INFLUENCE OF CULTURAL DIVERSITY ON COMPETITIVE ADVANTAGE AT SGA SECURITY (K) LIMITED

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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DEDICATION

I dedicate this research project to my mother, Mrs. Jacinta Wanyama for supporting me both emotionally and finally. To my other family members, I would like to appreciate the tremendous support accorded to me during my entire Masters period.

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I would like to give thanks to my Heavenly Father for an opportunity to make this dream a reality. Indeed your faithfulness has been experienced in the course of my study period.

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ACRONYMS AND ABBREVIATIONS

CIT   Cash in Transit

COE   Code of Ethics

CSR   Corporate Social Responsibility

GM   General Manager

HR   Human Resource

HRM   Human Resource Management

HSE   Health, Safety and Environment

RBV   Resource Based View

SHRM   Strategic Human Resource Management

ABSTRACT

Cultural diversity and competitive advantage are critical aspects within any organization due to globalization and increased competition. Cultural diversity has received attention in organizations due to the increased shift in patterns of work. Therefore, the study aimed at determining the impact of cultural diversity on competitive advantage at SGA Security(K) Limited. The interest in the study was due to lack of previous research on Private Security Companies and limited literature on relationship between cultural diversity and competitive advantage; creating a gap that this research aimed to fill. The study used two theories that explained the impact of cultural diversity on the organization's ability to be competitive; Resource Based View Theory and Competitive Advantage Theory by Porter. Being a case study, the data collection approach used was Interview Guide with 5 managers being selected to be respondents. The study also reviewed several literatures which had been advanced to explain how cultural diversity was used as a strategic tool for gaining a competitive edge over competitors and discovered that there were limited studies conducted locally to demonstrate this relationship. Collected data was analyzed through content analysis which sought to establish related themes. The study highlighted the forms of diversity that existed within the organization. Through analysis, the study provided evidence of how cultural diversity positively affected the organization's competitive advantage which included increased productivity, increased creativity, higher profit levels and low staff turnover rates. Challenges presented required effective management of cultural diversity in order to ensure competitiveness of the organization. The study recommended need to invest in training and streamlining of HR policies to remedy injustices that may occur in the workplace due to cultural blindness. The study also provided suggestions for further research that would enable full understanding of the effects of cultural diversity to the organization.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Globalization has eliminated barriers not only to trade but also in the selection of workforce in organizations. With elimination of cross-country barriers, there has been increased awareness of the need for cross cultural interactions. Intense globalization requires not just countries to be open to heterogeneity but also organizations. Most organizations, as a result have shifted from homogeneous to heterogeneous cultures in the work place. The continued growth of organizations is largely dependent on its ability to attract and retain qualified employees who provide different perspectives and have greater understanding of diversity of customers and community they serve. With advances in technology and mass media, the environmental forces have become more unpredictable thereby facing out organizations that fail to adapt. Cultural diversity has therefore become one of the strategies sought for competitive advantage. According to Prahalad (2001), the company's competitiveness depends on the ability to develop unique core competencies. Core competencies are unique capabilities possessed by an organization that cannot be imitated by competition. The Core Competence Model developed by Hamel and Prahalad, was based on four dimensions; resources, capabilities, competitive advantage and strategy.

Diversity can be defined as the recognition, understanding and acceptance of individual differences regardless of age, sex, class or race. Over time, employees of an organization have become the source of competitive advantage by using their skills, experience, ideas and knowledge they possess. Cultural diversity in the work place calls for training of workforce to ensure cultural synergy. Farren and Nelson (1999) introduced the cross-

cultural training as a strategy that allows managers and employees adapt different cultures essential for management. Adler (1997) emphasized the importance of recognizing differences in cultures in the organization and considers it as an opportunity rather than a challenge.

Diversity gained prominence in 1990s when organizations discovered the need to develop competitive strategies for competitive advantage. Investment in human capital also increased due to discovery that individual performance had a significant impact on overall organization performance. An organization that effectively manages its cultural diversity succeeds with a well-deserved competitive edge while others lack (Stevens & Ogunji, 2011). Esty, Griffin and Hirsch (1995) suggested that diversity in the workplace could be a source of competitive advantage. They summarized how well managed diversity can lead to competitive advantage through; improvement in productivity, business retention, large pool of talent during recruitment, increased marketing abilities due to diversity and reduced lawsuits as a result of favorable working environment. Therefore, this research will attempt to explain how best to explore cultural diversity to attain competitive advantage.

Cultural Diversity and Competitive Advantage have over the years become intertwined in the business world. Diversity has become a strategy that gives businesses an edge over its competitors. This research sought to further explore the importance of cultural diversity in gaining competitive advantage. The theories used are Resource Based View Theory and Competitive Advantage Theory by Porter. The focus was on Private Security Industry in Kenya due to its contribution to national development. No previous research

had focused on this Industry and hence this research attempted to provide insights into diversity and exploration of this strategy for competitive advantage.

1.1.1 Competitive Advantage

Barney (1991) stated that a company has a competitive advantage when implementing a value creation strategy that is not implemented simultaneously by any current or potential player. For an organization to take advantage of competitiveness, it must develop appropriate strategies to ensure that it stays ahead of competition. Michael Porter developed three generic strategies that aimed at ensuring firms' competitive advantage was gained. These are Cost Leadership, Differentiation and Focus. Cost Leadership aimed at producing goods and services at a lower cost relative to competitors thereby enabling an organization to charge premium prices. Differentiation is production of unique products and services aimed at attracting and retaining customers. Focus refers to developing products and services for certain market segments.

The growing turbulence in the external environment with increased globalization has changed the dynamics of competition. No single organization can boast of dominating certain market segments as opportunity in the market attracts more players thereby providing substitutes that eliminate leverage of dominating organizations. Due to these factors, organizations need to exploit different sources of competitive advantage.

1.1.2 The Private Security Industry in Kenya

The Private Security Industry in Kenya was born due to various factors such economic status, inequality and lack of adequate and trustworthy state security. The growing incidences of crime in the country has witnessed the growth of this industry. The core

business of registered security firms includes and not limited to; provision of guarding and dog services, cash in transit, alarm and access control installation, vehicle tracking and closed circuit television.

Private Security Companies are regulated by Private Security Industry Regulatory Authority, which is mandated to oversee the operations of such companies and to ensure compliance with the Private Security Regulation Act, enacted in 2016. These companies are protected under two umbrella bodies; Kenya Security Industry Association and Protective Security Industry Association (Private Security Regulation Act, 2016). The Key players in the Industry include KK Security, G4S Security, Securex Security, Radar Security, BM, Brinks, Wells Fargo and Ultimate Security. The market is bound to receive more players as issues of crime are still a concern to the country.

1.1.3 SGA Security Kenya Limited

SGA Security began its operations in 1969 as a guarding company called Factory Guards, and later expanded into radio alarms, contract management and Cash in Transit services; warranting change of name to SGA Security Limited. Over time, the company has expanded its operations in East African Countries; namely Uganda and Tanzania. SGA Security prides itself in being the founder member of Kenya Security Industry Association, which is a regulatory body that oversees the operations of its registered members in the Security Industry. The company is also a registered member of Tanzania Security Industry Association, Uganda Private Security Association and South African Security Association. SGA Security Kenya Limited operates a full spectrum, multidisciplinary security operation in East Africa with offices and electronic security services in Rwanda, Burundi, Sudan and DRC.

SGA Security Kenya Limited has over 3000 employees with over 10 regional offices in Kenya. The general scope of services includes; manned guarding, security dog patrols, aviation security, central station monitoring, fire detection and prevention, security consultancy, alarm systems and response, perimeter fencing and CCTV surveillance. Founded on the core values of integrity, quality, discipline and loyalty, its mission is to support sustainable safety and security for customers and community by providing the best security solutions founded in people, innovation and commitment to responsibility. The company's vision is to be the integrated security solutions provider of choice through exceptional quality, personnel integrity, innovative systems and customer relations in the African Region (SGA Security (K) Limited Annual Report,2017).

Being an ISO Certified company, its commitment to service delivery and customer satisfaction forms the basis of the company's core business. The Company has managed to retain its 2nd position over the years among Tier 1 Security Firms in Kenya due to various strategies that have seen it grow to become a reckoning force within the Security Industry. Overtime, its commitment to ensuring sustainable development has seen it partner with organizations like Enviroserve to ensure environmental conservation through the green project. It has also partnered with organizations like AxxonSoft to deliver technological solutions to its clients. Cultural Diversity has been one of the defining features of the Company. With over 17,000 employees across the different regions, the company has exploited this strategy as a means of delivering quality and top-notch service to its customers.

1.2 Research Problem

Diversity management is a process designed to create a positive atmosphere in which similarities and differences between individuals are assessed. But for diversity to be effective, this strategy must be recognized as an asset rather than a liability. Cross cultural diversity is an ongoing concern for most organizations that must be addressed in an attempt to attain competitive advantage. Individuals are governed by different beliefs and attitudes they strongly subscribe to. These form the core of managing diversity by ensuring equal treatment of individuals which results in development of policies and procedures that facilitate harnessing of diversity potential benefits. Potential benefits of diversity include and not limited to flexibility in decision making, exploration of full potential, creativity and receptivity to new ideas and future competitiveness. Managers should develop geocentric mindset and cosmopolitan outlooks that will enable them provide leadership devoid of favoritism and ethnocentrism. Hofstede (1980) stressed the significant effects of culture and its contribution to management.

