

**WORKFORCE DIVERSITY MANAGEMENT STRATEGIES  
AND THE PERFORMANCE OF THE NATIONAL SOCIAL  
SECURITY FUND KENYA**

**BY  
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**A RESEARCH PROJECT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD  
OF THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF  
NAIROBI**

**NOVEMBER, 2017**

## **DECLARATION**

This project is my original work and has not been presented to any university or institution of higher learning and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references.

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Date .....

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**D61/77175/2015**

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

Signed.....

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## **DEDICATION**

I dedicate this work to my husband Andrew Wabwoba Sichangi, daughter Tiffany Nandako Sichangi and mum Rose Kerubo Otsudi. Their continuous support, understanding, encouragement and prayers were a source of great strength and inspiration during my study.

## **ACKNOWLEDGEMENT**

First, I thank the Almighty God for giving me good health and strength to conduct this research project. Secondly, I wish to thank my supervisor Dr. Jeremiah Kagwe for his guidance, patience and assistance provided in helping me to achieve my educational goals. I cannot forget to thank both the academic and non-academic staff at the University of Nairobi, School of Business for their invaluable support in the course of my study. I am also greatly indebted to my student colleagues at the University of Nairobi.

Special appreciation goes to the National Social Security Fund Kenya for allowing me to conduct my research project in the company. I would also like to sincerely thank all those who availed their time to be interviewed, thus making it possible to complete my project.

I also remain grateful to all the authorities whose books and publications I have used for reference. To all those who have contributed directly and indirectly contributed to my success, God bless you.

## **LIST OF ABBREVIATIONS**

<b>BOTs</b>	Board of Trustees
<b>COLA</b>	Cost Of Living Adjustment
<b>COTU</b>	Central Organization of Trade Unions
<b>FKE</b>	Federation of Kenya Employees
<b>GoK</b>	Government of Kenya
<b>NSSF</b>	National Social Security Fund.
<b>SCAC</b>	State Corporations Advisory Committee.
<b>MBA</b>	Master of Business Administration
<b>RBA</b>	Retirement Benefits Authority

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## **ABSTRACT**

The current changes in the business environment have posed several challenges such as workforce diversity which is a natural phenomenon that has both negative and positive impacts on the performance of the organization depending on how well it is managed. Workforce diversity involves differences and similarities of employees in an organization. Workforce diversity management strategy implies a policy on how a given organization succeeds in bringing together employees from different backgrounds to form a strong team that will push an organization to meet its goals. Organizational performance refers to the extent to which organizational objectives and goals are being achieved. Failure to effectively manage diversity in the workforce can lead to corporate and institutional failures across the world. The objectives of this study were to identify workforce diversity management strategies at the National Social Security Fund Kenya and to determine effects of workforce diversity management strategies on the performance of the National Social Security Fund Kenya. This was a case study that used an interview guide to obtain primary data. 9 senior management out of a team of 23 in the institution were interviewed because they champion strategy formulation and implementation in the organization. The interview guide had open-ended questions that aided in the collection of qualitative data from the respondents. Content analysis was used to analyze qualitative data as received from the respondents. The findings revealed that NSSF Kenya has adopted workforce diversity management strategies and had an approved workforce diversity management policy in place. The strategies included the hiring process, education through training and career development, fairness and policy review, encouraging interaction among employees, commitment from top leadership and compensation of workforce. These workforce diversity management strategies had a positive impact on the institution's performance if effectively implemented. The organization recruits employees from diverse backgrounds, they are treated impartially and offered attractive packages. Top management was also committed to the implementation of workforce diversity management strategies which boosted employees' morale. The study concludes that continuous training through programs that encourage valuing diversity in the workplace by employers typically increased employee satisfaction and teamwork, reduced the rate of employee turnover and at the same time increased employee morale for the job which ultimately led to increased productivity in the organization. The study recommends that management must ensure successful adoption of workforce diversity management strategies in order for the organization to remain relevant, successful and competitive in the market.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

The current business environment today is characterized by diversity in all the areas of operation and workforce is not an exception. According to Armstrong and Mkamwa (2010), people have become liberal in their thinking and decision making as they are now part of the global community. Accordingly, organizations need to recognize the ways in which the workforce has changed in terms of employees' age, gender, education background, religion, cultural beliefs, race, ethnicity, nationality, physical and mental capabilities, opinion and working style and how these changes affect the performance of organizations. Therefore, organizations that have the desire to remain relevant, successful and competitive need to adopt strategies aimed at maximizing workforce diversity in the workplace. This is vital because it will enhance better decision making, higher creativity and innovation, attraction and retention of competent employees.

Three theories that have been put forward on the concept of workforce diversity that provide the basis of analysis of the possible consequences of diversity in workforce and organizational performance. First, is Social Categorization theory of 1987 by John Turner who suggested that different individuals fit in diverse categories that includes age, nationalities, tribe, and gender among others. According to this theory, people are attracted to others with traits based on unique characters and behaviors that define them (Barney & Clark, 2007).

Second, is the heterogeneity theory by Blau that argues that organizations with varying differences in the composition of their workforce will face disparate underlying forces that touch on their level and results of operation. If certain people

within a group have certain behaviors that is unique from the rest of the team, they will tend to connect with one another easily and in a more frequent way that leads to a stronger bond. Third, is the theory of attraction that argues that correspondence on noticeable and none noticeable qualities like one's nationality, race or morals increases interpersonal attraction and attachment among teams (Rowland, 2011).

In line with the guidelines provided by the State Corporation Advisory Committee (SCAC) in Kenya, all State Corporations are required to uphold the principle of equity in their recruitment processes ([www.scac.go.ke](http://www.scac.go.ke)). They are also required to create a culture that will attract and retain top talent both locally and internationally. Embracing transparency when offering opportunities and promotions to employees is key (Kuria, 2013). This should be based on merit. In this regard, the National Social Security Fund Kenya is expected to employ competent and qualified staff of various ages, gender, education background, religion, cultural beliefs, race, ethnicity, nationality, physical and mental capabilities, opinion and working styles from Kenya and beyond who are trained and equipped for their roles and responsibilities in the organization. The institution has a total of 1984 staff members out of which 852 are women. It has also established at least one branch in all the 47 counties to enhance service delivery.

### **1.1.1 Workforce Diversity Management Strategies**

Johnson and Whittington (2008) define strategy as a plan of action or policy that is designed towards the achievement of the purpose of the organization. It involves effective planning and marshaling available resources optimally. An organization strategy refers to the sum total of all the actions an organization intends to take aimed at the attainment of its long-term and short-term objectives. Porter (1980) describes

organization strategy as being the process of creating, implementing, and evaluating decisions in the entity for it to attain its intentions. To achieve the desired results, an organization must implement its strategies in an effective way.

Ogomegbunam (2015) defines workforce diversity as the variations that characterize individual employees of a given organization based on gender, nationality, religious or cultural beliefs, age, race, as well as physical handicap. According to Munjuri (2013), diversity in the workforce implies differences in people in an organization such that it affects the execution of official tasks as assigned to members of staff. Richard and Shelor (2002) on the other hand assert that diversity in the organizational workforce implies variations to the members of staff for a given organization in terms on gender, religion, age, race, socio economic background, capabilities and disabilities. Embracing workforce diversity is one of the key components of effective people management which can either make or break any organization.

From the above definitions therefore, workforce diversity management is the acknowledgment, valuing and celebrating the differences amongst people or staff in an organization with respect to gender, ethnicity, age, race, physical and mental ability, spiritual practice, educational level, sex orientation as well as opinions. Jayne (2004) argues that the key to managing workforce diversity is to ensure that all members of staff are treated fairly across the organization in terms of benefits and other available opportunities depending on their positions in the company, recognizing exemplary performances among the team members. In addition, team leaders need to acknowledge and constructively work on their own preconceptions and prejudices in an objective way.

Armstrong (2006) postulates that effective management of workforce diversity is about ensuring all individuals in any given organization give their best performance to their employer. According to Jackson (1992), an organization needs to effectively manage and utilize its diverse workforce at any given point in time in order to maximize on its potential benefits. Workforce diversity management strategy implies a policy on how a given organization succeeds in bringing together employees from different backgrounds to form a strong team that will push an organization to meet its goals.

Armstrong (2006) suggests the following six strategies that can be adopted by any organization to effectively manage diversity in their workforce. First, is the hiring process, building diversity into the hiring process and encouraging a diverse applicant pool is important. This strategy can include soliciting cultural organizations for potential applicants, requesting referrals from existing employees and recruiting on colleges as well as in campuses. An entity's policy or guidelines on how to hire employees must make provision for equity in the recruitment process. Secondly, education through training and career development, this encourages continuous learning. This involves training of employees at the workplace. It is key for managers to meet and decide on main areas to focus on and discuss what they are to achieve before beginning training. The organization's needs should be aligned with the professional development of its employees. Third, is fairness and policy review, treating employees fairly and respecting the differences that make them who they are is key. Companies must review policies on holiday for instance religious celebrations, time off and employee communication. The fourth strategy is encouraging interaction, organizations should encourage employees to work with others of different

backgrounds. Holding team building activities and get together for workers will also enhance interaction.

