

**TOP MANAGEMENT DIVERSITY AND PERFORMANCE OF KENYA
PIPELINE COMPANY**

JOEL KALIA KAMUTI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION, FACULTY OF
BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF
NAIROBI**

November 2021

DECLARATION

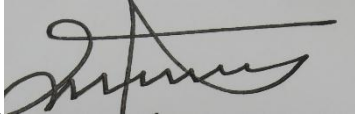
This research project is my original work and has not been presented for a degree in any other University

Signature 

Date.....29/10/2021.....

JOEL KALIA KAMUTI
D61/87825/2016

This research project has been submitted for examination with my approval as University Supervisor

Signature 

Date.....2/11/2021.....

PROF. JUSTUS MUNYOKI

FACULTY OF BUSINESS AND MANAGEMENT SCIENCES

UNIVERSITY OF NAIROBI

DEDICATION

This piece of work is dedicated to my wife, children, and siblings who have been supportive and understanding all along since when I enrolled for my master's degree.

ACKNOWLEDGEMENT

The process of writing this master's project has been a wonderful experience coupled with its fair share of challenges. The completion of my studies opens a new beginning in my career journey.

First, I want to thank the Almighty God for giving me the grace to tackle each step of my post-graduate school life.

Special thanks to my supervisor Professor Justus Munyoki for creating time to look at my work and guide me accordingly and my moderator Dr. Winnie Gacugu Njeru, for all the support. Your passion for professionalism and excellence was demonstrated throughout our interactions.

My sincere gratitude to my wife and children for cheering me on, supporting me in all ways, and being there for me and with me right from the start of my coursework until this moment of finalizing my project. Finally, to my dear friends and siblings for being extremely supportive

.

ABSTRACT

Top management team diversity is a concept that firms are recently embracing to ensure that they have a competent top management team that can set strategies and decisions to drive the firm towards achieving performance. This research was set out to establish the relationship between top management diversity and the performance of Kenya Pipeline Company Limited. A case study design was employed to enable the researcher to conduct an in-depth investigation of Kenya Pipeline Company Limited through establishing the influence of top management team diversity and performance of Kenya Pipeline Company Limited. An interview guide was applied to collect primary data by interviewing eight Heads of the following Departments: human resource, finance, marketing, procurement, business development, engineering, operations, and directorate divisions, making it a total of eight participants and data analysis was done using content analysis. The study concluded that the most commonly applied top management team diversity practices were functional experiences, educational qualifications, gender, and age. Through top management team diversity practices, the company made better decisions and strategies, which propelled the firm towards enhancing performance. The study further established that using top management team diversity practices enabled the firm to enhance its performance by producing value-adding products and services that resulted in customer satisfaction, minimizing customer complaints. Being a state corporation that has the responsibility of transporting, storing, and delivering petroleum products to the consumers of Kenya by its pipeline system and oil depot network, the interviewees largely attributed this achievement to TMT diversity, which resulted to quality of decisions and strategies that led to the success of the corporation. This research was limited to scope because of resource and time constraints forcing the researcher to conduct a case study of Kenya Pipeline Company Limited. Thus, it would be advisable for future researchers interested in this field to replicate this study to include all oil industry firms in Kenya; findings can then be compared, and a conclusion will be drawn based on facts.

TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT.....	iv
ABSTRACT.....	v
ACRONYMS.....	ix
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background to the Study.....	1
1.1.1 Top Management Diversity	2
1.1.2 Organization Performance	3
1.1.3 Kenya Pipeline Company	4
1.2 Research Problem	5
1.3 Research Objective	7
1.4 Value of The Study	7
CHAPTER TWO: LITERATURE REVIEW.....	9
2.1 Introduction.....	9
2.2 Theoretical Review	9
2.2.1 Resource Based Theory	9
2.2.2 Upper Echelon Theory.....	10
2.3 Top Management Diversity and Performance	11
2.4 Summary of Literature and Research Gap.....	15
CHAPTER THREE: RESEARCH METHODOLOGY	16
3.1 Introduction.....	16
3.2 Research Design.....	16
3.3 Data Collection	16
3.4 Data Analysis.....	16
CHAPTER FOUR: DATA ANALYSIS, RESULTS, AND DISCUSSION	18
4.1 Introduction.....	18
4.2 Top Management Diversity Characteristic	19
4.2.1 Educational Diversity.....	19

4.2.2 Functional Diversity.....	20
4.2.3 Tenure Diversity	21
4.2.4 Nationality Diversity.....	22
4.2.5 Ethnic Diversity	22
4.3 Effect of Top Management Team Diversity.....	23
4.4 Discussions	24
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS	26
5.1 Introduction.....	26
5.2 Summary	26
5.3 Conclusion	28
5.4 Recommendations.....	29
5.5 Limitations for the Study	29
5.6 Areas of Further Research	30
REFERENCES.....	31
APPENDIX I: INTERVIEW GUIDE	36

ACRONYMS

TMT	Top Management Team
KPC	Kenya Pipeline Company
EPRA	Energy and Petroleum Regulatory Authority
RBV	Resource Based View

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The performance of an organization is not determined by one factor but rather a myriad of strategies that it adopts, implying that the ability of an organization to identify its current position and goals with a view to pursue effective strategies that will enhance the attainment of the its long-term strategic goals is important. The ability of an organization to adopt effective internal set of rules that govern the relationship between various stakeholders in the company with a view to working towards a common goal is believed to influence the performance of the organization (Kaptein & Van Tulder, 2017).

Diversity in the top management team is a concept used to describe dynamics that leads to greater variance in ideas, creativity, and innovation, thus generating better group performance (Jackson, May & Whitney, 2010). It is from this diverse knowledge of ideas that the decision-making groups in an organization would be able to produce a consensus from the initial ideas raised and be able to successfully implement a strategy because all the managers act on a common set of strategic priorities. Top management team (TMT) members which are more diverse will possibly benefit and enhance firm outcome especially in contributing to better decision-making, higher innovation and greater creativity (Ghazali, Nurullah, Ibrahim, Sanusi & Mohamed, 2019).

The study was anchored on two theories, namely; the Upper Echelons Theory, and Resource Based Theory. The Upper echelon theory was advanced by Hambrick and Mason (2014) and argues that organizational outcomes and strategic choices are partially predicted by top management demographics. On the other hand, RBT assert that a firm's resources form the basic foundation for its long-term strategy because they provide the direction for a firm's strategy and they are the primary source of profit (Wernerfelt, 2014; Barney, 2017). Therefore, RBT suggests that the resources possessed by a firm yield significant influence on performance.

The Kenya pipeline company limited is one of the critical state cooperation in Kenya that plays important role in distributing petroleum products across the country and also in the neighbouring countries. Towards achieving its target, the company is currently involved in infrastructure upgrade and development with the aim being to meet the ever-increasing energy in demand in the region. To achieve this goal top management, need to be composed of persons with diverse characteristics that will enable it achieve its stated goals. It is therefore important to establish the effect of top management diversity on the performance of the company with the aim facilitating improved performance in the organization.

