

**WORKFORCE DIVERSITY MANAGEMENT STRATEGIES AND
FIRM PERFORMANCE AT LG ELECTRONICS KENYA LIMITED**

BY

SARAH NDUTA MBUGUA

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DECLARATION

I hereby declare that this is my original work and has not been submitted to any other academic body.

Student

Sign: _____ Date _____

SARAH NDUTA MBUGUA

D61/60539/2013

Supervisor

This Research project has been submitted for examination with my approval as the Supervisor.

Sign: _____ Date _____

JEREMIAH KAGWE

DEPARTMENT OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

DEDICATION

This research study is dedicated to my mother and my father for the tireless sacrifices of their precious family time throughout the entire MBA program and especially during this research project.

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The completion of this project was not easy. It was not created by the author alone, but relied on the cooperative assistance of many unseen hands. First and foremost I owe special thanks to God Almighty for seeing me through. I sincerely acknowledge my supervisor Jeremiah Kagwe University of Nairobi in School of Business for his enabling support and guidance, his never ending patience, good eye and sharp mind.

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LIST OF ABBREVIATIONS/ACROMNYS

AA-	Affirmative Action
EAC-	East African Community
EEO-	Equal Employment Opportunity
GOK-	Government of Kenya
HR-	Human Resources
IBM-	International Business Machines
IT-	Information Technology
TV-	Television
USA-	United States of America

ABSTRACT

Diversity management is a holistic and strategic intervention aimed at maximizing every individual's potential to contribute towards the realization of the organization's goals through capitalizing on individual talents and differences within a diverse workforce environment. Organizations devote resources to diversity initiatives because they believe diversity is a business imperative and good for the bottom line. The objective of this study was to find out the effects of workforce diversity management strategies on firm performance in LG Electronics Kenya Limited. The research design for this study was a case study since the unit of analysis is one organization. The research used mainly primary data. Primary data was collected using an interview guide. The interview guide contain open-ended questions to collect qualitative data. The interview guide was administered to the finance manager and finance director, head of strategic management, human resource managers, operation managers and relationship manager, working in LG Kenya making a total of 10 interviewees. From the findings, the researcher concluded that the company had experienced workforce diversity as it attracts and retains the right skills, the best minds and all the required resources. The study revealed that use of workforce diversity management strategies influenced achievement of high profits, return on assets and return on investment, increase company productivity, achieving competitive advantage and increase market share, improve quality of product and service delivery, offering of quality electronic products, increase Company Network, product market performance and increase sales volume. Workforce diversity management strategies influence company performances. From the findings, diversity efforts support and contribute to an organizational growth strategy and reinforce the importance of linking diversity promoting organizational culture change and enhance creating a work environment that nurtures teamwork, participation and cohesiveness which positively impact on company performance. The study also concluded that the company maximizes the potential of a diverse workforce for a competitive advantage to best serve the market by having a greater employee's diversity that makes it able to mirror increasingly diverse product markets and have more complex inimitable social resources. The study also concluded that the by promoting training programs that encourage valuing diversity in the workplace, employers typically reduce employee dissatisfaction, improve morale and increase productivity. Maintaining a diverse workforce also reduces an employer's risk for discrimination. From the findings the study recommends that in order to achieve a high level of innovation that ensures employee's satisfaction, quality, market share and the number of new products, management in the company must ensure successful adoption of diverse workforce management strategies.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENT	iv
LIST OF ABBREVIATIONS/ACROMNYS	v
ABSTRACT	vi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 The Concept of Strategy	3
1.1.2 Workforce Diversity Management Strategies	4
1.1.3 Organizational Performance	7
1.1.4 Electronic Industry in Kenya	9
1.1.5 LG Electronics Kenya Limited	11
1.2 Research Problem	13
1.3 Research Objectives	16
1.4 Value of the Study	16
CHAPTER TWO: LITERATURE REVIEW	18
2.1 Introduction	18
2.2 The Theoretical Foundation of the Study	18
2.3 Workforce Diversity Management Strategies	22
2.4 Workforce Diversity Management Strategies on Organisational Performance	26
CHAPTER THREE: RESEARCH METHODOLOGY	28
3.1 Introduction	28
3.2 Research Design	28
3.3 Data Collection	28
3.4 Data Analysis	29
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCCUSION.....	30
4.1 Introduction	30