Security is a growing concern which has witnessed increased players in the Private Security Industry. Turbulence in the external environment has resulted in increased competition. Businesses must continue redefining themselves in an attempt to survive the continuous changes in the market. Customer satisfaction is key for survival of any businesses. In order to do this, the business has to also appreciate customer diversity in terms of their needs and preferences. SGA Security Kenya Limited is spread across different regions and countries. To be able to serve their customers better, they have invested in a diverse workforce that has seen the company propel to greater heights.

Different researchers have conducted research that provides a framework for managing cultural diversity. K'Obonyo and Dimba (2007) examined the influence of culture and strategic human resource management (SHRM) and deduced that culture has a great influence on SHRM practices in multinational companies in Kenya. Darwin (2014) conducted research on effect of diversity on organizational performance. He concluded that diversity has a positive effect on organizational performance by creating a pool of skills and learning opportunities that the company can take advantage of to achieve positive results. Moore (2011) argues that diversity is an essential tool for achieving competitive advantage and optimal organizational performance. Muhura (2012) studied the influence of workforce diversity and strategy implementation among manufacturing firms. He concluded that diversity of employees led to better decision making, better implementation of customer-related strategies and the achievement of strategic targets.

Few studies have been carried to link cultural diversity with competitive advantage. Furthermore, no research had been conducted with respect to the Private Security Companies, which created a knowledge gap. What is the influence of cultural diversity on competitive advantage at SGA Security Kenya Limited?

1.3 Research Objective

The research objective was to;

i. Establish influence of cultural diversity on competitive advantage.

1.4 Value of the Study

The results of the study will be important to the management of SGA Security (K) Limited by providing useful insights for developing policies favorable for employees of

different cultures. It will also assist in developing strategies for effective management of cultural diversity in processes like recruitment and selection, brand development, marketing, conflict resolution and legal system management. The study will therefore provide awareness on how cultural diversity can be harnessed   further by SGA Security (K) Limited to gain competitive advantage, both to the employees and the management. To other organizations within the Private Security Industry and those outside, the study will help in assessment of diversity in gaining competitive advantage. This might form the basis of re-evaluating their diversity strategy by adopting policies that have been proven to be successful in the past so as to gain competitive advantage.

The study findings will be useful to policy makers in developing appropriate policies that will ensure equitable treatment of individuals from different cultural backgrounds. Such policies will form the basis of economic development through improvement of organization productivity in different institution. Specifically, in policy formulation, this research will assist in evaluating options and advancing recommendations.

To academicians and researchers, the study will provide more information on cultural diversity and will form foundation for further research. The information will be crucial in theory building and curriculum development in learning institutions. It also provides solutions to crucial problems and helps nations evolve as knowledge reservoir in the international arena.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter focused on advanced theories explaining the impact of cultural diversity on competitive advantage, types of workplace diversity, competitive advantage in organization, cultural diversity in organizations, cultural diversity and competitive advantage, empirical studies done in relation to the research topic and research gaps which the research aimed to fill.

2.2 Theoretical Foundation

This study used Resource-Based Theory of competitive advantage and Michael Porter's Theory of competitive advantage. The resource-based view is based on the fact that successful companies gain competitive advantage by developing unique capabilities. Porter's Theory of Competitive Advantage is based on the 3 generic strategies of Cost Leadership, Differentiation and Focus which help firms outwit competition.

2.2.1 Resource Based Theory

Resource Based Theory was advanced by several theorists. Some of the major contributions include ; Penrose (1959) emphasized that the growth of a company is based on the resources of a company and limited by management resources, Andrews (1971) emphasized on internal resource management, Wernerfelt (1989) emphasized that strategic formulation models use firm resources as sources of sustainable competitive advantage and Barney (1991) emphasized that key strategic resources could be sources of competitive advantage if they are scarce, difficult to imitate, irreplaceable and valuable. In a turbulent environment, organizations should continuously re-invent themselves in

order to survive. This theory shows that organizations with strategic resources tend to have greater competitive advantage over their competitors. In turn, these competitive advantages can help the organization benefit from strong profits (Barney, 1991).

Inputs into the production process are resources. Financial, physical, human, technological, reputational and organizational resources are the main categories of resources. Strategic resources are considered to be precious, rare, hard to imitate and irreplaceable. Valuable resources are useful in creating strategies that will help an organization capitalize on opportunities while neutralizing on threats. Rare resources belong to few or no competitors. Inimitable resources are those that are legally protected. Non -substitutable resources are those that competitors cannot find alternative ways to gain access to benefits that they provide. Resources and capabilities form the basis of competitiveness through development of appropriate strategies. Capabilities define what the firm can do i.e. company's ability to perform some activity. They are important to an organization as they are essential in bundling, managing and exploiting resources in a way that adds value to customers and offers advantage over competitors. With the state of flux in the external environment, resources and capabilities provide a more stable basis for the company to define its market position. Strategic positioning of the firm has been attributed to cost and differentiation advantage, yet fundamental to these choices is the resource base of a firm. Resources can be grouped into tangible and immaterial resources. Tangible resources can be quantified e.g. plant, equipment, land and cash. Immaterial resources are those not quantifiable e.g. employees' skills and expertise, culture, intellectual property and trademarks. To attain long term competitive advantage, the

theory explains the importance of investing in intangible resources as opposed to tangible resources. Intangible resources meet the criteria of strategic resources.

Competitive advantage is gained when an organization acquires a set of attributes that help it outwit its competitors. It involves adoption of value creating strategy that is not replicable by competitors. In addition to the previously discussed traits of strategic resources, durability and transparency are key to attaining competitive advantage. Durability defines how long resources can be maximized to develop long term strategies while Transparency involves ease of strategy duplication. Therefore, an organization resources must be well exploited to ensure it gains competitive advantage theorists therefore advised that instead of a firm focusing on external environment, it should invest in its internal environment to develop its capabilities which would form sources of competitive advantage.

2.2.2 Competitive Advantage Theory

The Theory was advanced by Michael Porter, an economic researcher who examined competitive behaviours that led to businesses being successful. In the early 1980s, he set out to uncover ways companies maintained long term advantages over their competitors. Through his work, he created three generic strategies that would assist most organizations outwit competitors and gain competitive advantage. Competitive advantage is gained when an organization acquires a set of attributes that help it outwit its competitors. This may involve access to natural resources, skilled labour and technological innovations.

Porter (1985) emphasized that competitive advantage will increase as long as the value presented by the business exceeds the cost of the product. He came up with 3 generic

strategies which would help businesses gain competitive advantage over its competitors. These included Cost Leadership, Differentiation and Focus Strategies. Cost Leadership strategy involves production at a lower cost than competitors. This involves finding a low-cost base in terms of available resources to a firm. Differentiation strategy involves producing goods and services that are unique relative to competitor's goods and services. This requires innovative skills and ideas that result in development of high-quality products. Focus strategy involves addressing certain segments of the market by narrowing focus to such chosen segments. To gain competitive advantage, a firm's business strategy must be able to manipulate resources over which it has direct control so as to generate competitive advantage (Reed & Fillippi, 1990). In the wake of globalization, various management styles have been born that are used in the field of competition. These include managing heterogeneous structures, tolerance for ambiguity and use of different marketing strategies.

2.3 Types of Workplace Diversity

Diversity is focused on the differences and similarities between individuals in an organization. It involves creating an environment that supports and appreciates differences among individuals while exploring the benefits emanating from diverse perspectives. Individuals have different beliefs and opinions that are fundamental to the overall growth and performance of an organization. Types of workplace diversity include; age, ethnicity, religion, gender, education, physical ability/disability, Income and physical appearance.

Age is a critical factor in any workforce. These are generations of Baby Boomers, Generation X and Millennials at the workplace. All the above groups have different

experiences and strengths which contribute to the overall effectiveness of an organization. A diverse workforce at age can provide upward mobility for all. Backes-Gellner and Veen (2013) noted that a homogeneous workforce leads to situations in which employees can remain in employment for many years and limit opportunities for others to be promoted. Therefore, there is need to invest in a heterogeneous workforce to facilitate equity and growth of the organization. Gender issues have been addressed by affirmative action which seeks to promote gender parity. In Kenya, there is 1/3 gender rule that seeks to ensure women are considered for that portion of opportunities in the workplace. McMillan-Capehart (2003) using the resource-based view of the firm, argued that gender and racial diversity can offer a competitive advantage to a company.

Religion refers to belief in a supernatural power. It is a constitutional right that should not be violated. However, it may be a challenge in organizations where workers are predominantly from one religion and the minority religious requirements might be ignored. Therefore, there is need to ensure every individual's beliefs are respected in the workplace. Disability is another type of diversity at the workplace. This can be classified into physical, mental or emotional disability. Barnartt (2010) described that disability is not impairment but is related to impairment. There should be accommodations for such disabilities that will enable organizations provide structures to enable them achieve competitiveness. Education qualifications differ within an organization and contribute to the wealth of knowledge and idea implementation for overall organizational performance.