1.1.1 Top Management Diversity

The upper echelons theory Hambrick and Mason, (2014) defines top management characteristic as unique personal attributes or traits ascribed to the top managers, that have been learned or innately acquired, observable or cognitive and which when combined bring administrative solutions to the organization (Knight, Pearce, Smith, Olian, Sims, Smith and Flood, 2012). Over time, there have been studies confirming, refuting and refining characteristics of TMTs and their influence on organization outcomes

The top management diversity dimensions that have identified among the upper echelon team in an organization include age, education, gender and functional background (Hambrick & Mason, 2014; Dahlin et al. 2005). Psychologically, people at the age of 40 and above are presumed to have several distinctions in terms of experience and self-control. They are bound to look at a situation in a more mature way and this might explain why majority of persons at this age and above sit in boards of organizations due to their mature thinking and consequently decision making. The difference in educational background among the top management team influences positively the depth and range of information shared by an individual. Luanglath, Ali and Mohannak (2019) found that gender diversity is yet another factor influencing the performance of the top managers in an organization. The decision making in a board that is gender balanced has been found to be more inclusive than one where one gender is dominating. Further, Njagi (2015) assert that the difference in the functional background of the top management as measured by diverse field as law,

risk management, accounting taxation, finance, and so on to have a positive effect on the competitive position of business organizations.

1.1.2 Organization Performance

The organization performance depends on the entities activities and since the same varies, there have been different definitions of what constitutes performance. According to Javier (2002), the performance of an organization represents its ability to produce results in a way projected to a target. On the other hand, Machuki and Aosa (2018) define organizational performance from the point of view of efficiency and effectiveness of a firm. Walker, Damanpour and Devece (2018) define organizational performance as the record of outcomes produced on a specified job function or activity during a specified period of time. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives.

Similarly, Ağan et al. (2016) is of the view that organizational performance measures three specific areas of firm outcomes: financial performance; product market performance and shareholder return. Therefore, according to these definitions, performance can be assessed in terms of output and outcome, profit, internal processes and procedures, organizational structures, employee attitudes, and organizational responsiveness to the environment among others. In recent years, many organizations have attempted to measure organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: financial performance (shareholder return), customer service, social responsibility (corporate citizenship, community outreach) and employee stewardship (Valmohammadi & Ahmadi, 2015).

In public organizations, performance Contracting (PC) is used to measure performance since it defines expectations (the work, the results to be attained and the attributes) and competencies required to achieve results. PC identifies the measures used to monitor, review and assess performance (Gross, 2015). In many government organizations, performance contracting is now used in measuring organizational performance and therefore this study will adopt this approach. In the present research, the balance score card performance perspective measures will be used. It is a strategic

performance measurement model developed by Kaplan and Norton (2015) and its main objective is to translate an organization mission and vision into actual operational actions. The perspective measures are namely the firms, financial, internal processes, customer focus and, learning and growth.

1.1.3 Kenya Pipeline Company

The Kenya Pipeline Company is one of the state corporations in the energy sector that was incorporated in 1973 under the Companies Act (Cap 486) though it started its commercial arm in 1978. The Company is 100% government owned shareholding is involved in the Marketing of petroleum products industry through the operations of the Mombasa – Nairobi pipeline (PIEA, 2017). The company in fulfilment of its role performs three main services namely, transportation, storage and loading (Kenya Pipeline Company, 2015). Despite being the only company operating the pipeline, KPC faces a number of supply chain challenges ranging from unreliability in the pipeline, unexplained losses and lack of the existing pipeline to meet the demands of fuel in the upcountry (Wawuda & Mungai, 2016).

The management of KPC, especially the top management has been a subject of government interference through appointment of the board and the CEO who in most cases are the products of political process and this has led to some decisions lacking economical basis but political expediency. However, majority of the top management team are holding the positions courtesy of their qualification. The organization top management are entrusted with the realization of its objective of transporting refined oil and storing the same. The achievement of the objectives of the company requires high level of expertise and implementation and this can best be realised if the management is composed of persons with a wide spectrum of technical and supportive qualification. As compared to other state-owned companies, KPC does not depend on government financial support but rather is a source of revenue for the government through dividends and taxes remittances. It is supported by the major oil companies that are signatories of the network, and are therefore obliged to transport their fuel through the pipeline.

1.2 Research Problem

The performance of an organization is determined by different factors, including on how an organization is managed and run. Therefore, the ability of an organization to determine both internal and external factors that influence its performance is expected to be an important step to improving the firm position from the current one. One of the internal factors that is deemed to influence the strategies that an organization adopts and eventually the ability to successfully realise its objectives is the characteristics of the top management. A workforce that draws its members from a diverse pool of characteristics such as race, nationality, attitude, ethnicity, educational level, and gender has been of concern to the organizations to scholars due to its perceived influence on performance. This is because the ability of an organizations' top management to come up with appropriate strategies in the context of changing business environment can better be achieved if the decision makers come from a diverse pool of expertise.

The important role played by the Kenya pipeline limited in the distribution of petroleum products in Kenya and neighbouring countries is critical such that its failure to fulfil its obligation might result in the shutdown of the economy with serious economic consequence. In addition, economies of countries such as Uganda, Rwanda, Burundi and Easter DRC depend on KPC for cost-effective and safe means of transporting and storing fuels. With this important role, it is important that the top management of this state corporation come up with effective strategies of fulfilling its mandate. At the same time, it becomes incumbent upon the decision-making body of the organization to be made up of persons with diverse characteristics that when combined brings about necessary synergy. As a result, the quest of the study to investigate the effect of top management diversity on its performance will be important towards realization of its goals

The influence of top management diversity on the organizational performance has attracted the interest of different scholars, both at the international level and at the local level. Ruiz-Jiménez and Fuentes-Fuentes (2016) undertook an empirical research to establish the nexus between management capabilities, innovation, and gender diversity in the top management team of 205 Spanish firms and found that management capabilities positively affect product and process innovation. Among the

Malaysia firms, Khan, Hassan and Marimuthu (2017) investigated diversity on corporate boards and firm performance with the findings suggesting that gender diversity had a positive and significant effect on the performance of the non-financial firms researched on. Further, Boone, Lokshin, Guenter and Belderbos (2019) sought to determine how the top management team nationality diversity, corporate entrepreneurship, and innovation in multinational firms affect the performance of multinational firms in Britain and found that nationality diversity had a negative effect on the performance of the firms. In West African Countries product innovation is a key tool for construction firms competing in the marketplace, innovating firms often fail to obtain economic returns from their product innovations (Obasanjo, 2013). In Rwanda organizational knowledge creation, as reflected in NPD, is a vital process for firms to gain competitive advantage, Knowledge and innovation play a certain role in regional economic growth (Akbar, 2014).

Among the commercial state corporations in Kenya, Omoro, Aduda and Okiro (2015) sought to explore the relationship between demographic diversity in top management team and financial reporting quality. The findings to the research reveal that the top management diversity is related to the firm's financial reporting. Similarly, Mangar and Munyoki (2018) investigated the effect of strategic Alliance Portfolio diversity and Performance of Commercial Banks in Kenya and the findings suggest that firm embeddedness and reciprocity enhance the portfolio problem solving capacity and therefore performance of the commercial banks in Kenya. Further, Mkalama and Machuki (2019) sought to determine the top management demographics and performance of State Corporation in Kenya. The results of the findings suggest that the top management demographics had a statistically significant influence on the performance of Kenyan state corporations.

From the above studies and literature on top management diversity, it is evident that the concept has attracted the attention of different interest due to its perceived influence on organizational performance. However, majority of the studies have looked at different organizations in a sector and not a case study as in the current study. Also, from the above studies, no study focused on educational diversity, functional diversity, tenure diversity, and social diversity top management on performance. Consequently, this research will seek to fill in the gap by answering the

following research questions on the effect of educational diversity, functional diversity, tenure diversity and social diversity on performance of Kenya Pipeline Company?