4.3 Background Of the Interviewees	30
4.3.1 Current designation	30
4.3.2 Years respondents had worked at LG Electronics	30
4.4 Extent to which the company has experienced workforce diversity.....	31
4.4 Workforce Diversity Management Strategies Adopted	31
4.5 Workforce diversity management strategies successfully applied	32
4.6 Influence of Workforce Diversity Management Strategies to Organizational Performance	33
4.7 LG Electronics Kenya achieving performance due to adolption of strategies ...	34
4.7.1 Recruitment and selection strategy	34
4.7.2 Employees mentoring.....	35
4.7.3 .Labour retention.....	36
4.7.4 Workforce training and development strategy.....	36
4.7.5 Remuneration strategy.....	37
4.7.6 Appraisal strategies	38
4.7.7 Policy of workforce diversity management	39
4.8 Use of Workforce diversity management strategies influenced performance	39
4.9 Challenges in applying workforce diversity management strategies.....	40
CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.....	42
5.1 Introduction	42
5.2 Summary of Findings.....	42
5.3 Conclusion.....	44
5.4 Recommendation For Policy and Practices.....	45
5.5 Limitation of the Study	48
5.6 Recommendations for Further Research.....	48
REFERENCES	49
APPENDICES	51
Appendix 1: Interview Guide	51

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In a rapidly changing global marketplace, characterized by increased technological advancement, organizations demand a more flexible and competent workforce to be adaptive and to remain competitive (Sing, 2004). Thus, the demand for a well qualified workforce becomes a strategic objective. In turn, an organization's workforce diversity strategy is a key mechanism in ensuring the knowledge, skills and attitudes necessary to achieve organizational goals and create competitive advantage (Peteraf, 1993). The intensification of global competition and the relative success of economies that give an emphasis to investing in training have resulted in the recognition of the importance of training in recent years (Holden, 1997). Indeed, at the turn of the twenty-first century HR managers reported that one of the main challenges they faced involved issues of T&D (Stavrou, Brewster and Charalambous, 2004).

Theoretically, the workplace diversity literature espouses three different theoretical frameworks for the examination of the possible effects of workplace diversity (Williams and O'Reilly, 1998). The first is social categorization, which, according to Turner (1987) describes the categorization of people based on salient attributes like gender, ethnicity or age, resulting in stereotyping on the basis of these differences. The attraction theory, which asserts that similarity on salient and non-salient attributes like race or values increases interpersonal attraction and attachment (Berscheid and Walster, 2008). The third is information and decision making theory, which examines the impact of

distribution of information and expertise on work-teams. Social attraction theory predicts that firms with greater employee's diversity will be better able to mirror increasingly diverse product markets and have more complex inimitable social resources (Richard, 2000). However, little attention has been given to the performance effects of being recognized for workforce diversity management strategies (Dick and Cassell, 2002). Given that companies invest substantial resources in diversity management and generating reputations for being diversity leaders (Daniels, 2004).

Electronic firms are adopting and implementing workforce diversity management strategies with a focus of achieving higher performance. The electronic firms are investing in adoption of appropriate workforce diversity management strategies to manage their training and development function more effectively. The LG Electronics Kenya limited employees are approximately 300 as of the end of 2013 with over 60% of employees being from overseas. The number of overseas employees continues to increase in line with company's localization strategy. Female employees comprise 16% of the company's total domestic workforce where 2% for manager and the figure is on a steady rise. The average age of the entire workforce, male and female, is 33.8 years. Disabled people represent 0.8% of the total workforce (LG Kenya, 2013). The existence of workforce diversity in LG Limited Kenya has influenced adoption of workforce diversity management strategies. This study sought to determine whether workforce diversity management strategies in electronic organization have significant impact on organizational performance.