The fifth strategy is commitment from top leadership who must recognize and appreciate the fact that employees in the organization are unique and gifted differently. Management need to acknowledge this and support their team members for them to execute their duties effectively. Conflicts should be resolved objectively, in addition coaching and mentoring should be carried out impartially. The organization should enhance accountability by ensuring team leaders are responsible for workforce diversity by linking their performance management and evaluation on the progress of workforce diversity initiatives. Finally, the sixth strategy is on compensation of the workforce that relates to all types of reward and compensation to employees. Compensation can be monetary and non-monetary and ranges from wages to anything that has positive effect on the health and general well-being of employees. In order for the organization to attract and retain qualified employees, it is vital to understand what each employee values.

### **1.1.2 Organizational Performance**

The performance of an organization is its capability to meet the set objectives as planned (Miebi, 2014). It encompasses the evaluation of the actual organizational performance vis-à-vis the set target by management. Richard and Shelor (2006) view organizational performance as encompassing threefold dimension that includes finance, product in the market and return to shareholders. In the recent past, most entities in business are adopting a balanced scorecard as a way to manage their performance. Using this approach, performance is traced and evaluated in multiple dimensions that include financials, service to customers, corporate social



responsibility, internal business processes and employee stewardship (Muoria, 2011). Maina and Kagiri (2016) assert that the performance of any organization is dependent on a variety of aspects that come into play including the type and number of personnel employed as they determine the overall output from the entity. Mbugua (2013) classifies organizational performance in terms of financial and non-financial measures.

Financial measures according to McGarty (2009) looks at the trend in the entity's productivity over a given time-frame expressed in terms of surplus, return on assets as well as the return on investments. Higher figures is an indication that the organization is headed in the right direction as it is a sign of good performance. Non-financial measures of performance on the other hand is the quantifiable extent of an entity's productivity that can't be expressed in financial units. They are used to assess the activities that an organization sees as important to the achievement of its strategic goals. Examples of non-financial measures include the level of satisfaction for customers, the product quality as well as the share of the market. An organization is considered to be performing well if it has a larger market share compared to its competitors, launches new products as well as perceived to be offering products of high quality by its customers. Employees' satisfaction can be as a result of contentment in terms of salaries and benefits being offered, a conducive working environment, fairness and transparency in available opportunities and communication channels. This is a sign that employees are happy and are willing to give their best and the probability of them moving to other organizations is minimal

### **1.1.3 State Corporations in Kenya**

A State Corporation is a government owned company or business organization that helps in the running of essential functions or service in the country on behalf of the government ([www.scac.go.ke](http://www.scac.go.ke)). The operations of the various state corporations in the country are guided by various acts of parliament through which they were established together with the state corporations Act Cap 446 of 2012. As at February 2016, Kenya had over 150 state corporations that are spread across the various ministries to provide different functions in the country (Maina and Kagiri, 2016). In order to provide direction for effective governance and oversight of State Corporations, a state corporation advisory committee was constituted to advise the state on how the various Parastatals are operating. ([www.scac.go.ke](http://www.scac.go.ke)).

The essential services that are provided by the various state corporations contribute immensely towards helping the government of the day achieve its objectives of empowering its citizens. Vision 2030 is the country's development program launched on 10<sup>th</sup> of June 2008 by the then Kenyan president Mwai Kibaki. This is a program that was scheduled to run from the year 2008 to the year 2030 with the objective of transforming the country from low income to middle income economy. ([www.vision2030.go.ke](http://www.vision2030.go.ke)).

### **1.1.4 The National Social Security Fund (NSSF) Kenya**

NSSF Kenya, is a parastatal under Ministry of Labor and Social Services that is tasked with the responsibility of providing social security to all the citizens in the country. NSSF Kenya was formed by Cap 258 of the Kenyan laws in 1965 which was later revised in 2013 paving way for NSSF Act No. 45 of 2013. The revised Act empowers the institution to increase the scope of coverage to include all civil servants and other

institutions that had previously been exempt from being members of NSSF Kenya. NSSF's top management comprises of the board of trustees (BOT) where employees are represented by COTU, employers are represented by FKE while the government has a representative from the ministries of finance and labor and social services. This composition of the BOT ensures that the views of the three stakeholders are represented. Currently, NSSF Kenya boasts of an asset base of over Kshs 170 billion with over 2000 members of staff ([www.nssf.or.ke](http://www.nssf.or.ke)).

The institution has established over 55 branches spread across the country to ensure maximum coverage of all potential employers and employees (Kuria, 2013). NSSF Kenya is a unique organization because it is the only institution in the country that is mandated to provide social security protection to its citizens. It is also a not for profit organization that is expected to provide its services to all Kenyans in the 47 counties in the country despite the fact that some counties have myriad of challenges ranging from security to infrastructure as well as unfriendly climatic conditions.

## **1.2 Research Problem**

The growing diverse workforce in organizations requires increased attention and intense scrutiny. Acknowledging the importance of diversity in the current workforce has been critical for successful organizations (Hafiza, 2015). Because of globalization, the composition of the current employees in organizations is getting diverse each passing day (Kuturlus, 2012). According to Elsaid (2012), if diversity in employees is not managed well, there is possibility of increased turnover of employees in the organization and ineffective communication amongst staff members that will affect performance. Therefore, there is need for organizations to adopt creative workforce

diversity management strategies to effectively handle workforce diversity in order to improve performance (Gupta, 2013).

Performance of public sector institutions like NSSF Kenya has always received great attention from different stakeholders in both developed and developing countries (Akaranga, 2008). In Kenya, there has been a hue and cry about the low quality of services as offered by the ministries and state corporations for a long time. It was against this complains from the concerned stakeholders that government initiated the public sector reforms in the country that were aimed at overhauling the bureaucracies in the government institutions with a view to improve the service delivery, improve livelihoods and sustain good governance ([www.scac.go.ke](http://www.scac.go.ke)). Such reforms have been captured in the Social pillar of the Vision 2030 and the Mwongozo guidelines that seeks to engender just, cohesive and equitable deployment in the country and spur economic development in the country through social and economic transformation respectively ([www.vision2030.go.ke](http://www.vision2030.go.ke)). The adopted reforms provides measures to assess the performance of public sector organizations that includes measures of efficiency, effectiveness and service quality.

Mbugua (2013) did a study on workforce diversity management strategies and firm performance at LG Electronic Kenya. The study revealed that the use of workforce diversity management strategies by LG Electronics Kenya influenced profitability through the achievement of high volume of sales that ultimately led to high profits, increased return on investment and hence market share of the company. Munjuri (2013) researched on the workforce diversity management and employee performance in the banking sector. The study established that diversity in the workforce affects the output by employees differently when he considered managers and operational staff in

the banking sector. Greater impact was confirmed among staff in managerial level compared to employees at operational level.

Miebi's (2014) study findings on workforce diversity management and corporate performance of firms in Nigeria revealed that the diminished productivity from employees from selected state corporations in Nigeria was attributed to mismanagement of diversity in the workforce. Kuria (2013) investigation into the impact of motivation on employee performance established that the human resource policy in NSSF Kenya was proactive with symbolic rewards like praise and recognition being the most common form of motivation adopted by the organization, that motivation affects performance of staff in NSSF Kenya, that supervisors have the ability to work with others at all levels who are ready to try out new ideas and methods at NSSF Kenya. Mulwa (2012) study on management of strategic change at the National Social Security Fund in Kenya, confirmed that the NSSF Kenya's strategic change management was a result of the changes in the paradigm shifts and threats in the business environment. The research also confirmed that employees in NSSF Kenya fear change because of the element of uncertainty associated with it.

There has been no research carried out under the knowledge of the researcher about the workforce diversity management strategies and the performance of the National Social Security Fund Kenya. This study was therefore to fill the knowledge gap by seeking to provide an answer to the following question, 'What are the effects of workforce diversity management strategies on the performance of NSSF Kenya?'

### **1.3 Research Objectives**

The objectives of this study were:

- i. To identify workforce diversity management strategies at the National Social Security Fund Kenya.
- ii. To determine effects of workforce diversity management strategies on the performance of the National Social Security Fund Kenya.

#### **1.4 Value of the Study**

This study findings will be of value to the following:

The management of the National Social Security Fund and related corporations who are tasked with the responsibility of running the institutions. The research findings will help them gain insight and adopt effective workforce diversity management strategies that will lead to improved organizational performance. Managers will be able to formulate informed policies and procedures aimed at effective management of workforce in the organization as employees will be more committed, responsible and productive in discharging their duties.

The policy makers and consultants. This will be significant to the government through the State Corporation Advisory Committee (SCAC) that is charged with the responsibility of developing and implementation of policies and guidelines for operations of Parastatals in the country. Consultants in the area of workforce diversity management strategies will use the findings of this research to offer informed and practical solutions and advice to their clients when called upon.

The scholars and academicians will benefit by gaining knowledge on workforce diversity management and organizational performance. These knowledge seekers may adopt the findings of the study as a basis to further their research in the area of workforce diversity management strategies and performance of organizations. The

findings of this study will also be useful in developing theories that relate to workforce diversity management strategies. This is possible when the findings from different scholars carrying out related research are similar. This means that their conclusion will be the same hence enhancing theory development.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

Presented in this chapter is the review of literature from other studies done that are related to this research. Social categorization theory, Blau's theory of heterogeneity and the similarity/attraction theories shall be reviewed. The chapter also reviewed studies on how workforce diversity management strategies affect organizational performance, summary of knowledge gaps as well as the conceptual framework.

### **2.2 Theoretical Foundation of the Study**

Theoretical foundation for this study were based on the following theories: the social categorization theory, the Blau's theory of heterogeneity and the similarity/ attraction theories.

