the author, preconceptions influence how people respond to certain situations since they are built on common experiences. The main issue with these stereotypes is that they encourage people to overlook individual differences and draw potentially incorrect conclusions about others. By applying preconceptions and skills assumed to be possessed by members of the employee's group, people

can draw conclusions about a range of characteristics from their behaviour at work. This assumption leads to social categorization and breeds prejudiced attitudes that give rise to in-groups and out-groups (Fiske, 2016). Such occurrences contribute to a toxic work environment that may lower employee morale. Due to these effects, the injured employee may get distracted and depressed, harming their productivity. The individual could start to feel unworthy, which might affect their motivation to perform their work successfully and their self-esteem. A reduction in performance or productivity is anticipated for such a person. Fiske added that prejudice and discrimination at the workplace play a sizable role in unemployment. People continue to be unemployed due to discriminatory hiring practices used by corporations or organizations. The diversity of the workplace is impacted by this bias, which harms employee productivity.

Prejudices are created and perpetuated by a person's family, friends, and community (Schmid & Amodio, 2017). The impulse to blame a minority group for their mistakes and tragedies led humans to establish prejudices. According to Schmid & Amodio, the exploitation hypothesis explains how people form prejudices due to conflicting economic interests. Individuals rationalize behaviours that would be discriminatory against other ethnic groups with whom they compete due to these competing interests. Lastly, authoritarian personality theory describes how, based on a person's character, significant biases regarding what is good or wrong may develop.

Beasley, Awosogba, McClain, Jones, Jackson, and Cokley (2016) assert that racial, gender, age, and marital status prejudices have a detrimental effect on the health of many people. Four main hypotheses were used to support this claim: that stereotypes eventually become internalized throughout a person's lifetime; that stereotypes occasionally operate unconsciously; that stereotypes can become salient through self-relevance; and that people can stereotype in various ways. McClain et al. tried to explain why older people internalized age

preconceptions and how other self-prejudices, like racial stereotypes, worked using similar assumptions.

The idea will be useful in showing how these assumptions, once activated in the subconscious mind, and might eventually impair a person's health. A thorough examination of prejudice and stereotyping will be undertaken at a parastatal in Nairobi County. The study will generalize the impacts of stereotyping on worker performance, as those effects were previously described. Random sampling, which would then be used to draw conclusions based on ethnicity, is part of the stereotyping that causes employees operationalization dilemmas when not well adhered to.

## **2.3 Empirical Review**

### **2.2.1 Education Level diversity and Employee Performance**

Bhargava and Anbazhagan, (2014) studied the effect of educational diversity. They established that the level of education an employee has attained might be used as a barometer of their aptitude for a particular task; as a result, it can be necessary throughout the hiring process to assist in selecting the candidate who will be most suited for the job. Employees' primary objective is to perform their tasks effectively and efficiently. Also, they work to strengthen the institution by evolving together with it, which paves the way for them to advance professionally through promotions. Moreover, (Elsaid, 2012) looked into how workforce diversity across cultures affected employee performance in Egyptian pharmaceutical companies. He focused on analyzing how employee performance is impacted by gender, age, and educational background in the incredibly diverse Egyptian pharmaceutical industry.

Elsaid (2012) used an experimental research design. Three hundred middle managers were included in the sample. Data were gathered using self-administered questionnaires. Surprisingly, the findings revealed that when diverse workforces collaborated, age diversity

had little impact on the variation in employee performance. Gender and educational background were the only two variables that were significant. The survey claims that to manage an increase in a diverse clientele, firms in the global economy need diverse personnel. Hence, having a diverse workforce can increase market share, whereas having a less diverse workforce can result in a drop in market share.

The study found that demographic diversity boosted an institution's competitiveness and level of performance by encouraging innovation, creativity, and improved group problem-solving. In multicultural societies, increasing staff diversity is also morally right for businesses, regardless of the consequences to their bottom line. The conclusions and recommendations in the study were based on a scant quantity of research because the researcher only conducted a tiny number of empirical evaluations of earlier studies. This was the study's primary fault. It was concluded that this study needed more since it used an experimental research design instead of the current study's descriptive design.

Anjiri (2018) studied how workforce diversity affects the performance of Nairobi-based IT organizations. He examined the effects of workforce diversity on factors such as age, gender, educational level, and ethnicity. Four executives from ICT businesses with offices in Nairobi's Westlands made up the target population of the descriptive research's 80 respondents. As a result, a census study was carried out, and a regression analysis was also employed. The results showed that educational level significantly influenced organizational performance, and employees with academic training gave customers top-notch service. Although the impact of workforce diversity on employee performance is explored in both studies, his study focused on information technology institutions, whereas the current research looked at educational institutions. The study looked at organizational performance as well as employee performance.

Research on the effects of education and job experience on performance is cited by Kotur and Anbazhagan (2014). The study examined the various levels of employee performance at the Chittoor Sugar mill in Chittoor, South India. It looked at how education and job history affected internal employee performance. The diverse workforce diversity chose a sample size of 112 employees and 16 supervisors from the study's participant pool of 653 employees and 32 supervisors. A performance questionnaire was then used to collect crucial information for the investigation. The data was then compiled and entered into the computer for analysis using SPSS and Microsoft Excel. The outcomes were then objectively presented using tables and graphics. These results were limited in significance by the small sample size compared to data collected from all firm personnel. This research concentrated on assessing the level of worker performance as opposed to the current study, which tried to explore the relationship between workforce diversity and employee performance.

### **2.3.2 Age diversity and employees performance**

According to a study (Darwin & Palanisamy, 2014) on the effect of workforce diversity on employee performance in Singaporean enterprises, diversity in the workforce increased overall employee performance, which is crucial for accomplishing organizational goals. Age variety was frequently linked to creativity, developed and improved problem-solving abilities, and market awareness, which was crucial for aiding firms in gaining and maintaining a competitive advantage. The age, gender, and ethnicity of the workers were empirically associated with performance using the Software Package for Social Science (SPSS). Following the investigation, it was discovered that age, gender, and ethnicity had no statistically significant effect on employee performance; nonetheless, the HR actions suggested by the employees to boost the efficacy of workforce diversity were advised. Although the study examined how workforce diversity affected employee performance, it was done in Singapore instead of Kenya. It had a dual industry focus on both the manufacturing and service sectors.

Krishnan, Gowrishankar, and Kanagaraj(2017) attempted to define the concept of age diversity in the workforce and employee performance. One hundred twenty industry professionals in the food processing sector were surveyed using a convenience sampling technique for the study's descriptive component. The data were analyzed using regression and correlation techniques. This study's analysis showed that the workforce's age diversity significantly impacted forecasting employees' performance. The survey also showed that, in addition to the workforce's wide age range, employment experience, position, and gender, employee performance differed. Although employee performance was a topic of both studies, the current inquiry was conducted in Kenya, whereas the Krishnan study was done in India. Also, the current study's respondents were randomly picked for the convenience sample method. Since the study's main focus was assessing the relationship between the workforce's age diversity and workers' performance, it did not include other workforce diversity criteria like gender, color, or education.

A study on workforce diversity and its implications on employee performance in higher education institutions in South Africa was conducted using the University of Venda as a case study (Zhuwao, 2017). A cross-sectional study approach using a random sample of (n = 267) was adopted because it allowed for the division of workers into equivalent employee strata of academic and non-academic. Information was gathered using the workforce diversity and employee job performance questionnaire. Although he observed a significant and robust association between the independent and dependent variables, his research indicated a less significant relationship between employee performance and age diversity. The current study, which was conducted in Kenya, and Zhuwao's study, which was conducted in South Africa, were found to have a considerable discrepancy based on this outcome. The National Biosafety Authority manages employee performance and workforce diversity,



Muthiora (2017) researched whether including workplace diversity elements such as age, gender, marital status, and educational background affects worker performance. Based on the research results, a descriptive research methodology was employed with a target group of 38 National Biosafety Authority workers, comprising top management, middle management, and general staff. Regression analysis was used to look at the data taken from a census for the study. Muthiora found that the performance of employees is significantly impacted by age diversity. Most of those who agreed claimed that older workers recognized the value of age diversity. People with different viewpoints are brought together by age diversity at work. Having a diverse workforce that can work together is a team-setting and problem-solving tool for various difficulties. There were several discrepancies between this study and Muthiora since this study focused on ethnicity as one of the independent variables. In contrast, Muthiora focused on marital status as one of the independent variables.

### **2.3.3 Ethnicity and Employee Performance**

According to Emrah (2017), the organization recognizes and benefits from the ethnic variety as a valuable resource, whether the goal is to provide superior performance, stand out from the competition, or be a preferred institution. To determine the effect of staff diversity administration strategies on the effectiveness of administrative duties in commercial banks operating within the borders of Kenya, Emrah conducted a study. The examination was built around three main theories recognized as the study's cornerstone. The hypotheses include the similarity attraction paradigm, the social identity theory, and the agency theory.

The study's population, which consisted of all 42 commercial banks functioning in Kenya as of June 30, 2016, was selected using a descriptive research methodology. All respondents filled out self-administered surveys. Descriptive statistics were applied to analyze the data from objective 1 in this study. The correlation between the studied variables was determined by analyzing multiple regression models. Commercial banks have been found to

adopt the following administrative procedures linked to staff diversity: hiring procedures, employee training, gender equality, ethical diversity, and educational background. The findings demonstrated that the performance of Kenyan commercial banks is positively impacted by personnel diversity. It was then discovered that employees' performance was positively impacted by their competency, education level, ethnicity, training, and skills.

