MULTICULTURAL DYNAMICS AND PERFORMANCE MANAGEMENT AT THE AFRICAN POPULATION AND HEALTH RESEARCH CENTRE IN KENYA

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DECLARATION

I hereby declare that this research project is my original work and has not been presented

for examination purposes to any other institution.

Signed…………………………….......Date ……………………………………..

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This research project has been submitted with my approval as the university supervisor.

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DEDICATION

To the almighty God for the gift of life and strength to do this course, to my family for all the support you have extended towards my education.

ABSTRACT

The purpose of the study was to explore multicultural dynamics and performance management practices at the African population and Health Research Centre in Kenya. The research objectives were to determine the multicultural dynamics at the African Population and Health Research Centre and also determine how those multicultural dynamics influence performance management. The research design used was a case study. This enabled the researcher to observe the research subjects without affecting their normal behavior. An interview guide was used for primary data collection. It was appropriate since it enabled the researcher to control the data collection exercise and obtain more information by asking further probing questions. The targeted informants were limited to 4 Heads of Department at the African Population and Health Research Center. The data collected was analyzed using content analysis. This entailed the systematic examination of written or recorded information with a view of breaking it down and analyzing the presence of common themes or concepts. The respondents were in agreement that African Population and Health Research Centre is a culturally diverse workplace. As per the informants, the organization is made up of people who come from a wide range of backgrounds including gender, age, ethnic and cultural backgrounds, nationalities, religious beliefs, sexual orientation, family responsibilities, socio-economic background, and life and work experience. The study also found that performance management practices at the APHRC are affected by the gender, age, ethnic and cultural backgrounds, nationalities, religious beliefs, family responsibilities, socio-economic background, and life and work experience of it's extremely diverse workforce. The study recommends that the APHRC should promote the knowledge and acceptance of cultural differences within their organizations. The study also recommends the APHRC develops a culturally inclusive organization that mirrors all the stakeholders' demographic diversity. They should also establish a bias free human resources management system in which recruitment, training and development, performance management, compensation and benefits and lastly promotion are done without reference to cultural biases with a view of engendering a cohesive and heterogeneous organization.

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ACRONYMS AND ABBREVIATIONS

APHRC: African Population and Health Research Center

NGO: Non-Governmental Organization

PhD: Doctor of Philosophy

MNCs: Multinational Corporations

ICIPE: International Centre of Insects Physiology and Ecology

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The past two decades, has seen an explosion of business moving operations overseas, setting up international joint ventures and establishing global enterprises. This trend has led scholars as well as organizations to explore the implications of cultural differences in managing a workforce. The rapid rate of globalization dating back to the 1990's has contributed greatly to geographical labor mobility resulting into changing workforce demographics especially in the modern day multinational organizations.

This in turn has significantly increased the importance of managing cultural diversity at the workplace. The inevitable influence of multicultural dynamics on performance management emanates from the recognition of the fact that people are inherently different on many fronts. This could be visible or invisible, mainly age, gender, marital status, social status, disability, sexual orientation, religion, personality, ethnicity and culture, attitudes, needs, desires, values and work behaviors.

According to Hofstede (1992) under the Hofstede Model on Cultural dynamics, Culture is the collective programming of the mind which distinguishes the members of one group or category of people from another. The collective cultural programming is characterized by: Verbal and non verbal Communication, religion, customs, education, economics, politics, social institutions, values and attitudes. Most international organizations are typified by cross cultural relationships within their workforce that entails interactions with more than one culture. Therefore gaining an understanding of the other culture's

values, beliefs and norms is of paramount importance in molding highly effective organizations. The African Population and Health Research Center (APHRC) is essentially a Pan-African entity drawing the sizable chunk of its staff from the Sub Saharan Africa and beyond. The study was necessary in order to establish how the African Population and Health Research Center (APHRC) management of employees' performance is tailored to accommodate multicultural differences and attain organizational objectives. It is also important to look at how the said multicultural differences at the African Population and Health Research Center (APHRC) have affected performance management within the organization.

1.1.1 Concept of International Business

International business is a concept that applies to trading among different countries. It underlies trading that is undertaken beyond the geographical boundaries of various countries. As Bennett (2011) aptly defines the concept as the commercial activities which exceed national frontiers. It concerns the international movement of goods, capital, services, employees and technology; importing and exporting; cross border transactions in intellectual property (patents, trademarks, know-how, copyright materials, etc) via licensing and franchising

On the other hand, Griffin and Pustay (2010) states that international business is about commercial transactions between parties from more than one country. The parties involved in such transactions may include private individuals, body corporate, government agencies or non-governmental/not-for-profit agencies.

1.1.2 Organizational Multicultural Dynamics

Contemporary Organizations are essentially multicultural entities. This implies that an organization is a composition of people from different cultural backgrounds. Such differences are the basis of multicultural dynamics within the organizations. The increasing globalization demands more interaction amongst people from diverse cultures, beliefs, and backgrounds than ever before. People no longer live and work in insular marketplace, they are now part of a worldwide economy with competition coming from nearly every continent. Consequently, As Kreitner and Kinicki (2007) found organizations need multicultural diversity to emerge more creative and open to change in the 21st century. Hence, maximizing and capitalizing on workplace diversity has become an important modern day management issue. Therefore, since management of the organizational multicultural dynamics remains a significant organizational challenge, managers must learn the requisite managerial skills needed in a multicultural work environment.