2.4 Competitive Advantage in Organizations

The success or failure of any company depends on the competitive advantage that the product is delivered at a lower cost or offers the buyer unique benefits that justify a

premium price. According to Wang (2014), if an organization develops or acquires a set of attributes that allow it to outperform its competitors, it is said to have competitive advantage. Competitive advantage is as a result of factors such as infrastructure, business complexity, technology and macroeconomics. In the face of turbulence in the external environment, businesses must continuously re-invent new strategies to gain a competitive edge. Competitive advantage does not necessarily mean lower prices and high quality, but it is largely defined by how fast a business responds to changes in its environment and adoption of innovation and technology in its business processes.

Other sources of competitive advantage in organizations include; distribution networks, brand identity, intellectual property, location in terms of proximity to supply chain, management and employees of the organization. Type of leadership in an organization is a critical factor in gaining competitive advantage. Burns (1978) differentiate transactional and transformational leadership. Transformational leaders motivate followers to attain extraordinary outcomes through putting their interests first so as to attain the desired goal. Transactional leaders as the name suggests, provide guidance through ensuring social exchange. Menguc et al. (2013) suggested that improvements to transformation-based leadership skills should lead through competitive strategies to market positional advantages. Efficient distribution network plays a critical role in the launch of a new product in the market and availability of the product when demanded. Intellectual property forms the basis of knowledge based competitive advantage which ensures that knowledge is locked up and is exchanged through exclusive rights granted by the proprietor. Location in terms of proximity to the supply chain presents an organization with cost advantage through ensuring flexibility in distribution and reduced operation

costs. Therefore, an organization should determine its various sources of competitive advantage and capitalize on ensuring it reaps maximum benefit from it.

2.5 Cultural Diversity in Organizations

Culture can be defined differently depending on the various aspects it seeks to explain. Hofstede (1991) defines culture as the collective programming of the mind which distinguishes the members of one group or category of people from another. Culture can also be defined a set of standards, values, beliefs and attitudes held by members of a specific group that influences the way they behave.

According to Jones and George (2011), diversity is differences among people in age, gender, race, ethnicity, religion, sexual orientation and socio-economic background. Loden and Rosener (1991) define diversity as that which differentiates one group of people from another along primary and secondary dimensions. Primary dimensions include race, gender, ethnicity and age. These are factors which are innate in individuals. Secondary dimensions include religion, education, marital status and professional experience. Clemons and McLaughlin (2004) explained that by aligning the goals of diversity with the goals of the organization, it is much more likely that the diversity will be integrated into the culture of the organization and not fall by the wayside over time. Shifts in the workplace explaining cultural diversity include increased proportion of women, accommodation of individuals with physical disabilities, employment of individuals with higher education levels and maintaining a balance between older and younger aged workers.

Different forms of cultural diversity in organizations include; age, gender, religion, ethnicity, disability, education level and experience and nationality. Age differences are as a result of different generations at the workplace. Gender based diversity has seen more women take up positions traditionally reserved for men. This has been made possible through affirmative action that seeks to ensure parity. Freedom of worship is a constitutional right which allows individuals to practice their religious beliefs without violations. Disability can be mental, physical or emotional which is accommodated in organizations to ensure standards of performance are reasonably set. Ethnicity and nationality describe individuals in terms of ethnic affiliation and country of origin respectively. Education level and experience influence how different individuals perceive the world and how they relate to each other. All these forms are critical in organizations as they influence attitude, behavior and expectations at the workplace, which consequently affects attainment of organization goals.

To reap maximum benefits from cultural diversity, organizations must be able to develop mechanisms to manage such diversity. Diversity if not well managed, can result in prejudices and stereotyping which can affect the overall organization performance and productivity. Cox (1993) states that diversity management is the planning and the implementation of organizational systems and practices for managing people in order maximize potential advantages while minimizing potential disadvantages. Diversity needs to be managed on different levels which include individual, personnel and organization. It is a fact of the business world which can impact negatively or positively on employee daily behavior and work productivity.

2.6 Cultural Diversity and Competitive Advantage

Cultural diversity promotes understanding and appreciation of differences among individuals. The employees of an organization possess what is considered as core competence. This is in the skills, experiences and ideas that are transformed into processes that businesses can manage to ensure they gain competitive advantage. Singh and Point (2004) defined the competitive advantage of the diversity in the human resource by explaining the positive consequences in terms of better performance, adding values, understanding stakeholder's needs, corporate reputation, creativity and reputation. Diversity spurs creativity and productivity among individuals through fostering a healthy work environment which creates freedom of exploration and development of new ideas. An organization that invests in a diverse workforce will benefit largely in attraction and retention of top talent in the market. It also enforces strong brand loyalty through developing products for a diverse consumer base. It creates an environment where individual differences are appreciated therefore promoting a culture of teamwork and mutual respect. According to Porter's generic strategies, each of them require different skills which often translate to differences in culture. Differentiation can be facilitated by a culture that encourages innovation and risk taking while frugality and attention to detail can facilitate Cost Leadership. Bogaert and Vloeberghs (2005) emphasized that diversity of employees could reflect the range of customers: understanding employees' needs means understanding customers' needs. Cultural diversity opens the doors of organizations seeking to expand into global markets which is a step towards competitive advantage. Cultural diversity promotes synergy through use of different skills and talents towards a common goal. Ignoring contribution of cultural diversity towards profitability and outwitting competition will see an organization lose out on the benefits of globalization and expansion into new territories.

2.7 Empirical Studies and Research Gaps

Various studies have been conducted to establish the link between diversity and organizational performance. Journal of Practical Consulting by Cunningham and D. Green (2007), sought to explain diversity as competitive strategy at the Workplace. They used two companies to explain this phenomenon i.e. IBM and Monitor Company. As much as the two companies used different strategies to recognize the importance of diversity at the workplace, both were committed to institutionalize these changes. The research recommended organizations should implement well defined strategies and demonstrate sincere commitment to change. It concluded that strategic diversity targets are essential for competitiveness of companies.

Dike (2013) conducted a research on impact of workplace diversity in small and large companies including Coca Cola and Ford. The research acknowledged need for diversity management while also highlighting barriers to effective management. It recommended changes in diversity management techniques and need for communication to enhance cultural synergy.

Additional studies conducted with respect to the topic included; Ely and Thomas (2001), found that diverse employees could provide a competitive advantage to the company. Leonard, Levine and Doshi (2004) concluded that overall performance of organizations could be improved by a diverse workforce. Based on the above reviews, more research needed to be conducted in this field as cultural diversity presents itself in different forms and is an evolving phenomenon in the business world which must be continuously analyzed to determine how it impacts on an organization's competitive advantage.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter intended to explain how the research was carried out in accordance with the stated objective. This involved specifying design adopted by the research, data collection techniques and data analysis tools used. Being a case study, data was collected through interviewing middle level managers due to their critical role in strategy formulation and implementation.

3.2 Research Design

This research adopted case study method in attempt to determine the influence of cultural diversity on competitive advantage at SGA Security (K) Limited. This is because not all employees were well versed with decisions of management of implementation of cultural diversity for competitive advantage. Case study is a detailed analysis of a situation (Bryman & Bell, 2003). It provides an in-depth understanding of phenomena under study and provides multiple kinds of information. It also allows flexibility in its format and forms a basis for further research.

The different types of research designs are experimental design, cross sectional design, longitudinal design, case study design and comparative design. Longitudinal research design involves gathering data on a single subject over a long period of time. It is used to map changes. This is not commonly used in strategic management as it is time consuming and is relatively costly. Experimental research design involves developing control environments in order to determine causal or effect relationships between variables. This is not commonly used in organization as it is difficult to control behavior

of individuals due to factors within and outside the organization. To determine patterns in variables, cross -sectional research design is used to collect data from more than one case . It results in a lot of variations thereby useful for quantitative analysis due to need to test hypothesis before reaching a conclusion. Commonly used in surveys. Comparative research design uses two or more situations to draw a conclusion on both cases. It is therefore useful when variables to be studied are two or more. Case study was therefore an appropriate research design as it clearly provided an in-depth analysis of cultural diversity.

3.3 Data Collection

This refers to the technique used by researchers to obtain information from respondents. The type of data collected was primary. This was based on the research objective that the research aimed to achieve.

A qualitative approach was used to give a deeper understanding of the research subject and to get close to the respondents. Qualitative approach helped generate extensive data from the respondents regarding influence of cultural diversity on competitive advantage. It also provided an opportunity to ask follow-up questions on the research topic and more elaboration from the respondents.

Primary data was collected through face to face interviews. This was to help persuade the respondents to express their in-depth view on the research topic. To conduct interviews, an interview guide was used, which comprised open-ended questions that allowed the respondents to freely give information based on individual understanding of the topic. This also provided flexibility in asking questions and enabled the researcher collect as

much information as possible. A pilot study was carried out in order to test the interview guide so as to create a picture of what is expected from the respondents. This was done on an independent respondent who holds a managerial position in the organization. The interview was face to face and was timed which gave an indication of how long the other interviews would last. Since the questions on the interview guide were clear as per the response from the pilot study, there was no need to revise the interview guide. The pilot study also helped in preparation of follow up questions for the interviewees so as to get clarity on the responses.