#### **2.2.1 The Social Categorization Theory**

This theory proposes that individual categorize themselves into various societal assemblies that include: nationalities, gender, employer, school and age (Turner, 1999). The theory predicts that individuals in the group or team identify themselves with others that have similar characteristics and they will conduct themselves in a manner that affirms their identity to the group. The social categorization theory focuses more on the meaning associated with being a member of a social category and hence the emerging trends and group behaviors.

In support of this theory Kurtulus (2012) argues that since individuals define themselves based on their affiliations to social groups, they are most likely to change their character and take on different roles in order to be accepted into a given group. The criticism that has been presented against this theory is the analysis of group



identities; which neglects the aspect of personal desires and motivation for an individual.

### **2.2.2 Blau's Theory of Heterogeneity**

Blau (1979) argues that organizations with various levels of diversity in their workforce often experience dissimilar dynamics and results of their organizational performance. Team members tend to communicate with each other more frequently and with deep interactions within a homogeneous group than a group with diverse backgrounds. This according to Childs (2005) results to increased sense of belonging, shared perceptions and group attachments that is likely to increase performance of the team as a whole.

Prietto (2009) confirms that various groups in the current organizations for instance, the management team or functional departmental teams may experience greater workforce diversity today more than ever before because of the variations in the demographic characteristics of the current workforce in the market. The most widely recognized variations involve age, education background, gender and ethnicity. Organizations must therefore put in place strategies that will accommodate employees into homogenous teams or groups in order to enhance interaction levels that would ultimately boost performance. Critics of this theory argue that although social exchange can be genuine, it can easily be motivated by selfishness whenever the goal of an individual is to get something in return. Cox and Blake (1991) argues that the tendency to help others is frequently motivated by the expectation that doing so will bring some kind of reward to whoever is extending the offer.

### **2.2.3 Similarity / Attraction Theory.**

This theory postulates that that people who hold similar values along cultural and religious backgrounds, ethnicity and or sex finds it easy working with each other as a result of their common characteristics hence forming a strong team that is well gelled and performs well (Byrne,1997).

Montaya (2008) argues that individuals attracted towards others in their society who manifest personality traits and characteristics that are similar to theirs. Critics of this theory argue that interactions among individuals on the basis of their ethnicity, gender or race can easily lead to discrimination in the organizational setting that will have a negative effect on team cohesiveness (Prietto, 2009).

## **2.3 Workforce Diversity Management Strategies and Organizational**

### **Performance**

Workforce diversity management strategies when effectively implemented will result in improved performance of any business organization (Armstrong, 2003). Munjuri (2013) also found that firms that adopted workforce diversity management strategies outperformed those that did not. Below is how each workforce diversity management strategy affects organizational performance.

The hiring process that incorporates federal equal employment opportunity guidelines will attract a diverse applicant pool. Organizations will be able to get competent workforce from which they can fill vacancies hence the ability to acquire and retain high quality talent who are dedicated to their work. This will have positive impact on organizational performance. Poor hiring processes can produce long-term negative effect on the performance of organizations. Education through training and career development is key for improved organizational performance because of its ability to

increase the level of individual and organizational competency. Pearce and Robinson (2005) argue that training is an avenue for individuals to change their skills, knowledge, attitude and behaviour. Armstrong (2002) acknowledges that employees who have been trained on the value of teamwork in the organization are likely to be more productive in the organization.

Employees can be willing to work hard and collaborate if they perceive to be fairly treated. Rowland (2011) highlights three key areas of interest which are: fairness in selection, compensation and performance evaluation. Mbugua (2013) has shown that fairness in decision making, recognition and reward can foster a knowledge sharing culture. In this sense, fairness in organizational practices can encourage voluntary cooperation from employees which will lead to improvement in organizational performance. Organizations whose workforce interact more often, have reported improvement in their performances because it is an avenue for employees to open up, share and learn from each other (Armstrong, 2003). Top leaders who are committed to appreciating the differences in their workforce are considered to be objective. The leaders are seen by the teams that they manage to be a source of motivation. Organizational performance is enhanced due to employees' morale boost. Apart from monetary compensation, organizations that put emphasis on optional benefit packages, create a competitive compensation that tend to attract and retain the right workforce which has a positive effect on organizational performance. Therefore effective workforce diversity management strategies when properly implemented have a positive effect on organizational performance.

## 2.4 Summary of Knowledge Gaps

A summary of the knowledge gaps as identified by the researcher have been presented in the table as follows:

**Table 2.1. Summary of Knowledge Gaps**

Researcher	Research objectives	Research methodology	Research findings	Research Gaps
Mbugua (2013)	Establishing the effects workforce diversity management strategies on the performance of LG Electronics Co. Ltd	Case study.	Using the various strategies to manage diversity in workforce by LG Electronics Kenya yielded unique talents and ability to employees that ultimately led to improved performance	This observations cannot apply across all Companies in Kenya especially those not in private sector.
Munjuri (2013)	To determine the effect of workforce diversity management on employee performance in the Kenyan banking sector.	Descriptive survey.	Institutions that acknowledges diversity in workforce are most likely to realize creativity in decisions made, more satisfied employees at any given point in time and a general increase in productivity of individual staff and generally improved output by the whole organization.	The research was restricted to the banking sector in Kenya. The findings cannot be generalized to apply across all sectors of the Kenyan economy that includes insurance, pension, and communication among others.
Miebi (2014)	Examining the association between workforce diversity management and Corporate Performance of the	The cross-sectional survey.	The selected firms posted below par performance for the period of study which was attributed to poor management of diversity in their workforce	The study did not focus on the workforce diversity management strategies and how they influence performance of the organization.

Researcher	Research objectives	Research methodology	Research findings	Research Gaps
	manufacturing firms in Nigeria			Due to contextual differences, the findings of this study in Nigeria may not necessarily be true in Kenya.
Kuria (2013)	Establishing the various factors that motivate NSSF employees, examining the reward systems at NSSF, to establish whether NSSF has a clear HR Policy, and whether there is job security at NSSF	Case study	Majority of respondents felt that their organization's policy was proactive, the motivators present in the organization were symbolic rewards, employee motivation affected performance, there is a link between job satisfaction and employee performance, majority of respondents felt the need for esteem and status quo	The study has not looked at the workforce diversity management strategies adopted by NSSF and how these could affect the performance of the institution.
Mulwa (2012)	Determining the strategic change management approaches adopted by NSSF and challenges faced in implementing strategic change.	A case study.	The study revealed that the management of strategic change adopted by NSSF was mainly reactive in that most of the changes were carried out of responses to both external and internal needs with the intention of realigning and repositioning in the market so as to stay relevant and meet the regulatory requirements from RBA.	The study has not looked at the workforce diversity management strategies adopted by NSSF and how these could affect the performance of the institution

Source: Author (2017)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

In this chapter, the researcher provided insight to how the study shall be carried out and how interviewees will be approached. The chapter covered the design of the study, the data collection methods as well as how the researcher was analyze the collected data.

### **3.2 Research Design**

A case study was used by the researcher to carry out this study since the unit of analysis is one organization. It also involves cautious and comprehensive observation of social units thereby placing more emphasis on full and in depth analysis of a limited number of events or conditions and other inter-relations (Kothari, 2014). A case study according to Kasomo (2006) focusses on narrow spectrum exhaustively. In this case, the researcher asked questions in order to obtain in-depth information from the respondents on the relationship between workforce diversity management strategies and performance of the National Social Security Fund Kenya.

### **3.3 Data Collection**

To accomplish the research objectives, the researcher used primary data obtained from interviewing the senior management team because they are the champions of strategy formulation in the organization through the help of the interview guide. This was considered suitable to the targeted respondents because they have vital information which could not have been exhaustively captured in a questionnaire. In addition, their tight schedules and senior positions could have hindered them from going through and filling the questionnaires due to limited time. The researcher therefore asked questions

to clarify what was not clear, listened to the respondents and recorded answers as the interviews progressed.

The interview guide contained open ended questions that were used to obtain qualitative data from respondents for a better understanding and interpretation of the feedback from the study .NSSF Kenya had a total of 23 senior managers that included the managing trustee, 5 general managers and 17 departmental heads. The researcher picked a purpose sample of 10 senior managers that were interviewed, these included the managing trustee, 3 general managers and 6 departmental heads. The interview guide consisted of three parts; part A for the respondent's background information, part B for the extent to which NSSF Kenya had adopted workforce diversity management strategies and part C for the association between workforce diversity management strategies and the performance of NSSF Kenya. The researcher sought permission from the managing trustee of the institution before proceeding.

### **3.4 Data Analysis**

The researcher used content analysis to analyze qualitative data obtained. According to Mugenda and Mugenda (2003), content analysis is a systematic detailed qualitative description of objectives of the study that involves observation and detailed description of objects, items or things that comprise the study. This method made it possible to analyze and logically group the large qualitative data and draw inferences. Qualitative data was interpreted by composing explanations or descriptions from the information. Therefore the researcher used the available data to determine how workforce diversity management strategies influence organizational performance at NSSF Kenya.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION**

### **4.1 Introduction**

This chapter presents analysis and findings of the study as set out in the research objectives and research methodology. The study findings are presented on workforce diversity management strategies and the performance of the National Social Security Fund Kenya.