To determine the strength of the association between diversity and organizational success in Kenya's coastal state companies, Emma (2015) carried out a pilot study. Diversity, according to Emma, is the awareness, acceptance, enjoyment, and celebration of people's differences depending on their class, age, gender, colour, and mental and physical health level. A state firm is a corporation that the government owns and operates to further social and economic goals. They are used, among other things, to advance political and social objectives, address market inefficiencies, and promote education.

Emma ((2015) noted that the competitive advantage must be respected while enhancing institutional and employee performance. Organizations that encourage diversity in the workplace will be able to draw and keep great talent. Measurement of diversity and an evaluation of the relationship between diversity and institutional performance of state-run firms in Kenya's coastal region were the study's main objectives. Both secondary and first-hand sources were used to get the information. The research population included all 12 state corporations with headquarters in coastal Kenya. The study showed a favourable relationship between institutional diversity and state-owned businesses. The findings showed that gender diversity had a stronger influence than ethical diversity. According to the research, organizations should address the issue of different diversity characteristics, such as age, education, and special needs, to improve their institutions' performance.

In 2015, Wanjohi conducted a study to analyze diversity in project team management and its impact on enterprises. The main goal of his research was to ascertain whether the organizational efficiency of KRA was impacted by how the Business Analysis Office (PMBO) and Project Management handled various project teams. One of the study's four main objectives was to ascertain how managing cultural, demographic, cognitive, and technical diversity in PMBO teams affects organizational effectiveness. The study was carried out in Nairobi's PMBO headquarters. A sample of 180 people was used. Structured questionnaires with extensive validity testing from pilot testing were used. The questionnaires were collected after one week, and numerous reminders were sent to guarantee a high response rate. Descriptive statistics and correlation tests using SPSS were the foundation for the quantitative analysis. The investigation revealed that managing cognitive reality and cultural, technical, and demographic diversity affects organizational effectiveness. A substantial positive correlation of 0.732 between managing cultural diversity and organizational success was discovered. The teams in the organizations are more influenced by religion and ethnicity.

Mwatumwa (2015) study's definition of workforce diversity noted that these disparities and affinities between workers relate to their ethnic, gender, and educational backgrounds. The study employed a process known as judgmental sampling. Self-administered questionnaires were used to gather data for the study's results, which focused on 30 of 59 employees of the County Assembly of the Mombasa council. The data was then descriptively analyzed. Tables were used to present the findings after the data had been statistically assessed using Statistical Software for Social Science (SPSS). Correlation An important correlation between performance and diversity-related test components was discovered using coefficient analysis. Interviews and observations were used to obtain data to support the conclusion. The information analysis shows that CGM has a recognized trend toward diversity in the workforce and that there has been no discrimination based on race, gender, or educational attainment.

Although the workforce was cohesive, it could have given more importance to performance standards based on demographics. There was no noticeable difference in the production amongst workers based on race, gender, or educational attainment. Despite having a close relationship, the research and the current study used distinct sample methodologies, with the former using judgmental sampling and the latter using random sampling. Also, this study modified observations and interviews to gather data, whereas the current study used questionnaires.

Ekot (2017) investigated the effect of workforce diversity on employee performance in the Nigerian banking sector. The study adopted a survey-based design strategy. The technique utilized to collect pertinent data for the findings was the questionnaire. To examine how diverse Nigerian companies are in terms of gender, age, ethnicity, and educational achievement, the study concentrated on the country's banking sector. Eighty-one questionnaires were distributed to the study participants, who all answered and returned them. Tables of frequencies and percentages were utilized for the descriptive parts of the analysis, which was conducted using Statistical Software for Social Sciences (SPSS). The association between the variables was established using regression modelling, and the effect of the independent factors on the dependent variable was determined using Spearman Rank Correlation Coefficient Analysis. The findings revealed a substantial relationship between every aspect of workforce diversity used and employee performance, except racial diversity. The results of this study indicated that differences in employee performance were significantly impacted by differences in gender, age, and educational attainment, suggesting that management should continue to pursue its diversity-related policies and practices to maximize the advantages of diversity. However, the study's scope was limited because it mainly focused on Nairobi parastatals and needed to investigate workplace diversity more. Moreover, it failed to consider the age and educational factors, which were some of the crucial diversity-related issues that the current

study explored. This study used a descriptive methodology, whereas the current one used a survey methodology.

According to a study by Bor and Wanyoike (2019), ethnic and cultural diversity in Kenya positively impacts employee performance. Due to expanding globalization, workforce diversity has become extremely crucial in HR. Some key HR differences are age, race, social status, ethnicity, gender, education level, skills, religion, norms, and beliefs. The study used a descriptive research approach. The probe mainly concentrated on middle and lower-level management of ABC Bank Westlands. All 71 participants in the study were counted using a stratified sample method. The study found that ethnic diversity in language, culture, customs, and beliefs impacted how many customers were served. This study examined race, social position, religion, norms, and beliefs in addition to the current study's variables.

In contrast, the current study concentrated on gender, age, ethnicity, and educational level. Even though the current study and its conclusions sought to prove a link between workforce diversity and employee performance, several variations were found, including the choice of variable 26 for the study. While the performance of parastatal workers in Nairobi was the focus of the current study, the study also looked at the ethnic and cultural diversity at ABC's Westlands Branch.

Macheo (2016) studied the impact of staff cultural diversity on business performance. The study aimed to shed insight into how language use, belief systems, and employee religion affect corporate performance. A descriptive research methodology was employed in the study to gather data from a sample of 60 Oilybia gas station employees in Nairobi. The data were examined using SPSS version 20.0, a statistical tool. Regression analysis was used to assess the relationship between the cultural diversity of an organization's workforce and performance. She established the link between cultural values and improved organizational performance. The

language variable had little to no effect on organizational performance, with the only variables to have a positive effect being ethnicity and unpleasant working conditions. The findings also demonstrated that linguistic differences contributed to disagreements because people found interacting with those from diverse cultural backgrounds difficult. It was found from the study that there were several gaps between it and the current study. For instance, whereas the latter study included age, gender, educational attainment, and ethnicity, the former employed religion, value systems, and language as independent factors. Whether the influence is positive or bad, ethnicity must affect employee performance.

#### **2.3.4 Gender diversity and Employee Performance**

The gender inequalities between people were the main focus of the research on gender diversity. Based on their gender, these distinctions impacted how employees responded to the actions of other employees in a work environment. Gender diversity increases worker stability, decreasing conflict and instability (Roth, Purvis & Bobko, 2015).

Odhiambo, Gachoka, and Rambo's (2018) studied the relationship between Gender Diversity and Employee Performance at Public Universities in Western Kenya. The survey, conducted in the western portion of Kenya with a population focus on the four universities, attracted 120 departmental heads (Maseno University, Masinde Muliro University of Science and Technology, Jaramogi Oginga Odinga University, and Kisii University). According to a mixed method design, the study used a survey methodology to gather primary data using a questionnaire. The data gathered from this inquiry were analyzed using descriptive and inferential statistics. One hundred twenty questionnaires were distributed, with a response rate of 78% being found. The results of the study's data showed that there is a statistically significant beneficial relationship between gender diversity and employee performance. The findings of this study's conclusion showed that employee performance was positively influenced by gender

diversity, and the majority of workers had positive opinions of the gender diversity policies at public colleges.

The report recommends that these companies try to boost the number of women on management position teams to support affirmative action initiatives and set a good example for gender diversity. The study, as mentioned above and the current study both focused on employee performance and diversity, notwithstanding some discovered gaps. For instance, this study solely looked at gender, but the current study looked at the workforce. The current study, conducted at the Kenya School of Government, contrasts with the study that was also conducted on public universities in Western Kenya. While this research employed a mixed-method approach, the current study will adopt a descriptive strategy.

According to Bussolo's 2017 study, *The Impact of Workforce Diversity on Organizational Performance at AAR Group of Companies*, there were three distinct goals on how the performance of the AAR groups was to be influenced. Age, gender, and ethnicity were among these variables. The study's target group consisted of 90 employees from various levels of the organization, which the researcher believed to have obtained the knowledge required for the research. The research findings adhered to the descriptive study design. Correlations between trustworthy factors were conducted using the SPSS program version 21 to analyze the data, enabling further interpretation. The study's results showed that gender diversity improved performance's competitive edge. The new analysis found several gaps in the other investigations. For instance, the earlier study was conducted in the AAR group of businesses, while the current study was conducted in KSG. The independent study factors examined were age, gender, and ethnicity. Nevertheless, this study added the amount of education and looked at all three variables. It was also shown that the prior study looked at overall organizational performance, but this study focused on employee performance.

In their 2015 study, *The Impact of Diversity in the Workplace on Employee Performance in the Kenyan Banking Sector*, Kyalo and Gachunga looked at how diversity was becoming increasingly valued as a resource organization could use to provide excellent customer service and maintain a competitive edge. The study looked at the effects of employee performance on education, ethnicity, gender, and age diversity in Kenya's banking industry. Forty-three middle-level managers who work at the headquarters of all the commercial banks in Kenya made up the sample size for the stratified random sampling, totalling 221 middle-level managers. A descriptive study design and SPSS version 21 were used for data analysis. The study found that men and women had equal access to career progression opportunities; thus, both genders were assigned equal weight. The company did a great job at recruiting and hiring women as well. Although the two studies closely resembled one another in that they looked at how workplace diversity affects workers' performance, they differed in that the second inquiry included responses from all KSG employees. At the same time, the former concentrated on middle-level managers.