According to Earl and Mosakowski (2000) multicultural dynamics presents a "double edged sword" to the contemporary organization in that whereas managing and valuing diversity is a key component of effective people management which definitely improves workplace productivity ,unmanaged diversity in the workplace might become a stumbling block to the planned attainment of organizational goals. Hence the overriding need for organizations whether profit oriented or not for profit need to focus on workplace multicultural dynamics and explore ways to become totally inclusive since diversity has the potential of yielding greater productivity and competitive advantages.

1.1.3 Concept of Performance Management

Performance Management is the concept that applies to the effective management of individuals and teams to achieve high levels of organizational performance. As such then, it entails establishing a shared understanding about what is to be achieved and an approach to leading and nurturing people charged with ensuring it is achieved. Therefore, Performance Management is the mechanism that ensures that the employee achieves the objectives set by the organization and the organization thereby achieves the objectives that it has set for itself in its strategic plan.

Notably the increased focus on performance at all levels in an organization arises from the pressures of globalization and the associated requirement to create competitive advantage in order to survive in an international market place. Consequently, employees possessing the innovative skills, competencies, talents and abilities within an organization's workforce are an essential component in creating such a competitive advantage.

Performance management in line with arguments from Armstrong and Baron (2005) is underpinned on the notion that sustained organizational success will be achieved through a strategic and integrated approach to improving performance. This entails developing individual and team capabilities and driving culture change by shifting emphasis from mere individual performance to attainment of organizational goals. As Fletcher and Perry (2001) states performance management is based on a shared understanding of and continuing dialogue about an individual's goals and the standards expected together with an appreciation of the organization's wider mission, values and objectives.

1.1.4 International Research Organizations in Kenya

Research organizations are established for the sole purpose of conducting quality research on issues affecting a large portion of the population and making sound recommendations on how to better address problems and opportunities within the society. Therefore, although a research organization is domiciled within a particular nation, its outlook in terms of research should not be constrained within the stated geographical frontiers.

As Cole (2002) states that international research institutions are a key factor in the public research system and are a primary tool for governments seeking to spur research and innovation in their economies. International research institutions remain critical for countries' innovation and economic performance through their activities in creating, discovering, using and diffusing knowledge. In Kenya, We currently have more than a dozen international research organizations domiciled within the country. The list includes but is not limited to: International Livestock Research Institute (ILRI), International Centre of Insects Physiology and Ecology (ICIPE), World Agro forestry Centre, Rift Valley Institute and African Population and Health Research Center (APHRC).

On the other hand, Gatoto (2013) argues that majority of the international research organizations internationalize in the first instance in order to secure a competitive advantage in their operations. Such operational competitive edge would entail securing donor funding and angling for strategic alliances with research institutes, governments and public bodies.

1.1.5 African Population and Health Research Center

The African Population and Health Research Center was established in 1995 as a Population Policy Research Fellowship program of the Population Council, with funding from the Rockefeller Foundation. APHRC as a nonprofit, non-governmental international organization is committed to conducting high quality and policy-relevant research on population and health issues facing sub-Saharan Africa.

In 2001, the APHRC was registered as an autonomous institution in Kenya under Section 366 of the Companies Act giving it distinct legal status in the country. In the same year the APHRC entered into a cooperation agreement with the Government of Kenya which granted the APHRC privileges and immunities under section 11 of the privileges and Immunities Act. This entailed exemption from Import Duties and taxes and certain cadres of staff being exempt from Income Tax.

The African Population and Health Research Center mission is to promote the well-being of Africans through policy-relevant research on population and health, the Center brings together eminent scholars from various nationalities to develop priority research programs and enhance the use of research findings for policy formulation and program improvement in sub-Saharan Africa.

The APHRC is headed by an Executive Director who reports to a Board of Directors composed of 10 members drawn from various professional backgrounds and nationalities. The Executive Director is assisted by an Executive leadership team that heads the various functional departments namely: Research, Capacity Building, Policy Engagement and Operations. The departments are staffed with 102 staff members, 37 of

whom are expatriates whereas 65 are locally sourced. APHRC focuses on three areas namely research, capacity strengthening and policy engagement and communications. Under research, APHRC's concentration is on areas where there are considerable knowledge gaps and where building on its past investments and current strengths, it holds the greatest potential to improve the wellbeing of Africans.

On capacity building, APHRC aims at strengthening institutional and professional capacity to enable African researchers to fully participate in defining and implementing priority population and health programs in the continent. To this end, APHRC has developed several research capacity strengthening initiatives which include: Post-Doctoral Fellowships, Sabbatical Fellowships, Visiting Scholar Program, Research Traineeships, Internships and Technical Workshops.

The APHRC works in partnership with several civil society organizations, Government institutions and networks, and multilateral partners' .APHRC has been funded by the Ford Foundation, Hewlett Foundation, Mellon Foundation, Rockefeller Foundation, Wellcome Trust and the Bill and Melinda Gates Foundation.

1.2 Research Problem

The rapid growth of international organizations over the past two decades has posed several challenges such as workforce diversity which is a natural phenomenon that has both negative and positive impacts on employee performance depending on how well it is managed. Prior studies have shown that in order to survive, every organization needs to be able to manage and utilize its diverse workforce effectively in spite of cultural differences.

As Bennett (2011) states that Managing diversity in the workplace should be a part of the culture of the entire organization because valuing and recognizing diversity is imperative to maintaining competitive advantage. Cox (1994) on the other hand found that organizations that promote and achieve a diverse workplace will attract and retain quality employees.