1.3 Research Objective

To determine the relationship between top management diversity and performance of Kenya Pipeline Company limited.

1.4 Value of The Study

The findings of the study will have positive implication on Upper Echelons Theory and Resource Based Theory. Attainment of these targets in turn will improve organizational productivity and provide the organization with added value. It will help in providing organizational values and qualities of the top management of an organisation, which only uses socio-technical concepts as tools to accomplish solely economic goals.

The understanding on effect of top management diversity on performance of Kenya Pipeline Company Limited will be of importance to different groups of stakeholders. The management of the KPC will derive a great deal of benefits from the study since the decision making and strategy development in a firm with a view to realization of the organization goal is the top management team. Therefore, the understanding on how this category of employee's characteristics such as level of education, functional background and gender, for example, will help in formulating organizational policies that will guide in the recruitment criteria of the top management team. Similarly, the study will guide the organization in advocating the formation of specific board that meet certain criteria that will result in improved decision making and thus better alignment of the firm to the changing business environment.

Secondly, policy makers in the ministry of energy such as the Energy and Petroleum Regulatory Authority (EPRA) as well as the government – as the sole shareholder of KPC in formulating appropriate policies that will guide the operation of the company as well as other players in the energy sector. Through the research findings and recommendations, it will be possible for the regulators and the government to respectively recommend and appoint the nature of the members to the board as well as

the executive members of KPC. Investors and financiers to the company will also be able to evaluate the management team running the company before deciding on the financing plans since this group will influence the payment potential of the loan.

The academic world will also benefit from the outcome of the ongoing research since it will provide insightful discussion that can guide other scholars in coming up with a gap that this research will not have covered due to its scope. The energy sector in Kenya is still in its infancy stage and therefore the study will help scholars in the coming up with ways in which the industry can be developed further through recruitment of appropriate management team. Similarly, future scholars can explore other variables that can either moderate or mediate the relationship between TMT and performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter discusses the literature related to the research objective which is to establish the effect of top management diversity on the performance of Kenya Pipeline Company. The section covers theories that anchor the study and further covers the empirical studies that are relevant to the research subject area.

2.2 Theoretical Review

This section discusses theories that are relevant to the study objectives. The discussions relating to the effect of top management diversity on the performance of Kenya Pipeline Limited is anchored on three theories, namely; Resource Based Theory (RBV) and Upper Echelon Theory. This section discusses the three theories and highlights their relevance to the study.

2.2.1 Resource Based Theory

The Resource Based View (RBV) concepts were originally developed by Penrose (1959) and Wernerfelt (1984) and later improved by Barney (1991). The RBV considers an enterprise to be a particular set of substantial client-managed tangible and intangible resources that enable the entity to devise and implement plans that maximize its competitiveness and performance. However, according to Barney (1991) a resource will be a source of competitiveness if it has certain unique attributes that distinguishes them from those of other players in the market. These involve characteristics that are important to create a sustainable competitive edge, including the need for a resource to be valuable; it must be scarce across future and current competitors; it must be imperfectly imitable; and it should also not provide technically comparable alternatives for established goods. Therefore, since resources cannot be transferred and completely imitated, the product markets are expected to be stable and constant (Barney, 1991, Kraaijenbrink *et al.*, 2010).

Irrespective of how good a firm's competitive position stands, there is need to augment it with an elaborate strategy that covers the firm's core competencies, product and service development, competitive priorities and customer driven strategies. This is because, as Boyer, Swink and Rosenzweig (2015) highlights, organizational capabilities on their own will not improve a company's performance but rather the capacity of the organization to combine these internal capabilities in a manner that will create a synergy and thus improve the organizational performance. Therefore, the capacity of an organization to orient its operations in terms of adapting to the external environment, building internal and external environment, proactiveness and building defensive capabilities is expected to result in improved competitive advantage. This can best be achieved through the top management decision making capacity.

However, the RBV has attracted criticism owing to its static nature and lacks the ability of a company to adjust procedures and reconfigure resources with a view to increasing its productivity (Vera, Crossan & Apaydin, 2017). In fact, RBV does not adequately clarify how businesses build and implement their capabilities and resources in order to achieve a competitive market place. The theorists advancing the dynamic capability principles have explored the possible ways of doing away with this constraint by suggesting that rather than having a company considered as ownership of capabilities and resources, this feature alone cannot put a company in a strategic position to win a bigger share in a competitive market and instead, they propose that a firm should have a strategic approach that executes resources and capabilities that suits the operational environment of the company and will help spearhead market penetration (Eisenhardt & Martin, 2000).

2.2.2 Upper Echelon Theory

The Upper Echelon theory as one of the theories of organization claims that, due to its own individual and collective backgrounds, an organization's performance standard reflects its leading managers' values and cognitive capacities. Based on the Company's existing behavioral theory (Cyert & March, 1963), management typically makes an irrational decision, which the upper echelon's theory reinforces by proposing that executives face enormous overloads of data in their everyday activities, often leading them to decide on the basis of their experience. In order to be able to

filter this information that appear in a random manner in the business operating environment, Kapferer (2012) opine that the top management characteristics, for instance strategic thinking, determine the effectiveness of filtering and assessing the abundant information that may help an organization in the long run to respond to the changes in mode of operations by being innovative.

Thus, the literature on the upper echelon theory has consistently advanced that the view that the leadership characteristics of an organization will determine the firm's strategic choices such as product organizational, plant and equipment newness acquisition, unrelated diversification, capital intensity and response time. Hambrick (2007) suggests that upon selecting an employee with certain strategic characteristics to be at the helm of the organization, then the chances of the organization achieving its innovative goals is enhanced. However, in the present-day globalized labor market, by selecting an employee through such attributes as skills and experience might be considered discriminatory and unfair to the other individuals without such characteristics. If the employee discrimination narrative is successful in the market, this might lead to boycott of the company products and services, as well as attract huge financial penalty.

2.3 Top Management Diversity and Performance

The top management diversity is concerned with having the senior management that contains both tacit and acquired knowledge with the aim of being utilized to make decisions that will improve the performance of the organization in which they manage. The popular dimensions of top management diversity as applied by various scholars include education level, gender, functional background, social and tenure.

The educational capability of managers is thought to have a direct effect on their cognitive capacity because it is supposed that an educated person is endowed with more information processing abilities and creativity. Lombard and Craford (2015) assert that well educated managers are able to consider the implication of various environmental factors in the internally generated strategies and through the same, to formulate sub-level strategies and to appropriately deal with employee's resistance to change. The effective management of employee resistance is expected to increase organizational performance since all members in an organization will work towards

the attainment of the same goal. The same conclusion was arrived by Heavey and Simsek (2017) who highlight that top management team influences the level of knowledge available in the firm and consequently capacity to make a good decision, especially in an open environment where one single global issue affect many players and this calls for educated managers who are capable of making appropriate strategic networks and network competence. Indeed, an educated management team is associated with higher flexibility, intensity of innovation and willingness to change when external or internal circumstance demand. Consequently, an educated top management team has better ability to manage and make better business decisions as compared with those who lack the requisite educational background.

Improved decision making by managers, as a result of educational competency is associated with better decision making because a diverse top management is able to stimulate debate on an issue before a decision is made. This increases the depth of information elaboration and consequently helping an organization decision making organ avoid the tendency toward group think and instead move towards solving complex problems that emanate from the market place and consequently boosting decision quality. A similar position was arrived at by Abubakar, et al. (2019) who noted that with diverse educational backgrounds, the top managers are able to interrogate a problem at hand from much perspective, a virtue that will likely result in improved decision-making resulting from diverse perspective from the group members.