In contrast to a learning and training facility, a financial establishment was the subject of Kyalo and Gachunga's (2019) research. The study used stratified random sampling, whereas this study only used basic random sampling. Consumer satisfaction, staff morale, and diversity research (Sania, Kalpina & Javed, 2015). The study examined the connection between diversity and consumer satisfaction, mediated through employee morale. The research used participants from six multinational fast-food restaurant franchises in Karachi, Pakistan. While customers of these restaurants provided information on consumer satisfaction, employee data was gathered using self-reported surveys. From the study, a manageable sample of 235 respondents was taken. The relationship and significance of the model were investigated using exploratory, confirmatory, and structural equation modelling. The findings disproved the idea that there was a correlation between consumer satisfaction and diversity, but they did demonstrate a strong



link between diversity and employee morale. They concluded that workplace diversity could change coworkers' interactions, boosting morale and job satisfaction. This study was distinct from the one currently being undertaken since it used a convenience-based sample and structural equation modelling to assess the relevance of the correlation and model. Nonetheless, the current study evaluated the Reliability using Cronbach's Alpha and simple random sampling.

#### **2.4 Summary of Literature**

The study will focus on determining the effect of workforce diversity on employee performance in parastatals in Nairobi County. This was supported by different scholarly work in conceptuality. For instance, Bhargava and Anbazhagan, (2014) studied the effect of educational diversity. On the other hand, to support the study, Anjiri (2018) studied how workforce diversity affects the performance of Nairobi-based IT organizations. Darwin and Palanisamy, (2014) on the effect of workforce diversity on employee performance in Singaporean enterprises.

Emrah (2017) studied on the effect of staff diversity administration strategies on the effectiveness of administrative duties in commercial banks operating within the borders of Kenya. Wanjohi (2015) conducted a study to analyze diversity in project team management and its impact on enterprises. Ekot (2017) investigated the effect of workforce diversity on employee performance in the Nigerian banking sector. Bor and Wanyoike (2019) studied on ethnic and cultural diversity in Kenya positively impacts employee performance. Macheo (2016) studied the impact of staff cultural diversity on business performance. Odhiambo, Gachoka, and Rambo's (2018) studied the relationship between Gender Diversity and Employee Performance at Public Universities in Western Kenya. All these studies were based on supporting the current study concept.

## **2.5 Research Gaps**

The effect of workforce diversity on employee performance in parastatals in Nairobi County in global, regional, and local contexts has been the subject of numerous studies in the past. As of the current research, most researchers focused on business aspects that affected organizational staff performance for instance, the study by Anjiri (2018) studied how workforce diversity affects the performance of Nairobi-based IT organizations. This study was based on ICT Organizations in Nairobi whereby the current study will seek to fill in the research gap by considering parastatals in Nairobi City County.

Zhuwao (2017) studied on workforce diversity and its implications on employee performance in higher education institutions in South Africa whereby the study was carried out in South Africa which the current study will seek to fill by conducting it in Kenyan concept through a contextual area of Parastatals in Nairobi City County. Wanjohi (2015) conducted a study to analyze diversity in project team management and its impact on enterprises whereby the study was based on diversity in project team which the current study will seek to fill in the research gap by looking at effect of workforce diversity on employee performance in parastatals in Nairobi City County.

Ekot (2017) investigated the effect of workforce diversity on employee performance in the Nigerian banking sector. This study was carried out in Nigerian banking sector which the current study is in Kenyan concept with parastatals in Nairobi City County thereby seeking to fill in the research gap in existence. Macheo (2016) studied the impact of staff cultural diversity on business performance. This study exposes a research gap as kits all about cultural diversity on business performance contrary to the current study which is all about workforce diversity on employee performance in parastatals in Nairobi City County therefore seeking to fill the gap in existence. Odhiambo, Gachoka, and Rambo's (2018) studied the relationship between Gender Diversity and Employee Performance at Public Universities in Western Kenya

therefore exposing a research gap as the current study is all about workforce diversity on employee performance in parastatals in Nairobi City County.

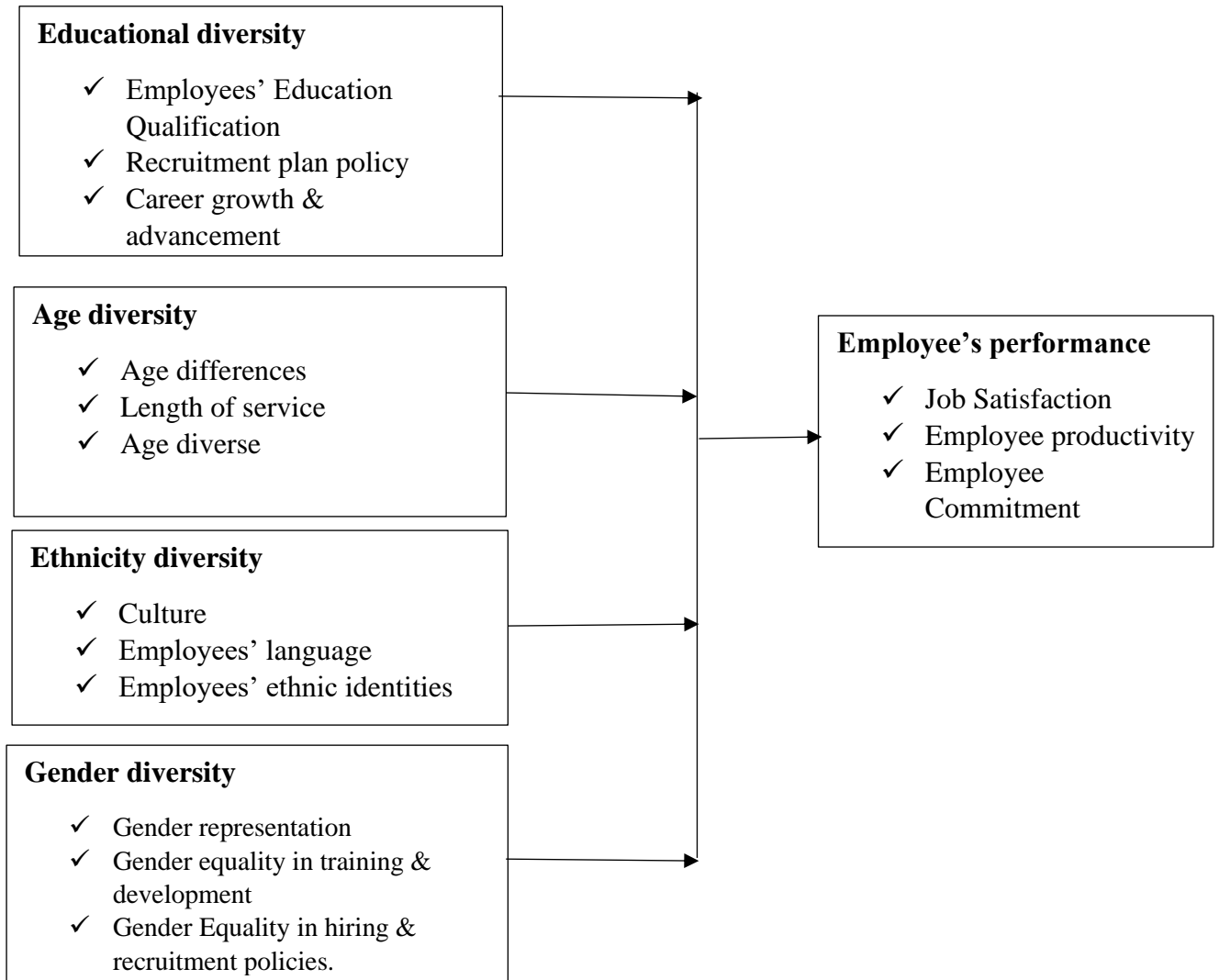
This study will fill the existing research gap by thoroughly analyzing the relationship between workforce diversity and employee performance in the parastatals in Nairobi County. Although other research has concentrated on employee performance, especially in the banking sector, this study will consider employees working in parastatals in Nairobi County. This study, which considers age diversity, education diversity, gender and ethnicity diversity, intends to fill the information vacuum by examining the effect of workforce diversity on employee performance in parastatals in Nairobi County.

## **2.6 Conceptual Framework**

The study's conceptual framework describes how the independent and dependent variables are related. Age diversity, education diversity, and gender and ethnicity diversity will be the dependent variables, with the degree of employee performance as the independent variable.

**Independent variables**

**Dependent variable**



**FIGURE 1 Conceptual Framework**

## 2.7 Operationalization of variables

**TABLE 1**

**Operationalization of variables**

Variables	orientation	Variables description	Indicators	Scale of measurements	Tool of analysis
Employee performance	Dependent variable		-Job Satisfaction -Employee productivity -Employee Commitment	Ordinal scale	Descriptive regression analysis
Education Diversity	Independent variable	To examine the effect of educational diversity on employee performance in parastatals in Nairobi County	-Employees' Education Qualification -Recruitment plan policy -Career growth & advancement	Interval scale	Descriptive regression analysis
Age diversity	Independent variable	To determine how age diversity affects employee performance in parastatals in	-Age differences -Length of service -Inclusivity of all ages in decision making	Interval scale	Descriptive regression analysis

Ethnicity diversity	Independent variable	To investigate the effects of ethnic diversity on employee performance in parastatals in	-Culture - Employees' dialect -Employees' ethnic identities	Interval scale	Descriptive regression analysis
Gender diversity	Independent variable	To investigate the impact of gender diversity on employee performance in parastatals in Nairobi County.	-Gender representation -Gender equality in training & development -Gender Equality in hiring & recruitment policies.	Interval scale	

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter covers the research design, target population, sampling strategies, sample size, research instrument, data collection techniques, data analysis, and ethical issues.

