DIVERSITY MANAGEMENT PRACTICES OF COMMERCIAL BANKS IN KENYA
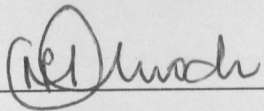
30th October, 2006

OLUOCH, PRISCA M.

A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE, FACULTY OF COMMERCE, UNIVERSITY OF NAIROBI

AUGUST 2006

DECLARATION

This project is my original work and has not been presented for a degree in any other university

Signed

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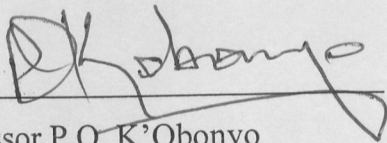
This project has been submitted for examination with my approval as the university supervisor

Signed

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DEDICATION

To my beloved mother and father,

and

my brothers and sisters – Owiti, the late Paddy, Rosa and Omita, Helen, Jim, Anne and Pip

ACKNOWLEDGEMENTS

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ABSTRACT

The study was carried out with aim of finding out the diversity management practices of Commercial Banks in Kenya. It also sought to establish the perceived benefits and challenges of managing workforce diversity in the banking sector. In order to achieve the above, a questionnaire was administered to the respondents, targeting the forty three commercial banks in Kenya. Twenty one banks participated in the study, which comprised forty nine percent of the total population. The data was collected from the respondents and analyzed using mean scores, frequencies and percentages, which are represented in tables in chapter four. A five-point Likert scale was used to measure and identify managers' perceptions towards different diversity issues in the workforce. The five point scale ranging from a strongly agree to strongly disagree was also used to measure the perceived benefits and challenges of managing a diverse workforce. From the findings of the study the following conclusions were made: Since there is no single way of treating employees, as each one will have their own personal needs, values and beliefs, the notion of best practice, while helpful in a theoretical setting, will not provide all the answers in reality.

Managing diversity is about ensuring that all employees have the opportunity to maximize their potential and enhance their self-development and their contribution to the organization. It recognizes that people from different backgrounds can bring fresh ideas and perceptions, which can make the way work is done more efficient and make products and services better. Managing diversity successfully will help organizations to nurture creativity and innovation and thereby to tap hidden capacity for growth and improved competitiveness. One of the greatest challenges lies in how to go about it. It is a complex task and every organization will have to do it differently. The lead needs to come from the top management. Unless the chief executive and board members are committed, change will not occur. It requires systematic management action, with a focus on the development of an open workplace culture in which everyone feels valued and can add value.

It is a continuing process, and it is at least partly about managing conflict, complexity and ambiguity. Ultimately organizations should aim at making managing diversity a mainstream issue, owned by everyone so that it influences all employment policies and working practices. For it to succeed, people must be willing and able to talk to each other and listen to each other, and respect different views and ideas.

CHAPTER I: INTRODUCTON

1.1 BACKGROUND

1.1.1 Overview of Diversity and Inclusion

Diversity refers to the mix of workforce in an organization in terms of race, ethnicity and gender and class which are the most recognized forms of diversity. However, there are other forms of diversity with important implications for Human Resource systems such as incorporating various talents, skills, attitudes, experiences, knowledge and cultural orientations that come with workforce diversity (Thomas, 2000). Each of these group memberships can affect an employee's attitudes and behaviours in the workplace, as well as influence his or her ability to work well with other organizational members (Kossek and Lobel, 1998). Diversity of workforce is seen as good for business because among other advantages, it increases organizational effectiveness, it lifts morale, it creates access to new segments of the market place and it enhances productivity. The term diversity grew out of academic and popular press usage. Its philosophy is that every individual is unique and at the same time we all share a number of similarities as human beings or team members.

Cox (1993) defines managing diversity as "planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while the potential disadvantages are minimized". Many of the approaches to managing people that are prevalent in today's organizations reflect old habits, developed when the workplace was more homogeneous. To the extent diversity was present years ago, different demographic groups were segregated by level in the organization (glass ceilings) and job categories (glass walls). A Glass wall refers to the persistent real but invisible barriers between occupational groups, while glass ceilings mean the real but invisible barriers between levels within the organization. Segregation

within organizations are declining, although slowly, and with this integration comes the new challenge of managing workforce diversity (Jackson and Schuler, 1999).

Workforce diversity is a general term that refers to the mix of people from varied backgrounds in today's labour force. Demographic diversity on the other hand is a more specific term that reflects the degree and mix of characteristics such as age, gender, race, ethnicity and national origin (Jackson and Schuler, 1999). For example, an organization that employs people of all ages in approximately equal numbers would have a great deal of age diversity, while an organization that employs mostly people from a certain tribe would have little ethnic diversity.

Organizations and their cultures are a function of the kind of people in them (Schneider, 1987). Human Resource (HR) policies enable firms to attract, select and retain different kinds of people, which is why various organizations act and feel as if they have different cultures. In effect, the people make the place, and the design and administration of Human Resource systems (HR systems) make the people. Individuals are generally attracted to and selected by organizations that appear to have members with values similar to their own; over time, employees who do not fit in well with the dominant culture eventually turnover from the firm (Schneider, 1987). In the long run, a workforce historically can be characterized by more homogeneity than heterogeneity in social characteristics. Tom Peters (1993) has suggested that organizations need to review the selection requirements and, instead of checking that every minute of everyday is accounted for when appointing applicants, they should consider applicants who have "broken out" from the mould, rebelled from the system and thus demonstrated original thought. Peters regards such personal qualities as key attributes for leading-edge organizations Video 'Management Revolution and Corporate Reinvention' BBC for Business (1993).

Organizations and those who study them need to incorporate diversity considerations into staffing decision-making because of the changing nature of the labour market, jobs, laws and regulations, increased globalization and in order to be competitive in the changing business environment (Cox and Blake, 1991). Improved understanding of diversity (differences and similarities) also seems to be an obvious need, yet most firms fail to invest the time, resources and energy needed to become "diversity-friendly" (Briscoe and Schuler, 2004).

Diversity has been a much debated topic in management theory and practice in recent years, initially because of legal aspects, notably the avoidance of law suits, as well as changes in the labour market demographics. However, we know from research that class, education, family name, physical appearance, accent and political belief can prejudice job opportunities for many (Roosevelt, 1999). These matters are unrecognized by law and yet they are just as potent in denying access to jobs and promotion as some of the reasons that law does recognize. For those committed to diversity this is a major issue and inevitably shifts the focus of law away from what someone can achieve in the workplace to what group they belong to.

Workforce diversity is a reality that influences every Human Resource Management area and issue. There is a growing body of empirical evidence that managing diversity is becoming a necessary part of the job responsibilities of managers. Some organizations now have a diversity manager as part of the top management team. There is no best way or best formula available with regard to managing the increasing diversity of the workforce. However, there is likely to be increased demand to find fair, ethical and prompt ways to manage diversity (Ivancevich, 2001).

There is growing awareness today that diversity management should go much further than just complying with existing rules or reacting to a shift in labour market resources. Indeed, in

management literature it is argued that the challenges within competitive, dynamic, and increasingly global markets (demanding innovation, creativity as well as flexibility) are best met by a broadened pool of experience and knowledge found in an effectively managed diverse workforce (Cox and Blake, 1991; Milliken and Martins, 1996; Nemeth, 1985 and Wachtler, 1983; Shaw and Barrett-Power, 1998; Wright et al., 1995). Obviously, the innovative and creative potential inherent in a diverse workforce can be used to bridge cultural boundaries and search for original problem solutions, innovative product ideas and targeted marketing initiatives. Most organizations in the 21st Century will not have a choice of whether or not to have a diverse workforce (Stoner, 2003). Therefore, if they want to survive, they must learn to manage a diverse workforce sooner or better than their competitors. A good start towards effectively managing diversity is to understand that different groups value different things (Loden and Rosener, 1991). In addition to this, one could study ways in which the management practices of organizations can improve the way they do business. The aim is to ensure that firms make the fullest use of the diverse backgrounds, skills, talents and perspectives of all their people, since diversity is seen as a way of promoting high performance. Mazurui (2003), for example, noted that it is important for banks to pay more attention to internal customers. The apparent lack of interest in internal customer service may reduce the quality of the external service in the long run.

1.1.2   Diversity in Kenya

There are about 42 different ethnic groups in Kenya. They are distinguished from each other by language and culture (Encyclopedia Britannica, 2003). Kenya has been the destination for successive waves of immigrants for centuries. Cushites, Nilotes, Bantus, Arabs, South Asians and Europeans.

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Swahili and English are the official languages, and two-thirds of the people profess some form of Christianity. About one-fifth is animist and the rest are Muslim or Hindu. The population is young; more than three-fourths of it is less than 29 years of age. Life expectancy has fallen markedly since the 1980s – some 48 years for men and 49 for women – largely from proliferation of AIDS. A majority of the population lives in rural settlements, but urban population growth has been rapid since the early 1970s due to rural-urban migration in search of employment (Encyclopedia Britannica, 2003).

Cultural life in the form of oral and written literature, music and dance often deal with the social frictions between traditional and modern society, portraying the inter-cultural setting of the lives of the people. Workers in Kenya view employers as an extension of their families, although they have inherited a British administrative tradition which is very bureaucratic. Traditional African cultural values emphasize family membership and attention to status, much as these are now superimposed on to business administrative systems, mostly imported from Europe and the US (Briscoe and Schuler, 2004). Nevertheless, managers still face a lot of pressure to employ their relatives and family friends. This is not unique to Kenya though. A number of major employers in the UK have been known to confine their recruitment to a restricted number of older universities where they can continue to find really worthy candidates – people just like themselves. Prestigious employers, including investment banks and law firms, continue to obtain their recruits from elite sources. This is a low-risk selection strategy from the employer's perspective (Price, 1998).

1.1.3 Diversity Management Practices

Managing diversity requires that organizations make changes in their systems, structures, and management practices necessary for eliminating barriers that may keep people from reaching

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their full potential. The goal is not to treat all people the same but to treat people as individuals, recognizing that each employee has different needs and will need different things to succeed. Thus managing diversity is safe from charges of reverse discrimination, since every individual is included (Carter, 1991). At the individual level, for example, performance can be enhanced when negative diversity-related barriers to productivity are removed (Cox, 1993). When workgroup diversity is managed effectively, groups will develop processes that can enhance creativity, problem-solving, workgroup cohesiveness, and communication. At the organizational level, performance may improve, flexibility can be heightened; and improved recruitment of the best new labour force entrants can result (Cox, 1993). However for most firms the traditional HR strategies to manage diversity have been largely piecemeal, lacking integration with other systems. Consequently, they do not change the culture to support the management heterogeneity, and they end up failing.

The three predominant traditional HR approaches or perspectives for managing diversity are *diversity enlargement, diversity sensitivity* and *cultural audits* (Kossek and Lobel, 1993). These are similar to what Thomas and Ely (1996) refer to as the two traditional diversity paradigms. In their study entitled: "Making differences matter: A new paradigm for managing diversity", Thomas and Ely (1996) state that the diversity initiatives taken by managers usually depend on how they define diversity and the assumptions they have about it. They analyzed the traditional approaches and categorized them into two paradigms, the *discrimination-and-fairness* paradigm and the *access-and-legitimacy paradigm*. They then developed a new and emerging approach, which they call the *learning-and-effectiveness paradigm*. The discrimination-and fairness paradigm focuses on assimilation – in which the aim is to achieve a demographically representative workforce whose members treat one another exactly the same. The measure of success in this approach is by achievement of recruitment and retention goals set by the

organization or the law. The access-and-legitimacy paradigm can be regarded as centered on an almost opposite concept: differentiation, in which the objective is to place different employees where their demographic characteristics match those of important customers in a niche market. It operates in a business environment where there is cultural diversity among customers. The emerging paradigm, in contrast to both, focuses on integration. Like the fairness paradigm, it promotes equal opportunity for all individuals, and like the access paradigm, it acknowledges cultural differences among people and recognizes the value in those differences. This means that it integrates employees' perspectives into mainstream work of the organization thus tapping the full benefits of diversity. Organizations which have adopted this new perspective are taking four kinds of action.

- They are making the mental connection by understanding the link between work and cultural diversity.
- They are encouraging the explicit use of cultural experience and knowledge gained outside the organization.
- They actively discourage forms of dominance and subordination that inhibit full contribution, hence, they have zero tolerance for sexual harassment, racism etc.
- They are ensuring that organizational trust is intact.

It has been argued that the traditional diversity efforts have often failed by trying to raise consciousness without making associated changes in the culture or relevant HR systems such as reward and performance practices. Consequently many employees may be cynical about diversity efforts that have no clear link to business objectives and that are not supported by other HR system changes, or by the new behavioral expectations of colleagues and managers (Morrison et al., 1993).

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1.1.4   The Kenyan Banking Sector

The banking institutions in Kenya are segmented into three main categories comprising foreign banks, State owned commercial banks where the government has a bigger percentage of its equity, and the third category includes the privately owned commercial banks. A list of all the banks is provided in the Appendix.

Mathenge (2001) studied characteristics associated with upward mobility of women in the banking sector in Nairobi. From her research, she found that age, marital status, educational background, organization size, fear of success and fear of appearing incompetent influence the upward mobility of women in the banking industry. She also found that women in management levels in the banks are either single or divorced. Banks may need to have work and family friendly policies to help women who rise up to management positions accommodate the balance between work and family responsibilities. However, more investigation into the cause of this scenario would be necessary. Since her study was on women, a further study on the causes of this scenario and whether it affects other diversity groups in the sector would be necessary for a more comprehensive understanding on the issue.