Diversity in the functional background of the top management is out of the need that the decision makers be persons with diverse expertise in the field of law, accounting taxation, finance, and so on because an expert person arrives to a better conclusion on such matters as risk evaluation, competitive advantage and understanding on matters that need to be encountered in business. In the same way, Kakabadse et al. (2015) suggest that board diversity as manifested in diverse background and experience is suitable in meeting the needs of an organization as caused by the changing needs of the company from time to time. The functional diversity of the top management in an organization is expected to bring diverse kind of social capital that ultimately influences performance resulting from improved strategic decision making. An employee stimulus to interpret a problem at hand improves when managers come

from diverse functional backgrounds as well as better facilitates strategic organizational changes aimed at improving firm performance. , though chief executive officer characteristics play an important moderating role in this relationship.

A functionally diverse workforce acts as an external signal to organizational stakeholders because as Korschun (2015) assert, a diversified board of management positively impacts the wider image of the firm and gives confidence to a wider audience which in turn influences the overall performance. The asymmetrical nature of the decisions made by a diversified management team serves to signal asymmetric information present in the organization. A case in point is whereby a firm is described by its association of membership and if the top management team chooses to associate themselves with firms that subscribe to certain values and ethos, then it is expected to affect the level of membership and business level. Further, on the basis of the knowledge-based view theory, organizations that has different knowledge bases repository have been found to exhibit better performance than those whose management team is not heterogeneous. This is because since each member of an organization's top management brings specialized and unique knowledge that if it is effectively used, will enable a firm to strategically respond to market changes.

Another dimension of organization top management characteristic that has been linked to performance is the diversity in the management tenure as proxied by the breadth of knowledge available amongst the team. According to Harrison and Klein (2010) a management tenure variety will include the information and cognitive perspectives available among the top management due to tenure differences. The top management team diversity in tenure comes improves their ability to perform strategic reasoning that will guide the organization to achieve its objectives by limiting the effects of the competitive pressures. Yi, Ndofor, He and Wei (2017) reinforce the need for having a longer tenure of the top management team by stating that it is likely to result on other organization members respecting them and by extension their decisions will also be respected by the other members of staff. However, a wide breadth of top management tenure has been associated with some disadvantages as was highlighted by Hambrick, Humphrey and Gupta (2015) who posit that the top management tenure diversity might result in a decline in performance because after a certain period of time, the management team becomes resistant to strategic change and

develops myopic vision which lowers management's risk-taking capability and innovativeness.

The inclusion of various ethnic groups in the top management team in an organization is also important because having members from different ethnic backgrounds enhance the team's perspective which would be useful in designing firm strategies through their contribution which are based on different knowledge they have (Ashikali & Groeneveld, 2015). Therefore, with a diverse top management team, various valuable perspectives and knowledge can be shared for a better decision leading to better firm performance. Similarly, heterogeneous teams in terms of their social position bring greater variance in creativity, innovation, ideas and, ideologies thus enabling organizations to perform better.

The question on why some entrepreneurial firms performs better than the others from the basis of their management leadership was investigated by Bingham and Eisenhardt (2011) find that a large management team that has been working together for a longer time have been found to register improved performance. This was attributed to the capacity of the large team of management to develop simple heuristic and related organization processes that enables them to seize opportunities faster as compared to the undiversified top management team. The findings suggest that diversity helps in reducing the principal –agent conflict and thus the financial performance of the firm.

A similar finding is supported by an earlier study by Mahadeo, Soobaroyen and Hanuman (2012) who while investigating the effect of board composition on the financial performance of 42 listed firms in Mauritius and find that diversity in terms of gender, educational and functional backgrounds had a positive and significant effect on the performance of firms. The study adopted a descriptive research design among the 43 commercial banks in Kenya and the findings reveal that top management diversity as proxied by, academic qualifications, professional qualifications and functional background had no effect on the performance of commercial banks. This finding was earlier supported by Ekadah and Kiweu (2012) who similarly found that board gender diversity had no significant effect on the performance of commercial banks in Kenya. However, the findings identify that board diversity is an important corporate governance facet though it has a significant

effect on the performance of the commercial banks. This was attributed, among others, to the glass ceiling in the Kenyan commercial bank's top management hierarchy.

2.4 Summary of Literature and Research Gap

The concept of the top management team diversity has attracted the interest of scholars and practitioners in the field of management due to its perceived effect on the organizational outcome. Different variables of top management diversity have been investigated ranging from gender, educational background, functional, tenure, age and social perspectives (Heavey, & Simsek, 2017; Hassan et al., 2015; Munjuri & Maina, 2013). However, the results of the study are varied with a positive effect being registered by other research (Marinova, 2016; Mwangi et al. 2016) while other studies did not register any relationship between the variables.

In addition, of the studies carried out, limited studies have pursued a case study research design that will bring about a more in-depth discussion and on the relationship between the variables. Similarly, the studies have looked at the two variables from the point of view of many organizations as opposed to one organization, especially from the developing country perspective. Pursuant to a lack of conclusive position on the effect of top management characteristic on the performance of organizations and also in recognition of the fact that a case study approach has been limited, this study will seek to bridge this gap by investigating the effect of TMT on the performance of Kenya Pipeline Company.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the study methodology that was adopted in order to achieve the intended objective. The areas of consideration in this chapter were comprised of the study research design, target population as well as procedures involved in data collection. In addition, the section covers the data analysis method.

3.2 Research Design

In this study, a case study research design was used. The reason for this choice is based on the knowledge that case studies are more appropriate for examining the processes by which events unfold, as well as exploring causal relationships and also it provides a holistic understanding of the phenomena through prodding of the interviewee to give answers to the questions. The study sought to determine the relationship between top management diversity and performance of Kenya Pipeline Company limited. This design was preferred as it provided an avenue for data collection from the firm to establish the link between variables under study at a particular time. The design was successfully used by Machuki (2011).

3.3 Data Collection

The study used primary data that was collected through online interview with the researcher. An interview guide was used to collect data on the effect of top management diversity on the performance of Kenya Pipeline management. The interviewees were made from one member in each of the following departments: human resource, finance, marketing, procurement, business development, engineering, operations, and directorate divisions, making it eight participants. These respondents were considered to be involved in the formulation and implementation of policies regarding the composition of the top management characteristic.

3.4 Data Analysis

The data collected was analyzed by use of content analysis. The information was analyzed and evaluated to determine their usefulness, consistency, credibility and adequacy. The content analysis was used because it assisted in making inferences by

systematically and objectively identifying specific messages and then relating them with their occurrence trends.

Similar studies in the past like those done by Armule (2003) who researched on the response of the family planning association of Kenya to changes in its operating environment and Kandie (2001) in a study on strategic responses by Telkom Kenya Ltd in a competitive environment used this technique of content analysis.

CHAPTER FOUR

DATA ANALYSIS, RESULTS, AND DISCUSSION

4.1 Introduction

The research objective was to determine the effect of top management diversity on the performance of Kenya Pipeline Company Limited. The data collected toward the attainment of the objective was collected through the use of the interview guide. This chapter presents the analysis from the interviewees and a discussion of the findings. In the general information section, the researcher sought to determine the interviewees' academic and professional qualifications, length of service in the organization and assess any role they play in coming up with a diverse workforce. Regarding the interviewee's level of education, eight of the interviews had different levels of post-graduate qualification, with the two of them have attained a PhD in human resource management and the other in strategic management. The other six interviewees had a Masters's Level of academic qualification in finance, operations management, and Chemical Engineering. Similarly, the respondents had pursued different professional courses in their relevant field to acumen their academic qualification. Some of the professional qualifications attained include a higher diploma in HRM, marketing, accounting, and Law.