#### **3.2 Research Design**

The research design refers to the methods used to carry out the investigation. According to Cooper and Schindler (2013), it is the method used to develop solutions to the study's questions. A methodical technique and a business research strategy was used in this investigation. Its purpose is to inform readers about administrative challenges (Cooper & Schindler, 2013). It is an extensive, impartial, organized, analytical, database-based inquiry or study into the problem of employee performance and workforce diversity conducted to resolve it (Sekaran, 2010). This study uses a descriptive survey design, which comprises the development of objectives, data collection techniques, data collection, data analysis, and reporting of the case study's conclusions. The study design was ideal for the research since it considered multiple facets of the problem and provide quantitative and qualitative data techniques. This is because the study's objectives was met. While qualitative methods offer thorough explanations of the subject based on current theories, quantitative approaches provided the facts necessary to substantiate the hypotheses. Using two different research methodologies can help to avoid this bias because both will be used to evaluate the other, and both had bias and weak points (Cooper & Schindler, 2013).

#### **3.3 Target Population**

Mugenda & Mugenda (2013) define a population as all members of a specific group. There are five different types of parastatals in Nairobi, each designated to operate in a different jurisdiction with 103 different subsections. The target population was the 103 parastatals that are within Nairobi County. As of December 2015, there were 103 parastatals listed by the

government, and they were grouped into the following categories: agriculture, services, industry, banking and finance, and education (Table 2).

**TABLE 2**  
**Target Population**

<b>Category</b>	<b>Target Population</b>
Agriculture	16
Service	19
Industry	32
Banking and Finance	11
Education	25
<b>Total</b>	<b>103</b>

**Source: Kenya Gazzete (2015)**

### **3.4 Sampling size and sampling Design**

Sampling approaches, as defined by Kombo and Tromp (2006), are the procedures used to select the examples that would be observed. The respondents was human resource staff from the parastatals in Nairobi County, and the sample was drawn using census sampling technique. The reason for using the sampling technique is because the target population is small and manageable and exposit similar characteristics thereby making is easier to distribute the research instrument. According to Mugenda and Mugenda (2013), census sampling is used whereby the target population exposit homogeneous characteristics. The researcher selected the respondents using a 100% sample size. This was through consideration of the selection each of the top human resource management in each of the 103 Parastatals in Nairobi City County.

### **3.5 Research Instruments**

The population sampled for the study got open ended and close-closed questionnaire. Typically comprised closed-ended questions for straightforward analysis and open-ended questions when



the study requires a thorough evaluation of the participants. The study used these types of questionnaires so as to elicit more response based on the high end questions which required further elaboration. The first section of the questionnaire asked for personal information, and the second section included closed-ended and open-ended questions about the study variables.

### **3.5.1 Pilot Study**

The researcher conducted a pilot study to assess the effectiveness of the research instrument. After the questionnaires were created, they were distributed to 10 senior staffs operating in county government offices at city hall in Nairobi to evaluate the instrument's correctness. Before the final questionnaire was created for the actual research, the pilot study assisted the researcher in gathering dummy data. This was crucial since it helped assure the greatest possible information gathering quality and error prevention (Flick, 2015). The respondents provided clarification-related ideas for the instrument that would make it better. In actuality, this helped the instrument function well.

## **3.6 Reliability and Validity of the Research Instrument**

### **3.6.1 Reliability**

Without being reliable, which is the extent or capacity to apply research equipment and techniques that offer consistent measurements, researchers cannot successfully arrive at any conclusions, establish any theories, or make any claims regarding the generalizability of their research (Cooper & Schindler, 2006). The two parts of the data research equipment produce the actual value or score and an error component. The data's error component shows the instrument's limits. Three major types of errors can happen throughout the data collection process, according to Cooper and Schindler (2013): errors arising from erroneous instrumentation, errors resulting from inaccurate researcher scoring, and unexplained errors. Inaccurate coding, vague subject instructions, interviewer and interviewee fatigue, and

interviewer bias are some variables that cause the random error. Improved dependability techniques; the study lessened variation from outside sources, standardize the conditions under which measurements are made, improved the consistency of the researchers by allowing only qualified, closely watched, and motivated people to conduct the research, and expand the range of measurement questions by including related questions on the data collection instrument, or increased the number of observers or occasions in an observational study. The Cronbach Alpha score was utilized to evaluate an instrument's improved internal consistency by excluding data from analyses obtained from measurement questions prompting outlandish answers. This study utilized Cronbach's alpha in testing reliability which is a measure of internal consistency, that is, how closely related a set of items are as a group whereby a reliability coefficient of .70 or higher was considered acceptable, Taber (2018).

### **3.6.2 Validity**

The amount to which an instrument generates consistent results or data after numerous trials, making it consistent and replicable, is defined as dependability by the authors (Samira, 2015). The degree to which a test captures what it is meant to measure is known as validity. For instance, the data collection questionnaires were given to the supervisor for an appropriate, in-depth examination of the material to achieve content validity. This ensured that linguistic mistakes were corrected, and the questionnaires was appropriate for the study's objectives.

### **3.7 Data collection procedure**

To provide valuable research data, the data collection process is essential (Groves, 2009). The researcher will begin collecting data after getting the institution's letter approving the project. A tailored cover letter from the institution that highlights the importance of the survey and

implores responders to complete the questionnaire that were included with the survey. The responders received the surveys and have enough time to complete them.

### **3.7.1 Diagnostic Tests**

Diagnostic tests was ran on to attest whether a regression analysis test could be undertaken using the independent and dependent variables. They include tests for heteroscedasticity, automated correlation, multicollinearity, linearity, and normality.

#### **3.7.1.1 Normality test**

Perform the normality test to ascertain whether a data collection has a uniform distribution. It determines whether the sample's data are from a regularly scattered population. The measure of the primary trend was assessed using continuous data, normality tests, and other statistical techniques for data analysis. The data's normality was assessed using the Kolmogorov-Smirnov test (Bryman, 2012).

#### **3.7.1.2 Multicollinearity test**

When there is an extremely high level of reciprocity or correlation between independent variables, this condition is known as multicollinearity (Gujarati & Porter, 2009). This calls into question the independent variable's statistical significance. The variance inflation factor value was taken into account by the multicollinearity test (VIF). A multicollinearity issue can occur if the VIF is more than ten (VIF 10). (Bryman, 2012).

#### **3.7.1.3 Auto correlation test**

The autocorrelation analysis gauges how much the time series resembles the initial lag over time. It assesses the relationship between a variable's current and historical values (Gujarati & Porter, 2009). This illustrates the degree of resemblance between observations as a function of time. The Durbin-Watson (DW) statistic was used to calculate the automatic correlation.

Gujarati and Porter (2009) claim that when the Durbin-Watson (DW) statistic is more than 2 and does not automatically show a relationship, the null hypothesis is only ignored.

#### **3.7.1.4 Linearity Test**

A scatter plot tests for linearity and evaluates whether the independent and dependent variables have a linear relationship. Before using the regression model, the relationship between the variables should primarily be linear (Jain et al., 2017).

#### **3.7.1.5 Heteroscedasticity test**

Using a regression model, skewed parameter estimates would result if heteroscedasticity was not considered. The  $H_0$  claimed that the error term's variance is constant. The traditional P-P plot was used to assess heteroskedasticity.

### **3.8 Data analysis and presentation**

The Statistical Package for Social Sciences (SPSS) version 25 software was used to conduct a qualitative and quantitative data analysis using the dependent and independent variables as a guide. The correlation method was used to characterize how closely connected the variables quantitatively are in the data. The strength of the connection was measured using a correlation coefficient ( $r$ ). A correlation study explored relationships between variables and predict a subject's score on one variable, given their score on another variable (Kothari, 2004). The data was then presented in the form of tables

In this case, a regression model showed how the research variables are correlated.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Whereby

Y= Employee performance

$X_1$ = Educational Diversity

$X_2$ = Age diversity

$X_3$ = Ethnicity diversity

$X_4$  = Gender diversity

$\beta_1, \beta_2, \beta_3$  and  $\beta_4$  = coefficients of determination

= error term.

### **3.9 Ethical considerations**

The researcher upheld research ethics throughout the process. The researcher begun by introducing herself and briefly outlining the objectives and benefits of the study. As a result, the respondents experienced peace. The researcher emphasized the study's benefits while being careful not to overstate nor understate them and make it obvious to the respondents that it is entirely for academic purposes to prevent misleading them. Incentives to participate, whether financial or otherwise, won't be excessive concerning the task at hand or given in a way that suggests coercion. The researcher fully described the procedures of the proposed survey or other research design to participants before requesting permission to start the study to get their informed consent (Neuman & Wiegand 2020). Each respondent's right to privacy was respected. The privacy guarantee was essential to safeguarding respondents and preserving the calibre of the research. After anonymity has been pledged, it was essential to keep that commitment. The researcher protected respondents' confidentiality by establishing mutually agreed restrictions on access to respondent identity. Only disclosing information with the respondent's express consent, reminded participants that they had option choose not to participate in the study or answer any questions (Leedy & Ormrod, 2015)

## CHAPTER FOUR RESEARCH FINDINGS AND DISCUSSION

### 4.1 Introduction

In this chapter, the researcher considered looking at research findings and discussions which were in line with the study concept which is about effect of workforce diversity on employee performance in parastatals in Nairobi County. The data was analyzed based on the study variables which is effect of workforce diversity and employee performance the study independent and dependent variable. This therefore considered analysis based on general information of the respondents and descriptive statistic of the research variables.