From the foregoing, it is evident that banks in Kenya may need to seriously address their work policies as relates to women, but also to other components of a diversified workforce such as disabled, different ethnic groups, immigrants, as well as people from different socio-economic background, work style, function or position within the organization among others. Abdullahi (2000) mentioned that commercial banks in Kenya do not have a strong union or a worker's union welfare representative framework. In addition most of the major players in the sector are foreign owned and as a result, the banks do not have a discernibly strong focus on staff welfare.

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Even in banks where staff welfare is evident, there really are no avenues for redress for staff in case of grievances.

Several studies undertaken in the Kenyan service sector have mainly focused on perceived quality from the customer's perspective. A few have included management's perspective. For example, Muriithi (1996) who analyzed customer service offered by Kenya Commercial banks. However, a systematic study on human resource strategies, such as diversity and inclusion management, adopted by managers to address challenges faced in Human Resource has not been done. Services are custom made, and the quality is as good as the provider of that service. Whereas physical goods can be checked for quality before they leave the factory, the production of services is in real time. Mistakes and shortcomings are harder if not impossible to conceal (Kimonye, 1998). The character, attitudes and flexibility of the service provider therefore becomes part of the service being provided. Since employees are part of the service, no service business can afford to divorce its customers (both internal and external), from the firm's marketing and human resource strategy (Lovelock et. al, 1996).

It is arguable that a lot of the ways in which the banks are thinking is potentially or actively hindering opportunity and diversity (Kossek and Lobel, 1996).

1.2   STATEMENT OF THE PROBLEM

The researcher would like to establish what the diversity management practices in Kenya are and their perceived benefits and challenges by Human Resources managers. Some previous local studies on diversity issues include Mutuku (2003). She concluded that the majority of managers have an understanding about diversity in the workplace, and are aware of its benefits, such as diverse ideas, teamwork, improved productivity, motivation and creativity, as well as reduced

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staff turnover. However, she does not refer to any particular approaches of diversity management, nor does she analyse the challenges although she mentions some that are found in literature. Njau (2001) indicated that generally, human resource managers are aware of what Affirmative Action entails and have a positive attitude towards it. This would be seen as an eye opener especially since in the past, the private sector has been much less welcoming to women workers than the public sector (Wariara, 1989). Mathenge (2002) established that age, marital status, educational background, organization size and fear of success and appearing important are some of the reasons why women employees in banks find it particularly difficult to reach management positions. Nevertheless diversity management goes beyond affirmative action. King'ori (2003) found that discrimination does exist in private international primary and secondary schools in Nairobi. The different types of discrimination captured in the study were race, age and gender. She does not suggest concrete ways in which this discrimination can be reduced or even eliminated.

From these studies as well as scientific and practitioner-oriented literature on diversity, two important findings stand out concerning the issues that have been considered. First, theory, research, and practice regarding diversity have been focused on women, older people and African Americans. Very little consideration has been given to other attributes (Kossek and Lobel, 1996). In this study the researcher intends to cover more diversity dimensions such as disabled people, people suffering from HIV/AIDS, young employees, ethnicity from the point of view of tribes and clans as well as different options regarding how work can be structured. The additional diversity issues are characteristic of the Kenyan situation as well as most African countries.

Second, almost all of the attention has been directed toward selection and increasing the representation of different groups, rather than management practices once the people are employed. Diversity moves beyond improving the profile of an organization (numbers of people in certain categories) and into considering the degree to which the environment is welcoming and friendly for *everyone*. The previous studies have not been clear on the reasons and consequently specific efforts organizations could make by managing a diverse workforce, from selection to retirement. The limitations of these studies inhibit our complete understanding of the phenomenon of workforce diversity, since they suggest boundaries to the conclusions reached so far and therefore constitute a knowledge gap that the study proposes to fill. The researcher would therefore like to look into what the diversity management practices adopted by commercial banks in Kenya are, and the benefits and challenges of these practices.

1.3   OBJECTIVES OF THE STUDY

1. To establish the practices adopted by Commercial banks in Kenya to manage workforce diversity.

2. To determine the benefits and challenges of managing a diverse work force in the Kenyan Commercial banking sector.

1.4   IMPORTANCE OF THE STUDY

Organizations

Global competition has become so intense that HRM professionals are now being asked by their organizations to optimize the skills, talents and creativity of every employee. These organizations and others in similar or different industries will benefit since they will know the key issues of diversity to focus on particularly in Human Resource systems such as recruitment,

selection and employment, promotion, performance evaluation, training and development and reward and compensation.

HR managers

These managers can play a leading role in recruiting and retaining a diverse work force and to ensure that the entire organization is composed of diverse groups so as to reduce employee turnover. They would also ensure the organization benefits from a variety of ideas.

Marketing managers

These managers can play a leading role in ensuring organizations survive through ensuring that the sales and marketing staff are composed of diverse groups so as to attract more customers as people naturally feel more comfortable with those similar to them.

Employees

It can encourage employees of these organizations to value each other regardless of their ethnicity, age gender, or even background and to be aware of channeling diversity issues before they develop to become problems by being proactive team players.

Government

It can come up with legislation to ensure that every work force is properly managed in the country. At the moment there is very little legislation and yet we should even go beyond that in order to reach the point where people respect and value one another. Diversity means among other things recognizing and respecting differences in people (De Cenzo, 1999).

Researchers

Little material is available on managing diversity and inclusion in the workplace locally, and so more research can be carried out in this area. This is also because many of the organizations to be studied are international or working across boarders and hence they can contribute valuable information both for internal organizational and further research.

CHAPTER II: LITERATURE REVIEW

2.1 DIVERSITY AND INCLUSION

Managing diversity is not a new or futuristic issue. From the late 1800s to the early 1900s, groups that immigrated to the United States were from Italy, Poland, Ireland, and Russia. Members of these groups were considered outsiders because they did not speak English, and had different customs and work styles (Loden and Rosener, 1991). Numerous and varied initiatives to increase diversity in corporate America have been underway for more than two decades (Thomas and Ely, 1996).

The traditional image of diversity has been one of assimilation (Thomas and Ely, 1996). Employees often abandoned most of their ethnic and cultural distinctions while at work to keep their jobs and get ahead. Many immigrants in America Americanized their names, perfected their English and tried to enter the mainstream as quickly as possible. Today companies are finding that they have to be more accommodating of differences. Immigrants are no longer willing to sacrifice their cultural identities to get ahead, nor will they have to (Loden, 1991). Workplace diversity encompasses, but goes beyond, the traditional concept of equal employment opportunities (EEO). Diversity takes a broader view of EEO adding, for example, differing skills, marital status, educational levels, ages, cultural and social-backgrounds, family responsibilities and religion to the common interpretation which has focused mainly on four groups i.e. gender, ethnicity, disability and colour.

Organizations have traditionally had HR systems based on models of homogeneity; they promote similarity not diversity (Schneider and Rentsch, 1988; Ferris et al., 1994). Jackson (1992) provides a number of examples illustrating how traditional HR management models foster

workforce homogenization: recruiting practices emphasize hiring people from sources that have historically been reliable; selection practices stress choosing candidates similar to those who have been successful; training programs foster uniform ways of thinking; and policies are often designed to limit supervisor latitude in addressing employees' unique needs. Similarly, decision-makers have tended to hire, promote, and evaluate people in terms of the degree to which they are like their own image (Ferris et al., 1994). Such an approach has been coined "homosocial reproduction" by Kanter (1997), referring to the tendency of selection and promotion systems to allow only those employees to pass through, who fit with the characteristics of the dominant coalition (Barrett, 1997).

Traditional approaches to Diversity training and consulting often focus narrowly on the awareness and understanding of differences in certain categories of people. While this is an essential piece of information, it is not enough (Thomas and Ely, 1996). Cultural Diversity and Inclusion, on the other hand, focuses on how to bring in and keep the best of all cultures so that you have the best problem-solving, creativity, innovation, entrepreneurial effort, and excellent execution – in short, so that your organization will be more successful. Cultural inclusion is integrally linked to the strategic direction, work plans, processes, and practices. It becomes embedded in the organization's culture (Hancock, 2004).

Unfortunately, too much similarity in the organization can be detrimental to long-term growth, renewal, and the ability to respond to important environmental changes, such as dynamic market conditions, new technologies and ideas, societal shifts, or changing expectations of the workforce (Antonios, 1996). HR policies supporting diversity can help the culture to continually adapt in response to new environmental demands. Such systems are critical for attracting, selecting, motivating, developing, and retaining a highly skilled, diverse group of employees

who possess the key success factors needed to compete in today's changing marketplace (Kossek and Lobel, 1996). Similarly, given that the customer mix is changing, it may be beneficial for firms to hire talent that mirrors the market and that will be sensitive to the needs of new customer groups (Cox, 2002). This will enable the organization to implement a business strategy of providing excellent customer service.

2.2   WORKFORCE DIVERSITY TODAY

Kandola and Fullerton (1998) define diversity as: "The workforce that consists of a diverse population of people. Their diversity consists of visible and non-visible differences, which will include gender, age, background, race, disability, personality and work style. Managing diversity is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilized, and in which organizational goals are met".

A risk we run in defining diversity in such a broad manner is that the concept becomes meaningless (Schmidt, 1993). In spite of this risk, a broad definition is preferable for two reasons. First it is consistent with the definition currently used by organisations (Carrel and Mann, 1993). In order to improve present organisational practices we must build upon existing organisational beliefs. Second, from a theoretical perspective of staffing planning, organisations do segment labour markets by many aspects including diversity categories (Begin, 1991). It is important to use all of the categories for the theories of staffing planning to be comprehensive. Today therefore, diversity refers to far more than skin colour and gender. It is a broad term that refers to segments of the labour market which have traditionally been excluded by organisations when making staffing decisions. These segments have often been overlooked by deciding where and who to recruit, who to pursue further in the selection process, and who to extend

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employment to. They can be categorised by age, race, sex, colour, gender, ethnic origin, background, nepotism, religious affiliation or none, national origin, disability, sexual orientation, regional orientation, culture and long term unemployment (Heneman, Waldeck and Cushnie, 1996). Although members of these different groups share within their groups many common values, attitudes, and perceptions, there is also much diversity within each of these dimensions. Every group is made up of individuals who are unique in personality, education, and life experiences (Loden, 1991).

While there is no unanimity about what diversity means, there is considerable agreement about its components. In one study in the USA, respondents listed race, gender, culture, national origin, handicap, age and religion. In other words these comprised the demographic building blocks that represent diversity at work, and that people often think of when they ask what diversity means to employers (Kossek and Lobel, 1996). Attitudes towards these differences can be positive or negative, depending upon individual perspectives and prejudices. The negative consequences can be seen in a lack of opportunity for women, ethnic minorities, disabled people, the middle-aged and other disadvantaged sections of the community. The best jobs are ring-fenced and barriers are placed to prevent the progress of people from such groups (Price, 1997). However, as members of organizations it is difficult to challenge the often subconscious actions and elaborately entrenched justifications for unfairness. Not least, this is because discrimination and prejudice are expressions of power and the expressions of power entail the ability to prevent, inhibit or punish critical comment. Yet, if people are the key assets of a business it is important to realize the maximum benefit from their human capital. True competitive advantage requires the best from everyone – without restrictions; it demands a prejudice-free and inclusive attitude towards actual and potential employees (McKenna, 1994).

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Thus, managing diversity may seem a contradiction within itself. It means being acutely aware of characteristics *common* to a group of employees, while also managing these employees as *individuals*. Managing diversity means not just tolerating or accommodating all sorts of differences but supporting, nurturing, and utilizing these differences to the organization's advantage (Cox, 2000).

2.2.1 Diversity in the Kenyan Labour Market

The labour market in Kenya has undergone considerable liberalization in the last few years. By mid-1994, the government had allowed trade unions to seek full compensation for price increases without hindrance through wage guidelines (Government of Kenya, 1995). Relaxation of wage guidelines made it possible for employees and firms to negotiate and change the level of wages on the basis of productivity and performance rather than on the basis of cost of living indices as was hitherto the case (Ikiara and Ndung'u, 1997). The possibility of negotiation implies that wages will be different but equitable based on objective criteria such as ability, experience and performance.

The labour market is also undergoing structural changes characterized by the on-going sector reforms and retrenchment of workers in the public and private sectors. The effect of these changes has been a significant shift of surplus labour to the informal sector, since growth in the formal sector employment has been very low (Government of Kenya, 2001). Most of those who survive in the formal sector employment are the youth, while older employees are largely missing from many organizations.

Gender is another diversity issue affected by the changing conditions in the labour market. Although the participation of both male and female employees has been on the increase in banks

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because of the growing number of banks in the country, the gender gap in earnings tends to be smaller in the public sector than out of it. Moreover the public sector usually offers benefits that are highly valued by women, such as maternity leave, flexibility of hours and day-care facilities (Rama and MacIsaac, 1999). These benefits are rarer in the private sector where most of the banking jobs are to be found. Not surprisingly, women are more likely than men to withdraw from the labour force after downsizing.

2.3 MANAGING DIVERSITY

This means taking steps to maximize diversity's potential advantages while minimizing the potential barriers – such as prejudice and bias – that can undermine the functioning of a diverse workforce (Cox, 1996). In practice, diversity management involves both compulsory and voluntary management actions. There are laws requiring that employers minimize discrimination at work. Such compulsory actions can reduce the more blatant diversity barriers. However, blending a diverse workforce into a close-knit and thriving community also requires voluntary steps. Five steps of voluntary organizational activities are at the heart of any diversity management programme (Kossek and Lobel, 1996). These are:

Provide strong leadership: Leadership in this case means, for instance, taking a strong personal stand on the need for change and becoming a role model for the behaviours required for the change. For example a pro-active stand in making efforts to improve opportunities for women and minorities in the workforce.

Assess the situation: The company must assess the current state of affairs with regard to diversity management. This might entail administering surveys to measure current attitudes and perceptions towards different cultural groups within the company. Tools for measuring diversity

include equal employment hiring and retention metrics, employee attitude surveys, management and employee evaluations, and focus groups.