In relation to the question asked on the work experience at Kenya Pipeline Company Ltd, the results reveal that the average working experience for the interviewees was eight years, with four of them having worked in the company for over 12 years while only two of them were relatively new having worked for less than three years but had worked in the petroleum sector for in Kenya and outside the country before joining KPC. At the same time, the researcher found out that the interviewees had headed their respective departments for at least three years. The role played by the interviewees in developing employee diversity in the organization was also evaluated to determine whether they understand and appreciate the importance of employee diversity in the workplace. The results show that all the interviewees understand the need to have top management diversity and enhance performance. However, only three of the interviewees indicated that they participate in recruiting a diverse top management workforce. On the three interviewees who did not participate in the

recruitment of the employees to the organization, they were found to understand the diverse dimensions of top management diversity with educational, functional, ethnic, and functional diversity being the dominant practices of top management team diversity that was being adopted in the organization.

From the interviewees' education, work experience, and understanding of top management diversity at KPC, it was safely concluded that they were knowledgeable in the research matter and, therefore, able to provide reliable information to the questions asked.

4.2 Top Management Diversity Characteristic

The study's objective was to investigate the influence of top management diversity on the performance of Kenya Pipeline Company Limited. A firm's performance is generated from one single source of activity and a combination of strategies that combine to form a synergy. One of the management practices that is perceived to influence the performance of an organization is the level of management diversity exhibited in the top management echelon. The diversity of these employees' cadre takes different forms. In the present research, six different top management employee diversity were investigated: education, functional, tenure, social, nationality, and ethnic diversity. The following section discusses the results from the interviewees of each of the diversity dimensions investigated.

4.2.1 Educational Diversity

The researcher sought to investigate the characteristic of educational diversity of the top management at KPC. The interviewees pointed out that the organization's top management comprises persons from diverse educational backgrounds and academic levels. The HR manager noted thus,

“Starting from the board of directorship, we have a board whose characteristics uphold the recommendation of the corporate governance practices in terms of having an educationally diverse board. Similarly, the recruitment policy of the organization is that we employ persons and progress our employees while being cognizant of the fact that a diverse TMT brings on board a wide range of cognitive abilities and skills, improves processing of abilities, and thus better decision making.”

In recognition of the need to improve the employees' educational capacity, it was found that the organization has come up with a reward scheme for staff that upgrades their educational capacity and professional competency through a salary increase and consideration for promotion when a chance arises. This point was affirmed by both the marketing manager and Business development managers who acknowledge that part of the determinant to their promotion to the current position was their educational and professional qualification and noted that;

“The Kenya Pipeline Company has continuous training programs for the top management and sponsors staffs who wish to further their studies by paying 50% of the cost.”

Being a business entity and playing an essential role in the distribution of fuel in the country and the region at large, the interviewees observed that having a higher educational background among the top management team results in better business decision making compared with those who do not have or have a lesser educational level, ceteris paribus. The management's diverse educational level affords the organization a wide spectrum of decision-making choices and views, not accessible to a more homogeneous group. These results in improved decision-making since, they pointed, that diverse top management directly stimulates debate on an issue before a decision is made.

4.2.2 Functional Diversity

Functional diversity is concerned with the difference in the top management's past functions and duties. It is expected that a management team with a difference in their work experiences, experiences, challenges, and opportunities that one has gone through builds confidence and changes the nature of the decision that one makes. In this regard, the researcher sought to determine the nature of the top management's functions in their previous work experience. It is expected that better decisions are made when a team of different functional backgrounds comes together to deliberate an issue at hand.

The results regarding the top management functional diversity suggest that populating the top management by a team with different expert background reveals such as law, finance, accounting, and strategy enabled the KPC to make better decisions in areas

such as competitive advantage, risk evaluation as well as coming up with strategies of handling challenges at hand. The manager of business development pointed out that;

'The organization monitors on continuous basis the experience and expertise of the top management team and the board with a view to assessing whether the functional background aligns well to the demands in the current business environment.'

On how the KPC top management is functional diverse, the interviewees highlighted that close to 40% of the organization's top decision-making team had worked in other petroleum and fast food consumer goods in Kenya and other countries like Shell Holland and Uniliver in Nigeria. Apart from the functional experience from other firms, the HR manager noted that;

'Before ascending to head the different departments, the managers also are exposed to different functional areas in the organization and that the strategy department is represented by staff from different background to enrich the type of strategy arrived.'

The results suggest that the functional diversity in the organization is tailored towards being able to make distinctive and independent decisions.

4.2.3 Tenure Diversity

The top management tenure diversity is concerned with the breadth of knowledge available to the top management team due to the difference in the time between the current year and the year in which the TMT joined the organization. This is because, with different tenures, the senior management's perception concerning risk and commitment to the organization might differ. For effective decision making, it is anticipated that a wide array of knowledge base affords the top management with a broad spectrum of decisions due to the different views that the management has. The researcher sought to establish how the organization's tenure diversity manifested. The manager finance pointed that since the TMT tenure is a job-related difference, it represents the information process and the wider the tenure diversity, the higher the decision-making capacity of the management. The need to have diversified tenure among the top management team is that Individuals in diverse groups will access information from dissimilar networks outside their groups.

One interviewee argued that since the present-day business environment is an open system and drawing from the open system theory, managers' capability to process information will emanate from the social integration that a manager will have to actualize over the employment period. The questions asked in the tenure diversity suggest that the TMT is populated with staffs that possess different decision-making capabilities gained through their work experience in the organization and outside the organization, which is manifested in the attitude separation of other staff groups.

4.2.4 Nationality Diversity

An employee's nationality refers to the country of origin that has spent more of their formal years. Different countries have varied formal and informal educational set-up which influences a particular way of handling and analyzing environmental situations. Consequently, the nation of origin of individuals shows the institutional environment of the nation and individuals in which that has spent the majority of their formative years.

Concerning the questions on whether the Kenya Pipeline Company has top management staff that come from different nations, the respondents agreed that though there is no top management team that comes from different nationalities, two of the managers, as well as the three of the directors, had worked and schooled in USA, UK, and Australia before joining KPC. However, the manager marketing pointed out that an array of persons from a combination of formal and informal institutions in a country will guide individuals and organizations in analyzing the environment, dealing with uncertainty in the operating environment, and consequently coming up with different ways of dealing with the prevailing situation. The manager operations highlighted those different countries have different educational systems that introduce explicit and codified knowledge that guides in transactions and corporate governance tenets, resulting in diverse decision-making processes and arriving at optimal conclusions.

4.2.5 Ethnic Diversity

The concept of ethnicity is concerned with the diversity of employees in terms of their religion, culture, and personal identity. The researcher sought to gather how ethnicity at Kenya Pipeline Limited is manifested and how it might be influencing the firm's

performance. From the results, the HR manager highlighted that the organization is cognizant that recruitment of persons from different ethnic and nationality backgrounds comes with differences in preferences, both as a cultural resource and a sign of identity.

' person's identity is a source of shared understanding which shapes the way a person's behaves at work in terms of work performance and relationship with the other members of the group.'