The respondents interviewed were 5 middle level managers in charge of different functions of the business. These were selected due to their roles in strategy formulation and implementation in the various departments therefore would provide useful information on overall organizational perspective in relation to cultural diversity.

3.4 Data Analysis

Data collected through interviews were analyzed through content analysis. Kothari (1990) explains content analysis as analysis of contents of documentary and verbal material and describes it as a qualitative analysis concerning the general import of message of the existing documents and measures pervasiveness.

Content analysis makes general statements of how themes of data are related. This mode of analysis was adopted because the researcher was able to interpret responses from the respondents so as to determine relationships between themes. Data was summarized to highlight the main key points and long statements were compressed into brief statements. Data was then interpreted and conclusions drawn.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter clearly shows the findings of the study in accordance with the objective. The objective of the study was to determine the influence of cultural diversity on competitive advantage at SGA Security (K) Limited. Data collected was qualitative therefore content analysis was considered appropriate as it involves summary of statements through inference from the collected data.

4.2 Interview Process

The Interviews were conducted on 5 middle level managers in the organization. To ensure diversity considerations, the respondents were 2 female and 3 male. They included General Manager, Human Resource Manager, Operations Manager (CIT), Relationship Manager and Finance Manager. They were chosen due to their strategic roles in management and therefore were best suited to give an overall organizational view on cultural diversity. A critical consideration was the years of experience of the respondents as this would contribute to diverse views on whether cultural diversity had an influence on competitive advantage of the organization. This was established to vary between 1-10 years of experience. Ethical considerations were made before the interview process such as seeking consent before interviewing each respondent and maintaining confidentiality of the information provided.

The Interview questions were 19 in total and were structured in a manner that the respondents would freely provide information to the interviewer. The introduction sought to get background information from the respondents in reference to their roles and years

of experience in the organization. The next section focussed on various aspects of cultural diversity and competitive advantage as it gave a room for each respondent to define the variables as per their understanding. This was meant to ensure an understanding of the topic and how it directly impacted on the organization. The last section was meant to address the key points on how cultural diversity was managed within the organization.

The interview process involved a face to face interaction between the respondents and the interviewer. Prior to having the interview, respondents were furnished with articles that would help them familiarize themselves with cultural diversity and competitive advantage before contextualizing within the organization. Furthermore, the interview questions were sent via e-mail so that the respondents would get a clear view of what would form the basis of the interview. To confirm that each respondent had agreed to the interview, a calendar request was sent with dates that each would confirm availability and further advice on venue that they would be comfortable with. The average time for the interviews was 35 minutes as the respondents were given time to respond to follow-up questions and provide further clarification on areas that were vague.

4.3 Human Resource Practices

The interviewees were questioned on whether or not cultural diversity was taken into consideration as part of recruitment and selection practices in the organization. Some were of the opinion that there is no deliberate consciousness to cultural diversity at the recruitment stage. All interviewees, however agreed that promotion is merit based and not based on subjective yardsticks like ethnic affiliations.

One respondent further explained that members of the top management are from diverse cultures noting that the Company's CEO is from Netherlands. One of the respondents

was of the opinion that there needs to be more women in the management positions as the ratio of men to women was 3:1. This was more so crippled by the fact that in job advertisements, there is no clause that encourages women to apply for top positions within the organization. In terms of level of education, most employees had acquired Certificates and Diplomas with very few having Degrees or Postgraduate Qualifications. One of the interviewees who was currently pursuing his Masters' Degree noted education level has little significant impact on decisions to do with promotions. He was of the opinion that employees who had taken this initiative should be promoted to higher level due to acquired skills and knowledge.

Most interviewees agreed that the organization has failed in providing equal job opportunities to people living with disability. This was evidenced by the few individuals in the organization legally considered to be disabled. Notable is the lack of structures that could accommodate any individual with physical disability. Compensation differed between individuals based on the years of experience and the job responsibilities. All respondents agreed that the new management has remedied the gap in compensation that was previously experienced between management and other employees by increasing compensation packages for all subordinate staff. The respondents informed the interviewer that the company recently launched Code of Ethics which is meant to address issues relating to cultural diversity by ensuring equality and equity within the organization.

4.4 Importance and Benefits of Cultural Diversity to the Organization

Cultural Diversity, as defined by one of the respondents, refers to a concept that looks and recognizes the differences in population from a cultural standpoint; the recognition

that the society is composed of individuals with varied backgrounds and who have the ability to interrelate and coexist within a common space or setting. All of the interviewees were of the understanding that cultural diversity is a concept based on differences inherent in individuals who decide to come together and work towards attainment of a common goal.

The interviewees in generally stated that cultural diversity leads to creation of a wide talent pool of skilled professionals. One respondent noted that of critical importance is the environment created where all employees' opinions are respected and encouraged. Another respondent explained that cultural diversity enables the organization acquire business opportunities in areas where employees are sourced from the customers' locality. The interviewees also agreed that cultural diversity is important as it helps the organization maintain its brand identity in the market by employing best practices in recruitment and selection. Other important points raised by the interviewees included; Need for the Organization to be the best among consumers through ensuring brand loyalty, Better Performance in relation to Profit generation, Resilience, Creation of synergy and fostering culture of team work and Improved Work Ways. The respondents also outlined the benefits of cultural diversity to SGA Security(K) Limited which include; productivity, creativity, low employee turnover and increased profitability.

4.4.1 Productivity

The respondents mentioned that the organization has over the years seen an improvement in overall productivity in its workforce. SGA Security (K) Limited 's mission is to support sustainable safety and security for customers and community by providing the best security solutions founded in people, innovation and commitment to responsibility. 3

years ago, the organization hired a Dutch CEO, a strategy that was meant to increase the company's market share in the leafy suburb areas and areas believed to be occupied by non-Kenyans. The Company also has a bi-annual training programme which has enabled the employees acquire additional skills through on-the job and off-the job trainings. The Company has a Training Centre which is tasked with providing skills to all individuals recruited in the organization within 3 months as part of the induction process. One respondent cited that this has resulted in improved morale and increased revenue to the business.

Another respondent mentioned that the organization has shifted from traditional methods of appraisals to a 360-degree approach. This decision was arrived at as part of a need to motivate employees to adapt methods that would improve their overall performance. Team leaders are chosen on the basis of highest qualification and are to serve in their capacities for a year before replacement. Appraisals are conducted every quarter to assess individual's performance as per the set criteria and recommendations given which form decisions of promotion, transfers, demotions or layoffs. The overall effect to the organization has been increased productivity and improved morale of the employees.

The pool of managers, comprising of individuals from diverse background, were recently tasked with development of a Talent Improvement Programme that seeks to mentor different employees regardless of position held within the organization. A target was set on the eligibility of candidates to be selected for the programme so as to avoid issues like discrimination and other subjective criteria. The Programme is to run for a year with the candidates being trained on leadership roles and life skills, after which they graduate and become eligible for different positions that may arise within the organization.

4.4.2 Creativity

The respondents generally agreed that cultural diversity spurs creativity. This is as a result of diverse views and opinions from the different individuals. The points raised included ability to generate diverse ideas on different issues that the organization planned to address. The organization has a policy that ensures all employees opinions are welcome. The overall goal is to ensure that SGA Security (K) Limited remains the chosen security service provider by and for the people. The interviewees being managers, agreed that implementation sometimes becomes a challenge due to some members feeling that others' opinions were put into consideration over theirs. The respondents mentioned employees at SGA Security (K) Limited always insist on inclusion on decision making issues by the management.

The respondents highlighted the importance of communication and knowledge sharing within the organization. This also included the need to use English as the official communication language within the organization to enhance understanding. The respondents noted the organization has developed an application that offers translation to different languages that are used in business interaction. Most employees appreciate the multiple communication channels that existed within the organization. The respondents also applauded the recently launched Code of Ethics which clearly stipulate that there are consequences for any employee who will be proven to discriminate on others based on age, gender, nationality, religion, education or disability. Further to this, languages from the different ethnic groups are not to be spoken within the organization vicinity. One of the respondents mentioned that employees needed to develop rapport building skills to ensure the work environment is conducive for every individual and to ensure

professionalism. This would involve developing inter-cultural skills that would accommodate divergent views that would prevent ethnocentrism.

The respondents also highlighted that cultural diversity enables the organization expand into the global markets. SGA Security (K) Limited is an International Company having its roots in Netherlands. The Company has several branches within East Africa and beyond, with managers from different countries. Through its Across Border Exchange Initiative, employees are able to work in different countries depending on their level of expertise. All respondents agreed that the Organization's goal is to inculcate a cosmopolitan outlook among its employees in order to further enhance cultural synergy. The organization is working towards expansion into Central Africa as part of its growth strategy into international markets. One of the respondents explained that cultural orientation is necessary prior to deployment to another country in order to minimize effects of cultural shock. This would be facilitated by learning and understanding the basics of a foreign culture without criticizing elements which were not clear by judging them as 'weird' or 'wrong'.