Provide diversity training and education: Kossek (1996) says that "the most commonly utilized starting point for managing diversity is some type of employee education programme". Educate all employees regarding business plans. Explain that their increased participation in these plans will require major changes in the employees' role and responsibilities; devote enough time, planning, and resources to the transmission and the worker involvement, especially to building the necessary HR systems (training, selection, etc) to reinforce desired behaviours. If a company has unions, involve them as partners at every stage; develop jointly all key principles and guidelines concerning, for instance, team structure and development, training, and information flow.

Give employees access to information on business plans and operational performance: Involve employees in designing and implementing new operation systems, and in selecting suppliers; provide training in using new technologies; promote employees' continuous communication with internal and external customers and suppliers; involve employees in assessing the effects of the new technology on their health and safety; use telecommunications technology (e-mail, internet, intranets etc) to support a culture of teamwork and continuous improvement.

Evaluate the managing diversity programme: For example do the employee attitude surveys now indicate any improvement in attitudes toward diversity? Change culture and management systems, for example, change the performance appraisal criteria to measure supervisors based partly on their success in reducing inter-group conflicts.

2.3.1 Guidelines for Managing Diversity

Some guidelines could be considered through policies or programs. These have been used by organizations that are providing diversity initiatives. Organizations could identify if the policy exists or whether they could do more regarding the particular diversity policy or program (Jackson and Schuler, 1999).

Table 1: Diversity Management Policies/Programs

	Policy exists	Believe they need to do more
Awareness and valuing diversity		
Discussion groups to promote tolerance and understanding		
Diversity training for supervisors		
Efforts to change corporate culture to value differences		
Team building for diverse groups that must work together		
Diversity task force to recommend policy changes where needed		
Holding managers accountable for increasing diversity in the managerial ranks		
Educational Initiatives		
Initiatives for younger workers to complete their education		
Basic education classes (reading, maths, computers etc)		
Classes in English for non-English-speaking employees		
Career Support		
Minority or student internships		
Networking among minority groups		
Programs to steer women and minorities into "pivotal" jobs-key positions critical to rapid advancement		
Specific goals to diversity middle and upper management		
Accommodating Special Needs		
Scheduling days off to accommodate religious preferences		
Policy to hire retirees for temporary assignments		
Day-care arrangements or benefits		
Work-at-home arrangements		
Job re-design to accommodate disabled employees and those suffering from HIV/AIDS		
Translation of written materials (manuals, newsletters) into several languages		

Source: Benson Ross and Kay Lovelace, "Piecing Together the Diversity Puzzle", HR Magazine 36 (June 1991): 56-59

2.4 MANAGING DIVERSITY (MD), EQUAL EMPLOYMENT OPPORTUNITY (EEO) AND AFFIRMATIVE ACTION (AA)

The distinction between Equal Employment Opportunity, Affirmative Action and Managing Diversity is not a simple name change. It is an entirely new way of thinking (Stoner, 2003). Some people use the three terms interchangeably. AA programs are an outgrowth of EEO laws, rules and regulations. It is government initiated and mandated in certain circumstances. And it is compliance-based and relies on statistical comparisons of various demographic groups. AA programs contain goals and timetables designed to bring the level of representation for minority groups and women into parity with relevant and available labour force indices. AA programs seek limited bottom line results by changing the mix of women, minorities, and persons with disabilities in a particular organization (Australian Public Service Commission, 1999). In the early 1960's, a number of EEO laws were enacted that prohibited workplace discrimination based on a variety of factors such as age, race or gender. AA procedures were subsequently put in place to address historic patterns of discrimination (Loden, 2000).

While AA programs are mandated, managing diversity initiatives are voluntary in nature. "Managing diversity is the process of creating and maintaining an environment that enables all participants to contribute to their full potential in pursuit of organizational objectives" Roosevelt Thomas Jr. (1997). Diversity moves beyond improving the profile of an organization (numbers of people in certain categories) and into considering the degree to which the environment is welcoming and friendly for *everyone*. AA programs are a reaction to underrepresentation, managing diversity initiatives are proactive. Managing diversity seeks to address issues related to human resources, internal communications, interpersonal relationships, conflict resolution, quality, productivity, and efficiency (Loden, 2000). Some of the human resource issues addressed by properly managing diversity may be indirectly related to EEO and AA concerns.

The main focus of managing diversity is to find productivity gains through respecting, valuing and using the differences people bring to the workplace. The idea is to find a way to let everyone do what he or she does best in order to gain a competitive edge (Cox and Blake, 1991). While AA seeks an end result, managing diversity is a long-term and change process that seeks to identify and actually change the organizational culture of a company. (Leighton, 2004).

Table 2: Comparing Managing Diversity (MD), Equal Employment Opportunities (EEO) and Affirmative Action (AA)

EEO/Affirmative Action	Managing Diversity
Mandatory	Voluntary
Legal, social, moral justifications	Productivity, efficiency, and quality
Focuses on race, gender, ethnicity	Focuses on all elements of diversity
Changes the mix of people	Changes the systems/operations
Perception of preference	Perception of equality
Short-term and limited	Long-term and ongoing
Grounded in assimilation	Grounded in individuality/integration
Focused on demographic profile change	Focused on environmental readiness
Government initiated	Organization initiated
Legally driven	Internally driven based on productivity, effectiveness and relevance
Reactive: Problem/prevention focus	Proactive: Opportunity-driven
Beneficiaries: Protected groups	Beneficiaries: Everyone
Assumes assimilation	Assumes pluralism
Organizational culture change not required	Organizational culture change required to achieve pluralism

Ross and Schneider (1992): Briscoe D.R. and Schuler R.S., (2004) International Human Resource Management 2nd Edition, Routledge

2.5 DIVERSITY MANAGEMENT PRACTICES

Kossek and Lobel (1996), argue that organizations need to define the objectives of managing diversity strategy, before making decisions regarding the design and implementation of specific HR policy areas and activities. In this way the activities can be tailored and shaped with the desired consequences in mind. More importantly, different objectives imply that different policy areas be emphasized and utilized. The different policy areas include: recruiting and selection, development and motivation, special employee groups and strategic linkages (Bridges, 1994).

Diversity enlargement approaches increase the representation of individuals of different ethnic and cultural backgrounds in an organization (Kossek et al., 1995). The newly hired employees are expected to assimilate into the existing corporate culture. The goal of this strategy is for example to create diversity by changing the numbers of people of colour in the firm. It is similar to what Thomas and Ely (1996) call the discrimination-and fairness paradigm. Leaders who follow this approach usually focus on equal opportunity, fair treatment, equity in recruitment, and compliance with Equal Employment requirements. It assumes that workplace diversity is about increasing racial, national, gender or class representation – in other words, recruiting and retaining people from traditionally underrepresented "identity groups".

The paradigm's underlying logic resembles the thinking behind traditional affirmative-action efforts; however it does go beyond a simple concern with numbers. When organizations take this path, they encourage and expect women and people of colour to blend in (get assimilated). Or they set them apart in jobs that relate specifically to their backgrounds, assigning them, for example, to areas that require same identity group. African Americans usually find themselves marketing products to inner-city communities while Hispanics frequently work for Latin American subsidiaries (Morrison et al., 1993). In those kinds of cases, companies are operating

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on the assumption that the main virtue identity groups have to offer is some knowledge of their own people. Companies that operate with this philosophical orientation often institute mentoring and career-development programs specifically for women and people of colour in their ranks and train other employees to respect cultural differences. Under this paradigm nevertheless, progress in diversity is measured by how well the company achieves its recruitment and retention goals rather than by the degree to which conditions in the company allow employees to draw on their personal assets and perspectives to do their work more effectively. The staff, one might say gets diversified, but the work does not (Thomas and Ely, 1996).

Some of the common characteristics of companies that have used the discrimination-and-fairness paradigm successfully to increase their demographic diversity are that they are usually run by leaders who value due process and equal treatment of all employees and who have the authority to use top-down directives to enforce initiatives based on those attitudes. Such companies are often bureaucratic in structure, with control processes in place for monitoring, measuring and rewarding individual performance. Finally, they are often organizations with entrenched, easily observable cultures, in which values like fairness are widespread and deeply inculcated and codes of conduct are clear and unambiguous (Thomas and Ely, 1996).

The benefits to this paradigm are that it does increase demographic diversity in an organization, and it often succeeds in promoting fair treatment. However, it has significant limitations. Its colour-blind and gender-blind ideal is to some degree built on the implicit assumption that "we are all the same" or "we aspire to being all the same". Under this paradigm, it is not desirable for diversification of the workforce to influence the organization's work or culture. The company should operate as if every person were the same race, gender, and nationality which Carter (1991) describes as a "world made dull and literally colorless". It is unlikely that leaders who

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manage diversity under this paradigm will explore how people's differences generate a potential diversity of effective ways of working, leading, viewing the market, managing people and learning.

Not only does the discrimination-and-fairness paradigm insist that everyone is the same, but, with its emphasis on equal treatment, it puts pressure on employees to make sure that important differences among them do not count. Genuine disagreements about work definition, therefore, are sometimes wrongly interpreted through this paradigm's fairness-unfairness lens – especially when honest disagreements are accompanied by tense debates. By limiting the ability of employees to acknowledge openly their work related but culturally based differences, the paradigm actually undermines the organization's capacity to learn about and improve its own strategies, processes, and practices. It also keeps people from identifying strongly and personally with their work – a critical source of motivation and self-regulation in any business environment.

Diversity sensitivity approaches acknowledge the existence of cultural distance and attempt to teach individual members about cultural differences via training (Fredman, 1989). Training sessions are held to sensitize employees to stereotyped differences of various employee racioethnic and gender groups. The goal is to promote communication and understanding, and to build relationships among members of different backgrounds (Morrison et al., 1993). These approaches are similar to what Thomas and Ely (1996) called *the access-and-legitimacy paradigm*. This second paradigm emerged on the acceptance and celebration of differences, as a reaction to the first paradigm which over-emphasized similarity. The underlying motivation is to enable the company gain access to the differentiated segments of the country's economy, by getting employees with multilingual skills in order to understand and serve their customers better and to gain legitimacy with them. Diversity isn't just fair, it makes business sense. The paradigm

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has therefore led to new professional and managerial opportunities for women and people of colour. Such companies almost always operate in a business environment in which there is increased diversity among customers, clients, or the labour-pool – and therefore a clear opportunity or an imminent threat to the company.

Its strengths are its market-based motivation and the potential for competitive advantage, that are often qualities which an entire company can understand and therefore support. However, it is more notable for its limitations. In their pursuit of niche markets, these organizations tend to emphasize the role of cultural differences in a company without really analyzing those differences to see how they actually affect the work that is done (Thomas and Ely, 1996).

Whereas discrimination-and-fairness leaders are too quick to subvert differences in the interest of preserving harmony, access-and-legitimacy leaders are too quick to push staff with niche capabilities into different pigeonholes without trying to understand what those capabilities really are and how they could be integrated into the company's mainstream work. Under the influence of this limitation, the motivation for diversity usually emerges from very immediate and often crisis-oriented needs for access and legitimacy. However, once the organization seems to be achieving its goal, the leaders seldom go on to identify and analyze the culturally based skills, beliefs, and practices that worked so well. Nor do they consider how the organization can incorporate and learn from those skills, beliefs, or practices in order to capitalize on diversity in the long run (Thomas and Ely, 1996).

The access-and-legitimacy paradigm can also leave some employees feeling exploited. Many organizations using this paradigm have diversified only in those areas in which they interact with particular niche market segments. In time many individuals recruited for this function have come

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to feel devalued and used as they begin to sense that opportunities in other parts of the organization are closed to them. Often the larger organization regards the experience of these employees as more limited or specialized, even though many of them in fact started their careers in the mainstream market before moving to special markets where their cultural backgrounds were a recognized asset. Also many of these people say that when companies have needed to downsize or narrow their marketing focus, it is the special departments that are often the first to go. The situation creates vague and ultimately untenable career paths for employees in special departments (Thomas and Ely, 1996).

The third strategy, the *cultural audit*, generally tries to determine what is blocking the progress of nontraditional employees. A consultant collects data via focus groups or surveys. This data is analyzed to assess various demographic groups' identification of the major obstacles they face in the current culture (Morrison et al., 1993). Culture audits may not allow all members to contribute to their fullest potential since they tend to only focus on the differences between groups. They should also identify the similarities between groups that the culture and supportive HR systems can reinforce to achieve organizational objectives. Like the other 2 approaches it assumes that all the members of the group, be it women, racioethnic minorities have the same HR needs, i.e. that there is an in-group homogeneity (Kossek and Lobel, 1996).

The Learning-and-Effectiveness Paradigm developed by Thomas and Ely (1996) is the outlook on diversity that enables organizations to incorporate employees' perspectives into the main work of the organization and to enhance work by rethinking primary tasks and redefining markets, products, strategies, missions, business practices, and even cultures. The emerging paradigm, organizes itself around the overarching theme of integration. While assimilation goes too far in pursuing sameness, and differentiation overshoots by placing different people where

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their demographic characteristics match those of important constituents in the market, the new model for managing diversity transcends both. This new model for managing diversity lets the organization internalize differences among employees so that it learns and grows because of them. Indeed, the goal is that the members of the organization can say "We are all on the same team, *with* our differences – not *despite* them" (Thomas and Ely, 1996)

Since managing diversity is a process that involves employees, organizational structures, and the HR practices, the practices for recruiting, retaining, motivating, mentoring, training and development, performance appraisal, compensation and benefits and the use of teams among others, are a new challenge for human resource management (Kossek and Lobel, 1996). They can be used by organizations to achieve organizational objectives and enhance diversity within organizations in the following ways:

2.5.1 Recruitment and Promotion

Recruitment refers to identification of job applicants in the labour market and the attraction of these applicants to the organisation. It includes decisions about who, when and how to recruit. Essentially this is a marketing process, which Lewis (1985) defines as 'the activity that generates a pool of applicants, who have the desire to be employed by an organization, from which those suitable can be selected'. Potential candidates may come from an internal trawl of the organization or from the external job market. The former can take place by word of mouth, staff notices, newsletters and vacancy journals. The latter are reached through channels such as recruitment advertising, employment agencies, professional associations or word of mouth (Price, 1998). It is influenced by several diversity considerations.