Closer home, a number of studies have been done on performance management in Kenya. Nabongo and Abdel-Kader (2011) did a survey of performance management in Kenyan NGO's. Opiyo (2012) researched on the Effects of Staff Performance Management Practices on Organizational Effectiveness at the Kenya Airways. Sarisar (2013) did a survey on the Challenges of performance contracting in the Public Service. Though the importance of performance management in a culturally diverse environment is thus far not in doubt, a lot of attention in research has been paid to the performance measurement and appraisals which are mere tools of performance management. Nevertheless, only a few attempts have been made in putting performance management practices and multicultural dynamics into perspective.

None of the previous studies examined the interface between multicultural dynamics and performance management practices among International Organizations in Kenya. Therefore this research study was aimed at filling this gap in knowledge. Thus the researcher will set out to explore how multicultural dynamics interacts the with performance management practices such as performance planning, contracting against agreed measures, coaching and training for continuous performance improvement, feedback and review and lastly performance related rewards and recognition. The research sought to answer the following question: How do multicultural dynamics

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influence performance management at the African Population and Health Research Center?

1.3 Research Objectives

The objectives of this study were:

1. To determine the multicultural dynamics at the African Population and Health Research Centre.
2. To determine how multicultural dynamics influence performance management at the African Population and Health Research Centre.

1.4 Value of the Study

The policy makers would find the findings useful in the formulation of policies with regard to the management and cultural integration at the workplace .These research findings would be of great significance in offering guidelines to policy makers to better understand issues of multicultural dynamics and their impact on employee productivity.

The Research findings would be of great significance in offering guidelines to address the current challenges in human resource management and development and ultimately enhance employee performance in organizations. APHRC would be able to identify and understand the challenges that exist with performance management amidst multicultural diversity thus helping it to identify ways to overcome them resulting and thus maximize on the possible synergies that would be created.

The research will also help the managers by expanding the literature in the management of workforce diversity to improve employee performance for competitive advantage of their various organizations. It will also enable practicing human resource managers in the

international nonprofit organizations to remain relevant amidst the contemporary challenges by putting in place programs for managing workforce diversity and employing strategies for management of multicultural diversity in their organizations to enhance performance. This research would also be useful to researchers as it would enrich the limited body of knowledge on workforce diversity. In addition it will propose gaps for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides an analysis of the literature related to multicultural dynamics and performance management. The chapter covers; the theoretical foundations of the study, review of existing literature on performance management and multicultural dynamics, and the benefits and challenges of multicultural dynamics.

2.2 Theoretical Foundations

The underlying conceptual foundations for performance management lie in motivation theory and, in particular, goal-setting theory and expectancy theory. Goal-setting theory as explicated by Locke and Latham (1984) suggests that not only does the assignment of specific goals result in enhanced performance but that, assuming goal acceptance, increasing the challenge or difficulty of goals leads to increased motivation and increases in performance. On the other hand Expectancy theory as advanced by Vroom (1964) hypothesizes that individuals change their behavior according to their anticipated satisfaction in achieving certain goals. Both these theories have important implications for the design of performance management processes.

Clark (1998) suggests that both goal-setting and expectancy theory are founded on the premise that human beings think in a rational, calculative and individualistic way. Indeed, he argues that performance management is based on an extremely rationalistic, directive view of the organization, which assumes not only that strategy

can be clearly articulated but also that the outcomes of Human Resources Processes can be framed in a way that makes clear their links to the organization's strategic objectives. He further argues that the approach assumes causal links between different parts of the process that can be readily identified and enable underperformance in one or more aspects of the process to be managed to ensure optimum functioning of the wider performance management system. However, as Mintzberg (1994) stated such assumptions not only ignore the debate about the nature of strategy and its formulation, but also fail to recognize the context in which a performance management system operates. According to Clark (1998) the social processes and power systems within which organizations operate together with the broader organizational and country-cultural context are important mediating factors in the operation and success of any system.

2.3 Performance Management

Increasing complexities in functions of business have lead to the emergence of new and comprehensive concepts in business management such as performance management. Performance management is a continuous process of identifying, assessing and developing the performance of individuals and aligning individual's performance with the strategic goals of the organization.

Although competitive pressures have been the driving force in the increased interest in performance management, organizations have also used the process to support or drive culture change and to shift the managerial emphasis to individual performance and self-development. Fletcher and Perry (2001) identified a number of principles underlying the concept of performance management: First, it is a strategic process in that it is aligned to

the organization's wider objectives and long-term direction. Second, it is integrative in nature, not only aligning organizational objectives with individual objectives but also linking together different aspects of human resource management such as human resource development, employee reward and organizational development, into a coherent approach to people management and development.

Third, it is concerned with performance enhancement in order to achieve both individual and organizational effectiveness. Performance enhancement is underpinned by two further principles: the ideas that employee effort should be goal-directed and that performance improvement must be supported by the development of employees' capability.

Fletcher and Perry (2001) further argued that performance management relates to communication and understanding and the fact that performance management is based on an agreement between a manager and an individual. It is founded on a shared understanding of and continuing dialogue about an individual's goals and the standards expected and the competencies needed, together with an appreciation of the organization's wider mission, values and objectives.