The respondents explained that the organization's diversity enables them serve their customers better thereby ensuring that the customers remain loyal to the brand. One of the organization's policies is provision of a stable environment for the employees to enable them serve the customers better thereby increasing revenue through sales. Diversity among the employees ensures that customer needs are well taken care of due to diverse ideas and considerations in product development. The spill -over effect of great customer service has been the organization maintaining its position among Tier 1 Private Security Companies in Kenya.

The respondents also agreed that innovation in the organization is largely as a result of diversity. Recently the Company went digital on its Leave Application Platform, using technology from South Africa. This was part of the organization goals of having a paperless environment. One respondent noted that the organization however needed to sensitize more of its employees on technology as the pace of technology adoption within the organization was a bit slow relative to the market demands of the business. Some respondents also noted that cultural diversity has enabled the organization solve different problems as a result of multiple perspectives from its diverse workforce. Traditionally, SGA Security (K) Limited provided stand -alone services e.g. guarding, alarm response and CIT. However, the company has recently shifted to provide integrated solutions as a means of expanding its market share. This direction taken by the business was adopted as a result of shifts in consumer behavior and the need to be a one -stop shop security provider. The respondents all agreed that all employees should be sufficiently empowered to ensure that technology advancements opportunities are maximized to the fullest.

4.4.3 Employee Turnover

One of the respondents noted that the rate of staff turnover over the years has declined significantly. Most employees felt at ease working at SGA Security (K) Limited due to freedom to express themselves and having their views respected. The organization's focus is on ensuring that every employee feels appreciated and respected. In respect to religion, the organization has set out certain locations to ensure that employees from the Muslim community could conduct their prayers with ease. The respondents agreed that the organization has made tremendous steps towards ensuring inclusion and employee retention. Notable, is priority given to internal candidates in filling vacant positions regardless of race, religion or gender. Another advantage that the organization has

experienced over the years is the ability to attract top talents from multinational organizations during recruitment process. This has also been witnessed by the number of qualified applications being received on a daily basis in response to advertisements of the different positions within the organization.

One respondent noted that the organization has rolled out a Staff Welfare Department in charge of managing any issues that might affect the overall performance of employees. The employees also have liberty to join Trade Union that are in charge of representing their interests in cases of grievances. The organization is also in the process of launching a Pension Scheme for all employees which will ensure retirement days are taken care of. Changes in compensation packages have also contributed to low turnover rates within the organization due to realization by the management that taking care of employees' welfare would ultimately lead to customers interests being met and ultimately improved business performance.

Some respondents noted that as much as the organization has put in place mechanisms to ensure reduced turnover rates, there are still some employees who leave the organization to pursue better opportunities from competitors or otherwise. Therefore, the organization should develop a turnover metrics to determine what could be improved within the organization and to ensure that the cost of turnover is reduced significantly.

4.4.4 Profitability

The respondents generally agreed that overall profitability of the business has improved as a result of expansion into new territories. This is largely as a result of diversity as most business opportunities stem from the fact that customers feel their needs are well catered to through custom made products. SGA Security (K) Limited has opened up branches 10

regional offices in different towns in Kenya and is currently working on opening 5 more branches in 2019. Divergent views from employees through interaction with different customers form the basis of new product development and improvement of existing products and services. The respondents emphasized that the organization should focus on employee satisfaction and inclusion.

4.5 Cultural Diversity and Competitive Advantage

The respondents outlined various aspects of cultural diversity and how they have an influence on competitive advantage. These include; forms of cultural diversity, policies and procedures, cultural diversity and competitive advantage, challenges of managing a diverse workforce and how to manage a diverse workforce.

4.5.1 Forms of Cultural Diversity

This section sought to uncover how cultural diversity was represented within SGA Security (K) Limited. The different forms of cultural diversity are; gender, religion, age, nationality, education level, disability and other forms like social status and income levels. In relation to gender, the respondents mentioned that there are 2,596 male employees and 1,070 female employees.

The respondents were also requested to provide information on the different religious groups represented in the organization, as religion was an important form of cultural diversity. The results are presented in Table 4.1.

Table 4.1: Religious Background of the Employees

Religion	Number of Employees	Percentage
Christians	2,566	70%
Muslim	733	20%
Hindus	256	7%
Others	111	3%
Total	**3,666**	**100%**

Another form of cultural diversity that is present within SGA Security (K) Limited is the age differences of the employees working within the organization. Age is considered to be part of cultural diversity due to the different generations working in an organization. The results are presented in Table 4.2.

Table 4.2: Age Bracket of the Employees

Age Bracket	Number of Employees	Percentage
0-20 Years	0	0%
20-30 Years	368	10%
30-40 Years	1,833	50%
40-50 Years	549	15%
50-60 Years	733	20%
Over 60 Years	183	5%
Total	**3,666**	**100%**

The respondents mentioned that the organization has employees of different nationalities. The organization also has several offices in East Africa and beyond which explained the diverse nationalities. Nationality is an indicator of how diverse a population is. The results of the findings are represented in Table 4.3.

Table 4.3: Nationality of the Employees

Nationality	Number of Employees	Percentage
Kenyans	3000	81%
East Africans	225	6%
Rest of the World	441	13%
Total	**3,666**	**100%**

The respondents also outlined the different levels of education of employees within the organization. Education level is an important form of cultural diversity as it provides different perspectives on how individuals view the world and how they relate with others. The results of the findings are presented in Table 4.4.

Table 4.4: Level of Education of the Employees

Education Level	Number of Employees	Percentage
Primary	0	0%
Secondary	500	14%
Diploma	2226	61%
University Degree	890	24%
Postgraduate Degree	50	1%
Total	**3,666**	**100%**

The respondents were asked to provide information on the number of employees with disability. The result was 7 people having different types of disabilities, which represented 0.1% of the total employee base. The respondents also noted that the organization had other forms of cultural diversity. One of these was the different professional backgrounds of the employees and specifically the management. Senior managers were drawn from diverse professional backgrounds namely pharmaceuticals, engineering, finance and telecommunications. Few of them had experience in the security business. One respondent also explained that socio-economic status differs among employees due to several factors, one of them being income levels. This also differed as a result of position held within the organization and level of experience. Another factor was income from other sources outside employment. However, the organization has a policy that requires employees to fully disclose other sources of income so as to avoid conflict in interests related to the business operations.

4.5.2 Policies and Procedures

The respondents agreed that the organization's policies and procedures are in line with what was considered morally and legally right in the management of cultural diversity. Cultural diversity is almost a conscious effort in the development of overall organization policies and procedures. They explained that some employment practices are governed by

the Constitution of Kenya which has provisions on how employers should treat employees of diverse backgrounds. Chapter 4 of Constitution of Kenya clearly highlights the Bill of Rights which outlines the rights and freedoms individuals are entitled to. Article 27 of the same constitution clearly outlines that individuals are entitled to Equality and Freedom from discrimination through enjoyment of all rights and fundamental freedoms. The Constitution also states that women are entitled to a certain fraction of available opportunities within an organization. This, however has not been fully implemented within the organization. One respondent noted that the number of disabled employees are very few and recommended that the organization needed to provide equal opportunities to people with disability by encouraging them to apply for vacant positions and development of structures that could accommodate such needs. Other legal considerations enshrined in the organization's policies include ability to report any conduct that is considered discriminatory in nature and provision of reasonable working hours for all the employees with option of paying overtime in cases where there is an extension in employees' working hours.

Some respondents mentioned that the organization has formulated policy objectives that promote cultural diversity. Notable is the flexible work environment that enables the employees work in different departments as part of job rotation .Other initiatives included; delivery of products and services to customers of diverse backgrounds, a feedback system that allows customers provide reviews on the services and employees on how product delivery can be handled, empowerment of employees through development of their interpersonal skills so as to fit in multicultural environments and setting aside resources to celebrate cultural days of different employees.

The respondents described that the recently launched Code of Ethics is meant to further safeguard the interests of all employees through ensuring that values of human dignity, respect and freedom are respected. SGA Security (K) Limited has adopted an open and inclusive approach on matters that affect how the business is run. Furthermore, the employees have representatives in charge of airing any grievances and they also act as controls in case of deviations from the organization's policies. One respondent stated that an open door policy has over the years been maintained by the HR department with the HR Manager being accessible to employees at all times during working hours.

The respondents also agreed that CSR is an integral part of the organization's policies. SGA Security (K) Limited has over the years set apart a day every quarter to visit different establishments as a means of giving back to the community namely homes for the aged, children homes and cleaning the park. Notable is the sponsorship initiative made to Africa Golf Program that sought to encourage young ladies in schools to pursue golf as a sport, a sport that over the years has been considered a preserve of men. Another sponsorship initiative by the organization is the Annual Mater Heart Run which seeks to provide opportunity for surgery to children suffering from heart disease, from not so well-off backgrounds. All these efforts are to ensure that the organization equally caters to the needs of the public and community in general.