### 4.2 Response Rate.

The study distributed a total of 103 questionnaires to the said parastatal employees in their specification and the response that was arrived at was that a total of 80 questionnaires were fully respondents to which was tabulated as a total of 80 staffs from the selected entities gave out their delivered questionnaires. This accounted to a response rate of 77.66 % ( 78%) while those that were not respondent to were 23 which was rated at 22.33% (22%). These findings correlate to Mugenda and Mugenda (2013) stipulations that a response rate of above 50% is adequate for data analysis. This was as presented in the Table 3

**TABLE 3**  
**Response Rate**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Responded	80	78
Not responded	23	22
<b>Total</b>	<b>103</b>	<b>100</b>

**Source: Researcher (2023)**

### 4.3 General Information

The study considered evaluating on the general information of the respondents based on gender, educational level, and work experience as well as age bracket of the respondents.

#### 4.3.1 Gender

This section considered understanding the gender of the respondents. This was presented in the

**TABLE 4**  
**Gender**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Male	35	44
Female	45	56
<b>Total</b>	<b>80</b>	<b>100</b>

**Source: Researcher (2023)**

The findings of Table 4 was based on respondents gender whereby from the analysis it was found out that the majority of the respondents were female accounting to 56% (45) while their male counterpart accounted for 44% (35). The study analysis findings revealed that these parastatals were headed by female managers in the human resource department and therefore the high female response. In relation to this, the study stipulates that, majority of those who responded could be assumed that they were present during the time of questionnaire collection.

#### 4.3.2 Education level

The researcher through the study considered to understand the level of education of the respondents. This was presented in Table 5

**TABLE 5**  
**Educational level**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
College level	13	16
University degree	27	34
Postgraduate level	32	40
Others	8	10
<b>Total</b>	<b>80</b>	<b>100</b>

**Source: Researcher (2023)**

The study finding in Table 5 were based on the educational level of the respondents whereby it was found out that the majority had postgraduate level of education accounting for 40(32). Those who had university level of education accounted for 34 (27). On other hand, those who had college level of education accounted for 16% (13) and finally, those who had other levels of education such as certification in professional human resource accounted for accounted for 10% (8). The researcher therefore opined that the human resource managers in these parastatals were well equipped educational wise to deal with issues related to diversification and employees performance.

### **4.3.3 Age Bracket**

The study in this section considered to find out the age bracket which was presented in the Table 6



**TABLE 6**  
**Age Bracket**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Below 35 yrs.	5	6
Between 35-40 yrs.	13	16
Between 40-45 yrs.	33	41
Above 45 years.	29	36
<b>Total</b>	<b>80</b>	<b>100</b>

**Source: Researcher (2023)**

The analysis in Table 6 was all about the presentation of the age of the respondents. From the analysis, it was found out that the majority of the respondents were in the age bracket of between 40-45 years which accounted for 41% (33). Those who were in their 45 years and above accounted for 36% (29). Those who were between 35-40 years accounted for 16% (13) and finally those who were below 35 years accounted for 6% (5). This findings were an indication that the human resource managers in the parastatals in Nairobi County were well advanced in age to understand more on the needs of the employees based on their diversity.

#### **4.3.4 Work Experience.**

The study considered at understanding the work experience of the respondents and was presented in the Table 7

**TABLE 7**  
**Work Experience**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Below 5 Yrs.	9	11
Between 6-10 Yrs.	22	28
Between 11-15 Yrs.	30	38
Above 15 Yrs.	19	23
<b>Total</b>	<b>80</b>	<b>100</b>

**Source: Researcher (2023)**

The Table 7 findings were based on how long the respondents have been working in their specific parastatals whereby different range were used by the researcher. Based on those who had worked in their specific Parastatals below 5 years totaled to 9 (11%). Those who had work experience of between 6-10 years accounted for 28 % (22). Those who had work experience of between 11-15 years totaled to 30 (38%) and those who had work experience of above 15 years accounted for 23% (19). The study findings revealed that majority of the respondents had enough work experience in their human resource managerial jobs.

#### **4.4 Descriptive Analysis**

In this section, the researcher considered looking at the research variable response in a descriptive statistic manner. This factored in all the variables under the study where the respondents form the Parastatals in Nairobi county who were the human resource managers form each of the parastatal were required to indicated their level of agreement from the raised statements. This was therefore presented in form of means and standard deviation

#### 4.4.1 Educational Diversity

The researcher came up with different statements which sought the attention of the respondents based on usability of Likert scale whereby they were presented in the Table 8 The Likert scale was based on 5- strongly agree, 4-Agree, 3-Neutral, 2, Disagree and 1-Strongly Disagreed.

**TABLE 8**  
**Educational Diversity**

	Mean	Std. Deviation
The staff's diverse educational backgrounds have benefited the institution's judgments and work	4.6625	.61508
The quality of an employee's performance at work is unrelated to their academic credentials	4.5875	.63033
Even those with limited education can progress and grow.	4.5250	.67458
The candidate's educational background affects the institution's recruiting process.	4.6000	.85091
Employees' performance at work is directly influenced by the skills they learned in college.	4.5375	.71057
Employees are given tasks directly relevant to their institutionally obtained skills and education	4.2875	.57794
The institution has taken many steps that has made to guarantee that each employee's abilities apply to the job market	4.5000	.85684
Paying for educational lectures, meetings for work Workplace, and off-the-job training	4.3000	.91955
Valid N (listwise)		

**Source: Analytical Data (2023)**

The findings from the analysis in Table 8 were based on educational diversity whereby it was found out that in relation to whether the staff's diverse educational backgrounds have benefited the institution's judgments and work established that majority of the respondents agreed with the statement which had a mean of 4.6625 and a standard deviation of .61508. On other hand,

in relation to the statement that sought response based on whether the quality of an employee's performance at work is unrelated to their academic credentials found that it had a mean of 4.5875 and a standard deviation of .63033. These findings correlates with those of Anjiri (2018) who found out that educational level significantly influenced organizational performance, and employees with academic training gave customers top-notch service

The study in relation to the statement on whether even those with limited education can progress and grow, found out that it exposed a mean of 4.5250 and a standard deviation of .67458 which signified that majority of the respondents strongly agreed with the statement. In relation to whether the candidate's educational background affects the institution's recruiting process it exposed a mean of 4.6000 and a standard deviation of .85091 which signified a higher response parity. This echoed the findings of Elsaid (2012) who found out that gender and educational diversity significantly influence employee performance. In terms of whether it's Employees' performance at work is directly influenced by the skills they learned in college, it exposed a mean of 4.5375 and a standard deviation of .71057.

From the analysis based on whether employees are given tasks directly relevant to their institutionally obtained skills and education exposed a mean of 4.2875 and a standard deviation of .57794. This meant that majority positively respondents to the study statement. In relation to the study statement in terms of whether the institution has taken many steps that has made to guarantee that each employee's abilities apply to the job market, it exposed a mean of 4.5000 and a standard deviation of .85684. In relation to the study statement on issue pertaining whether paying for educational lectures, meetings for work Workplace, and off-the-job training had a mean of 4.3000 and a standard deviation of .91955. These findings supports those of Bhargava and Anbazhagan, (2014) whom established that the level of education an employee has attained might be used as a barometer of their aptitude for a

particular task; as a result, it can be necessary throughout the hiring process to assist in selecting the candidate who will be most suited for the job.

#### 4.4.2 Age Diversity

The researcher came up with different statements which sought the attention of the respondents based on usability of Likert scale whereby they were presented in the Table 9 The Likert scale was based on 5- strongly agree, 4-Agree, 3-Neutral, 2, Disagree and 1-Strongly Disagreed.

**TABLE 9**  
**Age Diversity**

	Mean	Std. Deviation
Young or old, employees of every age are valued.	4.1250	1.05991
Age differences at work could lead to conflict	4.0875	1.08142
Employee performance is affected by age variations.	4.0500	1.27190
Fair resolutions to employee disagreements are made to boost productivity.	4.1250	.89124
Age disparities have little bearing on how a boss evaluates a worker's performance.	4.4000	.82062
Regardless of age, all staff gets along well with one another.	4.2250	1.13600
Coworkers can share new skills regardless of age differences.	4.0875	1.20331
Valid N (listwise)		

**Source: Analytical Data (2023)**

The findings from the analysis in Table 9 were based on age diversity whereby it was found out that in relation to whether young or old, employees of every age are valued established that majority of the respondents agreed with the statement which had a mean of 4.1250 and a standard deviation of 1.05991. On other hand, in relation to the statement that sought response based on whether age differences at work could lead to conflict found that it had a mean of

4.0875 and a standard deviation of 1.08142. These findings correlates with those of Muthiora (2017) who found out that the performance of employees is significantly impacted by age diversity.

The study in relation to the statement on whether employee performance is affected by age variations, found out that it expositied a mean of 4.0500 and a standard deviation of 1.27190 which signified that majority of the respondents strongly agreed with the statement. In relation to whether fair resolutions to employee disagreements are made to boost productivity it expositied a mean of 4.1250 and a standard deviation of .89124 which signified a higher positive response. This echoed the findings of Krishnan, Gowrishankar, and Kanagaraj (2017) who found out that workforce's age diversity significantly impacted forecasting employees' performance.

From the analysis based on whether age disparities have little bearing on how a boss evaluates a worker's performance expositied a mean of 4.4000 and a standard deviation of .82062. This meant that majority positively respondents to the study statement. In relation to the study statement in terms of whether regardless of age, all staff gets along well with one another, it expositied a mean of 4.2250 and a standard deviation of 1.13600. In relation to the study statement on issue pertaining whether coworkers can share new skills regardless of age differences had a mean of 4.0875 and a standard deviation of 1.20331.