We cannot discuss how recruitment and selection take place without asking why certain techniques are used in preference to others, since in a culture of diversity they are not simply

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mechanisms for filling vacancies. Recruitment and redundancy can be viewed as key 'push' and 'pull' levers for organizational change. Recruitment and selection allow management to determine and gradually modify the behavioural characteristics and competencies of the workforce (Sparrow, 1994). The fashion for teamworking, for example, has focused on people with a preference for working with others as opposed to the individualist 'stars' preferred by recruiters in the 1980s. Attention has switched from rigid lists of skills and abilities to broader-based competencies. In general there is greater regard for personal flexibility and adaptability – a reorientation from present to future suitability (Iles and Salaman, 1995).

Looking at processes, the selection and hiring of people with diverse backgrounds (women, minorities, different nationalities, and varied professions) is an important approach to enhance diversity within the corporation. However, in order to create a culture of inclusion it is not enough to simply recruit people from different backgrounds into the organization (Ivancevich, 2000). It becomes necessary to select those candidates who share the desired values in terms of diversity and show competencies and behaviour favourable to an inclusive and diverse work culture. A culture of inclusion can only be brought to life with the help of people who buy into this idea, who feel comfortable working in a diverse work environment and are committed to bringing the vision to life. People are the most important "capital" for any value-based organization. Therefore, it is crucial to identify the right people and have a selection process and instruments in place that support this endeavour. Consequently tools for personnel selection such as interviews and assessment centres (AC) have to be adapted to the idea of diversity and inclusiveness. The selection tools have to be revised in accordance with the ethical and strategic requirements of diversity vision and re-designed based on the competencies of inclusion. In order to ensure a fair process all candidates are tested and observed by trained assessors and interviewers in different assessment exercises (i.e. role plays) and/or interviews and assessed

against the same set of pre-defined competencies or competency-based selection (Pless and Maak, 2004).

Organizations and those who study them need to integrate diversity considerations into the various Human Resource systems, without just mechanically correlating them. We know that diversity characteristics are related to recruitment staffing decisions, but we know little about "why" this is the case (Kossek and Lobel, 1996). More effective staffing decisions can be made if more precision is used to explain the criteria used in determining the outcome. For example, while it is important to know that an organization does not have any women managers, it is even more important to know why this is the case. The correct response by the organization may be quite different if the lack of women managers is due to gender stereotypes or if it is due to poorly developed selection devices which inadvertently discriminate against women. In the former case training may be needed while in the latter case, a new selection device may be needed (Heneman, Waldeck and Cushnie, 1998).

Getting hired is merely an initial step for women (and minorities as well); getting promoted within a company often proves a more imposing challenge. For senior positions, promotions are very hard to achieve (Kossek and Lobel, 1996). This is commonly referred to as the glass ceiling syndrome – women and minorities can see opportunities for senior management positions but are blocked by seemingly invisible barriers from reaching them. Much of the decision to promote someone to a senior position is based on such intangibles as how comfortable the senior team is with that person. It is quite normal to be more comfortable with those who are similar to us in interests and background. Inadvertently, the glass ceiling is maintained because women may be excluded from activities that have traditionally been almost all male such as golf and sports conversations, exclusion from informal networks, pervasive stereotyping of women's capacity

for leadership (Ilene Lang, President of Catalyst) and the lack of role models since there are too few women in top jobs to show how it is done (Helen Alexander, CEO of The Economist Group).

2.5.2 Performance Evaluation

For both the purposes of creating and cultivating a culture of inclusion, performance evaluation can be a valuable tool because (if applied appropriately) it can be a means to stimulate dialogue between employees and their supervisors to foster lifelong learning, and to encourage and motivate people to show inclusive behaviour. However, this presupposes that performance is not simply evaluated based on pure output (what people achieve), but in equal terms on evaluation of their behaviour (how people achieve results).

In such evaluations, which are a crucial element in diversity and performance management (Cox, 1991), behaviour and outcomes are monitored and measured. Employees and supervisors agree at the beginning of the performance management cycle (usually one year) on a set of objectives which are linked to the competency model. The performance is then assessed with respect to the defined objectives. In a dialogue an employee and supervisor discuss and agree upon the evaluation, identify areas of strengths and weaknesses, and define developmental areas and measures. Williams (1998) says it is important to review the performance cycle so that behavioural adaptations can be made spontaneously, and coaching be given when needed.

2.5.3 Training and Development

Succession planning programs can be introduced to ensure that each individual (independent of gender, race, national origin, age, etc) can grow into positions at all levels of the organization

according to their talents and potential (Dachler, 1999). Typically diversity training has two components: awareness training and skill-building training.

Awareness Training is designed to increase awareness of the meaning and importance of valuing diversity. Its aim is not to teach specific skills but to sensitize employees to the assumptions they make about others and how these assumptions affect their behaviours, decisions and judgement.

During the awareness training, people are taught to become familiar with myths, stereotypes, and culture differences, as well as the organizational barriers that inhibit full contributions of all employees. They develop a better understanding of corporate culture, requirements for success, and career choices that affect opportunities for advancement (Pless and Maak, 2004).

In most companies, the "rules" for success are ambiguous, unwritten, and perhaps inconsistent with written policy. A common problem for women and minorities is that they are unaware of many of the rules that are obvious to people in the mainstream. Valuing diversity means teaching the unwritten "rules" or cultural values to those who need to know them and changing the rules when necessary to benefit employees and hence the organization. It also involves inviting "outsiders" in and giving them access to information and meaningful relationships with people in power (Pless and Maak, 2004).

Skill-Building Training is designed to allow all employees and managers to develop skills they need to deal effectively with one another and with customers in a diverse environment. Most of the skills taught are interpersonal, such as active listening, coaching, and giving feed-back. Hewlett-Packard provides both awareness and skill-building training. Then it attempts to transfer the training to the job by asking managers to develop personal action plans before they leave the

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program (Pless and Maak, 2004). For example, a manager recognizes from training that his record of retaining black sales representatives is poor and plans to spend more time coaching these salespeople. Experiential exercises and videotapes are often used in the training programs to help expose stereotypes and encourage employees to discuss fears, biases, and problems.

The development field is a vast area which provides instruments, methods and processes at different levels (individual, team and organizational), to support the creation of a culture of inclusion. For example, training programs (with follow-up modules) based on competencies of inclusion can be designed to train intercultural effectiveness and strengthen inclusive behaviour while raising moral awareness on an individual level (Pless and Maak, 2004). Some examples of how developmental aspects can be used to build a culture of inclusion are:

a) *Individual development – Mentoring*: Mentors are high-level managers who help ensure that high-potential people are introduced to top management and socialized into the norms and values of the organization. Mentoring is seen as a useful developmental instrument and an important factor for career development (Thomas and Gabarro, 1999). Mentoring is learning partnership between a senior person (a mentor) and a less experienced staff member (mentee). The benefits for the mentee are manifold: mentoring aims at increasing the mentee's knowledge base as well as the understanding of institutional operations and culture, developing greater confidence and self esteem, and enhancing communication and net-working skills. On the other hand mentors can benefit simultaneously by enhancing their ability to listen, expanding their coaching and counselling skills as well as developing their emotional intelligence. Mentoring seems to be helpful in the endeavour to build an inclusive work environment since it fosters relationship building beyond ranks and hierarchies, creates trust and encourages mutual learning and enabling

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between mentors and mentees. In essence, for those involved, a mentoring relationship can be a crucial part of actual mutual recognition.

b) Team development – developing inclusive teams: Team building has to be emphasized to help "a diverse workforce appreciate and utilize fully each other's skills" (Kanter, 1997). In order to realize the potential attributed to a diverse workforce an enabling team environment has to be developed in which people understand one another's differences. A discursive learning process is essential to raise awareness for diversity, understand why people are different and to use this understanding to support the development of a team that fosters both personal growth as well as business success. The real challenge in a diverse team is to cope with these differences in everyday business life and find solutions for arising conflicts (Sheridan, 1994). Generally, an inclusive approach requires "relational work" (Dachler, 1999), in the sense of a concerted effort to recognize a team member's dilemma, to understand the team processes, and to be willing to change usual ways of communicating and interacting in order to bring mutual recognition in everyday discourse settings to life and eventually leverage the contribution each member can make in a diverse team. To benefit from the wealth of experiences in a diverse workforce, it is necessary to create and nurture a culture of cooperation, respect and trust. It is only in a context of trust – without fear of exclusion, hurt feelings and knowledge abuse – that people from diverse backgrounds are willing to share their authentic and culturally specific experience with their working teams; especially since all those with such experience leave a little themselves. In contrast to the current management trend of constantly changing team compositions (Sennett, 1998), an inclusive team culture requires constancy in team composition so that a workable trusting relationship can be established.

c) Organizational development: Since change itself is an ongoing process that does not happen easily (Kotter, 1996) it should be stresses that organizational discourse is the backbone of cultural development, and, therefore, reflection and awareness workshops have to be scheduled regularly for all staff to raise awareness, build understanding and foster reflection on an ongoing basis. This process is to be accompanied by discourse-trained professionals, whose task it is to propose a communication framework (including basic speech rules) that follows the principles of inclusion, to facilitate an inclusionary discourse among diverse voices within the organization, and to ensure the ongoing process of learning and education. Thus change becomes an ongoing learning process, which leads to behavioural changes. Learning can reinforce the change process by bringing awareness, triggering further reflection and motivating a rethinking of dominant thinking styles, systems and processes, challenging predominant assumptions, confronting them, and going through their implications (Pless and Maak, 2004).

2.5.4 Reward and Compensation

In an integrated personnel system not only developmental measures are derived from performance evaluations but also reward systems such as salary, bonuses etc. Reward systems can be used as an additional method to implement the principle of recognition and to reinforce integrity and inclusive behaviour. A possible approach is to make a certain percentage of each employee's compensation (salary and bonus) dependent on inclusive and diversity-supporting behaviour (Pless and Maak, 2004). However, a prerequisite for reward systems is their structural integrity, ensuring equality and guaranteeing the same rights for everyone, e.g. "equal pay for equal jobs". This means that salary disparities among people who do the same job and deliver the same performance standard have to be abolished. Gilbert and Ivancevich (2000), e.g. describe a multicultural company where "pay of all employees is analysed yearly to ensure that no disparity exists among peers, or among those ranked at the same level in terms of hierarchy, years of

service, and education". If a disparity exists and there is no underlying performance issue, pay is adjusted upward for the underpaid party. Based on such a fair and equal process diversity-driven and inclusive behaviour can be rewarded and individual and team contribution acknowledged. Fair and equal processes are an important prerequisite for trust to be built within an organization and an expression of material recognition.

2.6 BENEFITS TO THE ORGANIZATION OF MANAGING DIVERSITY

The main benefits achievable by Human Resource diversity policies relate, at the first level, to attitudes and behaviours of individual and groups of employees. These include employee commitment to organizational goals and motivation to perform to the best of their abilities (Beer et al., 1984), competence in terms of having representatives from diverse groups throughout the organization (Beer et al., 1984), equity in employment relations (Sheppard et al., 1992), improved communication and relationships among members of different cultures (Morrison et al., 1993), decreased conflict, and team and individual performance (Morrison et al., 1993).

At the second level the benefits refer to economic and organizational issues, which include: profitability from cost savings like reduced turnover (Bailey, 1989) and increased productivity due to innovation and enhancing access to new markets (Cox, 1993), adaptative and flexible organizational systems (Cox, 1993), increased level of multiculturalism which will be much more likely to be able to respond to new pressures, and such firms are also more likely to avoid the view that there is only one best way to achieve success and effectiveness in demanding total quality and employee empowerment (Thomas, 1991) for example in marketing and quality (Cox, 1993; Morrison, 1992).

Professor Taylor Cox of the University of Michigan (1991) has suggested six arguments to support his belief that managing diversity can improve organizational performance, as outlined in table 3 below.

Table 3: Competitive Advantages from Managing Cultural Diversities

ARGUMENTS	COMPETITIVE ADVANTAGES
1. Cost argument	As organizations become more diverse the cost of a poor job in integrating workers will increase. Those who handle this well will thus create cost advantages over those who don't.
2. Resource-acquisition management	Companies develop reputations on favourability as prospective employers for women and ethnic minorities. Those with the best reputation for managing diversity will win the competition for the best personnel. As the labour pool shrinks and changes composition, this edge will become increasingly important.
3. Marketing argument	For multinational organizations, this insight and cultural sensitivity that members with roots in other countries bring to the marketing effort should improve these efforts in important ways. The same rationale applies to marketing to subpopulations within domestic operations.
4. Creativity argument	Diversity of perspectives and less emphasis on conformity to norms of the past (which characterize the modern approach to management of diversity) should improve the level of creativity.
5. Problem-solving argument	Heterogeneity in decision and problem solving groups potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues.
6. System flexibility argument	An implication of the multicultural model for managing diversity is that the system will become less determinant, less standardized, and therefore more fluid. The increased fluidity should create greater flexibility to react to environmental changes (i.e. reactions should be faster and at less cost)

Source: Cox, T. J., and Blake, S. (1991). Managing cultural diversity: Implications for organizational competitiveness. Academy of Management Executive, 5(3), 45-46

2.7   CHALLENGES IN MANAGING A DIVERSE WORKFORCE

In practice, the number and range of disadvantaged groups is so huge that true fairness is a difficult objective to achieve. Well-meaning advocates can find themselves embroiled in endless battles over subtle nuances and implications of the concept (Price, 1998). Many of these challenges can be turned into advantages if the workforce is managed effectively (Bateman and Zeithaml, 1993).