In recognition of the same, KPC respected all employees' religions, cultures, and values. All employees are given equal opportunity to in decision making in disregard of their ethnic background. The interviewees appreciated the role that ethnic diversity plays in making employees act in a certain way to conform to the desired norm. Staff members within a certain ethnic class were found to maximize and be more concerned about their identity group association than the material gain that might arise from going outside ethnic group norms.

4.3 Effect of Top Management Team Diversity on Performance

The research investigated the influence of four diversity variables on Kenya Pipeline limited performance: education, functional, tenure, and ethnicity. The findings reveal that the educational diversity of the employees resulted in increased task conflict, which led to an increase in the level of performance of the team as a result of the resulting wide range of ideas introduced in a group discussion. The interviewees pointed out that a top management team empowered with a wide array of educational and professional backgrounds can leverage the knowledge differences of the members to achieve improved decision-making that considers wide environmental factors before concluding and making the best decision. Further, the interviewees noted that educated staff had improved interpersonal relationships that must be managed carefully when team members have very different values. These findings will help decision-makers manage software projects by selecting appropriate team members and effectively managing workgroup diversity for project success. Similarly, the results indicate that educational diversity resulted in improved interpersonal communication and relationship. This facilitated a better competitive position by the organization

since the staff can approach a challenge or opportunity as a team since each member can communicate available opportunities challenges better.

The innovativeness and creativity of the organization were found to be directly related to the educational level of the top management. The organization's innovativeness impacts the quality of services and products the company offers due to the top management's technical know-how due to their educational background. However, one of the interviewees cautioned that educational diversity does not result in positive performance. Instead, the employees and top management of the organization have to value the true benefits of employee diversity positively.

Functional diversity was found to positively influence organizational performance because of improved intra-personal information sharing that comes with the same. A diversified function top management was found to share information willingly. It was less likely to introduce intra-group bias or stereotypes that restrict information sharing quickly and thus faster decision making. However, the manager finance was of the contrary opinion that functional diversity might also work against the more significant benefit of the organization since a wider functional diversity of the top management; they might have difficulty relating and communicating with one another.

4.4 Discussions

The study results support the earlier held position by Kochan et al.'s (2013) that the need for top management diversity in organizations can best be achieved when diversity is ingrained into the organization's fabric, as captured in its mission policies and practices. Diversity does not necessarily result in improved performance, but rather this can only be achieved when a proactive diversity-management strategy is in place. Therefore, as Fink and Pastore's (1999) aver, such changes are likely to occur when athletic directors perceive diversity's value to the department.

The results reveal that when the organization TMT is composed of members who have worked for different periods, there might be conflict because those with a longer tenure might feel the sense of entitlement by opining that they have more institutional memory than those who have recently joined the team and as a result are committed to maintaining things as they have always been. Similarly, the results suggest that the status quo might come about from the longer tenure and thus create a comfort zone,

leaving no room for creativity and innovation, which are critical components of the performance of banks and form the internal processes perspective of the balanced scorecard. However, this finding is contrary to Awino's (2013) finding who noted that a TMT with more remarkable tenure is usually known to be more cohesive but less likely to change the status quo. Bantel and Jackson (1989) found a positive relationship between tenure and commitment to the status quo. In addition, Tyran and Gibson (2008) find that when the tenures of TMT members are very close (i.e., less diversity), they are more likely to show similar behavior patterns, beliefs, and expectations, have more interactive communications, and thus generate team identity and cohesion, resulting in higher performance.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the study findings conducted in line with the study's objective, which was to determine the relationship between top management diversity and the performance of Kenya Pipeline Company Limited. Sections discussed under this chapter include a summary of findings, conclusion, study recommendations, limitations, and suggestions for further research.

5.2 Summary

The interviewees claimed that education, functional, tenure, and ethnicity diversity were the most applied TMT diversity practices within Kenya Pipeline Company Limited. As a result of these practices, the interviewees pointed to developing both technical and innovation skills. These findings are supported by a study conducted by Kakabadse et al. (2015) suggest that board diversity as manifested in diverse backgrounds and experience is suitable in meeting the needs of an organization as caused by the changing needs of the company from time to time. An employee stimulus to interpret a problem improves when managers come from diverse functional backgrounds and better facilitates organizational changes to enhance performance. However, chief executive officer characteristics play an essential moderating role in this relationship. They are attributed cognitive ability of TMT to increase as a result of functional diversity and educational background.

The interviewees claimed that educational diversity was the least critical TMT diversity practice adopted by Kenya Pipeline Company Limited. The HR manager noted that starting from the board of directorship; they have a board whose characteristics uphold the recommendation of the corporate governance practices in terms of having an educationally diverse board. In recognition of the need to improve the employees' educational capacity, it was found that the organization has come up with a reward scheme for staff that upgrades their educational capacity and professional competency through a salary increase and consideration for promotion when a chance arises. These results improve decision-making since they point out that

diverse top management directly stimulates debate on an issue before a decision is made. This view was shared by a previous study conducted by Mahadeo, Soobaroyen, and Hanuman (2012) assert that the effect of board composition on the financial performance of 42 listed firms in Mauritius and find that diversity in terms of gender, educational and functional backgrounds had a positive and significant effect on the performance of firms.

The interviewees reported there was a positive relationship between TMT diversity as well as functional diversity. Functional diversity is concerned with the difference in the top management's past functions and duties. The results relating to the top management functional diversity suggest that populating the top management by a team with different expert background reveals such as law, finance, accounting, and strategy enabled the KPC to make better decisions in areas such as competitive advantage, risk evaluation as well as coming up with strategies of handling challenges at hand. These findings are supported by Kakabadse et al. (2015) suggest that the functional diversity of the top management in an organization is expected to bring diverse kinds of social capital that ultimately influences performance resulting from improved strategic decision making. Better decisions are likely made when a team of different functional backgrounds comes together to deliberate an issue at hand.

There was a general agreement between the interviewees that tenure diversity was observed at the TMT of Kenya Pipeline Company Limited. They argued that since the present-day business environment is an open system and drawing from the open system theory, managers' capability to process information will emanate from the social integration that a manager will have to actualize over the employment period. This is because, with different tenures, the senior management's perception concerning risk and commitment to the organization might differ. These findings are braced by Hambrick, Humphrey, and Gupta (2015), who posit that the top management tenure diversity might result in a decline in performance because after a certain period, the management team becomes resistant to strategic change and develops a myopic vision which lowers management's risk-taking capability and innovativeness.

The interviewees agreed that though no top management team comes from different nationalities, two of the managers and the three of the directors had worked and schooled in the USA, UK, and Australia before joining KPC. However, it was pointed out that an array of persons from a combination of formal and informal institutions in a country will guide individuals and organizations in analyzing the environment, dealing with uncertainty in the operating environment, and consequently coming up with different ways of dealing with the prevailing situation. They highlighted those different countries have different educational systems that introduce explicit and codified knowledge that guides in transactions and corporate governance tenets, resulting in diverse decision-making processes and arriving at an optimal conclusion. These findings are supported by Ashikali & Groeneveld (2015), who suggest that the inclusion of various ethnic groups in the top management team in an organization is also essential because having members from different ethnic backgrounds enhance the team's perspective, which would be helpful to in designing firm strategies through their contribution which are based on different knowledge they have.

The interviewees agreed that the organization is cognizant that recruiting persons from different ethnic and nationality backgrounds come with differences in preferences, both as a cultural resource and a sign of identity. In recognition of the same, KPC respected all employees' religions, cultures, and values. All employees are given equal opportunity to in decision making in disregard of their ethnic background. The interviewees appreciated the role that ethnic diversity plays in making employees act in a certain way to conform to the desired norm. Staff members within a certain ethnic class were found to maximize and be more concerned about their identity group association than the material gain that might arise from going outside ethnic group norms. These findings contradict Umas's (2013) study, which revealed an adverse connection between an organization's performance and ethnic diversity. Diverse technical abilities among TMT help in enhancing organizational performance.