Finally, performance management – Unlike performance appraisal – is owned and driven by line management rather than by the HR function. Performance management is many times mistaken as performance appraisal but the latter is just a part of the former. As Weiss and Hurtle (1996) states that Performance management is the strategic and integrated approach adopted in the delivery of sustained success to organizations by improving the performance of employees as well as work teams.

However, there is no single universally accepted model of performance management. Various experts have explained the concept in their own ways. Mabey (1999) has prescribed the model of performance management system in the form of 'performance management cycle'. This cycle has 5 elements which suggest how performance management system should be implemented in an organization. The elements of performance management system cycle include: Setting of objectives, assessing the performance, giving feedback of the performance results, designing a reward system based on performance outcomes and formulating amendments to objectives and activities based on the feedback and lessons learnt in the process.

In essence the most effective and enduring performance management processes are developed with line managers and employees so that there is a proper fit between the process and real time working practices. Performance management is about relationships. As Cole (2002) contends that effective performance management requires rapport, candor, honesty and a genuine sense of caring which creates a foundation for open dialogue because people value the opinions of those they respect and trust. This increases the level of feedback since all opinions are heard and understood in a non-judgmental atmosphere.

Performance management processes should rely on regular feedback and review. According to Dessler (2005) the traditional annual review should ideally be a lighter process with no surprises -just a summary of achievements over the year and the beginning of a new performance agreement or contract. Feedback and review is a two way process but feedback may also be drawn from a range of sources i.e. performance data against measurable results in the performance contract, feedback from skills

development and use, information from a formal instrument like the 360-degree feedback which encompasses a range of sources.

2.4 Multicultural Dynamics

Cultural differences, while difficult to observe and measure are obviously very important in business settings. As Hofstede (1994) boldly asserted "the business of international business is culture " Needless to say, failure to appreciate and account for cultural differences in international business dealings can lead to embarrassing blunders, strained relationships and plummeting business performance.

In Reichie (2011) culture is said to be a set of shared values assumptions and beliefs that are learnt through membership in a group and that influence the attitudes and behaviors of group members. This definition brings to the fore three key issues: First, culture can be understood as a group phenomenon that distinguishes members of one group from the other. Second, the definition implies that culture is obtained not by birth but rather acquired through a process of socialization. The learning of shared values, assumptions and beliefs occurs through interactions with the immediate family, teachers, peers, day to day experiences and the society at large. It is in this respect that Hofstede (1991) alludes that Culture is as process of "collective programming of the mind". Thirdly, culture determines what is considered acceptable or attractive behavior. In other words, cultural values provide preferences or priorities for one behavior over another

The analogy of an iceberg is normally used to conceptualize culture. Culture is said to have three layers, Kreitner and Kinicki (2007) arranged the layers according to their visibility and amenability to change. The outermost and least resistant to change is the

observable characteristics such as acronyms, dress code, ceremonies, decorations et al which are said to be at the top of the iceberg. The second which is moderately resistant to change being the espoused values which are stated and explicitly communicated to the rank and file of any given organized group, such values represents the cultural ideals which the organization aspires to attain.

According Kreitner and Kinicki (2007) the innermost and extremely resistant to change is the enacted set of values which reflects values in practice in the group. For instance in many Asian cultures it is considered rude not to carefully study a business card that is presented to you because business cards reflect a person's professional identity, title and social status. Failing to study the business cards is therefore a sign of disrespect towards that person. The ritual of exchanging business cards is a behavior explainable by the deep-seated meaning that is associated with business cards in the Asian culture's expressed values. The expressed values in turn can only be fully understood by taking into account the underlying importance of respect towards seniority and status in the culture's basic assumptions. Dealing with multicultural differences therefore requires not only knowledge about adequate behaviors but more importantly, an understanding of the deeper-level assumptions and values that explain why certain behaviors are perceived to be more appropriate than other in a given cultural framework

However Kreitner and Kinicki (2007) argued that there was a wide disconnect between the espoused and enacted values in most organizations. Nonetheless the two scholars failed to explore ways in which such disconnect between the espoused and enacted cultural values influences the process of performance management and more so the employees performance outcomes.

A cultural framework is vital in order to better appreciate the influence of multicultural dynamics on performance management. The elements of any given culture characterize and describe it along different value dimensions. Therefore the elements of a culture conversely act as the determinants of multicultural dynamics when one culture is juxtaposed with another.

2.4.1 Social Structure

Social structure is the overall framework that determines the role of individuals, families and other social groupings within society. It also determines the stratification of the society and the individual's mobility within the society. As Turner (2000) aptly stated the social structure governs a society's view on individuals, families and social groups within the society. Various societies differ a lot in the way they define family and in the relative importance the individuals' role within the society.

On Social Stratification, Turner (2000) argued that all societies categorize people to a certain extent on the basis of their birth, occupation, educational achievements or other attributes. However the importance of these categories in defining social interaction varies by society. Lastly, Social structure influences a society's view on social mobility. The ability of individuals to move from a lower social stratum to a higher social stratum may be curtailed or nurtured by the given society's social structure. Social mobility tends to be relatively higher in less stratified societies i.e. United States, Singapore or Canada than in highly stratified societies i.e. United Kingdom and India. Social mobility often affects a people's attitude towards such factors as labor relations, human capital formation, risk taking and entrepreneurship.

2.4.2 Language and Communication

Language acts a primary delineator of cultural groups given its important role of communicating within societies. Language occupies an important role in human relations as it organizes the way members of a society think about the world. Currently there exist 3000 different languages. Worldwide we also have 10000 distinct dialects.