2.7.1 Lower Cohesiveness

Diversity can create a lack of cohesiveness. Cohesiveness refers to how tightly knit the group is and the degree to which group members perceive, interpret, and act on their environment in similar or mutually agreed-upon ways. Because of their lack of similarity in language, culture, and/or experience, diverse groups typically are less cohesive that homogeneous groups. Often mistrust, miscommunication, stress, and attitudinal differences reduce cohesiveness, which in turn can diminish productivity (Bateman and Zeithaml, 1993).

2.7.2 Communication Problems

Perhaps the most common negative effect of diversity is communication problems. These difficulties include misunderstandings, inaccuracies, inefficiencies, and slowness. Speed is lost when not all group members are fluent in the same language or when additional time is required to explain things. Diversity also increases errors and misunderstandings. Group members may assume that they interpret things similarly when in fact they do not, or they may disagree because of their different frames of reference (Adler, 1991; Cox and Blake, 1991).

2.7.3 Mistrust and Tension

People prefer to associate with others who are like themselves. This tendency often leads to mistrust and misunderstanding of those who are different because of a lack of contact and low familiarity. It also causes stress and tension, and reaching agreement on problems can be difficult.

2.7.4 Stereotyping

We learn to see the world in a certain way based on our backgrounds and experiences. Our interests, values, and culture act as filters and lead us to distort, block, and even dictate what we

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choose to see and hear. We see what we expect to see. Group members often inappropriately stereotype their "different" colleagues rather than accurately perceiving and evaluating those individuals' contributions, capabilities, aspirations, and motivations (Bateman and Zeithaml, 1993). Such stereotypes in turn affect how people are treated. Employees stereotyped as unmotivated or emotional will be given less stress-provoking (and perhaps less important) jobs than their co-workers. Those job assignments will create frustrated employees, which may result in lower commitment, higher turnover, and people whose skills are underused (Adler, 1991).

2.8 CONCLUSION

In reviewing the scientific and practitioner-oriented literature on diversity, two important findings stand out concerning the issues that have been considered. First, theory, research, and practice regarding diversity have been focused on women, older people and African Americans. Very little consideration has been given to other attributes (Kossek and Lobel, 1996). In this study the researcher intends to cover more diversity dimensions such as disabled people, people suffering from HIV/AIDS, young employees, ethnicity from the point of view of tribes as well as different options regarding how work can be structured.

Second, almost all of the attention has been directed toward selection rather than management decisions once the people are employed. These findings suggest areas of further study and boundaries to the conclusions reached so far. If further progress is to be made in promoting and reaping the benefits of a diverse workforce, then organizations and researchers must take a broader view of diversity than has so far been the case (Kossek and Lobel, 1996).

This study will also help organizations to be clearer about the reasons and consequently specific efforts they could make gain by managing a diverse workforce, from selection to retirement. For some firms, increasing diversity is viewed as an end in itself, that is, as a way to respond to

environmental drivers, such as legal mandates or changing demographics (Cox, 1993). Managers are sometimes not completely sure of the organizational objectives they hope to achieve by enhancing diversity; they just know that they should, or by virtue of what is available in the labour market, that they have to have a more diverse workforce.

As decades of experience in Corporate America show, it would be an oversimplification to assume that the recruitment of employees with multiple backgrounds automatically leads to equality among employees and the creation of a diverse and inclusive workforce (Pless and Maak, 2004). There are a number of potential barriers within organizations. These include: lack of cultural integration, discrimination based on race, gender or disability, lack of career opportunities support and planning, the revolving door and the glass ceiling phenomena that make it difficult for women, minorities, the disabled and people from other diversity dimensions to advance in their careers, let alone reach a senior executive position, from which to steer transformational culture change. These potential barriers often cause retention problems (Catalyst, 1998) and higher turnover rates among members of these groups (Robinson and Dechant, 1997). In the advent of growing awareness by employees of their rights and increased law suits due to discrimination or unfair practices, managers need to address the issue of managing diversity as a priority (Morrison et al., 1993).

From an overall viewpoint, organizations must get away from the tradition of fitting employees into a single corporate mould. Everyone will not look and act the same. Organizations must create new human resource policies to explicitly recognize and respond to the unique needs of individual employees (Pless and Maak, 2004). Greater diversity will create some challenges, but also make some important contributions. The study also hopes to add to the reasons why Kenyan banks should concern themselves with diversity. Many managers answer with the assertion that

discrimination is wrong, both legally and morally. However, today more managers are convinced that a more diverse workforce will increase organizational effectiveness. It will lift morale, bring greater access to new segments of the marketplace, and enhance productivity, that is, they claim diversity will be good for business.

Borrowing from the work of Thomas and Ely (1996), the researcher hopes to focus on the belief that there is a close link between the diversity management practices and the accruing benefits for an organization. Furthermore, although these benefits include profitability, they go beyond financial measures to encompass learning, creativity, flexibility, organizational and individual growth, and the ability of a company to adjust rapidly and successfully to market changes. The researcher hopes to show that, a diverse workplace aims at creating a climate of genuine respect, equity and high morale by reducing discrimination and inefficiency. It also promotes a healthy balance between professional and private lives by improving human relations, harmony and protecting values. It inspires world class competency in multi-cultural teamwork, cross-cultural communication and international management. The desired transformation, however, requires a fundamental change in the attitudes and behaviours of an organization's leadership. And that will come only when senior managers abandon an underlying and flawed assumption about diversity and replace it with a broader understanding of the concept.

But there is no single way of treating employees, as each one will have their personal needs, values and beliefs. It follows that the notion of best practice, while helpful in a theoretical setting, will not provide all the answers in reality. There are multi-variables and many shades of grey – a fuzzy complex world that relies on approximate reasoning (Chartered Institute of Personnel and Development, 2006).

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CHAPTER III: RESEARCH METHODOLOGY

3.1   Research design

This research was a descriptive study that targeted all the Commercial Banks based in Nairobi. It was a census survey that used primary data. The decision to carry out a survey was based on the fact that surveys are suitable for getting a good picture of the current trends, practices, changes and challenges.

3.2   Target population

The population of study consisted of all Commercial Banks in Kenya, listed in the Central Bank of Kenya website.

3.3   Data collection instruments

The researcher utilized primary data, which was collected using questionnaires. The questionnaire was self-administered and consisted of both structured and unstructured questions. The researcher then contacted the people to be presented with questionnaires. Respondents were HR managers or officers' in-charge of personnel from the above population of 43 banks situated in Nairobi district. This ensured fair representation of the findings since the managers have an over view of the organization's diversity practices, and their associated perceived benefits. The questions on the benefits and challenges of diversity were adopted from the 1993 SHRM/CCH Survey, Human Resources Management, Washington DC: CCH, Inc., of May 26, 1993. Nairobi district was preferred since it gives the best representation of diversity within each of the existing banks. Out of each bank **1** manager answered the questionnaire. The questionnaires were distributed in two different ways. For those organizations that have e-mail access, questionnaires were sent to them as an e-mail attachment with a request for return by the same means. For

those organizations without e-mail facilities, the questionnaires were delivered by hand and collected once they were completed. Follow-up for both groups was done by telephone. Research Assistants were used for the follow-up.

3.4   Data Analysis

After collecting, editing and coding the quantitative data, it was analyzed using descriptive statistical tools of analysis. These included among other forms of summary statistics (means, modes), frequencies and percentages. The mean, mode and percentages address and measure the overall strength of diversity considerations for different firms, based on their diversity management approaches, and the significance of each diversity consideration across the firms. Qualitative data was summarized and categorized according to common themes and used to explain quantitative findings. Data was presented in tables, graphs and charts.

CHAPTER IV: DATA ANALYSIS AND FINDINGS

The study was a survey of the banking sector targeting 43 commercial banks. However the response rate was 48.8%, representing 21 banks. Among the banks that did not respond were some which felt that this information was too sensitive; others have a policy of not responding to any questionnaires, while a few others simply failed to return the questionnaires.

The researcher set out with two objectives, namely:-

1. To establish the practices adopted by Commercial banks to managing work force diversity.

2. To determine benefits and challenges of managing a diverse work in the Kenyan Commercial banking sector.

The data was coded and analyzed using SPSS package. Percentages and charts were used to present the findings from which interpretations and conclusions were made.

4.1 Respondents Profile

Table 4.1: Distribution of Respondents by Occupation (Profession)

Occupation	Frequency	Percentage
Economist	1	5
Human Resource	5	24
Banker	15	71
Total	21	100

As shown on table 4.1 above, most of the respondents' profession was banking. This represented 71% followed by Human resources officers and Economist who counted for 24% and 5% respectively.

Table 4.2: Distribution of Respondents by Current Position Held

Position Held	Frequency	Percentage
Manager	4	19
Officer	6	29
Human Resource Manager	4	19
Chief Manager	1	5
Clerk	1	5
Recoveries Manager	1	5
Resource coordinator	1	5
Human Resource Officer	2	9
Supervisor	1	5
Total	21	100

The respondents interviewed are tabulated in table 4.2 above. 49% of the respondents were employees in managerial positions, while the remaining 51% were either experienced clerical officers or supervisors with knowledge on work force diversity.

Table 4.3: Distribution of Respondents by Number of Years in Current Position

Number of Years	Frequency	Percentage
1 year and below	3	14
2 years	3	14
3 years	3	14
4 years	3	14
5 years	2	9
6 years	1	5
7 years	1	5
9 years	1	5
10 years	1	5
12 years	1	5
14 years	1	5
20 years	1	5
Total	21	100

As shown in table 4.3 above, the longest number of years the respondents had held in the current position was twenty years which represented 5% of all the respondents, while the shortest period was below one year which counted for 14%. Majority of the respondents had been in the current position from one to four years which counted for 14% each.

Table 4.4: Distribution of Respondents by Gender

Gender	Frequency	Percentage
Male	11	52
Female	10	48
Total	21	100

Table 4.4 above shows that most of the respondents interviewed were male. These comprised 52% of the total respondents. This portrays that the commercial banks sampled are equal opportunity employers since there is no evidence supporting gender bias, considering that 48% women is not significantly different from 52%.

Table 4.5: Distribution of Respondents by Age

Age	Frequency	Percentage
Below 30 years	5	25
31-41 years	10	50
41-50 years	5	25
Total	21	100

Half of the respondents interviewed fall in age bracket of 31-40 years. As shown in table 4.5 above, while ages below 30 years and 41-50 years bracket were represented by 25% each.

Table 4.6: Distribution of Respondents by Highest Level of Education

Level of Education	Frequency	Percentage
College *	6	29
University	15	71
Total	21	100

* Middle-level institutions of learning

Majority of the respondent's highest education level was university by 71% followed by college level counting for 29%. Banks are mostly employing university graduates, suggesting that they are not willing to compromise the level of banks efficiency and effectiveness.

Table 4.7: Distribution of Bank by Ownership

Bank Ownership	Frequency	Percentage
State	5	25
Private	10	50
Public	1	5
Foreign	4	20
Total	21	100

As shown on table 4.7 above, majority of the banks where interviews were carried out were privately owned, representing 50%, followed by state owned 25%, closely followed by foreign owned banks (20%), and the least represented were public owned constituting 5%.

Table 4.8: Bank's Size by Number of Employees

Number of Employees	Frequency	Percentage
Less than 250	11	52
251-500	2	10
501-1000	4	19
More than 1000	4	19
Total	21	100

Most organizations current employee strength was less than 250, which accounted for 52%. Organizations with employees in 501 – 1000 bracket and more than 1000 were represented by 19% respectively.

4.2 DIVERSITY MANAGEMENT PRACTICES

Diversity management practices refer to recruitment, promotion, performance evaluation, training and development of people of diverse background and an assortment of individual attributes. In this section, respondents' opinion was sought on the extent to which attributes of integration and inclusion are visible in their organization. The respondents were asked to rate the extent to which a variety of groups were generally represented in their organizations. Five point Likert scales were used to measure the extent to which each diversity dimension was present. The responses were interpreted as follows: -

Level of Agreement	Mean range
Very large Extent (VLE):	4.5 – 5
Large Extent (LE):	3.5 – 4.49
Fair Extent (FE):	2.5 – 3.49
Small Extent (SE):	1.5 – 2.49
Very Small Extent (VSE):	1.0 – 1.49

The findings are presented in table 4.9 below.

Table 4.9: Profile of the Respondents

Group Diversity	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	10	25	60	5	0	3.40	0.75
b) Men	10	35	50	5	0	3.50	0.76
c) Ethnicity	10	5	50	35	0	2.90	0.91
d) Disabled	0	0	0	17	83	1.33	0.77
e) HIV/AIDS	6	6	35	24	29	2.35	1.17
f) Young	20	35	40	5	0	3.70	0.86
g) Old	0	10	40	30	20	2.40	0.94
h) Married	5	40	50	5	0	3.45	0.69
i) Single	5	20	65	5	5	3.15	0.81
j) Diverse Cultures	10	20	45	20	5	3.10	1.02
k) Diverse Professions	5	25	50	10	10	3.05	1.00
j) Nationalities	0	15	15	25	45	2.00	1.12
Total	**81**	**236**	**500**	**186**	**197**	**34.33**	**10.8**

According to table 4.9, most of the respondents represented were in agreement that banks in Kenya rarely employed people with disability. This is supported by a mean of 1.33. The group with highest representation was youth (3.70), and the mean score for the old was (2.40). The mean score for men and women was (3.50) and (3.40) respectively. However the majority of the respondents either knew or were reluctant on items relation to HIV status of the employees. In addition, Commercial banks find it difficult to employ other nationals (non-Kenyans) largely because of strict migration rules.