4.5.3 Cultural Diversity and Competitive Advantage

The interviewer sought to understand whether the respondents understood the concept of competitive advantage. This was a follow-up question to how the organization responded to environment changes and whether cultural diversity is an important consideration during marketing. The respondents agreed that cultural diversity promotes innovation

through diverse ideas. The backbone of any organization is profits and the ability to maximize shareholders' wealth, a concept that is clear at SGA Security (K) Limited. As a result, cultural diversity aids in implementing product differentiation and cost leadership strategies. Attaining competitive advantage means providing services considered to be better than competition. Understanding that customers are from different backgrounds is key in product development and would ensure sensitivity to the diverse cultures. Differentiation means production of unique products and services that enable a business outwit its competitors. As an organization, cultural diversity has enabled the employees develop solutions to complex problems through using technology in service delivery e.g provision of Integrated Security Systems as opposed to traditional surveillance monitoring which only focused on fixated view .This has resulted in the organization's expansion of its share growth in the market with such solutions being adopted by different businesses with the new age of technology taking over all business processes; further giving the organization a competitive advantage. Cost leadership in the organization has been evidenced by use of technology in service delivery thereby reducing the number of manned services available to clients. SGA Security (K) Limited is shifting away from providing manned guarding which is a recurrent cost to the client and is rather offering technological solutions that are one-off and more efficient. This has led to reduced cost of doing business. The low rate of employee turnover has resulted in reduced cost to the business due to the ability to retain its top talents thereby further gaining competitive advantage. Due to the above factors, the organization has proven to be capable of responding faster to environmental changes through assessment of both

existing and emergent needs thereby assisting in informing appropriate reaction to the needs.

The respondents also cited that the organization's cultural diversity has greatly contributed to attraction and retention of highly skilled employees. Senior managers in the organization are drawn from different professional backgrounds namely engineering, telecommunications, finance and pharmaceuticals. As a result, decisions are made with careful consideration of the overall impact to the organization. Formulation and implementation of strategies is often informed by conducting strategic audit of the environment to assess the forces at play. SGA Security (K) Limited has invested tremendous resources in research to determine the market trends and competitor strategies that would assist in developing better strategies or perfection of existing strategies in attempt to gain competitive advantage. Different education levels within the organization also forms the basis of competitive advantage due to the array of skills applied in problem solving. Levels of experience of different employees has helped the organization make informed decision through provision of different perspectives on how to deal with complexities within the organization. Therefore, the human resource of the organization has proven to provide a competitive edge over competitors through provision of unique skills, ideas and experience.

Another factor put across by one of the respondents is the ability to expand beyond borders. SGA Security (K) Limited is a Dutch born organization. The organization has expanded to different locations over the years, with offices beyond the Kenyan border. The organization's across the border exchange initiative has attracted expatriates from different countries due to its ability to accommodate individuals from diverse

backgrounds. This means that the organization is able to expand further due to its ability to nurture its employees to adapt in multicultural environments thereby creating more business opportunities through expansion. The organization through cosmopolitanism is able to increase its revenue base thereby gaining competitive advantage. Cultural diversity within the organization has also resulted in increased investments due to the different stakeholders' interests that it seeks to satisfy. Recently, SGA Security (K) Limited partnered with AxxonSoft to provide integrated solutions systems to its clientele, thereby widening its market share through provision of unique services.

All respondents agreed that marketing initiatives are key in gaining competitive advantage. The Commercial Department in charge of revenue generation was cited as one of the key departments comprising of employees of different age, professional background and gender. This is said to be of considerable importance to the organization due to the different negotiation and interpersonal skills that the individuals possess. Research within the organization also forms critical part of marketing through provision of information regarding patterns of consumption of clients and different cultural backgrounds. Of importance is the cultural values held by different customers regarding different products therefore is critical in market segmentation and positioning; especially in development of customized products and services. One of the respondents noted that better marketing could be achieved by recruiting Chinese and Indian employees given that these nationalities are key players in some of the sectors.

4.5.4 Cultural Diversity Challenges at SGA Security(K) Limited

This interview section was meant to uncover the challenges that interviewees as management experienced in the course of managing cultural diversity within the

organization, as this would present hindrances to the organization's competitiveness. The respondents agreed that cultural diversity has over the years provided benefits towards the organization's ability to compete in the market. However, there are notable challenges that prove difficult to maneuver as part of dealing with a diverse workforce. Employees and Managers at SGA Security (K) Limited are required to be aware of these challenges so as effectively handle them.

The respondents noted that for employees that relocated to other countries as expatriates, the language of the foreign country proves to be a challenge. SGA Security (K) Limited having been born in Netherlands, has attracted individuals from different countries to be part of the workforce. Such communication challenges are mainly experienced in handling customers from different countries or in dealing with employees accustomed to only one language. The respondents noted that the organization has a program that enables new employees attend classes that help them familiarize themselves with English being the official communicating language in the organization. To minimize effects of culture shock, the organization offers guide to orient new employees to the different cultural aspects of the host country to ensure that there is minimal resistance to the existing culture, which if not handled well ultimately results in low levels of productivity.

The respondents applauded the efforts of the organization regarding gender balance and equal opportunities award especially for the top management positions. However, the traditional belief systems on roles pose a challenge within the organization. At SGA Security (K) Limited, the number of women in top management positions are 2 i.e the HR Manager and Finance Manager. Some employees find it challenging to respect such authority with the belief that women should be home managers and not workplace

leaders. This is seen to be a challenge especially when instructions on certain policies are issued to employees holding this belief. To deal with this challenge, the organization has a clear policy on need to respect women leadership and the role that women played in the organization. Proven over time that women are great home managers, employees are often sensitized on how relevant those catering skills at home applied to the organization. Management of the organization undertakes to encourage both genders to apply for vacant positions to help demystify the role of women in the society. Knowledge of affirmative action in changing the course of careers over time has shaped employment and creation of seats for women at the high table. The respondents noted that most jobs that are believed to be a preserve for men will soon become filled by women as the organization expansion to different regions would see more opportunities be availed for women both within and outside the organization.

The respondents noted that there are great challenges in dealing with the different generations at the workplace. Most of them agreed that employees from Generation Y (Millenials) require a lot of incentive to be able to remain in an organization for a long period due to lack of brand loyalty. This generation requires the organization to provide flexible working hours, higher compensation and quick response to technology changes. However, the organization does not always have the resources to adopt a particular technology. Another group that poses challenges in the organization are the Baby Boomers.(those over 60 years) .This group find it hard to adapt to new technology within the organization, therefore resulting in low productivity. The different generations in the workplace pose overall challenge due to different habits, working styles, attitude to technology and customs. The respondents agreed that more needed to be done in terms of

encouraging technology usage in the workplace. As for management of Millennials, the organization has tried to create a 'fun 'work environment through organizing social events outside working hours, adopting a work from home policy on limited days in a month and offering competitive packages to encourage loyalty to the organization.

The respondents noted that another challenge that cultural diversity poses is negative behavior towards individuals from different cultural backgrounds. Some employees consider their culture to be more superior than others therefore look down on others especially new employees. This has often been seen to affect overall productivity as the aggrieved parties tend to be hostile and maintain safe distance by limiting interactions with other employees. Holding misconceived perspectives of different cultures compromises on human dignity and affects overall productivity. The respondents noted that this negatively impacts on organizational performance. SGA Security (K) Limited takes seriously, issues related to discrimination on cultural lines. Such offences are disciplinable with guilty offenders often being given warning to reform their attitudes or risk losing their jobs. The organization's segmentation of the departments into teams also acts to ensure that employees share different ideas and experiences with each other. Training provided by the organization on different cultural aspects serves to ensure that different opinions are respected and integrated within the organization's policies and procedures.

Another challenge the respondents highlighted is the lack of political will towards diversity efforts within the organization. The differences among employees within SGA Security (K) Limited has posed great challenges especially in policy implementation. This has often been as a result of fear of the unknown or changes in terms of benefit that

a few individuals might have been enjoying. Managing a diverse workforce often requires tradeoffs so that the initiatives would be for the greater good. Those opposing cultural diversity often tend to shut down new ideas thereby creating a hostile environment. The overall effect of such opposition is the implementation of obsolete ideas and loss of the business's competitive edge. The spillover effect is high turnover as a result of brain drain which may ultimately lead to the extinction of the organization. The respondents noted that to avoid such spill- over effects which may affect the ability of the organization to be long-term sustainable, the management ought to be at the forefront to educate the employees on the benefits of having a diverse workforce. Teamwork is one way of managing this challenge as every individual tends to justify the essence of implementing their ideas with healthy conversations being held on the tradeoffs that may have an effect on the organization. Efforts must be made to alleviate fears of cultural   diversity so as to minimize opposition.

4.5.5 Management of Cultural Diversity at SGA Security (K) Limited

The respondents cited different practices adopted by management to manage cultural diversity in the organization. The organization has a policy that encourages celebration of different cultural days of its employees through theme dressing. During such days, employees are requested to wear cultural fits in support of the particular culture being celebrated. The organization also honours the religious days of employees from different religious backgrounds through providing off days to those employees. The organization also holds special social events to enable interaction of employees from different capacities and backgrounds within the organization, case in point being the end of year

party which is held to reward outstanding performance and provide networking platform for the employees.

The respondents also noted that the organization has a recruitment policy that promotes equality in employment opportunities. Through selection, the organization is able to acquire individuals with diverse experience, skills and from different professional grounds. Promotion criteria of the employees is based on performance and not on subjective yardsticks. Training opportunities within the organization are open to all employees with programs designed to encourage exchange of ideas between different departments. The culture of teamwork has seen tremendous growth in revenue in the organization further providing proof that cultural diversity is an effective strategic tool for the organization's success.