5.3 Conclusion

The study concludes that the most popular TMT diversity practices included education, functional, tenure, and ethnicity. TMT diversity enabled Kenya Pipeline Company Limited to make quality decisions and creativity from a pool of diversified team members. It also contributed to high critical analysis of decisions and avoidance

of group-think attitude, which derails critical thinking. TMT diversity created a pool of talents, technical skills, and experiences to deal with company problems.

TMT diversity contributed to the firm's competitive advantage. Through TMT diversity, the firm was able to make quality decisions and to set survival strategies that enabled the company to produce superior products and services than its competitors leading to improved customer satisfaction and reduced customer complaints. Being a state corporation that has the responsibility of transporting, storing, and delivering petroleum products to the consumers of Kenya by its pipeline system and oil depot network, the interviewees largely attributed this achievement to TMT diversity, which resulted to quality of decisions and strategies that led to the success of the corporation.

5.4 Recommendations

One of the management practices that is perceived to influence the performance of an organization is the level of management diversity exhibited in the top management echelon. The government needs to set policies that encourage state corporations to embrace TMT diversity. This will enable professionals to work in different cultural settings in Kenya, within the region, and internationally and thus promote cultural diversity and disintegration. It will also lead to sharing ideas, innovation, and creativity and positively impact firm competitiveness and overall performance. All state corporations should embrace TMT diversity in their workforce to allow cohesiveness and sharing of experiences. This will enable the firm to build a sustainable competitive advantage.

5.5 Limitations for the Study

Constraints of time and resources limited the scope of this study to single-state cooperation: Kenya Pipeline Company Limited. Hence, the findings realized in this study are unique and not applicable to any other state cooperation.

The researcher adopted a case study type of research design. This design cannot be utilized to establish a relationship between TMT diversity and the performance of Kenya Pipeline Company Limited since it is qualitative and uses an open-ended form

of research questions. A descriptive design is appropriate in establishing relationships between variables.

The study utilized open-ended kind of questions on the data collection tool. A blend of structured and unstructured questions might have enabled the researcher to collect correct, more accurate, and reliable information and thus enhance the quality of the findings.

5.6 Areas of Further Research

A replica of this study needs to be conducted in the whole state-owned cooperation in Kenya. This will enable researchers to compare TMT diversity practices and establish the most popularly used in the sector. Additionally, the researchers will demonstrate the least used TMT diversity practices and the effectiveness of the firm's performance.

A similar study should be executed using a descriptive form of research design to establish the existing relationship between TMT diversity and performance. This way, the researcher will establish the TMT diversity practices that impact performance and have no effect. Thus, the findings can be utilized to guide firms on what needs to be done to improve the effectiveness of TMT diversity.

Researchers should replicate this study in other sectors that face stiff competition, such as the telecommunication and banking sector. This will give a detailed review regarding the nature of the relationship established in a study. Thus, a comparison of findings may be made upon which a plausible will be drawn.

REFERENCES

- Abubakar, A. M., Elrehail, H., Alatailat, M. A., & Elçi, A. (2019). Knowledge management, decision-making style and organizational performance. *Journal of Innovation & Knowledge*, 4(2), 104-114.
- Ağan, Y., Kuzey, C., Acar, M. F., & Açıkgöz, A. (2016). The relationships between corporate social responsibility, environmental supplier development, and firm performance. *Journal of Cleaner Production*, 112, 1872-1881.
- Akbar, S., Kleiman, G., Menon, S., & Segafredo, L. (2014). Climate-smart development: adding up the benefits of actions that help build prosperity, end poverty and combat climate change.
- Ashikali, T., & Groeneveld, S. (2015). Diversity management for all? An empirical analysis of diversity management outcomes across groups. *Personnel Review*, 2(1), 71-83
- Barney, J.B. (1991). Firm resources and sustained competitive advantage, *Journal of Management*, 17, 99–120.
- Boone, C., Lokshin, B., Guenter, H., & Belderbos, R. (2019). Top management team nationality diversity, corporate entrepreneurship, and innovation in multinational firms. *Strategic management journal*, 40(2), 277-302.
- Boyer, K. K., Swink, M., & Rosenzweig, E. D. (2015). Operations strategy research in the POMS journal, *Production and Operations Management*, 14(4), 442-449.
- Cyert, R. M., & March, J. G. (1963). A behavioral theory of the firm. *Englewood Cliffs, NJ*, 2(4), 169-187.
- Eisenhardt, K. M. (2013). Top management teams and the performance of entrepreneurial firms. *Small Business Economics*, 40(4), 805-816.
- Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they?. *Strategic management journal*, 21(10-11), 1105-1121.
- Ekadah, J. W., & Kiweu, J. M. (2012). Effect of board gender diversity on the performance of commercial banks in Kenya.
- Geels, F. W. (2015). *Technological transitions and system organizational: a co-evolutionary and socio-technical analysis*. Edward Elgar Publishing
- Ghazali, A. W., Nurullah, M., Ibrahim, S., Sanusi, Z. M., & Mohamed, N. (2019). The Effect of Corporate Board Diversity: Real Earnings Management among Malaysian Listed Firms. *International Journal of Business & Management Science*, 9(2).

- Gross, R. (2015). Measuring organizational performance: A new approach to triple bottom line reporting and stakeholder engagement. *British Journal of Business and Management Research*, 2(1), 69-80
- Hambrick, D. C. & Mason, P. A. (1984) Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 1(2): 193-206.
- Hambrick, D. C. (2007), Strategic Awareness within Top Management Teams.
- Hambrick, D. C., Humphrey, S. E., & Gupta, A. (2015). Structural interdependence within top management teams: A key moderator of upper echelons predictions. *Strategic Management Journal*, 36(3), 449-461.
- Hassan, R., Marimuth, M., Tariq, E., & Aqeel, R. (2017). Ethnic and gender diversity in top level management and firm performance: Shareholder's perspectives. *Journal of International Women's Studies*, 18(4), 1-12.
- Hassan, R., Marimuthu, M., & Johl, S. K. (2015). Diversity, corporate governance and implication on firm financial performance. *Global Business and Management Research*, 7(2), 28.
- Heavey, C., & Simsek, Z. (2017). Distributed cognition in top management teams and organizational ambidexterity: The influence of transactive memory systems. *Journal of Management*, 43(3), 919-945.
- Jackson, S. E., May, K. E., Whitney, K., Guzzo, R. A., & Salas, E. (1995). Understanding the dynamics of diversity in decision-making teams. *Team effectiveness and decision making in organizations*, 204, 261.
- Javier, J. (2002). A review paper on organizational culture and organizational performance. *International Journal of Business and Social Science*, 1(3), 52-76.
- Kakabadse, N. K., Figueira, C., Nicolopoulou, K., Hong Yang, J., Kakabadse, A. P., & Özbilgin, M. F. (2015). Gender diversity and board performance: Women's experiences and perspectives. *Human Resource Management*, 54(2), 265-281.
- Kandie, P. Y. (2001). A study of the strategic responses by Telkom Kenya Limited in a competitive environment.
- Kapferer, J. N. (2012). *The new strategic brand management: Advanced insights and strategic thinking*. Kogan page publishers.
- Kaplan, R. S., & Norton, D. P. (1992). Balanced scorecard: measures that drive performance. *Harvard Business Review*, 70(1), 71-79
- Kaptein, M., & Van Tulder, R. (2017). Toward effective stakeholder dialogue.
- Khan, H., Hassan, R., & Marimuthu, M. (2017). Diversity on corporate boards and firm performance: Empirical evidence from Malaysia. *American Journal of Social Sciences and Humanities*, 2(1), 1-8.