Figure 1 below provides a graphic representation of the groups in the organizations.

Figure 1: Profile of the Respondents
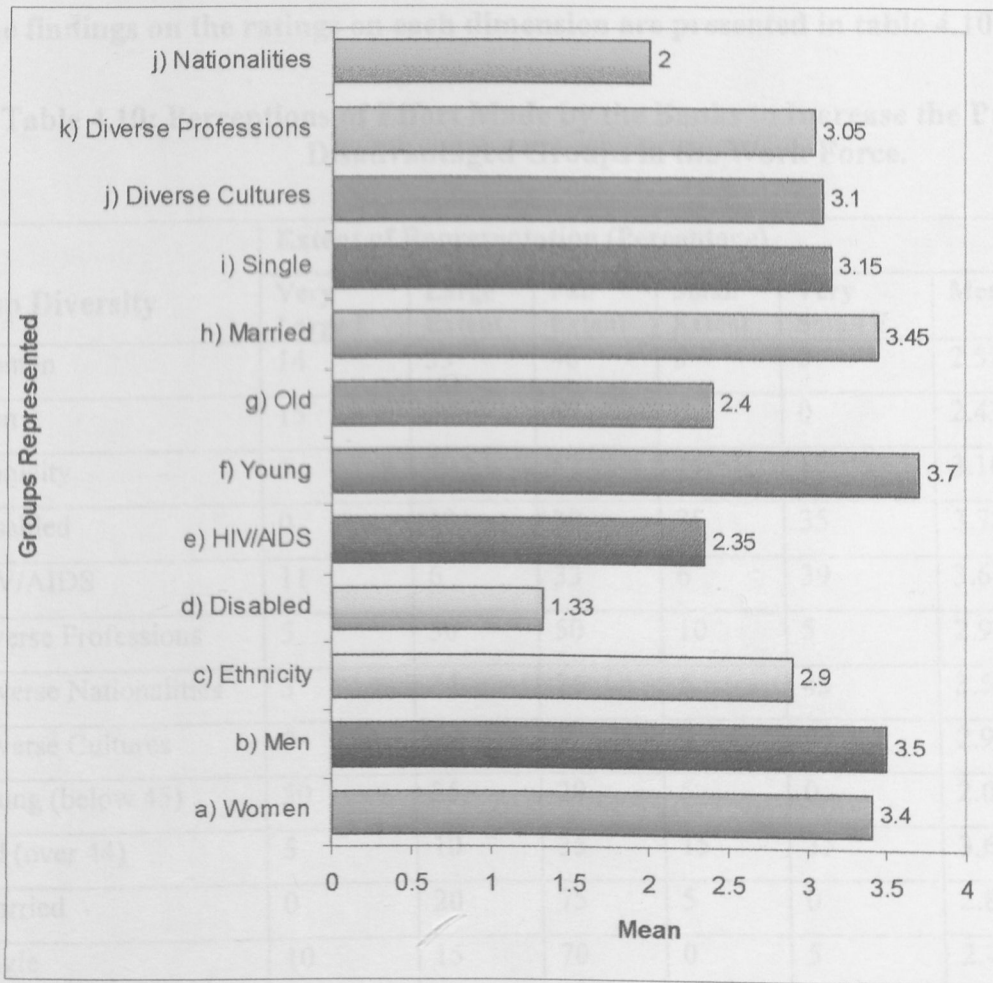
4.3. Deliberate efforts to improve on representation of groups in the organization.

The respondents were asked to rate the extent to which their organizations were making efforts to ensure fair representation of the different groups in the organizations. The ratings were done with respect to the following diversity dimensions.

1. Recruitment
2. Promotion
3. Staff Transfer Policy
4. Equitable Staff pay and Benefits
5. Training and Development
6. Performance Appraisal
7. Turnover.

4.3.1 Perceptions of Effort Made by the Banks to Increase the Proportion of the Disadvantaged Groups in the Work Force.

The findings on the ratings on each dimension are presented in table 4.10 below.

Table 4.10: Perceptions of Effort Made by the Banks to Increase the Proportion of the Disadvantaged Groups in the Work Force.

Group Diversity	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	14	33	48	5	0	2.52	0.93
b) Men	15	20	65	0	0	2.43	0.81
c) Ethnicity	5	19	52	14	10	3.10	0.94
d) Disabled	0	10	30	25	35	3.78	1.06
e) HIV/AIDS	11	6	33	6	39	3.61	1.46
f) Diverse Professions	5	30	50	10	5	2.90	0.85
g) Diverse Nationalities	5	14	24	5	43	3.55	1.50
h) Diverse Cultures	9	19	52	9	9	2.90	1.14
i) Young (below 45)	50	25	20	5	0	2.00	0.97
j) Old (over 44)	5	10	35	15	35	3.65	1.27
k) Married	0	20	75	5	0	2.80	0.41
j) Single	10	15	70	0	5	2.75	0.85
Total	129	221	554	99	181	35.99	12.19

As shown in the table 4.10 above, the findings indicate that the disabled had the highest mean score of 3.78, suggesting that there was an unfair representation in their recruitment. The least affected were the young (below 45 years) with a mean of 2.00 while the old scored a mean of 3.65 indicating a higher unfair representation in comparison to the young. Recruitment on HIV/AIDS is poorly ranked; this suggests that discrimination in recruiting HIV/AIDS workers exists. However there was a fairly high representation of men (65%) to women (48%), while married groups in the organization accounted for a mean of 2.80, were slightly highly recruited in comparison to the single groups who scored a mean of 2.75.

4.3.2   Perceptions of Effort Made to Increase Representation in Promotion

To what extent are there deliberate efforts to improve any unfair representation in the promotion of each of the following groups represented?

Table 4.11: Perceptions of Effort Made to Increase Representation in Promotion

Group Diversity	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	5	25	55	15	0	2.71	0.85
b) Men	5	15	75	5	0	2.71	0.72
c) Ethnicity	5	5	60	15	15	3.19	1.08
d) Disabled	0	10	47	16	21	3.50	0.99
e) HIV/AIDS	0	10	37	10	37	3.71	1.10
f) Diverse Professions	5	30	60	5	0	2.60	0.75
g) Diverse Nationalities	0	15	55	5	20	3.32	1.00
h) Diverse Cultures	5	10	75	0	10	3.00	0.86
i) Young (below 45)	16	21	53	10	0	2.58	0.90
j) Old (over 44)	5	10	40	20	25	3.50	1.15
k) Married	5	15	80	0	0	2.75	0.55
j) Single	5	20	75	0	0	2.70	0.57
Total	56	186	712	101	128	33.57	10.52

It can be seen from table 4.11 above that there is a considerable agreement among the respondents that issues related to promotion are being fairly addressed. The mean score of 3 across items in this section suggests that in most firms, just average effort is being made to address the issue. A similar mean score of 2.71 is observed in both men and women groups. The findings also indicate a higher score was observed in the old groups (3.50) in comparison to the young (2.58); this may be attributed to the working experience acquired which is a key factor in the promotion of employees.

4.3.3 Perceptions of Effort Made to Increase Representation in Staff Transfer Policy

The respondent's opinion was sought on whether there are deliberate efforts to improve any unfair representation in the staff transfer policy of each of the following groups represented. The table below illustrates the findings.

Table 4.12: Perceptions of Effort Made to Increase Representation in Staff Transfer Policy

Group Diversity	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	10	26	53	10	0	2.68	0.82
b) Men	10	26	58	5	0	2.63	0.76
c) Ethnicity	0	28	61	0	11	2.94	0.87
d) Disabled	0	11	56	0	28	3.41	1.12
e) HIV/AIDS	0	28	44	0	17	3.13	1.02
f) Diverse Professions	0	42	58	0	0	2.58	0.69
g) Diverse Nationalities	5	10	53	5	21	3.28	1.13
h) Diverse Cultures	5	21	58	5	10	2.95	0.97
i) Young (below 45)	17	22	50	11	0	2.56	0.92
j) Old (over 44)	0	16	58	5	21	3.21	0.92
k) Married	0	21	74	5	0	2.84	0.50
j) Single	10	26	63	0	0	2.53	0.70
Total	57	277	686	46	108	34.74	10.42

As evidenced by table 4.12 above, the least addressed factor in terms of transfer policy is disability with a mean score of 3.4 and most considered is whether the worker is single or not. The mean and mode score are not different suggest uniformity on these issue within the banking sector. Again not enough effort is being made to solve unfair transfer of people with disability. There were no significant differences among the men (2.63) and women (2.68).

4.3.4 Perceptions of Effort Made to Increase Representation in Equitable Staff Pay and Benefits

To what extent are there deliberate efforts to improve any unfair representation in equitable staff pay and benefits of each of the following groups represented?

Table 4.13: Perceptions of Effort Made to Increase Representation in Equitable Staff Pay and Benefits

Groups Represented	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	0	10	68	10	10	3.26	0.81
b) Men	0	16	68	5	10	3.16	0.83
c) Ethnicity	0	11	61	11	11	3.29	0.85
d) Disabled	6	11	44	11	11	3.13	1.02
e) HIV/AIDS	6	11	61	6	11	3.07	1.03
f) Diverse Professions	0	26	58	10	0	3.05	0.97
g) Diverse Nationalities	0	21	58	10	5	2.94	0.75
h) Diverse Cultures	0	10	63	5	16	3.28	0.89
i) Young (below 45)	0	32	58	5	5	2.84	0.76
j) Old (over 44)	0	21	63	10	5	3.00	0.75
k) Married	5	16	68	5	5	2.89	0.83
j) Single	0	16	74	5	5	3.00	0.69
Total	17	201	744	93	94	36.91	9.49

When respondents were asked to state the extent of deliberate efforts to achieve equitable staff pay and benefits, the mean score for all items ranged from 2.89 to 3.29 i.e. all the issues raised were in the respondents opinion only addressed to a fair extent. This reflects the uniformity of salary structures within the banking sectors and also the existence of unions that negotiate pay on behalf of the workers. However, scores of respondents felt that the issue is not adequately addressed. A substantial number of respondents failed to give useable response on HIV status and remuneration. This might suggest that organizations do not expect a relationship between HIV and remuneration or that they are not willing to disclose this information.

4.3.5 Perceptions of Effort Made to Increase Representation in Training and Development

To what extent are there deliberate efforts to improve any unfair representation in training and development of each of the following groups represented?

Table 4.14: Perceptions of Effort Made to Increase Representation in Training and Development

Groups Represented	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	15	5	75	5	0	2.70	0.80
b) Men	15	10	70	5	0	2.65	0.81
c) Ethnicity	5	16	68	0	5	2.89	0.68
d) Disabled	5	10	58	10	5	3.00	0.87
e) HIV/AIDS	0	21	47	10	5	2.81	0.75
f) Diverse Professions	0	25	65	10	0	2.85	0.59
g) Diverse Nationalities	0	20	65	5	5	3.06	0.80
h) Diverse Cultures	5	15	0	70	5	2.58	0.69
i) Young (below 45)	10	30	55	5	0	2.70	0.66
j) Old (over 44)	0	25	40	20	15	3.25	1.02
k) Married	0	25	75	0	0	2.75	0.44
j) Single	0	30	70	0	0	2.70	0.47
Total	**55**	**232**	**688**	**140**	**40**	**33.94**	**8.58**

It can be observed from table 4.14 above that not much effort is being put in reducing unfair training and development practices as represented by mean score rank range from 2.58 to 3.06. The mode score of 3 (unfair extent) confirm the assertion that the unfair practices have been institutionalized in most of the banks. Again a good number of respondents (5) avoided the question relating HIV to training practices. On the other hand women seemed to score slightly higher than men showing a poorer representation of women in training and development compared to men. A similar trend is observed in married groups compared to singles with the married groups (2.75) scoring a higher mean than the single groups (2.70).

4.3.6 Perceptions of Effort Made to Increase Representation in Performance Appraisal

To what extent are there deliberate efforts to improve any unfair representation in the performance appraisal of each of the following groups represented?

Table 4.15: Perceptions of Effort Made to Increase Representation in Performance Appraisal

Groups Represented	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large Ext	Large Extent	Fair Extent	Small Extent	Very Small Ext		
a) Women	5	40	50	5	0	2.55	0.69
b) Men	5	30	55	10	0	2.70	0.73
c) Ethnicity	0	21	58	10	5	3.00	0.77
d) Disabled	5	10	53	11	10	3.12	0.99
e) HIV/AIDS	6	22	39	15	6	2.87	0.99
f) Diverse Professions	0	25	60	10	0	2.85	0.67
g) Diverse Nationalities	0	25	55	10	5	2.95	0.76
h) Diverse Cultures	5	25	60	10	5	2.65	0.85
i) Young (below 45)	10	25	55	10	0	2.70	0.81
j) Old (over 44)	5	25	60	10	0	2.75	0.66
k) Married	5	20	70	5	0	2.85	0.64
j) Single	0	20	75	5	0	2.90	0.49
Total	46	278	690	111	31	30.99	8.56

The results on table 4.15 show that not much is being done that are visible in addressing this problem. The score ranks show that not much effort is being put in reducing unfair appraisal practices. The mode score of 3 (unfair extent) confirms the assertion that the unfair practices have been institutionalized in most of the banks when it comes to HIV. But it is possible that AIDS prone workers are weak and relatively less productive. There are no significant differences between the old (2.75) and the young (2.70), married (2.85) and single (2.90) or men (2.70) and women (2.55).

4.3.7 Perceptions of Effort Made to Increase Representation in Turnover

To what extent are there deliberate efforts to improve any unfair representation in the turnover of each of the following groups represented?