Decenzo (2008) stated that language filters observations and perceptions and thus unpredictably alters the message being sent when people engage in a communication exercise. Language also provides vital clues about the cultural values of the society and aids in the process of acculturation. The very presence of more than one language group in a country is an important signal about the diversity of a country's population. It also suggests the presence of differences in income, cultural values and educational achievements.

According to Rowson (2008) savvy businesspeople operating in culturally heterogeneous societies adapt their marketing and business practices along the clearly demarcated linguistic lines to account for cultural differences amongst prospective customers. Linguistic ties have the potential of creating key competitive advantages because the ability to communicate is profoundly important in business transactions.

Communication across cultural boundaries is a very important skill for international managers. Chances of a communication *faux pas* are substantially increased when people from different cultural background engage in communication. This is mainly so because the sender encodes messages using their cultural filters and the receiver decodes the same

messages using their own set of cultural filter. The result will be a cultural misunderstanding that is typically expensive to resolve.

2.4.3 Values and Attitudes

Values are the principles and standards accepted by members of a given society while attitudes encompass the actions, feelings and thoughts that result from those values. As Hofstede (2001) states cultural values often stems from deep seated beliefs about the individual's position in relation to his deity, family and social hierarchy. On the other hand, Cultural attitudes towards factors such as time, age, education and status reflect the values and in turn shape the behavior and opportunities available to international businesses operating in a given culture. Different cultures view time in a different way, some as a valuable resource to be treasured, others as a fluid concept which is flexible and time commitments are only pursued where extremely necessary.

According to Andrew and Mead (2009) a nation's formal system of education is an important transmitter and refection of the cultural values of its society. Through their formal education systems various nations emphasize various things. For instance, in the west a lot of premium is placed on youth and youthful achievers whereas in the East, Age and experience are profoundly valued.

2.4.4 Religion

Religion can be explained as a set of beliefs concerning the cause, nature, and purpose of the universe, especially when considered as the creation of a superhuman agency or agencies, usually involving devotional and ritual observances, and often containing a

moral code governing the conduct of human affairs. Religion as defined by the Merriam-Webster dictionary is a cause, principle, or system of beliefs held to with ardor and faith.

According to Seybold and Hill (2001), it is estimated that 85% of the world population are affiliated to some religious grouping. Religion shapes the attitudes of its adherents towards work, consumption, individual responsibility and planning for the future. For instance Sociologist Max Weber attributed the rise of capitalism in Western Europe to the protestant ethic which stressed individual hard work, frugality and personal achievement as a means of glorifying God. According to Weber Protestant ethic virtualizes high savings rates, striving for efficiency and reinvestment of profits as a means of glorifying God all of which are necessary ingredients for the smooth functioning of a capitalist economy.

On the other hand, Hindu faith stresses spiritual accomplishment rather than economic success, they belief that the quest for material possessions may delay one's spiritual journey. Thus Hinduism provides little support for capitalistic activities of investment, wealth accumulation and the constant quest for higher efficiency in production.

Islamic religion while remaining supportive of capitalism places more emphasis on the individual's obligation to society. Profits earned in fair business dealings are justified but a firm's profits should never arise from exploitation or deceit. Clearly religion largely affects production, consumption and labor employment patterns.

2.5 Performance Management and Multicultural Dynamics

There are a number of complexities both to performance management itself and to the consideration of performance management across national cultures. Nonetheless, the

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cultural context of any given organization need to be evaluated before a performance management system is designed. As Mathieson and Lupton (2006) stated Performance management essentially being a western concept and much of the research into its use and operation has been conducted in domestic settings. Therefore, cultural differences stand in the way of standardizing all the aspects of performance management practice on a global scale. A number of studies have sought to examine the influence of a country's culture on aspects of the performance management. The common starting point has invariably been Hofstede's (2001) dimensions: Power distance, uncertainty avoidance, individualism/collectivism, masculinity/femininity, long-term/short-term orientation.

The impact of a particular national and cultural context may be reflected in the nature of the goals set, and scholars have identified specific cultural differences in relation to competencies. In Rowson (1998) it was suggested that European managers rank 'drive for results' more highly than either their North American or Asia-Pacific counterparts. Mendonca and Kanungo (1996) found that the low individualism and low masculinity which characterize India's work culture, for example, prioritize personalized relationships and work well recognized over the accomplishment of job objectives. Moreover, Dessler (2005) found that in China evaluation criteria in the large state-owned enterprises where performance appraisal is widely practiced not only relate to task but also to moral and ideological behavior.

2.6 Benefits and Challenges of Multicultural Dynamics

Managing a culturally diverse workforce can present some disadvantages for an organization, however if well managed it can yield many advantages. First, by capitalizing on the potential benefits of cultural differences, organizations will have

added value and competitive advantages over organizations which do not respond to this challenge of managing diversity within the workforce. As Daft (1997) states if people feel valued regardless of their background, it will lead to increased commitment and productivity, enhanced work relationships and the recruitment and retention of the best employees.

Second, organizations can drive business growth and improve productivity by involving their diverse workforce. This implies making use of their language skills, cultural sensitivity, knowledge of business networks in their home countries and market knowledge in their day to day work. With such key assets, organizations will have an edge in the increasingly globalized market. Robinson and Dechant (1997) found that Companies were able to turn around unprofitable inner-city markets in the United States by putting African-American and Hispanic Managers in charge of marketing to these populations. Just as ethnic minorities may prefer to work for employers who value diversity, they may also prefer to buy from such organizations.