1.1.1 The Concept of Strategy

Strategy is defined as a long term plan of action designed to achieve a particular goal (Dent & Barry, 2004). Johnson and Scholes (2002), defines strategy as a plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem. Strategy is the direction and scope of an organization over a long term. Strategies are systematic choices about how to deploy resources to achieve goals (Safford, 2005). A strategy is a long term plan of action designed to achieve a particular goal, most often winning (Thompson, 2007). Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Johnson and Scoles (2002), view strategy as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfil stakeholders' expectations. According to Ansoff and McDonnell (1990), it is through management that a firm will be able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment.

Within the domain of well-defined strategy there are uniquely different strategy types. The three main ones are discussed. Corporate strategy deals with the major goals of the organization and the organization wide strategies for attaining these goals. These strategic decisions cannot be made at a lower level without risking sub-optimization of resources. The first task is to conduct an environmental scan (study the business environment) in order to identify strengths and weaknesses. Next would be to scrutinize the firm's

mission, the segmentation of its businesses and the integration of those businesses. On the other hand business level strategy is concerned with deciding how the firm should compete in the industries in which the firm has elected to participate in. This strategy is primarily concerned with accurately translating the corporate strategy into a cohesive and actionable implementation plan. This strategy answers the questions, which capabilities need to be created or enhanced, what technologies do we need, which processes need improvement, and do we have the people we need. Lastly, operating strategy is concerned with the actions that should be taken at the level of individual functions such as production, sales and Research & Development to support business level strategy. Operating plans are plans that specify goals, actions and responsibility for individual functions, work teams or individuals. This strategy is seen less often as it represents the wholesale transformation of an entire business or organization. Operational strategy is generally the domain of Human Resources, organizational development, and consultants (Daniels, 2004).

1.1.2 Workforce Diversity Management Strategies

Workforce is defined as the total number of people engaged in or available for work, either in a country or area or in a particular company or industry (Robbins, 2003). The workforce is therefore the labour pool in employment. Safford (2005) defines workplace diversity as a people issue, focused on the differences and similarities that people bring to an organization. It is usually defined broadly to include dimensions beyond those specified legally in equal opportunity and affirmative action non-discrimination statutes (Katou and Budhwa, 2007). Workforce diversity is also defined as similarities and

differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, sex, and sexual orientation.

The Workforce diversity management strategy is the plan of using best practices with proven results to find and create a diverse and inclusive workplace. Aims to assist organization to meet the strategic goals as outlined in the organization plans, through the development of an effective workforce resources strategy. Workforce diversity involved in supporting diversity efforts such as mentoring, or recruitment of minorities for top jobs, organizational diversity and upward mobility efforts were easier and more effective. Establishing a formal measurement system is important early in the process to serve as a baseline for the current climate for diversity (Cox, 2001). Workforce diversity management strategies concerns cultural values and norms, power distribution between identity groups, openness of informal social and communication networks, and workforce diversity policies related to recruiting, promotion, pay, development, work schedules and the physical work environment (Dietz and Peterson, 2006).

Ronald (2002) defines recruitment and selection strategy as a plan for bridge-building activity bringing together those with jobs to fill and those who are seeking jobs. Recruitment and selection strategy is a plan which organizations discover, develop, seek and attract individuals to fill actual or anticipated job vacancies. The recruitment and selection strategy determine the decisions as to which candidates will get employment offers. Training and development strategy is plan is a plan of organizational activity aimed at improving the performance of individuals and groups in organizational settings.

Training and development strategy refers to the plan to obtain or transfer knowledge, skills and abilities needed to carry out a specific activity or task (Ferner and Camen, 2004). Training and development strategy is considered to be the most common workforce (Tzafrir, 2006).