Table 4.16: Perceptions of Effort Made to Increase Representation in Turnover

Groups Represented	Extent of Representation (Percentage)					Means	Std Deviation
	Very Large E	Large Extent	Fair Extent	Small Extent	Very Small E		
a) Women	0	17	61	17	6	3.11	0.76
b) Men	6	17	62	11	6	2.94	0.87
c) Ethnicity	0	17	67	6	11	3.11	0.83
d) Disabled	0	11	61	6	17	3.29	0.92
e) HIV/AIDS	0	17	61	11	0	3.06	0.85
f) Diverse Professions	6	11	72	6	6	2.94	0.80
g) Diverse Nationalities	6	11	67	0	11	3.00	0.94
h) Diverse Cultures	6	11	67	6	11	3.06	0.94
i) Young (below 45)	11	11	61	11	6	2.89	0.96
j) Old (over 44)	11	22	39	11	17	3.00	1.24
k) Married	6	11	78	0	6	2.89	0.76
j) Single	6	17	72	0	6	2.83	0.79
Total	**58**	**173**	**768**	**85**	**103**	**36.12**	**10.66**

Most of the respondents feel that the actions being taken to address employee turnover are fair for most of the groups with means ranging from the lowest in single employees (2.83) to the highest of (3.29) representing the disabled.

4.1.1 Reported Cases of Sexual Harassment

The respondents were asked to state how frequently cases of sexual harassment were reported in their place of work; the results are presented in table 4.17 below.

Table 4.17: Reported Cases of Sexual Harassment

Level of Reporting	Frequency	Percent
Moderate Level	1	5
Low Level	8	39
Never	11	52
Total	**21**	**100**

The findings indicate that majority or 52% of the sexual harassment cases are never reported, while only 5% of the respondents said that cases are moderately reported. This may suggest that most people either do not report cases of sexual harassment or simply do not think about it or do not consider it an issue.

4.4.2: How sexual harassment cases have been handled

If sexual harassment cases have been frequently handled, then to what extent do you think they have been promptly and exhaustedly handled?

Table 4.18: Promptness in Handling of the Reported Cases of Sexual Harassment

Frequency	Frequency	Percent
Frequently	1	5
Never	2	10
No response	18	86
Total	**21**	**100**

According to the 10% of the respondents, sexual harassment cases that have been reported have never been promptly and exhaustively handled. A minority or 5% thought that the cases were promptly handled. However, it is of importance to add that the majority 81% of the respondents did not respond to this question; this suggests that matters concerning sexual harassment have been ignored; it could also be high because people do not report or don't think about this issue.

4.4.3   Problems of Managing a Diverse Workforce

Respondents were asked to list down the problems they encountered in managing a diverse workforce. Their responses are shown in the table 4.19 below.

Table 4.19: Problems of Managing a Diverse Workforce

Problems	Frequency	% of Responses
Creating an environment that is conducive for all people	2	13.3
Communication of Strategy	2	13.3
Monitoring Performance	1	6.7
Team Work	1	6.7
Ideology Differences	1	6.7
Labour turn over in the industry	1	6.7
Solving the unique problems of each employee	1	6.7
Nepotism	1	6.7
Favouritism in salary increment and promotions	2	13.3
Culture differences	2	13.3
Fear of change	1	6.7
Total Responses	**15**	**100.0**

Out of the sample of 21 respondents, 15 organizations (71.4%) responded to this question. Table 4.19 above shows that creating and environment that is conducive for all people (13.3%), communication of strategy (13.3%), favouritism in salary increments and promotions (13.3%) and culture differences (13.3%). These four issues were the highest problems of managing a diverse workforce according to the respondents. Monitoring performance, team work, Ideology differences, labour turn over in the industry, solving the unique problems of each employee, nepotism and fear of change were represented to a small extent by 6.7% in each case.

4.5   Benefits and Challenges of Diversity Management

To what extent do you agree or disagree with the benefits and challenges of diversity management in your organization.

Table 4.20: Benefits and Challenges of Diversity Management

Benefits and Challenges of Diversity Management	Extent of Agreement With Benefits And Challenges (Percentage)						
	Strongly Agree	Agree	Moderately Agree	Disagree	Strongly Disagree	Means	Std Dev.
Diversity Programs help companies Project a positive public image	43	43	9	5	0	4.29	0.64
Diversity management is no longer a choice for us: our employees are too diverse to ignore the issue	43	43	9	5	0	4.10	0.94
A more diverse workforce will enable us to serve our clients/customers better	62	24	9	5	0	4.48	0.87
In our industry diverse organizations will be more successful and innovative	39	48	14	0	0	4.29	0.72
Diversity programs are socially desirable activities	29	62	5	5	0	4.24	0.70
Without a diversity program, we risk losing some of the best employees	38	29	14	14	5	3.76	1.14
Diversity programs are necessary since there are still a lot of insensitive or discriminatory employment behaviors	38	29	9	24	0	3.90	1.22
Greater workforce diversity has made the managers job more difficult	0	15	50	25	10	2.75	0.72
Valuing diversity is a "politically correct" term for affirmative action	15	30	35	15	5	3.05	1.05
Special treatment for various sub-groups of workers reinforce negative stereotypes of these groups	33	38	9	14	5	3.81	1.21
Diversity programs are motivated primarily be a desire to comply with regulations and avoid costly law suits	10	5	30	48	20	2.60	1.14
Greater workforce diversity increases the cost of doing business	0	5	29	48	19	2.24	0.89
Overall, the costs of a more diverse workforce outweigh the potential benefits	0	5	14	52	29	2.00	0.95
As diversity increases among employees, group cohesiveness typically decreases	5	0	20	60	15	2.10	0.62
Greater workforce diversity leads to more employee grievances	0	10	26	42	21	2.29	1.01
The existence of a diverse workforce makes it more difficult to uphold performance standards	0	19	5	43	33	1.95	0.89
Diversity training programs discriminate against majority group members	5	15	0	60	20	2.19	1.03
Diversity management programs are just a passing fad	5	5	5	47	38	1.70	0.92

Benefits and challenges were rated on a 5-point Likert scale ranging from 1 – 5. These are interpreted as shown below.

Level of Agreement	Mean Range
Strongly Agree (SA):	4.5 – 5
Agree (A):	3.5 – 4.49
Moderately Agree (MA):	2.5 – 3.49
Disagree (D):	1.5 – 2.49
Strongly Disagree (SD):	1.0 – 1.49

The results presented in the table 4.20 are explained using the above interpretation.

Most respondents agree on the importance of diversity programs such that, diversity programs help companies project a positive image (4.29); that a more diverse workforce will better enable the organization serve clients and customers better (4.48) and that in the banking industry, diverse organizations will be more successful and innovative (4.29).

However, a number of respondents disagreed that diversity management programs are just a passing fad (1.70); that existence of a diverse workforce makes it more difficult to uphold performance standards (1.95); and that greater workforce diversity increases the cost of doing business (2.24).

Some of the responses moderately agreed that greater workforce diversity leads to more employee grievances (2.29), diversity increases among employees group cohesiveness typically decreases (2.10) and greater workforce diversity increases the cost of doing business (2.24). The opinions are blurred as to whether greater workforce diversity has made the manager's job more difficult. When asked whether overall the cost of a more diverse workforce outweigh the potential benefits most respondents disagree.

These responses are also captured in the figure 2 below.

Figure 2: Benefits and Challenges of Diversity Management

Bar chart — Means of Benefits and Challenges of Diversity Management:

Item	Mean
R	1.7
Q	2.19
P	1.95
O	2.29
N	2.1
M	2
L	2.24
K	2.6
J	3.81
I	3.05
H	2.75
G	3.9
F	3.76
E	4.24
D	4.29
C	4.48
B	4.1
A	4.29
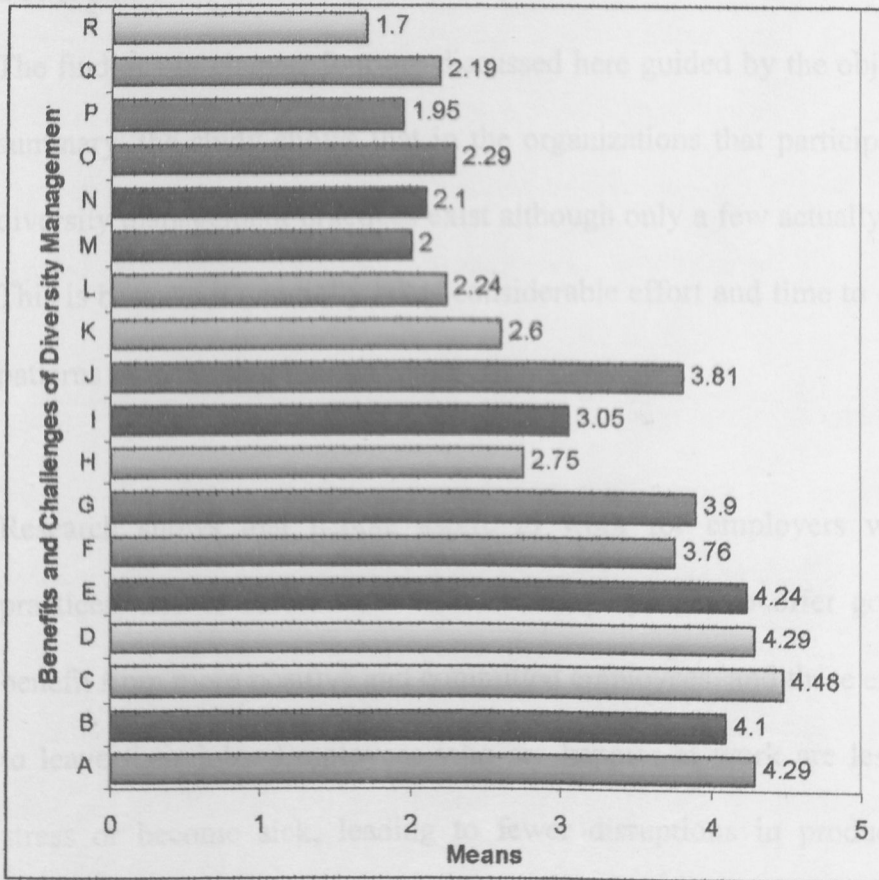
KEY:

A: Diversity programs help companies project a positive public image.
B: Our employees are too diverse to ignore the issue.
C: A more diverse workforce will enable us to serve our clients better
D: In our industry diverse organizations will be more successful and innovative
E: Diversity programs are socially desirable activities
F: Without a diversity program, we risk losing some of the best employees
G: Diversity programs are necessary since there are still a lot of insensitive behaviors
H: Greater workforce diversity has made the manager's job more difficult
I: Valuing diversity is a "politically correct" term for affirmative action
J: Special treatment for various sub-groups of workers reinforce negative stereotypes
K: Diversity programs are motivated primarily be a desire to comply with regulations.
L: Greater workforce diversity increases the cost of doing business
M: Overall, the costs of a more diverse workforce outweigh the potential benefits
N: As diversity increases among employees, group cohesiveness typically decreases
O: Greater workforce diversity leads to more employee grievances
P: A diverse workforce makes it more difficult to uphold performance standards
Q: Diversity training programs discriminate against majority group members
R: Diversity management programs are just a passing fad

CHAPTER V: DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 SUMMARY

The findings in chapter four are discussed here guided by the objectives of the study. In summary, the study shows that in the organizations that participated in the study some diversity management practices exist although only a few actually have policies in place. This is because it generally takes considerable effort and time to change some of the old patterns of managing human resources.

Research shows that people aspire to work for employers with good employment practices, and to feel valued at work. Employers who offer good working conditions benefit from more positive and committed employees, and these employees are less likely to leave their jobs. Employees who are happier at work are less likely to suffer from stress or become sick, leading to fewer disruptions in production or service. Good employers will receive more applications for jobs, leading to a larger pool of talent to choose from. A diverse workforce will be more creative and innovative.

5.2 DIVERSITY ISSUES IN THE WORK PLACE

From the findings, managers in the organizations under study have diverse management practices towards the various aspects relating to the workforce, since the respondents have a positive attitude to most of the diverse issues understudy, in the workplace. These include general aspects of diversity and specific attitudes towards increasing the representation of the young (below 45), the disabled and people with HIV/AIDS. However for most firms the traditional HR strategies to manage diversity have been largely piecemeal, lacking integration with other systems.

Managing diversity is about ensuring that all employees have the opportunity to maximize their potential and enhance their self-development and their contribution to the organization. Training and development opportunities should therefore be afforded to all. In Kenyan commercial banks younger employees scored a mean of 2.70 and seem to have an advantage over older people with a mean of 3.25, which represented the most disadvantaged group in terms of training and development.

Diversity management recognizes that people from different backgrounds can bring fresh ideas and perceptions, which can make the way work is done more efficient and make products and services better. Managing diversity successfully will help organizations to nurture creativity and innovation and thereby to tap hidden capacity for growth and improved competitiveness. Since 65% of the line managers felt that diversity management has made their work more difficult, we must recognize that managing diversity is complex and the challenge is in how to go about it in every organization with its unique needs and objectives. Excellence in communication is central. People must be willing and able to talk to each other and listen to each other, and respect different views and ideas.

5.3 BENEFITS OF MANAGING DIVERSITY IN THE WORK PLACE

The majority of the managers have an understanding about the need for diversity management in the work place and its benefits. Their responses were consistent with the literature. These include better customer service which was identified as one of the strongest benefits with a mean of 4.48 (62% strongly agree, 24% and 9% agree and moderately agree respectively), diverse ideas 4.29, enhanced staff retention 3.76, improved productivity and a positive public image 4.29. From table 4.20 we also see that

82% agree that without a diversity programme, they risk losing some of the best employees and there is 100% consensus, with a mean of 4.29 that in the banking industry, diverse organizations will be more successful and innovative.