Third, organizations can expect enhanced creativity and problem solving from a culturally diverse workforce. Research by Cox and Blake (1991) has shown that a culturally diverse group tends to be more creative than a culturally homogenous group. This, in part is due to the fact that people with diverse backgrounds bring different perspectives to problem solving.

Nonetheless, Failure to handle cultural differences can create a lot of problems for an organization. The first problem is financial cost resulting from a high labor turnover, absenteeism and potential lawsuits. Organizations lose all the resources invested in

recruiting and training when dissatisfied employees leave. Litigation as a result of racial discrimination can also result in financial losses .In addition high turnover means employees are constantly in the learning stage instead of performing at full potential. As Daft (1997) explicates, absenteeism results in a significant cost: there is a positive relationship between employees' perception of being valued and cared about and their attendance.

Reduced individual and organizational productivity is the second problem which occurs when people experience prejudice and non acceptance. According to Loden and Rosener (1991) employees who feel unappreciated are less innovative and are less aggressive in pressing their ideas or in assuming leadership.

The third impact of poorly managed cultural differences is the tarnished corporate image that develops around employee dissatisfaction. As Elmuti (2001) aptly states if an organization becomes known as one that alienates non-traditional employees, it will have a hard time finding qualified workers in periods of limited labor supply.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents a detailed picture of the research methodology that was employed in obtaining the research data. The research design and tools used in data collection and analysis are also explained.

3.2 Research Design

The research design used was a case study .This enabled the researcher to observe the research subjects without affecting its normal behavior. In addition, information concerning the current status of the phenomena was obtained without influencing it.

A case study implied an in-depth inquiry in which the focus was set on a contemporary phenomenon within its real life context. The case study adopted a focused and detailed orientation in order to fully examine and describe the phenomenon under review.

The case study is for studying complex phenomenon. As a research design, it is an appropriate choice in situations where there are multiple variables of interest, multiple sources of evidence and clear theoretical propositions to guide both data collection and analysis.

3.3 Data Collection

An interview guide was used for primary data collection. It was appropriate since it enabled the researcher to control the data collection exercise and obtain more information

by asking further probing questions. The targeted informants were limited to all the 4 Heads of Department at the African Population and Health Research Center.

Secondary data was also collected from the relevant documents. This included; Human resources manuals, strategic plans, internal communication and the organization's website.

3.4 Data Analysis

The data collected was analyzed using content analysis. This entailed the systematic examination of written or recorded information with a view of breaking it down, identifying and analyzing the presence of common themes or concepts. The focus of the content analysis technique was the critical examination of the information content rather than mere description.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, results and discussion on the multicultural dynamics present at the African Population and Health Research Centre and how those multicultural dynamics influence performance management at the African Population and Health Research Centre. The data was collected from all the four heads of department in the organization by use of an interview guide designed in line with the research objectives.

4.2 Details of the Informants

The researcher interviewed four departmental heads at the African Population and Health Center. The entire four informants who were interviewed hold post graduate qualifications in various disciplines. Three of the informants hold PhD qualifications and have a background from the world of research and academia.

Three of the informants have worked at African Population and Health Research Centre for a period of seven years and above. Before joining the organization all had an illustrious career in many other organizations. This would imply that they are well versed with both the African Population and Health Research Centre policies and the intricacies of performance management issues. Hence the information obtained from the respondents can be relied on as they are based on long duration of service with the organization.

4.3 Multicultural Exposure of the Informants

All the 4 informants have at one time in their careers held work or study assignments outside their home countries. In fact 3 of the informants are currently working outside their home countries as they are not Kenyan nationals. According to the informants adequate cross cultural training is a necessary prerequisite for work assignments beyond the home country geographical boundaries. All the informants would be rated as well exposed in terms of multicultural exposure given that they have studied and worked in various countries both in Africa and beyond.

4.4 Multicultural Dynamics at the African Population and Health Research Centre

The respondents were in agreement that "African Population and Health Research Centre is a culturally diverse workplace. The organization is made up of people who come from a wide range of backgrounds including gender, age, ethnic and cultural backgrounds, nationalities, religious beliefs, sexual orientation, family responsibilities, socio-economic background, and life and work experience". It was found that all this cultural variables have an impact on the performance of employees.

This was also supported by secondary data collected from strategic plans, internal communication and the organization's website which indicated that African Population and Health Research Centre currently has 120 staff members drawn from 11 different nationalities. 40% of the staff members are sourced across the Kenyan geographical borders. In terms of gender parity as a cultural variable 48% of the workforce are women. There a strong presence of cross cultural exposure given that the majority of the middle level and senior level managers have at one time or the other have worked, studied or

lived away from their home country. There is a diverse range of educational backgrounds with 26 staff members holding PhDs in various disciplines.

Further to this the respondents agreed that "There is a cultural diversity and inclusivity policy at the African Population and Health Research Centre developed along the lines of Equal Employment Opportunities Principles. The policy seeks to ensure that there is adequate representation of all groups within the organization. The policy is equally reinforced by other attendant human resources management policies that seek to shape employees attitudes and behaviors towards the acceptance of cultural diversity at the African Population and Health Research Centre."