The compensation strategy is position of the organization on the job market, the level of the total cash, the main bonus principles in the organization and rules for the base salary setting. Which is approved by the Board of the organization as the owner of the compensation strategy is always the top executive management of the organization. The compensation strategy is defined as the right compensation strategy helps to build the effective and competitive organization and the wrong setting of the compensation strategy, which does not fit with the needs of the organization and with the HR and Business Strategies, can destroy the organization within several years and the organization suffers from decreased performance and not utilizing the full potential of employees. Compensation strategy refers to all types of rewards plan going to employees and arising from their employment (Dessler, 2007).

Labour retention strategy is defined as practice of an organization to retain its workforce. Any labour retention strategy would necessarily include a plan for redressing workforce grievances and ways and means to address diverse workforce issues. Labour retention strategy is more than about offering a cool pool table room at break time, or fabulous vacation time, compensation and benefits (Kossek and Zonia, 1993). Mentoring strategy is the plan as a professional relationship in which an experienced person assists another in

developing specific skills and knowledge that will enhance the less-experienced person's professional and personal growth (Loden, 1996). Mentoring strategy is an interactive, facilitative process meant to promote learning and development that is based on educational and social learning theories (Cox, 2001). Mentoring strategy has been studied largely within the context of large corporations where it is used for training and succession planning.

1.1.3 Organizational Performance

Organizational performance is defined as an analysis of a company's performance as compared to goals and objectives (Jamrog, 2002). Within corporate organizations, there are three primary outcomes analysed, financial performance, market performance and shareholder value performance (Adler, 2005)

The concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Carton, 2004). Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. According to Richard, Devinney, Yip & Johnson (2009) organizational performance encompasses three specific areas of firm outcomes, financial performance such as profits, return on assets and return on investment), product market performance such as sales, market share and shareholder return measure through total shareholder return and economic value added.

Organizational performance is therefore the ability of an organization to fulfil its mission through sound management, strong governance and a persistent rededication to achieving results. Parasuraman (2002), proposed that firms delivering services must broaden their examination of productivity from the conventional company-oriented perspective to a dual company-customer perspective. This broadened approach can help reconcile conflicts or leverage synergies between improving service quality and boosting service productivity (Parasuraman, 2002). This research considers organization performance relative to the competition from multiple organizational perspectives including quality, productivity, market share, profitability, return on equity, and overall firm performance. Other non-financial measure of performance such as increase in customer base, market share increase, quality service delivery and increase in firm branch networks (Berntal and Wellins, 2006).

Financial performance is a measure of a firm's policies and operations in monetary terms. It is a general measure of a firm's overall financial health over a given period of time, and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Singh, 2004). There are many different ways to measure a firm's financial performance. This may be reflected in the firm's return on investment, return on assets, value added, among others and is a subjective measure of how a firm can use assets from its primary mode of business and generate revenues (Tzafrir, 2006).

Non-financial performance measures is defined as any quantitative measure of either an individual's or an entity's performance that is not expressed in monetary units. This

includes any ratio-based performance measure in that a non-financial performance measure that is ratio-based omits any monetary metric in either the numerator or denominator of that ratio (Delaney and Huselid, 1996). Common examples include non-financial performance measures of customer or employee satisfaction, quality, market share, and the number of new products. Non-financial performance measures are sometimes considered to be leading indicators of future financial performance, while current financial performance measures such as earnings or return on assets are commonly considered to be trailing measures of performance.

A diverse workforce strategy, then, becomes a source of competitive advantage for firms that strive to achieve a high level of innovation. Richard and Johnson (1999), conducted one of the few studies that investigate organizational advantages of formal diversity practices. They found that the adoption of formal diversity practices reduced turnover. While there was not a main effect of these practices on return on earnings, a strategic contingency relationship was supported diversity practices correlated with improved productivity and market performance for firms following innovation strategies.