### **4.2 Response Rate**

The researcher attained a 90% response rate managing to interview nine out of the ten senior managers that were targeted for the study. The tenth was the general manager, operations who was away on a month long leave. The laudable response rate achieved was attributed to the support of the managing trustee who led by example to have himself interviewed and requesting his colleagues to avail themselves for the interview despite their busy schedules. The researcher then booked appointments with each of the identified managers at their convenient time to carry out the interview.

### **4.3 Background of the Respondents**

The background information about the respondents was sought by the researcher to obtain more insight of the interviewees in terms of their gender, age, current designation and the years of service as well as the highest academic qualifications.

#### **4.3.1 Respondent's Gender**

To determine diversity in gender among the senior management of the National Social Security Fund Kenya, the researcher decided to note the gender of all the managers that were interviewed during the study. Out of the nine senior managers that were

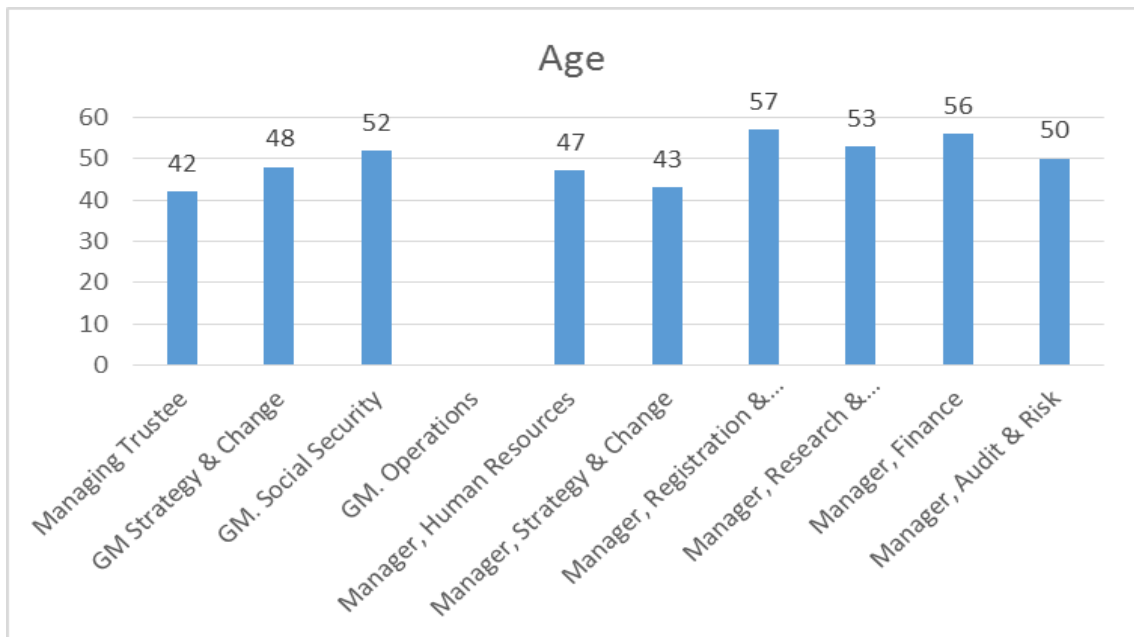


interviewed, four of them were female with the remaining five being male. This confirms gender inclusivity or diversity on the basis of gender among the senior management of the National Social Security Fund Kenya as the percentage ratio of female to male managers was 44.4% to 55.6% of the entire population.

#### 4.3.2 Respondent's Age

Other than the respondent's gender, the researcher also sought to establish the ages of the respective managers that were interviewed during the study. The objective was to establish any aspects of diversity if any among the senior management of the institution in terms of their age. According to the findings, the respondents had an average age of 49 years with the oldest manager being 57 years while the youngest manager was at 42 years of age. The findings confirm that indeed there was age diversity among the senior managers in the National Social Security Fund Kenya as presented in figure 4.1 below.

**Figure 4.1: Respondent's Age in years**



Source: Author (2017)

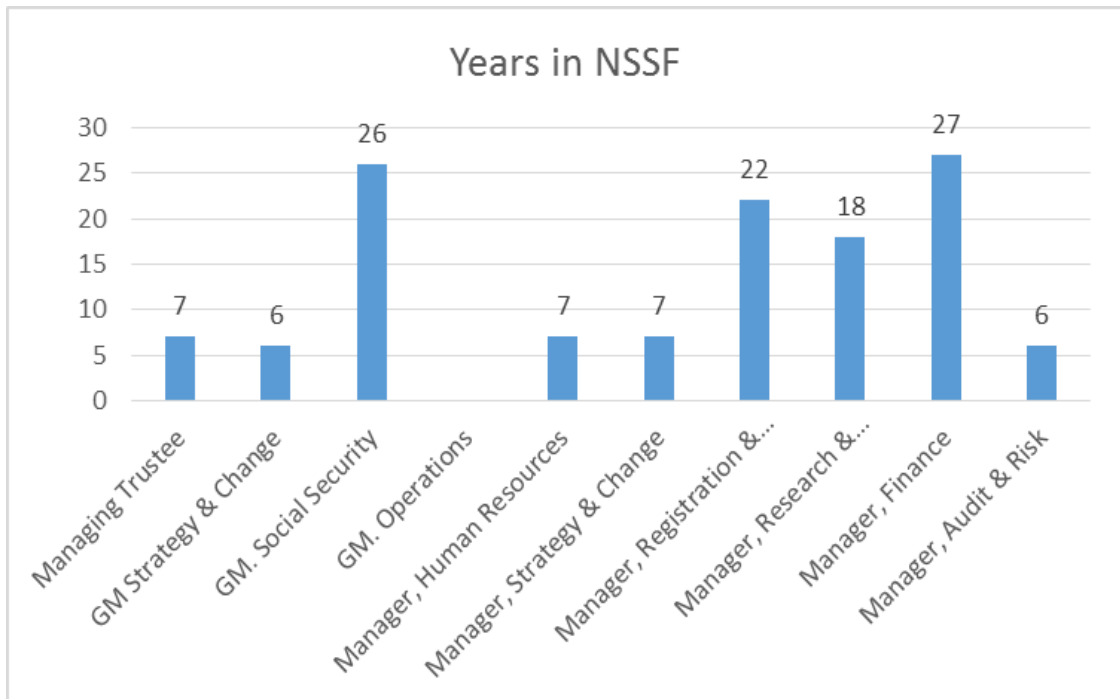
### **4.3.3 Respondent's Current Designation**

To ascertain the interviewees' designation in the organization, the researcher asked the respondents to confirm their positions in the institution during the interview process. According to the findings, the nine managers interviewed by the researcher were the Managing Trustee, General Managers for Strategy and Change, General Manager for Social Security, Human Resources Manager, Strategy and Change Manager, Registration and Collection Manager, Finance Manager, Research & Development Manager, and finally the Internal Audit and Risk Management Manager.

### **4.3.4 Respondent's Years of Experience at the NSSF Kenya**

To determine the average length of service by the senior management and the actual years of service at the National Social Security Fund Kenya, the researcher inquired the years of service to the organization by each of the respondents. From the findings, the average years of service in the organization was 14 years. The longest and lowest serving managers had 27 years and 6 years of service in the institution respectively. This also confirmed the aspect of diversity among the senior management in terms of their years of experience in the institution as presented in figure 4.2.

**Figure 4.2: Respondent’s years of experience at the NSSF Kenya.**



Source: Author (2017)

#### **4.3.5 Respondent’s Highest Academic Qualification**

As a way of determining diversity in the level of education among the senior management of the National Social Security Fund Kenya, the researcher asked a question about the highest level of academic qualification to all the respondents. From the responses obtained, the highest academic qualification was one doctoral degree while the lowest was the university degree. Majority of the respondents forming 60% of the total population had masters’ degrees. This variances too confirm that there was indeed diversity in the organization’s senior management based on the highest level of education attained by each one of them.

#### **4.4 Workforce Diversity Management Strategies at NSSF Kenya**

To determine workforce diversity management strategies that have been adopted at NSSF Kenya, the researcher requested the respondents to confirm by giving their

opinion as to whether the institution has specific workforce diversity management strategies in place. This question was presented to interviewees by the researcher for their response. All the respondents confirmed that indeed the organization had adopted various strategies with a view to effectively manage diversity in its workforce. The strategies according to the respondents included the hiring process, education through training and career development, fairness and policy review, encouraging interaction among employees, commitment from top leadership and finally, compensation of workforce.

#### **4.4.1 The Hiring Process.**

Employees are the most critical resource of any institution as they are the only asset that coordinates other resources for achieving organizational objectives. According to Jayne (2004) recruiting and hiring the right candidate is an essential part of growing a strong organization. Filling an open position with the right candidate is one of the most challenging duties as this will make or break an organization, as a result, employers should spend sufficient time and energy to choose the most suitable candidate. The researcher sought to find out from the respondents why they considered the hiring process as one of the strategies used by the National Social Security Fund Kenya to manage workforce diversity, the following feedback was obtained.

The respondents confirmed that the National Social Security Fund Kenya had an approved policy in place to govern the hiring process which supports workforce diversity by requiring that employees to be hired from different gender, education, cultural, religious and ethnic backgrounds. Persons with physical disabilities are also considered in the process. This policy provides guidelines on how the recruitment

process is to be carried out right from the advertisement of a vacant position to reporting and induction of new staff in the organization, a copy of the policy was availed to the researcher. The researcher also validated implementation of this policy from a list of the current staff establishment in the organization at the time of the study that was provided by the human resources manager.