The recent launch of the Code of Ethics has enabled the organization effectively manage cultural diversity. One of the respondents highlighted that the policy is clear on the official language to be used in the organization. The organization officially banned the use of mother tongue in the workplace so as to encourage inclusivity and interaction. There are ramifications in form of disciplinary action to any employee found to be defying such policies. The organization has also developed a hotline to enable any employee report any form of abuse within the workplace. For guilty offenders, the organization has taken steps to provide coaching and institute reforms through providing guidance on behavior in multicultural environment.

The respondents also agreed that the organization has instituted Health and Safety Policy that enables effective management of diversity. The organization has provided gender neutral facilities to ensure privacy to all the employees and avoidance of incidences of

harassment. The HSE department has a counselling desk that provides audience to any individual who feels aggrieved as a result of any cultural orientation. The department is also tasked to ensure a safe working environment for all the employees regardless of age, religion or nationality. An open door policy has also been maintained in the organization to enable individuals seek assistance in case of abuse. The HSE policy has also made provisions for employees from different religious backgrounds to worship at the different times. The diversity management strategies made by the organization has seen diversity be more of a strategic tool rather than awareness of the outstanding differences among individuals. The organization currently boasts of having a staff base representative of 95% of the country's population.

4.6 Discussion of the Findings

The study sought to determine the influence of cultural diversity on competitive advantage at SGA Security (K) Limited. Data was collected through the use of interview guide with 5 managers being the respondents. Interviews were conducted within the precinct of each of the interviewees' offices. The discussion unveiled confirmatory patterns and a few inconsistencies with previous studies.

Cultural diversity exists when individuals from different cultural backgrounds come together to work towards a common goal. The study proved that SGA Security (K) Limited has aligned its HR practices to conform to cultural diversity. The organization's HR function serves to increase learning, flexibility, knowledge creation and development of an environment conducive for diversity. The study discovered that use of appropriate Human Resource tools would help address inequality in recruitment, compensation, improve inclusivity and provide equal employment opportunities. The organization's

effort towards supporting inclusivity is proven through open recruitment policy and compensation packages provided to employees depending on skills possessed and experience levels. This was further supported by Litvin (1997) who emphasized that effective management of diversity can be achieved through using appropriate HRM strategies. Low turnover rates in the organization is as a result of cultural diversity as the employees are allowed to openly express the opinions and reservations. The environment is considered conducive for career growth. This was however, contrary to Blum, Fields and Goodman (1994) study that found out that companies with higher diversity tend to provide lower salaries and have higher turnover.

The study also discovered that cultural diversity has benefited SGA Security(K) Limited through provision of wide pool of talent, encouragement of team work, synergy and increased profitability. The organization enjoys increased brand awareness through serving the interest of different stakeholders efficiently. Being aware and meeting customers' needs through provision of quality products, in a flexible manner and speed in delivery forms the basis of competitive advantage. The overall effect is the ability to maintain a positive reputation. Kandola (1995) noted that diversity can contribute to organizational success through improving corporate image.

The study also uncovered several benefits of cultural diversity to the organization; increased productivity, improved creativity, increased profitability, effective communication, global outreach and business expansion and improved customer service. Employees within the organization are made aware of these benefits so as to enable effective implementation of diversity policies within the organization. Lack of such awareness has often resulted in resistance to idea implementation. Understanding that its

employees are from different cultural backgrounds, forms the decision by management to provide training to sensitize employees on the overall influence of cultural diversity on organizational performance. Emily and Stephen (2018) provided proof that a positive relationship exists between cultural diversity and organizational performance. Similar study conducted by Wilson and Iles (1999), argued that a diverse workforce has better brainstorming solutions, shows more cooperative behavior, improves organizational efficiency, effectiveness and profitability.

The different forms of diversity are exhibited within the organization in terms of age, religion, education level, nationality and disability. The study however discovered that the number of employees considered disabled are few relative to the employee population within the organization. Women in management positions are also few relative to men; a factor that the organization is working towards improving through provision of more opportunities. The findings indicated that some employees find it difficult to respect women leadership due to traditional belief system on gender roles. However, continuous sensitization has enabled acceptance that women equally deserve to be in the boardrooms spearheading critical organizational decisions. The increased awareness of women' role in organization was in line with De los Reyes (2001) study that explained focus on gender issues had increased due to the regard women's power and influence had on working life and society in general.

The findings further explained how cultural diversity influences competitive advantage. This has been proven to be in the form of differentiation, cost leadership, innovation, market expansion and ability to quickly respond to environmental changes when they occur. SGA Security (K) Limited has witnessed tremendous growth in its market share and revenues as a result of cultural diversity. Go-to market strategies have been informed

by awareness that the customers stem from diverse backgrounds; therefore need to design products and services to meet individual needs. The ability of the organization to explore cultural diversity as a strategic tool has enabled employees appreciate the importance of working together towards a common goal. This study was in line with the study done by Cassell (1996) who explained that the appreciation of diversity can become a source of competitive advantage, improve the quality of organizational life and ultimately benefit businesses. In his study, Storey (1995) explained that organizations seek to achieve competitive advantage through strategic deployment of a diverse workforce.

Cultural diversity management is considered to be of importance towards minimizing resistance of diversity efforts initiated by management. SGA Security (K) Limited has a clear COE policy that ensures that individuals from diverse backgrounds are respected and appreciated within the organization. Other initiatives adopted include; commemoration of cultural days, communication, open recruitment policy, counselling for aggrieved parties and occasional training to promote interactions and highlight importance of cultural diversity. Training is a critical part of the organization's recruitment process with a Training facility established to manage occasional trainings of employees from different departments. As part of HRM, the organization periodically hires external trainers from different organizations to offer insights on the different perspectives of cultural diversity. The overall outcome is reduced turnover rates within the organization, increased cultural synergy and increased productivity. In line with this, Rynes and Rosen (1995) found that 70% of trainees who took diversity trainings left with positive diversity attitudes ,while only 9% trainees actually entered with favourable attitudes, 68% were skeptical prior to training whereas only 7% reported skeptism after training.

The findings also indicated that management of a diverse workforce is seen to pose challenges .These included; communication and language barriers, generation differences, opposition to change and stereotyping. Cases of stereotyping have been observed within the organization which greatly affects teamwork. Ethnocentrism governed by prejudices often leads to seclusion and loss of human dignity to the affected individuals. Trice (1993) in his study argued that ethnocentrism sets the stage for conflict and makes teamwork impossible. The organization's ability to acknowledge these challenges and effectively manage them would further ensure that the benefits of cultural diversity are fully maximized. Cultural diversity should not be seen as a challenge rather than a benefit to reinvent the wheel on strategic management within the organization. In line with this realization is a study conducted by Adler (1997) that emphasizes that people should see cultural diversity as a benefit to the organization due to the various positive outcomes generated from it.

The study findings clearly outlined the importance of skills and capabilities to the organization and the contribution each of them had towards gaining competitive advantage. The resource base of an organization determines how competitive it becomes in the market. The RBV Theory clearly outlines the relevance of an organization having strategic resources that are difficult to copy, scarce and valuable. The study findings further proved that cultural diversity provides a critical component to the organization due to skills and expertise obtained from the diverse workforce. The findings further indicate that the use of cost leadership and differentiation strategies proved crucial in ensuring that the organization attained competitive advantage over its competitors. Therefore, the study findings conformed to the theories upon which they were based on.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter intends to summarize, conclude and provide recommendations from the study findings in accordance with the research objective. The findings will provide a summary, conclusion based on assessment of the study variables, implications of the study to different groups, study limitations and finally recommendations for further research.

5.2 Summary of Findings

The study's research question was; What is the influence of Cultural Diversity on Competitive Advantage at SGA Security (K) Limited? The study established that the organization viewed cultural diversity in a positive manner. Most employees were open minded to working in multicultural environments and have occasionally been sensitized on the importance of cultural diversity. The organization had recognized that cultural diversity resulted in an influx of diverse ideas and provided an opportunity to learn from each other. Furthermore, the policies and procedures within the organization had been developed to conform to cultural diversity. The Code of Ethics handbook serves as a reference point for any issues of discrimination and injustices, with disciplinary action being taken to any offenders of such acts. The importance of communication was accentuated as part of creating a conducive environment for everyone through ensuring a judgement free atmosphere as part of managing diversity. The study also highlighted the different forms of cultural diversity that exist within the organization with keen interest on the need to ensure gender balance so as to provide more opportunities for women.

Cultural diversity within the organization has brought many positive outcomes which greatly contributed to the organization gaining competitive advantage. With a diverse customer base, the organization continually invests in a diverse workforce to ensure multiple perspectives in handling customers' needs. Growth and commitment towards cultural diversity hence becomes a natural process through recognition that diversity greatly affects the long run sustainability of the business and revenue generation. Innovation through keeping up with latest technology trends needed to be constantly sought to ensure that the organization manages its costs while offering premium products and services to its customers. Differentiation of organization products and services greatly contributed to marketing success within the organization. Investing in cultural diversity was therefore discovered to be a strategic tool to the organization in gaining competitive advantage.