1.1.4 Electronic Industry in Kenya

Electronic industry in Kenya has a total of 49 companies registered at the Companies Registry. Kenya's electronic industry is in its infancy, a number of firms in the assembly, testing, repair and maintenance of electronic goods are in operation and are rapidly increasing their scope of activities to meet the growing demands of the industry. With a labour force which is well-equipped to meet the labour skill requirements for the industry

and the relatively large domestic and export market potential of electronics in the region, Kenya offers an enormous potential for the manufacturing and assembly of electronic items (GOK, 2012).

This sector employs over 100,000 people including the spillover from telecommunications. The products in this sector include energy generation and a variety of electrical machinery and equipment. The goods manufactured and traded under this sector are broadly categorized as machinery that is Mechanical appliances, Electrical machinery and equipment and parts thereof Sound recorders and reproducers; and Television, image and sound recorders, and reproducers. Products in electronic sector includes nuclear reactors, boilers, machinery and mechanical appliances, computers and electrical machinery and equipment and parts, telecommunications equipment, sound recorders and television recorders .

The main markets are Kenya and other EAC countries (energy utility companies in the EAC region manufacturing companies, telecom service providers, building contractors, engineering firms, households, hotels, the general population), while the main sources of inputs for this sector are Guinea, Australia, Brazil, Jamaica, India, USA, and China (GOK, 2013)

Emerging external issues that affect members in this sector are the influx of counterfeit and substandard products with China being the main source of counterfeits tilts the market at the expense of local stakeholders; there is high competition from European and American firms in joint ventures corruption in government procurement and challenges

when it comes to tendering for local bids due to high cost of production and the EAC Common market and the implication of tendering in the region. The electronic companies in Kenya faces the challenge in management of workforce diversity in managing highly skilled IT and engineering technical people. Workforce diversity has increase significantly in electronic sector in Kenya and organizations recognize the need for adopting strategies to manage workforce diversity in the workplace now. The repercussions for not adopting managing strategies for workforce diversity would lead to lack of skills, competencies, and interests in employees, which will ultimately increase employee turnover and reduce individuals' and organizations' performance to a great extent. It is in this context that the present study seeks to determine the effects of workforce diversity management strategies in electronic industries in Kenya.

1.1.5 LG Electronics Kenya Limited

LG Electronics is a global electronics and telecommunications company based in Seoul, South Korea. Having the company's management based on the Korean corporate culture that lays great emphasis on high quality labour and positive organisational behaviour has seen the company emerge as a well-known brand in the consumer market. The company has 75 subsidiaries worldwide, one of them being in Kenya which is the main office for the east and central Africa region (http://www.lg.com/africa_en). The Kenyan office in particular has employees with a wide range of diversity in terms of nationality, tribe, age, religion, gender, educational experience. The company operates its business through divisions: Mobile Communications, Home Entertainment, Home Appliances, Air

Conditioning & Energy Solutions, and Vehicle Components. LG Electronics is currently the world's second-largest television manufacturer (LG Electronics, 2013). LG is one of the world's leading producers of flat panel TVs, mobile devices, air conditioners, washing machines and refrigerators. LG Electronics designs products that are intuitive, responsive and energy efficient so you can spend wisely, be more productive and lessen the impact on the world around you. We're committed to providing products that work best for the way you live and to keeping you updated with the latest technological advances (LG Company, 2014).

Having employees that can deal with different cultures and people from diverse backgrounds is crucial to any rapidly growing business. A diverse workforce helps build rounded individuals with experiences gained from mixed environment, the customers also benefit from the same as the organisation is open and flexible thus creating better business relationships. Unfortunately, this is not the case in most organisations. There is still the case of "we versus them". Elements of negative attitudes and behaviour including prejudice, stereotyping and discrimination exist in organisations. Managers at LG Electronics Kenya are faced with the challenge of identifying these differences and understanding their consequences. At the same time they need to recognise individual differences.