However, the foregoing not withstanding, it seems from informal discussions with respondents that the attitudes towards diversity management were varied between the organizations depending on the person responding. HR professionals are generally very positive about diversity and recognize the need for a diverse workforce. Line managers are generally more skeptical and believe that diversity has made their job more difficult (65% agree), while top managers' attitudes fall between those of HR professionals and line managers. Top managers generally view diversity as an HR issue and not as a key issue to the organization's long term success.

The above differences may explain why stronger measures have not been taken by the organizations to manage their diverse workforce except in the foreign owned banks. The young (below 45 years) received the highest scores with regard to efforts being made to reduce their unfair representation in all the areas of study, except equitable pay, where they are paid like the rest of the staff commensurate with their qualifications and experience.

From table 4.20, the respondents who think that valuing diversity is just a "politically correct" term for Affirmative Action (AA) accounted for 80% with a mean score of 3.05. It should however be noted that, while AA seeks an end result, i.e. to reduce the under-representation of certain people, managing diversity is a long-term change process that

seeks to identify and actually change the organizational culture of a company (Leighton, 2004).

The main problems highlighted by the managers were creating an environment that is conducive for all people, communication of strategy, favouritism in salary increments and promotions and cultural differences. These problems, though mentioned by only a few respondents, are consistent with what is found in the literature.

5.4 CONCLUSION

Although there is no single "right way" to go about managing diversity, recognizing and valuing diversity is central to good people management practices. Harnessing these differences will create a productive environment in which everyone feels valued, their talents are fully utilized and organizational goals are met.

5.5 RECOMMENDATIONS FOR MANAGERS

In the light of the findings and conclusions, the recommendations are:

Overall strategy

- Ensure that initiatives and policies have the support of the board and senior management.

- Remember that managing diversity is a continuous process of improvement not a one-off initiative, therefore, link diversity management to other initiatives such as investment in people and total quality management.

- Develop a diversity strategy to support the achievement of business goals, including ways of addressing the diverse needs of customers.

- Focus on fairness and inclusion, ensuring that merit, competence and potential are the basis for all decisions about recruitment and development.

- Keep up to date with the law and review policies through checks, audits and consultation.

- Design guidelines for line mangers to help them respond appropriately to diversity needs, as they are vital change agents, but give them scope for flexible in decision-making.

- Consider different national cultures in your approach to managing diversity if your organization operates in different countries.

Workplace behaviour

- Encourage the development of a value system based on respect and dignity for all.

- Identify and reward desirable behaviour in order to gain positive commitment from employees, making it clear that everyone has a personal responsibility to uphold the standards.

- Introduce mechanisms to deal with all forms of harassment, bullying and intimidating behaviour, making it clear that such behaviour will not be tolerated and setting out the consequences of breaking the organization's behaviour code.

Communication

- Develop a culture with good communication channels based on open dialogue and active listening. Consult people for ideas.

- Use different and accessible methods such as newsletters, in-house magazines, notice boards and intranets to keep people up to date with diversity policies and practices.

Diversity Training and Development

- Build diversity concepts and practices into management and other training and teambuilding programmes to increase awareness of the need to handle different views, perceptions and ideas in positive ways.

- Consider awareness-raising programmes about diversity and skills training to help people work together better in a diverse environment.

- Include diversity issues in induction programmes so that all new employees know about the organization's values and policies.

- Train line managers on diversity, to enable them understand the benefits and challenges of diversity and drive them into organizational and operational policies and practices.

Evaluate the managing diversity programme

- Regularly audit, review and evaluate progress and keep qualitative data to chart progress and show business benefits.

- Use employee surveys to evaluate initiatives, to find out if diversity policies are working for everyone, and provide a platform for improvement.

- Track actions to see if they have had the intended results and make appropriate changes if necessary.

- Include diversity objectives on job descriptions and appraisals, and recognize and reward achievements.

- Benchmark good practice against other organizations and adapt relevant ideas where appropriate. Network with others from inside and outside your organization to keep up to date and share learning.

5.6   SUGGESTIONS FOR FURTHER RESEARCH

1. Further research should be conducted to determine why certain practices are followed. It was not possible to find out the reasons behind the existing practices from this study.

2. The study confined itself to one manager from each bank. Research should be carried out to determine whether different respondents within the same organization would have different responses, depending on their position within the organization.

3. The study confined itself to Nairobi. Research should be carried out to determine whether respondents from other areas that have rural life influence would have the same policies and same level of awareness or knowledge of the different aspects of diversity, like those found in Nairobi.

4. Research should be carried out to determine the practices and attitudes of Kenyans regarding diversity in and outside the workplace, since it is now a world-wide concern, and they may be called upon to support legislation towards it since it is included in the draft of the proposed new constitution.

5.7 LIMITATIONS OF THE RESEARCH

Geographical scope

All the respondents were drawn from Nairobi, and therefore more accurate conclusions would require a larger study, with a wider geographical scope.

Non-response

The Commercial banking sector in Kenya has 43 organizations. Failure by 47.5% to respond to the questionnaire was a setback. Some of the results may not be conclusively taken as representative of all managers, particularly on the issues that some managers preferred not respond to at all.

Scope of Questionnaire

The respondents were not asked to state the reasons behind their answers, and therefore to arrive at the conclusions made, interpretations were made drawing from the background to the study and the literature review.

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LETTER OF INTRODUCTION

PRISCA M. OLUOCH
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<u>**NAIROBI**</u>

PHONE: 2727566 or 2724173
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Dear Sir/Madam

I am a student at the University of Nairobi, pursing a Masters Degree in Business Administration (MBA). My area of specialization is in Human Resources Management. I am undertaking a research Project as part of the degree requirements. The research topic is *"Diversity Management Practices of Commercial Banks in Kenya"*.

I will be grateful if you could spare some time and fill in the attached questionnaire, answering the questions as honestly and accurately as possible. I will also greatly appreciate any additional information you may want to provide to help me towards a better study of the topic. The information you shall give will be treated with utmost confidentiality, and will be used solely for this academic purpose. There will be no direct references to names – both of individuals and the organization.

Upon completion of the questionnaire, I could pick it up from your organization or you could e-mail your responses to me on – *prioluoch@yahoo.com*. In case of any queries, do not hesitate to call or e-mail me on the numbers and address above.

A copy of the final research report will be forwarded to you if requested.

Thank you for your cooperation.

Yours sincerely,

Prisca Oluoch

APPENDIX II: QUESTIONNAIRE

This Questionnaire is concerned with Workforce Diversity. It has been designed to establish the practices or approaches and the perceived benefits for Commercial banks in Nairobi in adopting ways to manage workforce diversity. Diversity comprises of gender, presence of several ethnic groups, presence of the disabled and employees suffering from HIV/AIDS, a mixture of different age groups and a mixture of married and unmarried employees, work-family responsibilities, and different approaches to how work is done.

A diverse workplace aims at creating a climate of genuine respect, equity and high morale by reducing discrimination and inefficiency. It also promotes a healthy balance between professional and private lives by improving human relations, harmony and protecting values. It inspires world class competency in multi-cultural teamwork, cross-cultural communication and international management.

SECTION A

PERSONAL AND COMPANY PROFILES

1. What is your occupation (profession)? ....
2. Current position held? ....
3. Number of years in current position. ....
4. Please indicate your gender Male [ ] Female [ ]
5. Please tick the age bracket in which you fall:

   Below 30 years   [ ]   41-50 years   [ ]
   31-40 years   [ ]   51 years and above   [ ]

6. Please indicate your highest level of education

   O-Level /A-Level   [ ]   University   [ ]
   College   [ ]   Other (specify)   [ ]

7. State whether your bank is foreign owned, state owned or private ....
8. What is the current employee strength of your organization?

   Less than 250 [ ]   251 – 500   [ ]
   501 – 1000   [ ]   More than 1000   [ ]

SECTION B

These questions are on the DIVERSITY MANAGEMENT PRACTICES, which refer to areas such as recruitment, promotion, performance evaluation, training and development as well as compensation and benefits. They are said to focus on integration and inclusion i.e. differing skills, professional disciplines, marital status, educational levels, ages, cultural and social-backgrounds, family responsibilities and religion among others.

1. To what extent is each of the following groups represented in your organization profile?

	Very large extent	Large extent	Fair extent	Small extent	Very small extent
a) Women	[ ]	[ ]	[ ]	[ ]	[ ]
b) Men	[ ]	[ ]	[ ]	[ ]	[ ]
c) Ethnicity	[ ]	[ ]	[ ]	[ ]	[ ]
d) Disabled	[ ]	[ ]	[ ]	[ ]	[ ]
e) HIV/AIDS	[ ]	[ ]	[·]	[ ]	[ ]
f) Young	[ ]	[ ]	[ ]	[ ]	[ ]
g) Old	[ ]	[ ]	[ ]	[ ]	[ ]
h) Married	[ ]	[ ]	[ ]	[ ]	[ ]
i) Single	[ ]	[ ]	[ ]	[ ]	[ ]
j) Diverse Cultures	[ ]	[ ]	[ ]	[ ]	[ ]
k) Diverse Professions	[ ]	[ ]	[ ]	[ ]	[ ]
l) Nationalities	[ ]	[ ]	[ ]	[ ]	[ ]

2. Please complete the following table by ranking to what extent are there deliberate efforts to improve any unfair representation of each of the following in your organization. Indicate on the space provided the appropriate scale depending on your ranking. For example if you think there are efforts to a very large extent, indicate 1.

Very large extent=1; Large extent = 2; Fair extent = 3; Small extent =4; Very small extent=5

CONSIDERATION	Women	Men	Ethnicity/ Tribe	Disabled	HIV/AIDS	Diverse Professions	Diverse Nationalities	Diverse Cultures	Young (Below 45)	Old (Over 44)	Married
Recruitment											
Promotion											
Staff transfer policy											
Equitable staff pay & benefits											
Training and Development											
Performance Appraisal											
Turnover											
Other (Please specify)											

3. How frequently are cases of sexual harassment reported in your place of work?

Very frequently	Frequently	Moderate frequency	Less frequently	Never
[ ]	[ ]	[ ]	[ ]	[ ]

4. If your answer above is very frequently or frequently, to what extent do you think they have been promptly and exhaustively handled?

Very frequently	Frequently	Moderate frequency	Less frequently	Never
[ ]	[ ]	[ ]	[ ]	[ ]

5. List down any problems you encounter in managing a diverse workforce?

....

....

SECTION C

Please complete it by ticking (√) to what extent you agree or disagree with the benefits and challenges of diversity management in your organization.

BENEFITS AND CHALLENGES	STRONGLY AGREE	AGREE	MODERATELY AGREE	DISAGREE	STRONGLY DISAGREE
Diversity programs help companies project a positive public image					
Diversity management is no longer a choice for us; our employees are too diverse to ignore the issue					
A more diverse workforce will better enable us to serve our clients and customers					
In our industry diverse organizations will be more successful and innovative					
Diversity programs are socially desirable activities					
Without a diversity program, we risk losing some of the best employees in our company or industry					
Diversity programs are necessary because there are still a lot of insensitive or discriminatory employment behaviours					
Greater workforce diversity has made the manager's job more difficult					
Valuing diversity is a "politically correct" term for Affirmative Action					
Special treatment for various sub-groups of workers reinforce negative stereotypes of these groups					
Diversity programs are motivated primarily by a desire to comply with regulations and avoid costly law suits					
Greater workforce diversity increases the cost of doing business					
Overall, the costs of a more diverse workforce outweigh the potential benefits					
As diversity increases among employees, group cohesiveness typically decreases					
Greater workforce diversity leads to more employee grievances					
The existence of a diverse workforce makes it more difficult to uphold performance standards					
Diversity training programs discriminate against majority group members					
Diversity management programs are just a passing fad					

THANK YOU FOR TAKING TIME TO FILL OUT THIS QUESTIONNAIRE

APPENDIX III: LIST OF COMMERCIAL BANKS IN KENYA

1. African Banking Corporation Ltd.
2. Bank of Barodo (K) Ltd.
3. Bank of India
4. Barclays Bank of Kenya
5. CFC Bank Ltd.
6. Charterhouse Bank Ltd.
7. Chase Bank (K) Ltd.
8. Citibank N.A.
9. City Finance Bank Ltd.
10. Co-operative Bank of Kenya
11. Commercial Bank of Africa Ltd. (Now with First American Bank of Kenya Ltd.)
12. Consolidated Bank of Kenya Ltd.
13. Credit Agricole Indosuez
14. Credit Bank Ltd.
15. Delphis Bank Ltd. (Now Oriental Commercial Bank)
16. Development Bank of Kenya Ltd.
17. Diamond Trust Bank (K) Ltd.
18. Dubai Bank of Kenya Ltd. (Formerly Mashreq Bank)
19. EABS Bank (Now with Akiba Bank)
20. Equitorial Commercial Bank Ltd.
21. Equity Bank Ltd.
22. Fidelity Commercial Bank Ltd.
23. Fina Bank Ltd.
24. Giro Commercial Bank Ltd.
25. Guardian Bank Ltd.
26. Habib Bank A.G. Zurich
27. Habib Bank Ltd.
28. Housing Finance Co. (K) Ltd.
29. Imperial Bank Ltd.
30. Industrial Development Bank
31. Investments and Mortgages bank Ltd.
32. K-Rep Bank Ltd.
33. Kenya Commercial Bank Ltd.
34. Middle East Bank (K) Ltd.
35. National Bank of Kenya Ltd.
36. National Industrial Credit Bank Ltd.(NIC)
37. Paramount Universal Bank Ltd.
38. Prime Bank Ltd.
39. Southern Credit Banking Corporation Ltd.
40. Stanbic Bank Kenya Ltd.
41. Standard Chartered Bank (K) Ltd.
42. Trans-National Bank Ltd.
43. Victoria Commercial Bank Ltd.