#### **4.4.3 Ethnicity Diversity**

The researcher came up with different statements which sought the attention of the respondents based on usability of Likert scale whereby they were presented in the Table 10. The Likert scale was based on 5- strongly agree, 4-Agree, 3-Neutral, 2, Disagree and 1-Strongly Disagreed.

**TABLE 10**  
**Ethnicity diversity**

	Mean	Std. Deviation
The low self-confidence of employees has been connected to their ethnicity	4.3750	.84756
Personnel speaking different dialects are fine.	4.5625	.76048
The company is worried about the employees' cultures, traditions, and values.	4.5125	.91394
The company provides opportunities for growth and advancement.	4.0875	1.10458
You are okay with your workplace's racial diversity.	4.2750	.87113
Ethnic differences do not promote employee conflict.	4.2500	.86420
The entity accommodate every personnel from different ethnic group.	4.5625	.82437
Valid N (listwise)		

**Source: Analytical Data (2023)**

The findings from the analysis in Table 10 were based on ethnicity diversity whereby it was found out that in relation to whether the low self-confidence of employees has been connected to their ethnicity established that majority of the respondents agreed with the statement which had a mean of 4.3750 and a standard deviation of .84756. In relation to the statement that sought response based on whether personnel speaking different dialects are fine, found that it had a mean of 4.5625 and a standard deviation of .76048. The study also in relation to whether the company is worried about the employees' cultures, traditions, and values, exposed a mean of 4.5125 and a standard deviation of .91394. These findings contradicts those of Emma ((2015) who found out that that gender diversity had a stronger influence than ethical diversity.

The study in relation to the statement on whether the company provides opportunities for growth and advancement, found out that it exposed a mean of 4.0875 and a standard deviation of 1.10458 which signified that majority of the respondents agreed with the statement. In relation to whether respondents were okay with your workplace's racial diversity, it exposed a mean of 4.2750 and a standard deviation of .87113. In relation to the statement concerning whether ethnic differences do not promote employee conflict, found it had a mean of 4.2500 and a standard deviation of 86420. This echoed the findings of Wanjohi (2015) who found out that managing cognitive reality and cultural, technical, and demographic diversity affects organizational effectiveness. And this was accompanied by the statement that sought response on whether the entity accommodate every personnel from different ethnic group which exposed a mean response of 4.5625 and a standard deviation of .82437 .

#### 4.4.4: Gender Diversity

The responses were presented I the table 11

**TABLE 11**  
**Gender Diversity**

	Mean	Std. Deviation
No gender prejudice existed when hiring and recruiting new employees.	4.7500	.46389
The institution displays gender prejudice when it bases the employment and recruitment procedure on sex	4.4000	.73948
Employees are treated equally regardless of gender.	5.0375	4.58794
Treating each worker equitably throughout your company	4.3875	.62630
The institution's training and development program evenly distributes both genders.	4.3250	.82332
The institution incorporates female employees in decision-making.	4.7875	.56689



The findings from the analysis in Table 11 were based on gender diversity whereby it was found out that in relation to whether no gender prejudice existed when hiring and recruiting new employees whereby it was established that majority of the respondents posited a positive response which had a mean of 4.7500 and a standard deviation of .46389. In relation to the statement that sought response based on whether the institution displays gender prejudice when it bases the employment and recruitment procedure on sex found that it had a mean of 4.4000 and a standard deviation of .73948. These findings correlates with those of Bussolo (2017) who found out that gender diversity improved performance's competitive edge.

The study in relation to whether employees are treated equally regardless of gender, found out that it expositied a mean of 5.0375 and a standard deviation of 4.58794. In relation to whether treating each worker equitably throughout your company it expositied a mean of 4.3875 and a standard deviation of .62630. This affirmed the findings of Odhiambo, Gachoka, and Rambo's (2018 who found out that there is a statistically significant beneficial relationship between gender diversity and employee performance

From the analysis based on whether the institution's training and development program evenly distributes both genders expositied a mean of 4.3250 and a standard deviation of .82332. This meant that majority positively respondents to the study statement. In relation to the study statement in terms of whether the institution incorporates female employees in decision-making, it expositied a mean of 4.7875 and a standard deviation of .56689. These findings correlates with those of Kyalo and Gachunga's (2019) who found out that there was a strong relationship between gender diversity and employee morale.

#### **4.4.5: Employee Performance**

The respondents were requested to indicate their agreement level in the statements below concerning their performance.

**TABLE 12**  
**Employee performance**

	Mean	Std. Deviation
The improvement of employee performance is a result of job satisfaction.	4.4250	.63195
Throughout your career, skills, and abilities are put to good use.	4.3750	.98566
Rewarding employees for a job well done produces satisfying results	4.3750	.94635
You are compensated for the quality of your work.	4.7875	.41166
Due to equality, employee performance has grown	4.3375	.74534
It's critical to gauge staff success inside your company	4.4500	.95334

**Source: Analytical Data (2023)**

The findings from the analysis in Table 12 were based on employee performance whereby it was found out that in relation to whether the improvement of employee performance is a result of job satisfaction, whereby it was established that majority of the respondents posited a positive response which had a mean of 4.4250 and a standard deviation of .63195. In relation to the statement that sought response based on whether throughout your career, skills, and abilities are put to good use found that it had a mean of 4.3750 and a standard deviation of .98566. The study in relation to whether rewarding employees for a job well done produces satisfying results, found out that it exposed a mean of 4.3750 and a standard deviation of .94635.

In relation to whether respondents are compensated for the quality of the work, it exposed a mean of 4.7875 and a standard deviation of .41166. From the analysis based on whether due to equality, employee performance has grown exposed a mean of 4.3375 and a standard deviation of .74534. This meant that majority positively responded to the study

statement. In relation to the study statement in terms of whether It's critical to gauge staff success inside your company, it exposed a mean of 4.4500 and a standard deviation of .95334.

#### 4.5 Diagnostic Tests

The study carried out diagnostic test in relation to heteroscedasticity, multicollinearity, normality test, autocorrelation as well as linearity test.

##### 4.5.1 Normality Test

The study applied the use of Shapiro Wilk test to carry out normality test and this was as presented in the Table 13

**TABLE 13**  
**Shapiro-Wilk Test**

	<u>Shapiro-Wilk</u>		
	Statistic	df	Sig.
Employee performance	.892	80	.000
Educational diversity	.798	80	.000
Age diversity	.958	80	.001
Ethnicity diversity	.884	80	.000
Gender diversity	.370	80	.000

**Source: Analytical Data (2023)**

The analysis findings in the Table 13 indicates that the significance level of all the variables was below .05. This was an indication that the data set was a normal distribution.

The researcher further conducted a normality test by use of kurtosis and skewness. The findings are shown in Table 14.

**TABLE 14**  
**Kurtosis and Skewness**

Skewness	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Educational diversity	-.2406	.269	10.506	.532
Age diversity	-.526	..269	-.021	.532
Ethnicity diversity	-1.551	.269	4.544	.532
Gender Diversity	7.267	.269	60.722	.532

**Source: Analytical data (2023)**

Table 14 findings revealed that all statistic values fell between +2 and -2, demonstrating the normal distribution of all the variables. According to Trochim and Donnelly (2006), the data has a normal distribution if the kurtosis and skewness are between +2 and -2, as this implies. After receiving this validation, the researcher moves on to conduct other fruitful statistical tests.

#### **4.5.2 Multicollinearity**

The variables correlation was carried out through the multicollinearity test by the use of variance inflation factor VIF. This was as presented in the Table 15

**TABLE 15**  
**Multicollinearity Test**

Model	Collinearity Statistics	
	Tolerance	VIF
Educational diversity	.958	1.043
Age diversity	.953	1.050
Ethnicity diversity	.977	1.023
Gender diversity	.976	1.024

**Source: Analytical Data (2023)**

The researcher discovered that educational diversity had a VIF of 1.043, age diversity had a VIF of 1.050, ethnicity diversity had a VIF of 1.023, and gender diversity had a VIF of 1.024. Since there was no correlation between the variables and all of the VIF coefficient values ranged from 1 to 10, the test was judged legitimate to continue and examine the data.

#### 4.5.3 Heteroscedasticity Test

To confirm the existence of heteroscedasticity, the researcher used a heteroskedasticity test.

The results are presented in Table 16.

**TABLE 16**

**Heteroscedasticity**

<b>Model</b>	<b>Unstandardized Coefficients</b>		<b>Standardized Coefficients</b>		<b>Sig.</b>
	<b>B</b>	<b>Std. Error</b>	<b>Beta</b>	<b>t</b>	
(Constant)	-8.920E-16	.091		.000	1.000
Standardized Predicted Value	.000	.092	.000	.000	1.000

Dependent Variable: Standardized Residual

The findings show that the p value was  $1.000 > 0.05$ , an indication that there was no heteroscedasticity. This indicated that there was a relationship between Knowledge management capabilities and performance. This conclusion enabled the researcher to proceed into the inquiry of the nature of the relational between the variables.

#### 4.6 Inferential Statistics

To determine the effect and link of knowledge management and performance of mobile network operator firms in Kenya, the researcher used inferential statistics and correlation analysis. The results are presented in the following sections.

#### 4.6.1 Correlation Analysis

The findings of correlation analysis are as shown in Table 17.