4.5 Performance Management at the African Population and Health Research Centre

According to the informants "the African Population and Health Research Center has a clearly documented performance management policy that is encapsulated in their Human resources manual. The purpose of an effective performance management policy is for employees to have a clear understanding of the work expected from them, to receive ongoing feedback regarding how they are performing relative to expectations, to distribute rewards accordingly, to identify development opportunities, and to address performance that does not meet expectations. This performance management policy is intended to empower the African Population and Health Research Centre employees to have greater input to their personal career progression and also enable managers to better identify, recognize, and reward individuals based upon an agreed set of criteria.

According to this policy APHRC strives to provide an environment where all employees understand the impact their contributions have on the achievement of Centre's goals and are provided the opportunity for ongoing personal growth. One way to accomplish this goal is through a strong performance based management program that culminates in an annual performance review. The performance management process is continuous as planning, management, review, and rewarding performance is done".

All classified employees both temporal and permanent at the African Population and Health Research Centre are made aware of this policy at the point of induction into employment. According to the informants the policy is meant to help define what is expected of any given employee in their current position in relation to the department and/or the organization's overall goals. The policy also aids in outlining available opportunities for professional development and/or career growth. Last but not the least the African Population and Health Research Centre performance management policy clear outlines the key performance indicators which employees need to develop and demonstrate in order to drive superior work performance.

All African Population and Health Research Centre employees will be rated on the following seven competencies: Decision making, effective communication, interpersonal relationships, job knowledge, producing results and service excellence. In addition to this all the classified staff managers/supervisors will also be rated on the following three competencies: Cultivating workplace diversity, leadership and staff and career development. These competencies align with the African Population and Health Research Centre competency model where personal integrity and ethics, strategy, engagement,

collaboration, and execution are at the forefront for all employees. Additionally, employees will be provided feedback in the areas of attendance and punctuality and also honesty and integrity. Rating during performance review is done on a new five point scale (Exceptional, Strong, Satisfactory, Needs Development, and Unsatisfactory).

The respondents felt that "the existing performance management policy was generally perceived well by the centre's employees. There was a general consensus that the policy supported employee's performance by delivering regular relevant job feedback, Setting and communicating clear performance expectations, linking performance to compensation clearly identifying organizational career paths for employees, evaluating performance and delivering incentives in a fair and consistent manner, providing appropriate learning and development opportunities and lastly recognizing and rewarding top performers".

4.6 Influence of Multicultural Dynamics on Performance Management

According to the respondents "cultural differences affected both the attainment of individual and team performance goals in a variety of ways. Aside from the actual differences that create diversity, diverse teams have different challenges, benefits, and pitfalls than homogeneous ones". The study found that gender differences brought about communication issues that could strongly affect individual and team performance. On the other hand, racial differences brought with it less spoken about stereotype which is detrimental to team performance that "race affects an individual's behaviour or abilities". Under culture, cultural issues can affect team interactions through different understandings of communication or family and may appear to be an excuse for

preferential treatment. Age creates the potential for communication problems based on different levels of experience, and for prejudicial treatment based on age. Sexual orientation is also a growing concern along the entire performance management spectrum, with the increasing visibility of gender minorities such as lesbian, gay, bisexual, transgender failure to understand gender differences and the moral opposition to the people leading an alternative sexual lifestyle can create blocks to productivity for both individuals and teams. Disabilities present a variety of performance issues in working teams the qualifying factors being whether the organization has in place an enabling environment to facilitate performance of physically disabled employees.

The respondents were in agreement "that African Population and Health Research Centre had put in place measures to make the performance management policy more responsive to the prevailing cultural diversity in the organization". In this regard they said that the APHRC is committed to building a workforce that's as diverse as their customer base and then using those differences to drive the core business of the centre. APHRC also has in place employee resource and affinity groups which are essentially communities within organizations that allow people with similar backgrounds and experiences to connect. This provides a venue for networking, mentoring, and socializing. such groups increase employee engagement by demonstrating to individuals that people like themselves are not only finding success within the centre but are willing to help them succeed as well. With tools like these at their disposal, employees are far more likely to feel part of a diverse and inclusive workforce. The respondents also identified: Age, cultural background, disabilities, gender as the main cultural variables that influences the

performance of employees at African Population and Health Research Centre, Race and sexual orientation were also mentioned in passing by a minority of the respondents.

4.7 Discussion of Findings

This section set to discuss the findings of this study. The study attempted the multicultural dynamics at the African Population and Health Research Centre and to determine how those multicultural dynamics influence performance management at the African Population and Health Research Centre. In this section, comparison has been made between the findings and theory as well as whether the findings supports or contradicts theory or prior findings of previously studies.

This study found out that a broad spectrum of multicultural dynamics is present at the APHRC. The study also found that performance management practices at the APHRC are affected by the gender, age, ethnic and cultural backgrounds, nationalities, religious beliefs, sexual orientation, family responsibilities, socio-economic background, and life and work experience of it's extremely diverse workforce. This finding compares well with Abdel-Kader and Wadongo, (2011) findings that performance management practices in Kenya NGOs are now both complex and multifaceted having evolved over time to reflect changes in the NGOs operating environment where globalization and changing technology have emerged as key organizational factors influencing the performance management systems. Shume (2013) also discovered that major international NGOs in Kenya gained competitive advantage by nurturing diversity within their workforce through proper diversity management practices.