From the staff establishment obtained, the researcher confirmed that the institution had a total of 1742 members of staff at the time of the study. On the basis of gender balance, a total of 983 forming 56% of the total population were male while the remaining 759 or 44 % being the female population. The researcher also confirmed that age differences among the members of staff was another basis of diversity in the organization. With an average age of 47 years, the youngest staff was barely 21 years from the Ilchamus community which is considered as a minority group while the eldest staff was turning 60 years in two months period. The researcher further confirmed that all the communities or tribes in the country had been represented in the institution's workforce that was competitively recruited centrally by the human resource function in the organization. Further, the researcher confirmed that 3 members were Kenyans from Southern Sudan while 1 was from Burundi. In addition, 23 members of the entire population were confirmed to possess various forms of physical challenges.

All the respondents were in agreement that the hiring process was the best for the NSSF Kenya as the institution so far had the best pool of talents tapped from different backgrounds across the country. In addition, there was a reduction in the staff turnover rate. The researcher also confirmed from the records that indeed staff turnover rate has always been 0.01% percent for the last five years

#### **4.4.2 Education through Training and Career Development**

According to Kurtulus (2012), education is the art or process of imparting knowledge, values, skills, beliefs and habits to an individual that has a formative effect on the way one thinks, feels or acts in life. Mbugua (2013) contends that training and development is any attempt to improve current or future employee performance by increasing employee's ability to perform through learning, usually by changing the employee's attitude or increasing their skills and knowledge.

The researcher confirmed that the National Social Security Fund Kenya regularly trained and sensitized employees on workforce diversity issues and how to exploit diversity among staff for the benefit of all stakeholders. The researcher ascertained that the institution had employee relations and training as a section within the human resource function that was charged with this mandate. The annual work plan from the department indicated that at least four sensitizations were to be done on workforce diversity by either external or internal speakers.

In addition, the researcher noted that the institution encouraged its staff to take professional courses that were in line with their careers. This was evident for instance in the audits and risk department where some of the employees were being sponsored by the organization to undertake professional exams and become members of the Institute of Internal Auditors Kenya as well as participate in educative seminars facilitated by professional bodies. All these were being done to develop employees hence sharpening and enabling them acquire new skills and knowledge that will enhance their competency that are in line with the institution's needs.

#### **4.4.3 Fairness and Policy Review**

Promotion of equity and fairness to all members of staff in the organization was also cited as a strategy by the respondents. According to the respondents, this involved acknowledging each and every member's rights and appreciating them for who they were in the organization. It is human nature to want to be treated fairly in life. According to Kuria (2013), employees are motivated when they feel that organizational resources are allocated fairly, organizational decisions are made in objective ways and that their organization treats them fairly. Organizations need to review their policies from time to time to mirror the demographic changes in their workforce. The researcher sought to establish the respondents' opinion as to whether the National Social Security Fund Kenya was exercising fairness in the treatment of her employees and whether there are policy guidelines in place to govern the entire process.

From the responses obtained, the researcher established that indeed the National Social Security Fund Kenya treated all employees fairly. A copy of the human resource policy obtained by the researcher clearly stated that the institution shall treat all members of staff equally without any form of discrimination. From the payroll records, the researcher noted that based on the employee grade in the organization, all staff were given equal medical benefits for both outpatient and inpatient, transport and house allowances, hardship allowances for those working in hardship designated areas and even the basic entry salary that would then vary with time based on the career progress of each employee. Other benefits that were equally awarded to all staff included the cost of living adjustment (COLA) where an established percentage as provided by the government was applied to the gross pay for all employees.

The researcher also confirmed that there were policy guidelines on fair distribution of resources across the branch network. For example, the basis on which employees were posted to various branches was according to the size of the branch and ensured no particular branch was overstaffed while at the same time another was understaffed. The guidelines were also clear on how employees were promoted from one grade to the next, how a member of staff was to be transferred from one branch to another and the duration the individual needed to work in a hardship designated area.

In addition, the researcher established that the institution reviewed its policy from time to time to reflect the changes in the political, social and economic environments in the country. The last review of the policy had been done exactly nine months ago on medical benefits that enhanced allocation for employees diagnosed with cancer and other terminal diseases as well as those who declared their positive HIV status. The researcher confirmed that such reviews are done as a way of responding to the employees changing needs or on special request to address a specific issue affecting their day to day operation in the organization.

It was also clear from the respondents that the National Social Security Fund Kenya acknowledged diversity in religion. Members from different religious backgrounds were allowed to practice and celebrate their faith as long as it did not interfere with the rights of others as well as their roles and responsibilities in the organization. From the statistics, Christians were the majority at 93% of the total population with Muslims coming in second at 6%. Employees were given space to pray and worship at specific times and places during the day. In addition, religious communities are allowed leave days to celebrate or mark important days in their faith for instance, Christmas day and Easter holidays for Christians and Eid Al-Fitr and Eid Al-Adha for Muslim faithfuls.



#### **4.4.4 Enhancing Interaction among Members of Staff**

In a diverse working environment, employees need to interact with each other on a continuous basis to effectively overcome stereotypes and misconceptions about each other and to find amicable solutions to their challenges. According to Johnson Scholes and Whittington (2008), in a highly volatile global marketplace, successful leaders maintain their company's competitive edge by ensuring that all employees develop skills to communicate with people from other cultures and backgrounds. Employees are more likely willing to collaborate and provide each other with critical feedback when they have developed a close friendship through continuous interactions. As to why the interviewees considered interaction among staff members as a strategy to manage workforce diversity at the National Social Security Fund Kenya, the following feedback was obtained by the interviewer.

The researcher confirmed that indeed the institution had employees drawn from diverse backgrounds working together towards growing the organization. From the staff establishment obtained, the researcher noted that each department or branch comprised of employees drawn from different ages, gender, educational and religious backgrounds working cohesively as a united team. The respondents were in agreement that through their interactions, team members exchanged ideas and learnt from each other as they executed their duties in the organization. The institution also encouraged interaction among members of staff through various programs like annual team building exercises, annual get together parties as well as regional, departmental and section retreats aimed at enhancing teamwork. In addition, members of staff were sponsored for professional trainings and conferences where they interacted and learnt from professionals and personnel from other organizations.

The respondents were of the view that workers had become more tolerant of each other's viewpoint because they got an opportunity to share their culture, traditions and practices. This helped them to resolve disputes quickly by analyzing the root causes of problems as well as identifying the nature of issues at hand and proposing possible solutions. According to them the organization encouraged employees from diverse backgrounds to work together in various teams thereby enhancing their interaction on a daily basis. This made them appreciate each other and as a team contribute their best to the organization through their skills, knowledge and expertise.

#### **4.4.5 Commitment from Top Leadership**

Like most managerial behaviors, acknowledging and appreciating workforce diversity in the organization must begin at the top. According to Combs (2002), when senior managers make a given strategic decision, they have to clearly explain why they have chosen the specific decision and be on the forefront in its implementation, such a decision is likely to be overwhelmingly accepted by the rest of the organization. The respondents concurred that commitment of top leadership as a workforce diversity management strategy had been adopted at NSSF Kenya as a strategy and gave the following key leads to support their argument.

The senior management team championed for the development, approval and implementation of the workforce diversity management policy in the institution. The respondents also pointed out that top management had been on the forefront in approving and implementing policies and procedures that support provision of facilities that support the physically challenged members of the institution. They also recognized and appreciated all employees in the organization without favoritism or

partiality, creating all inclusive work teams that are balanced in terms of gender, age, education and religious background among other factors.

In addition the top leadership team was strictly adhering to the policy on workforce diversity by exercising fairness in coaching, mentoring and promotion of staff as well as objectivity in carrying out performance appraisals and handling disputes arising between members of staff. When the researcher probed the respondents to know why mentoring of staff was vital, they were in accord that this helped to assimilate new employees into the institution's culture and to develop potential leaders in readiness for future succession plans in the organization.

#### **4.4.6 Compensation of Workforce**

Armstrong (2003) defines compensation as the payment an employee receives for services rendered to the employer. Compensation may include hourly wages, monthly or annual salary plus bonus payments, incentives and benefits such as group health care coverage, short-term disability insurance and contributions to a retirement or pension scheme. According to Johnson Scholes and Whittington (2008), a successful strategic compensation plan allows organizations to compete for the best employees in the market. The researcher sought and found the following feedback from respondents on whether the National Social Security Fund Kenya had adopted workforce compensation as a strategy to manage workforce diversity.

That indeed the institution was offering competitive remuneration package in the market. In addition to the basic salary, the institution provided other benefits that include medical insurance, maternity and paternity leaves, hardship allowance, meal allowance, annual and compassionate leaves to all staff members in the organization without discrimination. Christmas vouchers were issued and end year parties

organized where members came together to feast and celebrate their annual performances. The compensation policy in the organization together with the staff satisfaction survey carried out in the institution confirmed these. It was also evident that the organization had a clear policy on the management of welfare issues among its staff members. A copy of the welfare policy obtained confirmed the principle of equity and fairness on the entitlement of each staff based on their grade in the organization.

In addition, the respondents argued that this strategy had gone a long way in attracting and ensuring employee retention in the organization. This argument shows that competitive rewards to the current staff was an assurance to potential employees that the institution values its workers who have preferred and made a choice to remain with the company on long-term basis. They were all in agreement that this encouraged new employees to make a commitment to build their careers with the organization and deterred established employees from making a move to other companies eyeing them. The researcher confirmed this from the records that indeed the staff turnover rate experienced in the organization has always been 0.01% for the last five years which is minimal.