**TABLE 17**  
**Correlation Analysis**  
**Correlations**

		Employee Performance	Educational Diversity	Age Diversity	Ethnicity Diversity	Gender diversity
EP	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	80				
ED	Pearson Correlation	.017	1			
	Sig. (2-tailed)	.882				
	N	80	80			
AD	Pearson Correlation	.145	-.176	1		
	Sig. (2-tailed)	.200	.118		.577	.
	N	80	80	80	80	
TD	Pearson Correlation	-.016	.107	-.063	1	
	Sig. (2-tailed)	.888	.347	.577		.
	N	80	80	80	80	
GD	Pearson Correlation	-.083	-.027	-.110	-.094	1
	Sig. (2-tailed)	.463	.810	.331	.407	
	N	80	80	80	80	80

According to Busolo (2017), "r" ranges between 0.10 to 0.29 for a weak correlation, between 0.30 and 0.49 for a moderate correlation, and between 0.5 and 0.9 for a strong correlation when interpreting the data for the linear relationships in the study.

According to Table 4.16 findings, educational diversity had a Pearson Correlation to employees performance of 0.017, which indicated a moderate correlation and age diversity had a Pearson Correlation to employee's performance of 0.145, which indicated a weak correlation. Ethnicity diversity had a Pearson Correlation to employee's performance of -.016, which indicated a poor correlation as well as gender diversity had a Pearson correlation of -.083 which was an indication of a poor correlation.

#### 4.6.2 Regression Analysis

Regression analysis was used by the researcher to determine how knowledge management capabilities had affected the performance of mobile network operator firms in Kenya. The next sections display the results of the Model Summary, ANOVA, and Regression Coefficients.

##### 4.6.2.1 Model Summary.

The findings of coefficient of correlation R and coefficient of adjusted determination R<sup>2</sup> is as shown in Table 18.

**TABLE 18**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.166 <sup>a</sup>	.027	.543	.31474	1.853

a. Predictors: (Constant), GD, ED, TD, AD

b. Dependent Variable: EP

The results demonstrate that there was a substantial correlation between the variables, as indicated by the coefficient of correlation (R), which was .166. The four independent variables

(gender diversity, ethnicity diversity, age diversity and educational diversity) can explain changes in employee’s performance of the parastatals in Nairobi County, as shown by the coefficient of adjusted determination R2 of .543, or 54.3%. Other factors outside the purview of the current study account for the remaining 45.7%.

**4.6.2.2 ANOVA.**

The study analyzed the ANOVA at the significance level of 95%. The findings of F Calculated and F Critical are as shown in Table 19.

**TABLE 19**  
**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.209	4	.052	.528	.715 <sup>b</sup>
	Residual	7.430	75	.099		
	Total	7.639	79			

a. Dependent Variable: EP

b. Predictors: (Constant), GD, ED, TD, AD

To determine whether the means of the regression and residual were substantially different, an F test was run. Comparing the results of F Calculated, as determined by the computed table above, and F Critical, as determined by the F distribution table, was done to accomplish this. The results demonstrate that  $F_{\text{Calculated}} .528 > F_{\text{Critical}} 0.052$ . The ability of the overall regression model to accurately forecast how workforce diversity would affect employee performance of parastatals. The insignificance result of 0.715 served as additional evidence for this. At least one variable insignificantly influenced employee performance, as shown by the p-value of  $0.715 > 0.05$ .



### 4.6.2.3 Regression Coefficients

The findings of regression coefficients are as distributed in Table 20.

**TABLE 20**  
**Regression Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.034	.823		4.904	.000
	Education Diversity	.043	.120	.042	.363	.718
	Age Diversity	.098	.080	.144	1.230	.222
	Ethnicity Diversity	-.014	.091	-.018	-.154	.878
	Gender Diversity	-.025	.043	-.068	-.589	.558

The model analysis depicts the rate at which the independent variable affected the dependent variable.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4$$

Where Y = Employee Performance

X1 = educational diversity

X2= Age diversity

X3= Ethnicity diversity

X4= Gender Diversity

$$Y = 4.043 + 0.043X_1 + 0.098X_2 +$$

Employee performance of the parastatals in Nairobi County would be 4.043 if all other factors remained constant. When all other conditions are held constant, the employee's performance of the parastatals in Nairobi City County will increase by one unit or by 0.043 of educational diversity. When other conditions are held constant, the employee's performance parastatals in Nairobi City County will grow by a unit, or to 0.098 of age diversity. A corresponding a unit decrease in ethnicity would lead to decrease in employee's performance by -.014 and finally a unit decrease in gender diversity would lead to decrease in employee's performance by -.025

With an increase in educational diversity leading to an increase in employee performance by .043, this is in agreement with Anjiri (2018) who discovered that educational level significantly influenced organizational performance of ICT businesses with offices in Nairobi's Westlands. The results showed that age diversity significantly influenced the employee's performance of parastatals in Nairobi City County. This is in line with the findings of Muthiora (2017), found out that the performance of employees is significantly impacted by age diversity with the case of employees of National Biosafety Authority workers

The results showed that ethnicity diversity insignificantly affected the employee's performance of parastatals in Nairobi City County. This contradicts the findings of Emrah (2017), who found out that employees' performance was positively impacted by their competency, education level, ethnicity, training, and skills. Gender diversity had insignificant relationship on employee's performance and this findings contradicted with those of Odhiambo, Gachoka, and Rambo's (2018) studied the relationship between Gender Diversity and Employee Performance at Public Universities in Western Kenya who found out that there was a statistically significant beneficial relationship between gender diversity and employee performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents a summary, conclusion, and recommendations. The summary, conclusion, recommendations for improvements for the research are presented in conjunction with the objectives of the study research. This chapter also includes recommendations for future research.

#### **5.2 Summary**

The research's main objective was to establish effect of workforce diversity and employee performance the study independent and dependent variable. The research was anchored on Human capital theory, equity theory and stereotyping theory. The dependent variable was employee performance. The independent variables were educational diversity, gender diversity, age diversity as well as ethnicity diversity. Descriptive survey design was utilized in the survey as its research design. All 103 parastatals human resource managers in served as the target population. Because the population was relatively small, a census technique was used. Collection of primary data was done using drop and pick where structured questionnaire sent to 103 human resource managers from all the 103 parastatals in Nairobi County. 80 questionnaires were collected as a during the collection process, resulting in 78 percent response rate. To analyze the data, descriptive statistics, correlation, and regression analyses were used. The perceived significance of each independent variable in impacting employee performance was determined using a linear regression model. This section outlines the research outcome.

##### **5.2.1 Educational diversity and employee performance**

The researchers' first objective was to assess educational diversity influence on employee performance of Parastatals in Nairobi County. The goal of the correlation analysis was to see if there was a link between educational diversity and employee performance. These results revealed a significant positive relationship between education diversity and employee's

performance. According to the regression results, a unit change in education diversity resulted in a 0.043 variation in employee performance. This also confirmed that education diversity approach had a significant positive impact on the employees' performance of parastatals in Nairobi County

### **5.2.2 Age Diversity and employees Performance**

The research second objective was to determine how age diversity affects employee performance in parastatals in Nairobi County. The findings of a correlation analysis conducted to determine the strength of the relationship between age diversity and employees performance in parastatals revealed a positive and relatively significant relationship between the two variables. The results also suggested that endorsing age diversity will improve employee's performance. The findings also revealed that a unit change in age diversity might lead in a 0.098 unit change in employee's performance in Nairobi city county parastatals. This supported the notion that age diversity has a major impact on employee performance. The null hypothesis was rejected, and it was determined that age diversity had a significant impact on employee performance in the parastatals.

### **5.2.3 Ethnic diversity and Organization Performance**

The research third objective was to investigate the effects of ethnic diversity on employee performance in parastatals in Nairobi County. According to the findings of the correlation research, ethnic diversity showed a positive and insignificant relationship with employee performance. According to the correlation results, a decline in ethnic diversity will result in a decline in employee performance. The regression results revealed that ethnic diversity and employee performance have a positive but an insignificant link. The findings suggested that a shift in ethnic diversity approach will lead to decline in employee performance in the parastatals. The alternative hypothesis was rejected, and conclusion made that ethnicity diversity had positive but insignificant relationship on employee performance of Nairobi County parastatals.

#### **5.2.4 Gender diversity and Organization Performance**

The research forth objective was to investigate the impact of gender diversity on employee performance in parastatals in Nairobi County. According to the findings of the correlation research, gender diversity showed a positive and insignificant relationship with employee performance. According to the correlation results, a decline in gender diversity will result in a decline in employee performance. The regression results revealed that gender diversity and employee performance have a positive but an insignificant relationship. The findings suggested that a shift in gender diversity approach will lead to decline in employee performance in the parastatals. The alternative hypothesis was rejected, and conclusion made that gender diversity had positive but insignificant relationship on employee performance of Nairobi County parastatals.

#### **5.3 Conclusions**

This section presents the conclusions drawn from the research results for each of the research objectives.

##### **5.3.1 Education diversity and employees Performance**

This research shows that the staff's diverse educational backgrounds had benefited the institution's judgments and work. This is backed up by the fact that the quality of an employee's performance at work was unrelated to their academic credentials. The findings revealed that even those with limited education can progress and grow. The findings further revealed that all members the board have technical skills and specialist. Additionally, findings discovered that the candidate's educational background affected the institution's recruiting process. The descriptive results also revealed that employees' performance at work was directly influenced by the skills they learned in college. The findings, furthermore, showed that employees are given tasks directly relevant to their institutionally obtained skills and education which was also enhanced through the institution taking many steps that has made to guarantee that each employee's abilities apply to the job market. Lastly, the findings revealed that there was paying

for educational lectures, meetings for work at workplace, and off-the-job training. This implied that educational diversity enhances the overall performance of employees in parastatals in Nairobi County.