This study seeks to examine how LG Electronics manages its diversity considering that it is a Korean firm in an African economy and operating based on the Korean corporate

culture. It also addressed the benefits of diversity and challenges or risks that the organisation is prone to as far as diversity management is and performance concerned.

1.2 Research Problem

A successful diversity strategy must address organizational culture change to create a work environment that nurtures teamwork, participation and cohesiveness – characteristics of a ‘collective’ (versus individualistic) organizational culture (Dwyer, Richard & Chadwick, 2001). Cox, (2001), suggests starting with a visioning exercise for change that specifically identifies what success in a multicultural organization might look like. A diversity council with credible people from across-section of functions should be charged with creating a workforce management diversity strategy and serving as a resource. Diversity should be strategically integrated with the business objectives (Richard, 2000). Top management in organization model leadership behaviors such as conducting the feedback sessions results of an organizational and diversity climate survey (Ferner and Camen, 2004). If workforce diversity change efforts consist mainly of strategies which lack the involvement of top managers and fail to address overall work processes, their long-term effectiveness in transforming the organizational culture and achieve performance is likely to be limited.

Brewster and Papalexandris’ (2008), found that there existed direct correlation between training and development strategies and improvement in employee productivity, firm profitability and shareholder value in both the short and long term in manufacturing companies in UK. The percentage of trained employees has been found to affect

performance. Retention strategy of the workforce is not only a key measure of the overall health of the workforce, but is a key driver in effectively managing employment costs. Jackson (2002) established that retention rates of labour improved significantly in the IBM Company resulting to high returns and that overall workforce diversity management strategies adopted in the company improves company performance. Frink et al. (2003) suggest an inverted U-shaped relationship between gender composition and performance that may vary by industry. Relying on several national datasets, they found that increases in the representation of women are related to perceptual measures of productivity per employee and profitability only up to the point when an equal proportion of jobs are held by men and women was not higher.

A study by Shen, (2004) found that performance appraisal strategies adopted in China electronic companies had significant impact of employee's productivity and firm profitability level. Pollitt (2004) found that the workforce diversity management strategies of Nokia played vital role in helping the company in reaching its 40% percent share of the global handset market, and industry leading profit margins of 20%-25% at a time of unmatched change and competition.

Organizations devote resources to diversity initiatives because they believe diversity is a business imperative and good for the bottom line. The LG management makes implement workforce diversity strategies such as ensuring teams are well diversified, comprising employees across generations and nationalities as employees of different profiles often have different strengths and attributes. The company culture and work ethos are

emphasized as part of the orientation program to all new hires. An open-door policy is practiced where employees are encouraged to raise concerns or challenges faced at work. Despite LG Company effectively adopting and implementing workforce diversity management strategies, study focusing on determining the effects of workforce diversity in organization has not been established. Previous study has focus on determining workforce diversity strategies in organization in Kenya. Oluoch (2006), carried out a study on workforce diversity management strategies of commercial banks in Kenya. Ndaire, (2008) investigated perceived benefits of workforce diversity management strategies in Hilton Hotel, Nairobi. Despite adoption of workforce diversity management strategies in organizations in Kenya, empirical studies determining effects of workforce diversity management strategies remain scanty.

To the best of the researcher's knowledge, there has been no study that has focus on determine effects of workforce diversity management strategy on firm performance. Therefore the researcher sought to fill in this gap by answering the question "what are the effects of workforce diversity management strategies on firm performance in LG electronics Kenya Limited?"

1.3 Research Objectives

The objectives of this study were;

- i. To establish workforce diversity management strategies adopted at LG Kenya
- ii. To determine the effects of workforce diversity management strategies on firm performance in LG Electronics Company Limited.

1.4 Value of the Study

This study will be important to the management of LG Company limited in Kenya and other firms in Kenya as they will gain insight on effect of workforce diversity management strategies of firm performance. This will influence firms to seek to adopt workforce diversity management strategies to improve on productivity of workforces and influence achievement of high performance. This will enable organizations to formulate diversity programs that incorporate the diverseness of each individual, which in turn would induce more commitment and productivity in their respective roles.