#### **4.5 Effects of Workforce Diversity Management Strategies on the Performance of NSSF Kenya.**

The respondents were asked to give their opinion on the effect that each workforce diversity management strategy adopted by the National Social Security Fund Kenya had on organizational performance. The researcher captured and summarized their responses as follows:

#### **4.5.1 The Hiring Process**

On whether the National Social Security Fund Kenya has achieved great performance as a result of applying the hiring process as a workforce diversity management strategy, the respondents were in agreement that indeed productivity had been enhanced. According to them the organization was competitively recruiting members of staff from different backgrounds based on merit matching people with right skills to the organizational needs. In addition, employees felt motivated and were passionate in carrying out their duties in the organization because of the conducive working environment they enjoyed. . The respondents were of the view that by pooling such diverse knowledge and skills of culturally distinct workers together, the National Social Security Fund Kenya has benefitted by strengthening the team's productivity and responsiveness to the changing business environment. This was in line with Miebi (2014) who argues that when managed properly, diversity in the workplace can leverage the strengths and compliment the weaknesses of each worker to make the impact of the workforce greater than the sum of its parts.

#### **4.5.2 Education through Training and Career Development**

Regarding the contribution of this strategy to the performance of NSSF Kenya, respondents emphasized that continuous training of staff in the organization as a way of managing workforce diversity had gone a long way in increasing productivity because the staff members were more enlightened on the benefit of working in diverse groups. In addition, there was less supervision of individual staff in the execution of their duties since this strategy enhanced a sense of responsibility and accountability among employees. Members of staff were also given an opportunity to advance in their careers because this enabled them acquire key skills and knowledge which had

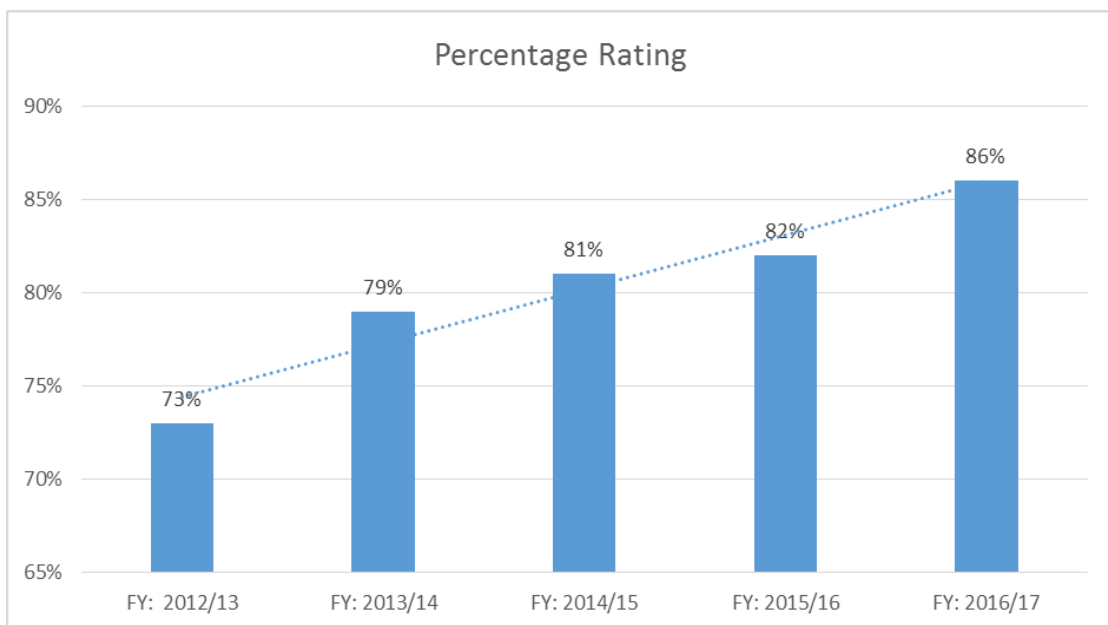
mutual benefits to both individuals and the organization. NSSF Kenya supported such employees allowing them to apply for study leaves and education loans. According to the respondents, the employees felt valued which in turn boosted their morale leading to increased individual productivity as well as the overall performance of the institution. This was in line with Munjuri (2013) argument that training and development is an educational process that involves sharpening of skills, concepts, changing of attitude and gaining more knowledge to enhance the performance of employees.

From the findings, the researcher also confirmed that customer care personnel are trained and well equipped to serve in the position of customer care services in their respective regions because it is believed that they can easily connect with the customers with whom they share language and culture. Having a customer service attendant from the local community according to the respondents has enhanced communication and the quality of service delivery in remote branches or areas with low levels of literacy in the country.

The researcher noted that every branch had at least one staff member from the local community that understands the language and culture of the local community. This has gone a long way in marketing the institution across the country as all communities have become receptive because they felt appreciated by being served by a team that comprised of their own. Based on this argument, diversity has strengthened the company's relationship with specific customer groups by making communication more effective. This has made the communities to have confidence in the organization and also raised their level of trust hence having a positive impact on performance. This was in line with McGarty (2009) argument that strategic redeployment of

customer service representatives to their specific demographic background makes the customer feel comfortable with the representative and thus with the company. There was evidence of enhanced communication from the customer surveys conducted for the last five years, the institution had recorded a constant increase in a customer satisfaction index to an all-time high of 86% in the financial year 2016/2017 as shown in figure 4.3.

**Figure 4.3: Customer Satisfaction Survey**



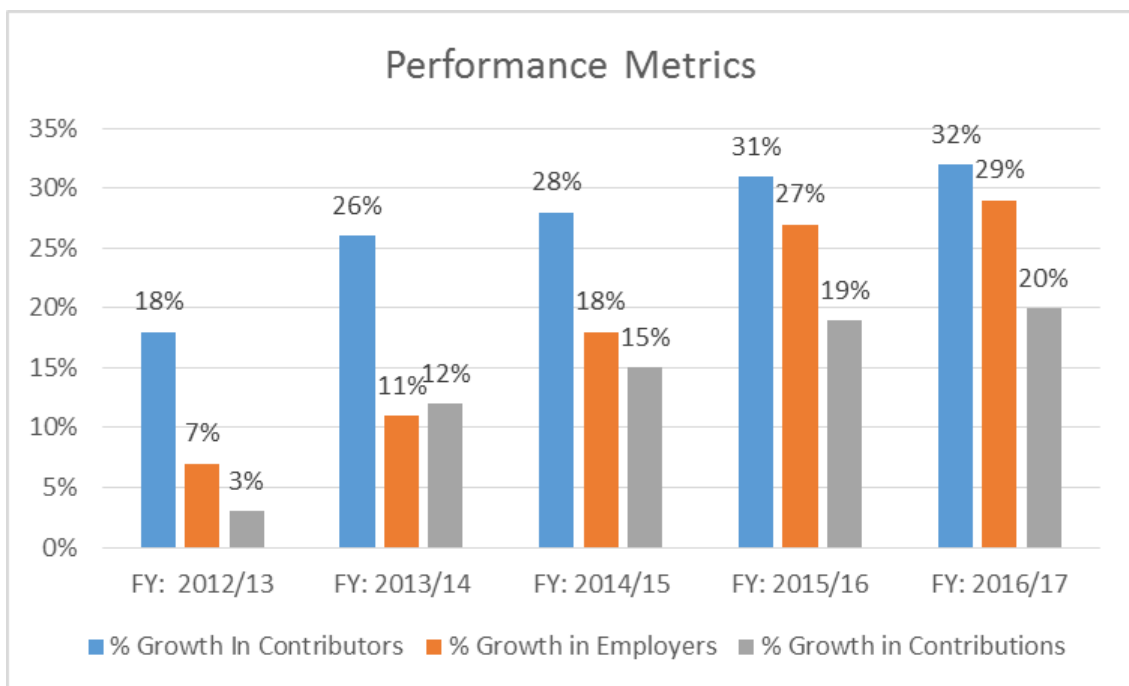
Source: Author (2017)

#### **4.5.3 Fairness and Policy Review**

According to the respondents, fairness and policy review as a strategy to manage workforce diversity in the National Social Security Fund Kenya had borne so much fruits. The interviewees stated that the employees were more motivated in their work owing to their knowledge and belief that there was fairness in the organization. Policies on workforce diversity are also reviewed from time to time to reflect changes in the environment hence making employees trust the organization be more committed

to executing their duties. Objective employment practices and appreciation for diverse talent by the institution has made NSSF Kenya to be among the premier institutions in the country that attract a wider pool of qualified applicants who desire to be part of the team. Furthermore the employees understanding that the organization impartially distributed resources across departments and branch networks increased their level of commitment and job satisfaction. The respondents were in agreement that this led to improved individual output and ultimately the performance of the organization as a whole. The researcher confirmed this from the growth in the three performance metrics namely contributor's registration, employers registration and contributions that were on the rising trend for the last five years as shown in figure 4.4.

**Figure 4.4 Performance Metrics**



Source: Author (2017)

The respondents also stated that enhancing fairness as a strategy to manage workforce diversity in the institution had made employees to work collaboratively for the long term benefit of both the organization and individual staff members. The all-inclusive



teams created at regional, branch and departmental level had created a culture of Excellency in the organization that advocates for goals achievement and enhancement of ethical behavior within the organization. The researcher confirmed this from the inter-branch competition aimed at enhancing quality and continuous improvement in their day to day operations. This was in line with Kuria (2013) who argued that leaders need to effectively manage the perceived fairness in decision-making for a satisfied, happy and productive workforce in any organization.