Similarly, Issa (2013) similarly found out that there was a strong relationship between prevailing culture and performance management in selected United Nations agencies in Kenya. Kanyeria (2013) found cultural factors such as religion, education, language, cultural infrastructure, social institutions, values and attitudes, and manners and customs to influence the way multinational companies carries out their operations. Different factors have unique influence, education plays a major role in the passing on and sharing of culture, social institutions affects the buying power and decision making positions as well as the consumption patterns of a society. Religion on the other hand provides a basis for trans-cultural similarities and influences consumption of goods and services as well as consumptions patterns. The study found that the culture of the society is highly influential on the performance of the firm in a given society and recommends companies to understand societal culture and align their internal cultures with those of the society they are investing and operating in so as to gain from the culture.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This Chapter addresses the research questions and objectives as outlined in Chapter One by summarizing the findings. In addition, the Chapter covers conclusion, recommendations for policy and practice and limitations of the study. The Chapter also covers suggestions for further research. The research study set out to determine the multicultural dynamics at the African Population and Health Research Centre as well as to determine how those multicultural dynamics influence performance management at the African Population and Health Research Centre.

5.2 Summary

The study found out that gender, age, ethnic and cultural backgrounds, nationalities, religious beliefs, sexual orientation, family ties, socio-economic background, life and work experience were the notable multicultural dynamics present at the APHRC. The study also found that performance management practices at the APHRC are affected by the gender, age, ethnic and cultural backgrounds, nationalities, religious beliefs, sexual orientation, family ties, socio-economic background, and life and work experience of it's extremely diverse workforce.

5.3 Conclusions

The study found out that African Population and Health Research Center engages in cultural adaptability assessment of any proposed performance management policy so as to enhance the chances of successful implementation in light of the cultural diversity

present within its workforce. This being true then, all the multinational nonprofit organizations should engage in such cultural adaptability assessment before transplanting a performance management process from one country to another to determine whether their global corporate culture is strong enough to enable the performance management practice in question to work across other cultures as effectively as it does at home. If that is not the case, they should tailor-make the proposed practice to adapt it appropriately and then pilot it in a select section before mandating its use on a widespread basis.

5.4 Recommendations

The study recommends that the APHRC and other multinational entities should promote the knowledge and acceptance of cultural differences within their organizations. This includes creation of culturally inclusive organization that mirrors the customer and /or stakeholders' demographic diversity. The APHRC and other multinational entities should also endeavor to establish bias free human resources management systems in which recruitment, training and development, performance management, compensation and benefits and lastly promotion are done without reference to cultural biases in order to engender cohesive heterogeneous organizations.

5.5 Limitations of the Study

This study covered the multicultural dynamics and performance management in one organization; African Population and Health Research Centre within the Kenyan context. Therefore the results of the study are limited in this regard to the Kenyan context and their application elsewhere should be done with this knowledge in mind**.**

On research methodology the research design was a case study. This has the limitation that only one nonprofit organization; African Population and Health Research Centre was studied whereas many others exist. The outcome of the study was therefore limited to one organization. It is possible that different organizations may have presented different findings if a different research design had been employed.

5.6 Suggestions for Further Research

This research covered only African Population and Health Research Centre, one nonprofit organization amongst a host of other nonprofit international organizations in Kenya. It would be important to study how multicultural dynamics influences the performance management practices of a number of nonprofit international organizations. A study outside Kenya say in the region, the continent and beyond is appropriate.

A study of other perceived factors influencing an organization performance management other than multicultural dynamics can be studied, including how these share in giving an organization its competitiveness. These include factors employee understanding of the performance goals, stakeholders' involvement, continuous monitoring and feedback.

It would also be important to use a different research design such as a survey to study how multicultural dynamics influences the performance management practices in a number of nonprofits organizations either in one geographical area like Kenya or on a wider geographical area. Data collected from a large of organizations can then be analyzed using quantitative measures such as central tendency and the results interpreted.

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APPENDICES

Appendix I: Letter of Introduction

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAMME

Telephone: 020-2059162 Telegrams: "Varsity", Nairobi Telex: 22095 Varsity	P.O. Box 30197 Nairobi, Kenya

DATE 15th SEPTEMBER 2014

TO WHOM IT MAY CONCERN

The bearer of this letter _Solomon Kinuthia Wambui_

Registration No. _D61/79109/2012_

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS

Appendix II: Interview Guide

Instructions:

Please provide the answer as correctly and honestly as possible

Department _____ Position _____

1) What is your level of education?

2) For how long have you worked at the African Population and Health Research Centre?

   Multicultural Dynamics:

3) Has your work entailed assignments outside your Home Country?

4) How were you prepared for such assignments outside your Home Country?

5) How would you rate your organization (the African Population and Health Research Centre) in terms of Cultural Diversity?

6) Comment on how the following may have influenced the performance of employees at by the African Population and Health Research Centre:

   i) Nationality ii) Language iii) Religion iv) Education v)Values and Attitudes vi) Social Status

   Multicultural Dynamics and Performance Management:

7) Does your employer (the African Population and Health Research Centre) have a documented performance management policy?

8) If yes to e) above, How is the performance management policy regarded by employees at the African Population and Health Research Centre? And how does the policy support the performance of employees in their designations?

9) In what ways has cultural differences influenced the attainment of:

   i) Individual performance goals

   ii) Team performance goals

10) Which measures have been adopted to attune the performance management strategy to the cultural diversity present amongst the African Population and Health Research Centre employees?

11) Identify any 5 cultural attributes that influences the performance of employees at by the African Population and Health Research Centre?