The study will be significant to policy makers as the study will offer insight on effects of workforce diversity management strategies on firm performance. This will enable policy makers formulate policies that will influence effective formulation and implementation of workforce diversity management strategy in firms to increase employees productivity and increased overall firm performance. It will be significant to scholars and academicians as this study will form a background foundation where the scholars will gain knowledge on effect of workforce diversity management strategies of firm performance. The study

will also provide significant research upon which researchers may carry our further research on workforce diversity management strategies influence firm performance in organizations.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related to the study. The theories reviewed are resource based theory and Innovation diffusion theory. The chapter also presents an overview workforce diversity management strategies and review studies on effects of workforce diversity management strategies and its effects on organizational performance.

2.2 The Theoretical Foundation of the Study

The basis of the study is on the following theories namely social identity theory, similarity-attraction theory and symbolic interaction theory. These theories are discussed below.

Social Identity Theory asserts that group membership creates in group/ self-categorization and enhancement in ways that favour the in-group at the expense of the out-group. The examples of Turner and Tajfel (1986), showed that the mere act of individuals categorizing themselves as group members was sufficient to lead them to display in group favouritism. After being categorized of a group membership, individuals seek to achieve positive self-esteem by positively differentiating their in group from a comparison out group on some valued dimension.

Social identity theory has focused more on the meanings associated with being a member of a social category; identity theory has focused more on the meanings associated with performing a role. Social identity theorists have argued that because people define

themselves in terms of their social group membership and enact roles as part of their acceptance of the normative expectations of in group members, the concept of role is subsumed under the concept of group (Turner et al., 1994). However, social identity theorists have generally not focused on these roles. Given their greater emphasis on group identification, they have concentrated more on cognitive outcomes such as ethnocentrism (Grant and Brown, 1995) group polarization (Wetherell, 1987) and group cohesiveness (Hogg, 1987). Identity theorists have focused more on the behaviors made by persons as a function of their role identities Social identity theory has also strongly incorporated self-esteem as a motivator for outcomes. While it has not always been empirically clear that self-esteem is important, it has been shown that group memberships are often a source of self-esteem. This is particularly true for those who not only classify themselves as members, but who are also accepted by others as members (Ellison, 1993)

Symbolic Interactionist theory is an individual centered orientation that focuses on individuals in interaction and within a group, and on the composition and development of the self and personality. Its theory is employed in this study because of the focus on the employee experience of diversity resulting from interactions in the workplace. This perspective has its roots in the pragmatist philosophies of Mead, Dewey, Thomas and Park of the so-called Chicago School (Farganis, 2008).

The method advocated by symbolic interactionism is to look at the process through which individuals define the world from the inside and at the same time identify their world of objects. This predominantly small-scale theory focuses on interactions and individuals'

personalities. It is a subject-orientated approach that emphasises the subjective intentions and orientations of individuals in relation to their wishes, motivations, wants and situations, in addition to their interpretation and understanding of symbolic interactionism is the reflexive nature of human action. It assumes that human nature is not motivated solely by external and internal factors, but rather through meaningful, reflexive interactions between individuals. Reflexivity entails the capacity to use and respond to significant gestures such as language, symbols and thoughts. Behaviour is seen as reflexive because individuals understand and react to what other people think and say about their behaviour. “Our actions are always engaged with the actions of others; whose response to what we do sends us signals as to their approval or disapproval (Farganis, 2008).

Similarity-attraction theories suggest that diversity’s effect on teams is negative, because it makes social processes more difficult (Stahl, Maznevski, Voight and Jonsen, 2010). Conversely, the effect of information processing theory is thought to be positive as it results in different contributions to the team and “a diverse team thus covers a broader territory of information, taps into a broader range of networks and perspectives, and can have enhanced problem-solving, creativity, innovation, and adaptability” (Stahl et al., 2010).