The cultural differences at SGA Security (K) Limited were taken as positive factors that helped in the attainment of synergy within the organization. Management of cultural diversity was seen to be of critical importance to the organization. The management of diversity was seen to require open communication, cosmopolitan outlook, empathy and a geocentric approach in recruitment. Recognizing that differences do not mean that a particular culture trait is 'weird' or 'wrong' but rather provides an opportunity to view the world from different lenses. Often managing cultural diversity is not necessarily hinged on recruitment of a diverse workforce but rather creation of a favourable environment to maximize the benefits of cultural diversity. Green et.al (2002) further emphasized that diversity management involves a departure from collective views of groups of people from the assessment of individual differences and talent at work.

The study findings highlighted challenges that were presented in the course of management of cultural diversity that resulted in lack of cohesiveness. Cultural blindness is a tendency to ignore or simply not be aware of cultural differences. This is often considered primitive, prejudiced, unprofessional and rude. Failure to address these challenges would reap the organization of the benefits of cultural diversity in the long run. Managers should be at the forefront of managing cultural diversity through roles like interpersonal, informational and decisional. In the interpersonal role, managers can demonstrate that effective diversity management is a valued goal and can coordinate efforts of diverse individuals to encourage cooperation with one another. The informational role, managers can ensure that diverse employees are being treated fairly, inform employees about diversity policies and initiatives and the intolerance of discrimination and promote the interest in career opportunities for the broader community. The decisional role involves dedicating resources to effectively manage cultural diversity, take remedial action to correct injustices, allocate resources to encourage diversity management and work with interest groups like trade unions to ensure diversity is effectively managed.

5.3 Conclusion

The increasing pace of globalization in the world has changed the dynamics in the workplace. The management of cultural diversity has gained momentum due to the pressure on businesses that become internationally competitive and changing composition of the workforce. In reviewing literature, this study has revealed that there still exists gender imbalance in the workplace. Therefore, organizations should consciously seek to promote gender balance in recruitment processes. Diverse work

groups have been seen to contribute greatly towards high value, great brand reputation and high productivity to the organization. Promoting differences in cultural orientation will enable an organization enjoy a competitive edge through employee motivation. Regulation on equal employment opportunities should be enforced to promote synergy and equal access to opportunities.

Organizations should not adopt a single-sized approach in diversity management. This is because diversity varies across organizations and hence require that strategies be formulated to fit the particular scenario. Understanding the forms of cultural diversity within an organization will form the basis of strategy formulation and implementation. Understanding diversity also applies to an organization's customer base. Customers will often feel at home in organizations where employees' opinions are valued. Integrating diversity at the managerial level often transcends to adoption of diversity into all dimensions of the organization thereby creating a culturally diverse profile. Training should seek to reinforce acceptable norms and values that promote cultural diversity.

At SGA Security(K) Limited, cultural diversity has been adopted as a competitive tool in the market place with continuous emphasis placed on the benefits of cultural diversity. The various policies within the organization have been created to ensure that the organization competitiveness is geared towards providing integrated solutions to its customers while expanding its market share. With increased competition, efforts need to be focused on globally expanding to ensure that expertise obtained from other countries further safeguards the organization's position at the top.

5.4 Recommendations

The study recommends that more needs to be done in managing a culturally diverse workforce. The understanding and recognition of the importance of having a diverse workforce and the influence cultural diversity has on competitive advantage has implications on managerial practice, policy and theory which will be further discussed below.

5.4.1 Recommendations for Policy Makers

The study findings can assist policy makers in development of all -inclusive policies that clearly outline equal opportunities irrespective of age, gender, religion or nationality. Furthermore, the results will be useful in implementation of disciplinary action to individuals found to be offenders and remedial actions to the aggrieved parties. The results will be crucial in development of affirmative action programs that would require adoption in HR practices namely recruitment, training, selection, compensation of women, disabled members and minority groups.

The results of the study can assist in development of policies applicable beyond a country's borders. Rather than adoption of ethnocentric outlook, international business managers will implement policies that support cultural relativism therefore ensuring that expatriates do not suffer from the effects of culture shock. This would also require foreign-owned subsidiaries to adopt management practices as per the host country. The overall effect is acceptance by the host market and increased chances of being more competitive relative to its competitors.

The results of the study have an impact on Vision 2030 and the Big 4 Agenda by the Kenyan Government. The goal of the two is to ensure that Kenyans will be cohesive and

would enjoy equitable social development. Due to these reforms, the policy makers believe that the country will be peaceful as no individual would be able to manipulate a well-educated, contented and productive citizen into ethnic divisions. Investment in the different groups through education and training, is a means of ensuring that people appreciate the diversity that exists among them.

5.4.2 Recommendations for Management

The results of the study have implications on HRM practices. From the study, the benefits obtained from cultural diversity outweigh the challenges therefore the organization should make a conscious effort towards implementing policies that support cultural diversity e.g encouraging an open door policy .The is also need to ensure compliance with the legal requirements of managing a diverse workforce ,namely equal employment opportunities. Other aspects of HRM includes maintaining flexible working hours and acknowledging different time zones that exist in different countries, promoting a work - life balance to maximize employee productivity and provision of competitive packages to all employees. Furthermore, organizations should make provisions for the disabled employees within the organization.

The results will assist international business managers in development of diversity programs to cater for employees of different nationalities; seeing that SGA Security (K) Limited seeks to further expand the organization into global markets. The results will form a basis of ensuring employees are well trained, effectively compensated, fairly appraised and awarded opportunities based on an acceptable criterion. The results will

also assist foreign owned subsidiaries in implementation of favourable management styles as per the host country regulations.

The results of the findings will also assist in determining organization structures that can be adopted to promote cultural diversity. A blend of decentralization and centralization aspects can be included in an organization as part of open door policy Employees should be free to contribute towards strategy formulation as part of motivating them whilst management should maintain control of strategy implementation to ensure the organization goals are met. Therefore, diversity should be effectively maximized to promote the interests of the organization.

5.4.3 Recommendations for Theory

This study used two theories to explain the influence of cultural diversity on competitive advantage; RBV and Competitive Advantage. However, past studies paid more attention to the link between cultural diversity and organizational performance. Cultural diversity involves managing individual differences for group cohesion. In addition to past theories, the study has identified more positive effects of cultural diversity Mockler (2001) noted that reconciling differences leads to the discovery that diversity is pleasant and that integration of the reflection and of global action can be successful. In practice the value of cultural diversity will help leverage talent and promote a positive work relationship between management and employees within the organization. This study has contributed more knowledge towards theory building on aspects relating to cultural diversity and competitive advantage.

5.5 Limitations of the Study

A case study approach was adopted by the research project with focus being on SGA Security (K) Limited. The interviews were carried out by interacting face to face with the respondents. The interviewees were guaranteed the answers would be treated with utmost confidentiality. However, some of the responses were biased with the respondents trying to maintain positive stand on some issues. Familiarity with the interviewer contributed to increased consciousness of the responses given.

Time was a constraint which affected the scheduled appointment dates for the interviews. The questions were sent in advance to the respondents but most of them kept postponing, while others requested to be interviewed off working hours so as not to affect the daily routines. The responses were somehow rushed as a result of multiple distractions, therefore, the respondents would find themselves receiving calls or responding to emails during the interview session.

5.6 Suggestions for Further Research

The study aimed to determine the impact of cultural diversity on competitive advantage at SGA Security(K) Limited. Based on the study findings, a positive relationship was established between competitive advantage and cultural diversity. The study unveiled that more opportunities needed to be created within the organization to accommodate women and people with disability. Therefore, further research should be conducted to determine the women's role and people living with disability in helping an organization gain competitive advantage. The study focused on management perspectives of how cultural diversity would influence competitive advantage. More research from employees' point of view needs to be conducted to assess how cultural diversity positively or negatively affects their interaction in the workplace. There also needs to be more research on HRM as critical part of diversity management.

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APPENDIX: INTERVIEW GUIDE

This study is about influence of cultural diversity on competitive advantage. Kindly answer the questions according to your understanding.

SECTION A: Background Information

a) State the name of the organization.

b) What are the tasks in your position?

c) How long have you worked in the organization?

d) How long have you been serving in your current position?

SECTION B: Cultural Diversity

1) What do you understand by cultural diversity?

2) How important is cultural diversity to the organization?

3) What are the key benefits that the organization experiences as a result of having a diverse workforce?

4) How is cultural diversity represented in the organization?

5) How is cultural diversity integrated into the organization's policies and procedures?

6) Do different opinions from employees result in critical analysis of different issues in the organization?

7) Does cultural diversity have an impact on recruitment of candidates to the organization?

8) Does cultural diversity help the organization respond faster to environmental changes in the market?

9) To what extent is the marketing success of the organization driven by cultural diversity?

10) Does management continuously sensitize employees on the importance of cultural diversity? Explain.

11) In relation to cost, how has the organization maximized diversity to provide quality products at premium prices?

12) Does the organization operate on the principle of niche marketing through using diversity as a strategic tool?

SECTION C: Diversity Management

1) Name some of the practices adopted by management to manage cultural diversity in the organization.

2) What are the outcomes of the initiatives taken by the organization to manage cultural diversity?

3) What are some of the challenges of managing a culturally diverse workforce?