#### **4.5.4 Encouraging Interaction**

The researcher sought to obtain the respondents' views on the effects of interaction among staff members as a strategy to manage workforce diversity on the performance of the National Social Security Fund Kenya.

The researcher confirmed that indeed the institution had employees drawn from diverse backgrounds working together towards growing the organization. NSSF Kenya operates in all the 47 counties across the country and has employed staff members from all the communities in the country. The redeployment of staff across the branch network has also been strategically done to enhance interaction where employees keep on learning from co-workers whose work styles and attitudes vary for example, traditional-generation workers are constantly learning new technology and processes from young employees being recruited that belong to the tech-savvy millennial generation. This has in turn led to increased organizational performance.

The respondents believed that the interaction among employees was good for the organization because it created a collaborative environment in the organization that reduced the negative aspects of teamwork. According to this argument, the respondents believed that through continuous interactions, employees learnt how to

work things out and find a compromise that worked for both parties. This ultimately led to greater productivity in the workplace. This argument was in line with Jayne (2004) who postulates that teamwork is always the main ingredient in every successful engagement process since a huge task can easily be solved by subdividing it to different parties to work on. In addition, each team is given an opportunity to chip in and offer a hand in solving the problem as employees are able to combine their efforts and come up with viable solutions.

The respondents pointed out that interaction among staff members was an effective way to manage the impact of stress and tension in the organization. Employees are able share their life and work related challenges that could cause burnout hence helping them to proactively solve their problems that could have affected their productivity. This was confirmed by the researcher from the continuous increase in productivity in the organization. This argument was in line with Munjuri (2013) who outlined that when employees avoid each other, productivity and job satisfaction tends to decrease, absenteeism increases while employee retention rates decreases.

#### **4.5.5 Commitment from Top Leadership**

The respondents believed that commitment from top leadership as a strategy towards acknowledging and appreciating workforce diversity in the organization had gone a long way in enhancing the overall performance of the institution. In their view top managers appreciated and treated their teams without discrimination. They also formed all inclusive teams who they coached and mentored without favoritism. Empowering employees was key for succession plan because this ensured that no gap whatsoever was left in the organization as successors were well equipped to take up existing responsibilities in the organization. Recommendations for promotion of their

team members was done objectively and on merit. The researcher found out from the respondents that employees in various teams felt that the exercise of performance appraisal was done in accordance with the organization's guidelines hence taking it positively. In addition, leaders and their teams took time to review and reflect on their performance, they also came up with achievable plans on how they intended to better their results. This was key because everyone participated and was committed to the plan.

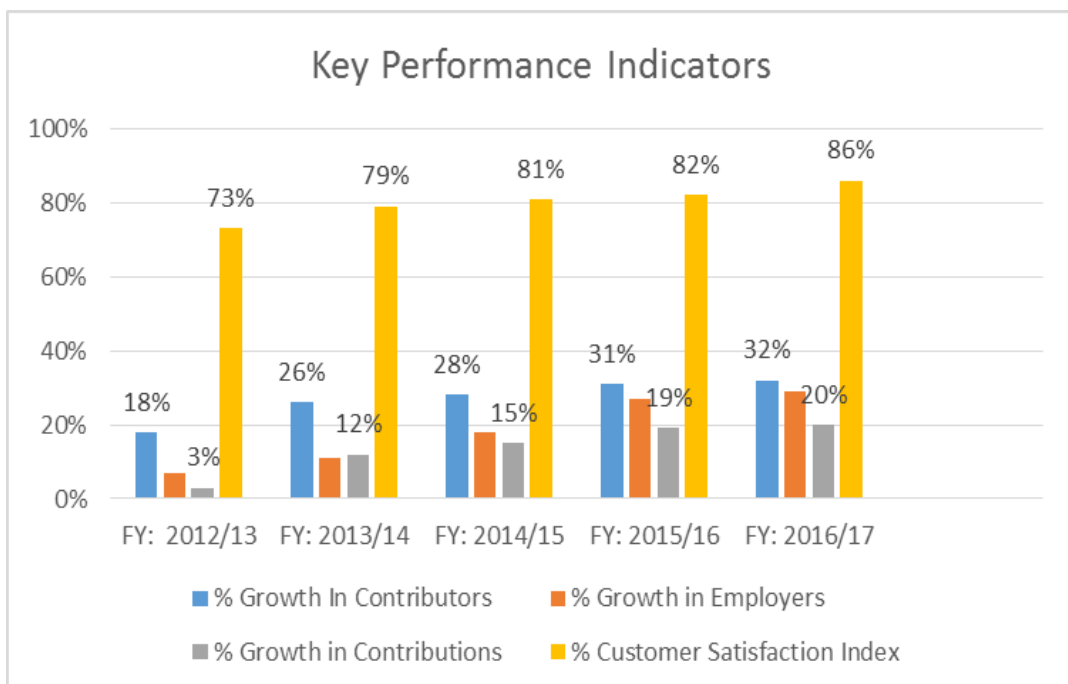
The respondents concurred that indeed commitment by top managers to embrace workforce diversity reassured and reminded employees of how vital this exercise was. Team members were willing to participate and give their best to ensure the entire process was successful. This in return resulted to the overall improvement in the performance of the institution.

#### **4.5.6 Compensation of Workforce**

The researcher sought to establish whether workforce compensation as a workforce diversity management strategy had any effect on the performance of NSSF Kenya. The responses obtained indicated that indeed workforce compensation had led to an increase in the performance of the organization. This was attributed to the fact that the institution was offering attractive compensation packages both monetary and non-monetary in the market which played a critical role in attracting and retaining quality and competent employees in the organization. This was in line with Gupta (2013) who argued that competitive remuneration package allows any organization to demand qualified workers with more experience and positive work histories that lead to higher productivity, better results and excellent customer service interactions.

Therefore, it was evident from the respondents' feedback that NSSF Kenya, had indeed successfully applied workforce diversity management strategies owing to the progress made on the performance of the organization. This was clear from the number of contributors and employers registered by the institution which had gone up for the past five years. Since the contributions were received from registered members on a monthly basis, an increase in the registered members automatically led to the growth in contributions received. These high numbers were attributed to improved efforts in the organization resulting from the synergy obtained in the mix of talent, positive energy, experience and teamwork from the diverse employees in the organization. The respondents also acknowledged that indeed the customer satisfaction index had risen due to provision of better services to customers by employees who are endowed differently. The researcher confirmed these from the official records in the organization for the last five years as presented in figure 4.5.

**Figure 4.5: Key Performance Indicators**



Source: Author (2017)

## **CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter presents the summary of key data findings, conclusions drawn from the findings highlighted, limitations of the study and the recommendations made. The conclusions and recommendations were drawn from research objectives and findings as presented in chapter four.

### **5.2 Summary of the Findings**

From the findings by the researcher, the study confirmed that the institution indeed had a diverse workforce as all the communities in the country both male and female were represented among the members of staff. The employees came from different backgrounds including religion, tribe, age, education level as well as the years of experience on the job. In addition, people with special disabilities were also given opportunities in the organization.

The researcher established that indeed the NSSF Kenya had an approved policy in place that provided for the effective management of workforce diversity in the organization. The researcher also confirmed that the institution had implemented the approved policy and it had also adopted specific strategies to manage diversity in its workforce.

Among the strategies adopted to manage workforce diversity in the organization included; the competitive hiring process for new employees in the organization, education of employees through training and career development, fairness and policy review, encouraging interaction among members of staff, commitment from top leadership as well as competitive remuneration packages for its staff.

From the respondents' feedback it was evident that indeed workforce diversity management strategies adopted by the institution had a positive effect on the performance of the organization. According to the respondents, the hiring process strategy enabled the company to select competent, qualified and knowledgeable workforce from a diverse background who played a vital role in the improvement of productivity and the performance of the company at large.

On whether NSSF Kenya had achieved enhanced performance as a result of education through training and career development of staff in the organization, the interviewees were in consent that the strategy has gone a long way to increase productivity in the institution because the staff members were more enlightened and became motivated in the execution of their duties. In addition, it resulted to less supervision of individual staff as they executed their duties since this strategy enhances a sense of responsibility and accountability.

The institution had enhanced its performance as a result of adopting fairness and policy review as a workforce diversity management strategy. Respondents were in agreement that this strategy had boosted the morale among staff members hence making them to deliver over and above the expectations. They argued that at an individual level, employees felt more satisfied, valued and showed great cooperation. Consequently, retaliatory actions and the rate of employee turnover decreased. In addition, both employees and customers exhibited more trust in the company and performance levels increased.

Encouraging interaction among members of staff as a strategy to manage workforce diversity had a positive impact on the performance of the institution. The respondents argued that workers become more accommodative of others viewpoints and shared

their diverse cultures, traditions and practices. The strategy also maximized job satisfaction among employees as effective communication aided employees to resolve disputes quickly by analyzing challenges and coming up with practical solutions. Finally, the interaction created a collaborative environment in the organization that reduced the negative aspects of teamwork as employees learnt how to work things out. They also found a compromise that worked for both parties hence ultimately leading to greater productivity in the workplace.