### **5.3.2 Age Diversity and employee Performance**

The findings show that parastatals use age diversity approach to a large extent. The findings discovered that young or old, employees of every age were valued at a greater extent. The findings also show that age differences at work could lead to conflict. Further, findings showed that employee performance was affected by age variations.

Further, findings showed that employee performance was affected by age variations to a great extent. The results also revealed that fair resolutions to employee disagreements were made to boost productivity. Further, age disparities had little bearing on how a boss evaluates a worker's performance. Finally, regardless of age, all staff gets along well with one another. From the findings, the study therefore concluded that, generally age diversity is very critical when it comes to the performance of the organizations stipulated.

### **5.3.3 Ethnicity Diversity and Employee Performance**

The results show that the low self-confidence of employees has been connected to their ethnicity. The findings showed that a large proportion of respondents agreed that personnel speaking different dialects are fine. Similarly, findings showed that respondents agreed on the statement that the company provides opportunities for growth and advancement. The findings also showed that a large proportion respondents agreed that they were okay with your workplace's racial diversity.

The findings further noted that most of the respondents agreed that ethnic differences do not promote employee conflict. Similarly, findings showed that respondents agreed on the statement that entity accommodate every personnel from different ethnic group. This study

therefore concluded that ethnicity diversity was well adhered to in the parastatals in Nairobi County.

#### **5.3.4 Gender Diversity and Employee Performance**

The results show that the majority of the respondents agreed that no gender prejudice existed when hiring and recruiting new employees. The findings showed that a large proportion of respondents agreed that the institution displays gender prejudice when it bases the employment and recruitment procedure on sex. Similarly, findings showed that respondents agreed on the statement that the employees are treated equally regardless of gender. The findings also showed that a large proportion of respondents agreed that each worker was treated equitably throughout the company.

The findings further noted that most of the respondents agreed that the institution's training and development program evenly distributes both genders. Similarly, findings showed that majority of the respondents agreed that the institution incorporates female employees in decision-making. The researcher therefore concluded that gender diversity is well considered in the parastatals in Nairobi County.

#### **5.4 Recommendations of the Study**

The study revealed that educational diversity influenced parastatals employees' performance positively. The research suggests that there is a high need for the parastatals to embrace educational diversity at all cost in order to have a smooth flow of operationalization at workplace. Likewise, the researcher suggests that parastatals management especially human resource department should be very considerate when employing staffs in the organization so that there is skills diversity in the entity. The study more also recommends that with education diversity, the management is able to articulate different issues which are as a result of poor staff's performance based on their qualifications. The study revealed that age diversity influenced parastatals performance positively. As a result, the research suggests that there is

the need for the organizations to ensure that they don't discriminate any staffs who seeks for the specific job as long as they are qualified for that job, they ought to be offered the job no matter their age as long as they will induce the performance of the firm at large. The study more also recommends that the parastatals management should always considered articulating the age diversity of their staffs in order to ensure that their staffs are broadened especially in relation to experience each has so as to exhibit their individual performance and gauge who suits which position

The study revealed that ethnic diversity influenced performance of parastatals positively. The study therefore recommends that there is the need for the human resource department to ensure that every staff employed in the organization is not from same ethnic group so that their diversity can lead to overall performance of individual as well as that of the organization. This can only be done through ensuring that the staffs from diverse ethnic group are given a chance to exploit their potential. This mostly can be through the management coming up with a policy whereby every employee can be gauged on their individual performance no matter the ethnic group they are from without any discrimination.

The study revealed that gender diversity influenced performance of parastatals positively. The study therefore recommends that the organization management should ensure that the employees based on their gender are in accordance to the stipulations of the constitution. This will ensure fair competition amongst the staffs whom may want to prove that each gender can perform better than the other and therefore in so doing, they are able to positively perform at individual level. More also, the study recommends that the management should ensure that every gender is given that chance to utilize their skills at individual level and in so doing, they can be able to gauge the performance of every employee no matter their gender.



### **5.5 Research Areas for Further Studies**

Despite the importance of this study, there are areas that have not been explored and that need to be looked into further;

A study should be done to find out challenges that are exposed to an organization that does not consider workforce diversity. Such a study would open up room for broader discussion into the whole problem of workforce diversity and employee performance. Another study should be done on the same topic but in a different sector such as a public company. By doing such a research, it will be easy for information to be availed, that relates to public institutions

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## APPENDICES

### Appendix I: Introductory Letter



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#### **BOARD OF POSTGRADUATE STUDIES**

KCA/BPS/June. 23/1

20<sup>th</sup> June 2023

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

**RE: JOY WANYOIKE REG NO: 15/02955**

It is my distinct pleasure to introduce to you Joy Wanyoike who is a student in our institution pursuing a Master of Business Administration (Human Resources Management) in the School of Business.

Joy is conducting a research on a topic titled: *“Effect of Workforce Diversity On Employee Performance in Parastatals in Nairobi County.”* which is part of the requirements of the program she is pursuing. The research as well as the data procured thereof shall be used for academic purposes only.

Any assistance accorded to her is highly appreciated.

In case of further inquiry, do not hesitate to contact the undersigned.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Dr. Jackson Ndolo'.

Dr. Jackson Ndolo  
Director, Board of Post Graduate Studies

## Appendix II: Questionnaire

The title of the study is “Work Force Diversity and Employee Performance of parastatals in Nairobi City, Kenya”. Kindly, tick the appropriate options indicated therein.

### SECTION A: Demographic Information

What is your gender?

Male       Female

1. What is your highest level of education?

- a. Certificate/Diploma
- b. Undergraduate Degree
- c. Postgraduate degree
- d. Others specify

2. What is your age bracket?

- a. Below 25
- b. Between 25-34
- c. Between 35-44
- d. Between 45-50
- e. Above 51

3. How long have you been working with your organization?

- a. Between 1-5 years
- b. Between 6-10 years
- c. 11-15 years
- d. Above 15 years



## SECTION B: RESEARCH VARIABLES

Kindly tick the options you consider right: strongly agree=5, Agree=4 Not sure=3, Disagree=2 and strongly Disagree=1

### SECTION B1: EDUCATION DIVERSITY AND EMPLOYEE PERFORMANCE

Statement	SA	A	N	D	SD
i. The staff's diverse educational backgrounds have benefited the institution's judgments and work					
ii. The quality of an employee's performance at work is unrelated to their academic credentials.					
iii. Even those with limited education can progress and grow.					
iv. The candidate's educational background affects the institution's recruiting process.					
v. Employees' performance at work is directly influenced by the skills they learned in college.					
vi. Employees are given tasks directly relevant to their institutionally obtained skills and education.					
vii. the institution has taken many steps that has made to guarantee that each employee's abilities apply to the job market					
viii. Paying for educational lectures, meetings for work Workplace, and off-the-job training					

ix. What activities has the institution implemented to ensure all employee's skills match the job market?

Pay for courses ( ) Seminars ( ) Workshops ( ) On-job/Off-job training ( )

**SECTION B2: AGE DIVERSITY AND EMPLOYEE PERFORMANCE**

The comments in this section cover age diversity and employee performance at parastatals in Nairobi City County, Kenya.

Statement	SA	A	N	D	SD
i. Young or old, employees of every age are valued.					
ii. Age differences at work could lead to conflict.					
iii. Employee performance is affected by age variations.					
iv. Fair resolutions to employee disagreements are made to boost productivity.					
v. Age disparities have little bearing on how a boss evaluates a worker's performance.					
vi. Regardless of age, all staff gets along well with one another.					
vii. Coworkers can share new skills regardless of age differences.					

viii. What would you recommend to be adjusted in relation to age diversity to improve on performance  
 .....  
 .....  
 .....?

**SECTION B3: ETHNICITY DIVERSITY AND EMPLOYEE PERFORMANCE**

How do you agree in terms of ethnicity diversity? If the column best reflects your opinion, check the box next to it ( ). Use a scale from 1 to 5, where 1 represents a strongly disagree and five strongly agree

Statement	SA	A	N	D	SD
i. The low self-confidence of employees has been connected to their ethnicity					
ii. Personnel speaking different dialects are fine.					
iii. The company is worried about the employees' cultures, traditions, and values.					
iv. The company provides opportunities for growth and advancement.					
v. You are okay with your workplace's racial diversity.					
vi. Ethnic differences do not promote employee conflict.					
vii. The entity accommodate every personnel from different ethnic group.					

Viii. Has the recent ethnicity diversity at the institution affected your work? Please give further information.

.....  
 .....

**SECTION B4: GENDER DIVERSITY AND EMPLOYEE PERFORMANCE**

How do you rate the statements below based on gender diversity? Please tick appropriately in the space provided. Use a scale from 1 to 5.

Statement	SA	A	N	D	SD
i. No gender prejudice existed when hiring and recruiting new employees.					
ii. The institution displays gender prejudice when it bases the employment and recruitment procedure on sex.					
iii. Employees are treated equally regardless of gender.					
iv. Treating each worker equitably throughout your company.					
v. The institution's training and development program evenly distributes both genders.					
vi. The institution incorporates female employees in decision-making.					

vii. What efforts has the company made to promote gender diversity?  
 .....

**SECTION C: EMPLOYEE PERFORMANCE**

How do you rate the statements below based on employee performance? Please tick appropriately in the space provided. Use a scale from 1 to 5.

Statement	SA	A	N	D	SD
i. The improvement of employee performance is a result of job satisfaction.					
ii. Throughout your career, skills, and abilities are put to good use.					
iii. Rewarding employees for a job well done produces satisfying results.					
iv. You are compensated for the quality of your work.					
v. Due to equality, employee performance has grown.					
vi. It's critical to gauge staff success inside your company					

vii. What advice would you give to your company to boost employee performance?