- Kitonga, D. M., Bichanga, W. O., & Muema, B. K. (2016). Strategic leadership and organizational performance in not-for-profit organizations in Nairobi County in Kenya. *International Journal of Scientific & Technology Research*, 5(5), 17-27
- Korschun, D. (2015). Boundary-spanning employees and relationships with external stakeholders: A social identity approach. *Academy of Management Review*, 40(4), 611-629.
- Kraaijenbrink, J., Spender, J. C., & Groen, A. J. (2010). The resource-based view: a review and assessment of its critiques. *Journal of management*, 36(1), 349-372.
- Lombard, C. and Crawford, J. L. (2015), Joint effects of group efficacy and gender diversity on group cohesion and performance, *Applied psychology: An International Review*, 53, 136-154.
- Luanglath, N., Ali, M., & Mohannak, K. (2019). Top management team gender diversity and productivity: the role of board gender diversity. *Equality, Diversity and Inclusion: An International Journal*.
- Machuki, V.N., & Aosa, E. (2011). The Influence of external environment on the performance of publicly quoted companies in Kenya. *Business Administration and Management Journal*, 1(7), 205-218
- Mahadeo, J. D., Soobaroyen, T., & Hanuman, V. O. (2012). Board composition and financial performance: Uncovering the effects of diversity in an emerging economy. *Journal of business ethics*, 105(3), 375-388.
- Mangar, E. Y., & Munyoki, J. (2018). Strategic Alliance Portfolio Diversity and Performance of Commercial Banks in Kenya. *DBA Africa Management Review*, 8(1).
- Marinova, J., Plantenga, J., & Remery, C. (2016). Gender diversity and firm performance: Evidence from Dutch and Danish boardrooms. *The International Journal of Human Resource Management*, 27(15), 1777-1790.
- Mkalama, R. N., & Machuki, V. N. (2019). Top Management Demographics and Performance: An Empirical Investigation of Kenyan State Corporations. *International Journal of Business Administration*, 10(1), 1-19.
- Munjuri, M. G., & Maina, R. M. (2013). Workforce diversity management and employee performance in the banking sector in Kenya. *DBA Africa management review*, 3(1).
- Mutuku, C., Obonyo, P., Awino, Z. B., & Musyoka, M. (2013). Top management team diversity, involvement culture and performance of commercial banks in Kenya. *DBA Africa Management Review*, 3(2).
- Mwangi, P. G., Ogollah, K. O., Awino, Z. B., & Ogutu, M. (2016). Group cohesion and strategic context on the relationship between top management team composition and performance of family firms: a critical review of literature.

- Nielsen, B. B., & Nielsen, S. (2013). Top management team nationality diversity and firm performance: A multilevel study. *Strategic Management Journal*, 34(3), 373-382.
- Njagi, E. M. (2015). *Relationship between top management team diversity and performance of oil marketing companies in Kenya* (Doctoral dissertation, United States International University-Africa).
- Obasanjo, Olusegun, ed. *The challenges of agricultural production and food security in Africa*. Routledge, 2013.
- Omoró, N., Aduda, J., & Okiro, K. (2015). Demographic diversity in top management team and financial reporting quality in commercial state corporations in Kenya. *Donnish Journal of Accounting and Taxation*, 1(1), 1-16.
- Penrose, R. (1959, January). The apparent shape of a relativistically moving sphere. In *Mathematical Proceedings of the Cambridge Philosophical Society* (Vol. 55, No. 1, pp. 137-139). Cambridge University Press.
- Ramage, M., & Shipp, K. (2020). Eric Trist. In *Systems Thinkers* (pp. 277-285). Springer, London.
- Ruiz-Jiménez, J. M., & del Mar Fuentes-Fuentes, M. (2016). Management capabilities, innovation, and gender diversity in the top management team: An empirical analysis in technology-based SMEs. *BRQ Business Research Quarterly*, 19(2), 107-121.
- Strategic Management Journal*, 8(1), 102 -111
- Trist, E.L., Higgin, G.W., Murray, H. & Pollock, A.B. (1963), *Organizational Choice*, Tavistock Publications, London
- Valmohammadi, C., & Ahmadi, M. (2015). The impact of knowledge management practices on organizational performance: A balanced scorecard approach. *Journal of Enterprise Information Management*.
- Vera, D., Crossan, M., & Apaydin, M. (2011). A framework for integrating organizational learning, knowledge, capabilities, and absorptive capacity. *Handbook of organizational learning and knowledge management*, 2, 153-180.
- Walker, R. M., Damanpour, F., & Devece, C. A. (2011). Management innovation and organizational performance: The mediating effect of performance management. *Journal of Public Administration Research and Theory*, 21(2), 367-386.
- Wanyama, F. O. (2016). *Surviving liberalization: the cooperative movement in Kenya*, Unpublished MBA Project, University of Nairobi
- Zhang, X. A., Li, N., Ullrich, J., & Van Dick, R. (2015). Getting everyone on boards on top management team effectiveness and leader-rated firm performance: The effect of differentiated transformational leadership by CEO. *Journal of Management*, 41(7), 1898-1933.

- Wawuda, S. M., & Mungai, F. (2016). Factors Affecting Distribution of Oil Products in Kenya: A Case Study of Kenya Pipeline. *International Journal of Supply Chain Management*, 1(1), 34-48.
- Wernerfelt, B. (1984). A Resource-Based View of the Firm, *Strategic Management*, 2(1), 11- 29
- Wernerfelt, B. (2014). On the role of the RBV in marketing. *Journal of the Academy of Marketing Science*, 42(1), 22-23.
- Yi, Y., Ndofor, H. A., He, X., & Wei, Z. (2017). Top management team tenure diversity and performance: The moderating role of behavioural integration. *IEEE Transactions on Engineering Management*, 65(1), 21-33.

APPENDIX I: INTERVIEW GUIDE

The interview guide will seek to determine how the top management diversity affects the performance of Kenya Pipeline Company Limited.

SECTION A: General Information and Bio Data

1. What is your academic and professional qualifications?
- 2) For how long have you worked in the organization?
- 3) What role do you play in the top management diversity decision?

Section B: Top Management Diversity Characteristic

- 4) What is the extent of the top management educational diversity? Explain?
- 5) How does the functional diversity of the organization top management manifest? Please explain?
- 6) How is the top management tenure diversity manifested? Please explain?
- 7) What is the nature of the social diversity among the top management team?
- 8) Does nationality diversity manifest among the top management in your organizations?
- 9) What is the nature of ethnic diversity in your organization?

Section C: Effect of Top Management Diversity on Organization Performance

10. How does the top management educational diversity affect the performance of your company?
11. How does the top management functional diversity affect the performance of your company?
- 12.) How does the top management tenure diversity affect the performance of your company?

13. How does the top management social diversity affect the performance of your company?

14. How does the top management social diversity affect the performance of your company?

15. How does the top management nationality diversity affect the performance of your company?

16. How does the top management ethnic diversity affect the performance of your company?

THANK YOU SO MUCH FOR YOUR TIME