Respondents were in agreement that adopting a competitive remuneration strategy influenced attraction of competent and qualified employees hence boosting the institution's performance. Existing members of staff were willing to extend their services in the institution because of the attractive packages. Interviewees stated that the potential benefits of the remuneration strategy had an influence on effective delivery of products and services leading to increased customer base.

Finally, the respondents were in agreement that commitment from top leadership towards acknowledging and appreciating workforce diversity in the organization had gone a long way in enhancing the overall performance of the institution. Their actions proved them to be good role models which ultimately convinced the rest of the employees in the organization to follow suit in supporting the course for workforce diversity, this in return enhanced productivity.

### **5.3 Conclusion**

The study established that indeed the National Social Security Fund Kenya had a diverse workforce in place and also invested substantial resources towards supporting this process. In addition, the researcher confirmed that the institution had in place an approved policy on workforce diversity which was being implemented by

management. Despite the resistance experienced from some employees and the cost involved putting in place a diverse workforce, organizations that desire to excel in the current business environment should take this exercise seriously. This is because an institution whose workforce is diverse has a competitive advantage over others in the industry in terms of quality of products and customer service offered. Maintaining a diverse workforce also reduces an employer's risk for discrimination or harassment lawsuits.

The National Social Security Fund Kenya had put in place specific strategies for managing diversity in its workforce. They include the hiring process, education through training and career development, fairness and policy review, encouraging interaction among employees, commitment from top leadership and compensation of workforce. Organizations that adopt workforce diversity management strategies are likely to attract competent employees with appropriate skills, knowledge and attitudes necessary to achieve organizational goals.

Workforce diversity management strategies when effectively managed have positive effects on organizational performance. Effective workforce diversity management strategies indeed assist an organization in handling rapid demographic changes in the current business environment by helping people work and understand one other better. This is because employees from different backgrounds possess unique strengths and weaknesses derived from their culture in addition to their uniqueness hence a source of competitive advantage to the organization.

Organizations increase their reputation in the market by establishing programs to attract, recruit, interview, hire and train people from different backgrounds and culture. This tends to increase the likelihood of producing creative and innovative



solutions to challenging problems in the business environment. This also increases employee satisfaction, reduces employee turnover ratio and at the same time boosts employee morale for the job leading to increased productivity in the organization. Therefore to effectively manage diversity in the workplace, it is important that the organization comes up with a mix of diversity management strategies which should be evaluated from time to time to arrive at a combination that shall optimally deliver on the objectives of the organization.

#### **5.4 Recommendations for Policy and Practices**

From the findings and conclusion drawn by the researcher on the workforce diversity management strategies and the performance of the National Social Security Fund Kenya, the study recommends that in the current business environment, any organization yearning to effectively compete in the market must consider embracing diversity in its workforce by putting in place effective workforce diversity management strategies. This is because diversity in the workforce shall ensure employee's satisfaction, improved innovation, high quality products and services that will ultimately lead to increased customer satisfaction, increased sales and market share hence the overall profitability of the organization. Failure by an organization to put in place effective strategies for managing workforce diversity will lead to serious consequences such as inadequate skills, loss of key opportunities, diminished motivation that leads to possible increase in employee turnover ratio and reduced morale among the workforce. Therefore management should support workforce diversity management.

The study also recommends that any organization should start by developing and approving a policy in the organization that shall provide guidelines on how the

institution shall go about acknowledging and appreciating diversity in its workforce. The organization should then proceed by implementing the approved policy to its entirety. Negative attitudes and behaviors in the workplace which include prejudice, stereotyping and discrimination should never be used by management for hiring, retention and termination practices. In addition, any attempts to achieve diversity goals must progress within lawful boundaries.

Finally the study recommends that companies should allocate sufficient resources for managing workforce diversity because this is a critical organizational resource that can provide a competitive edge. A successful workforce diversity management strategy in the company enhances organizational culture change to create a work environment that nurtures teamwork, participation and cohesiveness which has a positive impact on performance.

### **5.5 Limitations of the Study**

It is important to note that limitations were regarded to be factors that hindered the researcher from getting either adequate information or the responses obtained were considered to be totally different from what the researcher expected. The following were the main limitations that the researcher encountered in this study.

One of the limitations was possible biasness on the part of the respondents because for any study making use of an interview guide, there is a high possibility that the answers provided by respondents for some or all of the questions may not be true and this study was no exception. Since the interview guide questions were personally administered and all questions asked were related to practices of workforce diversity management strategies and performance at the National Social Security Fund Kenya, the researcher reserves the right to believe that the responses received were true and

honest to the extent of the knowledge of the respondent and contain minimum level of biasness.

The senior managers' busy schedules made it challenging for the researcher to secure time for interviews. They were allowed to select the appropriate time that suited them, this flexibility increased their chances of participating in the exercise the researcher also assured them that the interview would not take much time. The interview was sometimes interrupted by calls and respondents had to step out and answer them. The researcher had to exercise patience and ensured that the exercise proceeded smoothly when the respondent returned.

The fact that the researcher relied on the interviews and discussions held with only a section of senior management of the National Social Security Fund Kenya. Were it not for cost and time constraints, it would have been of importance to obtain views from other stakeholders of the company such as; all the managers who have been tasked with championing the process of strategy formulation and implementation as well as day to day operational activities in the institution, other employees, customers and even suppliers in order to arrive at a more balanced view of the subject matter. It is therefore assumed that the responses from the nine respondents were representative as the researcher was able to carry out an in depth analysis.

Some interviewees were uncooperative and they found it difficult to offer information asked that was deemed to be confidential. The respondents were hesitant to answer the questions as asked by the researcher and they could only refer the researcher to either the managing trustee or the human resource manager. The researcher had to re-assure them that the data obtained was specifically for academic purposes and will be treated as confidential. For the noted cases, the researcher sought clarifications on the

respective issues either with the managing trustee or the human resources manager before documenting the findings. In order to gain trust and confidence from the respondents, researcher also had to seek permission before writing vital points.

Finally, the researcher narrowed down to workforce diversity management strategies at the National Social Security Fund Kenya may not necessarily represent all State Corporations in Kenya. As a result, the findings of the study may not be generalized to represent other State Corporations in the country. Therefore, there is need for more studies to be done before general conclusions can be drawn.

### **5.6 Recommendations for Further Research**

The scope of this study was restricted to workforce diversity management strategies and the performance of the National Social Security Fund Kenya, the researcher recommends for further research studies to be done on factors that hinder the implementation of workforce diversity management strategies at the National Social Security Fund Kenya. Further research should also be carried out on workforce diversity management strategies and performance of other state corporations in the country and specifically include more variables both the quantitative and qualitative in the studies in order to arrive at a more comprehensive conclusion on the area of study. Finally the researcher also recommends for further research to be done in the area of workforce diversity management strategies and performance of institutions in other sectors of economy in the country other than state corporations. Such sectors should include, banking, agriculture, insurance, tourism and hospitality among others.

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## **Appendix 1: Interview Guide**

### **Part A: Respondent's Background Information:**

1. What is your gender?
2. What is your age?
3. What is your current job title in the organization?
4. How many years have you worked at NSSF Kenya?
5. What is highest academic qualification?

### **Part B: The Extent to Which NSSF Kenya Has Adopted Workforce Diversity Management Strategies.**

1. Does NSSF Kenya have a diverse workforce in place? If yes, indicate the extent to which the organization has experienced workforce diversity.
2. Does NSSF Kenya have a policy in place to govern workforce diversity? If yes, briefly state what the policy entails.
3. Has NSSF Kenya, adopted workforce diversity management strategies? If yes, kindly name them.
4. Has workforce diversity management strategies been successfully applied in NSSF? If yes, to what extent?

### **Part C: Workforce Diversity Management Strategies and Organizational Performance.**

1. Indicate how the following workforce diversity management strategies at NSSF Kenya have led to improved organizational performance.

**a. The Hiring Process through:**

- i. Hiring policy, procedure and guidelines.
- ii. Provisions for request of referrals from existing employees
- iii. Hiring employees from different cultural backgrounds
- iv. Recruitments on colleges and campuses.

**b. Education through Training and Career Development by:**

- i. Regularly training and sensitizing employees on diversity
- ii. Inviting external speakers and having presentations on workforce diversity.
- iii. Aligning organizational needs with employee's professional development.

**c. Fairness and Policy Review through:**

- i. Respecting and treating all employees fairly
- ii. Reviewing workforce diversity policies from time to time.
- iii. Respecting religious holidays and giving employees leave days to celebrate.
- iv. Promoting employees on merit basis and allocating them responsibilities without discrimination

**d. Encouraging Interaction through:**

- i. Encouraging employees to work with others from different backgrounds
- ii. Carrying out regular team building sessions that are all inclusive.
- iii. Having a clear policy on succession planning in the organization.
- iv. Encouraging employees to learn from each other.

**e. Commitment from Top Leadership through:**

- i. Recognizing and appreciating all employees without favoritism.
- ii. Encouraging workforce diversity when creating teams
- iii. Coaching and mentoring staff without considering their backgrounds
- iv. Carrying out performance appraisal and managing conflicts in an objective way.

**f. Workforce Compensation through:**

- i. Giving staff benefits without discrimination
- ii. Providing medical insurance to all staff
- iii. Allowing all staff to enjoy annual, maternity and compassionate leave
- iv. The organization having a clear policy on management of staff welfare issues.

**2. Outline Challenges faced by NSSF Kenya in applying Workforce Diversity Management Strategies.**