The strategic diversity management approach seems better as it deals with the loopholes in the Equal Opportunities approach and the Managing Diversity approach. It consists of effective leadership, empowerment, balanced/diverse recruitment and selection,

employee support and diversity training, internal equity and all-inclusive organization culture, staff teamwork, internal supervision and staff motivation as ways of effectively managing workforce diversity. The Strategic Diversity management approach is an integration of the social theory, management theory and psychology which all converge on both the positive and negative effects of workforce diversity.

Although these theories have ceaselessly attempted to come up with viable workforce diversity management strategies, they call for more research due to the complexity of the human person and the varying environments. Schneider and Northcraft (1999), argue that functional and social category diversities enhance creativity, adaptation and innovativeness. Schneider and Northcraft (1999), see the value of the social theory in understanding and solving dilemmas. Graen (2003) points out those readily visible characteristics identify people of varying genders, age, ethnicity and religions which demand prescriptions based on solid theories and research. Graen rightly notes that diversity may be an asset or liability depending on how it is integrated into the organization. Hiller and Day (2003), stated that reliance on surface level diversity tends to produce dysfunctional results for both individuals and their organizations than deep level diversity.

The intersection of these theories has various implications for this research, as the categorization approaches predict increased group conflict and the information processing approaches predict improved group performance. While organizations may strive to act from the integration and learning perspective, capitalizing on the purported

benefits of diversity and integrating all perspectives into the decision making process, realizing these benefits does not always happen. Understanding the preceding theories is helpful for the next section, which will introduce research on diversity and performance

2.3 Workforce Diversity Management Strategies

Diversity can have varying effects on team outcomes. An organization operating from the integration and learning perspective will aim to create an environment which minimizes the negative effects and capitalizes on the positive outcomes of diversity in workforce. The various strategies organizations adopt are discussed below.

Employees mentoring offered as a long-term solution to the problem. Again, in terms of the barriers and challenges identified by Loden (1996), Morrison (1992), and Spragins (1993), mentoring can assist members of diverse groups by improving employees' career plans, providing a supportive environment, teaching them some of the rules for success, and helping to balance career and family issues. In organizations that reward the mentor for his/her mentoring activities, the process of managing diversity becomes a win-win phenomenon and this, in turn, will help to lessen fears of reverse discrimination. Contemporary organizations are increasingly turning to mentoring programs as a vehicle for creating opportunities for open communication between employees and for assimilating newcomers into the institutional culture (Webb, 1995).

Building diversity into the hiring process is an important component of a strategic management plan. A company's hiring policy should incorporate federal Equal Employment Opportunity guidelines. This is a starting point for ensuring that hiring

procedures effectively encourage a diverse applicant pool Thomas and Ely, 1996. Going above and beyond federal guidelines is an effective strategy for building diversity. Such a strategy can include soliciting cultural organizations for potential applicants, requesting referrals from existing employees and recruiting on college campuses. Reflecting the diversity of the community in which your company operates is a fundamental goal of this hiring strategy.

In addition, managing growth in workforce diversity and increasing the representation of women and minorities is a critical workforce management strategy of recruitment and selection for most organizations (Thomas and Ely, 1996). Human resource managers usually tend to bring people into the organization and promote employees who fit or have values similar to the decision makers or gatekeepers. Therefore, recruitment and selection should avoid what Schneider (1987) called 'the A-S-A (attraction-selection-attrition) cycle' in order to develop multiple cultures in the organization. Human resource professionals and line managers who recruit and interview job seekers in a multicultural workforce need to be aware of the ways in which the interviewers' beliefs, attitudes, and stereotypes influence interview behaviour.

Furthermore, there is anecdotal evidence showing investing in diversity training and development is receiving considerable attention from organizational management. In a rapidly changing global marketplace, characterized by increased technological advancement, organizations demand a more flexible and competent workforce to be adaptive and to remain competitive. According to Maxwell et al. (2001), people in the

UK public sector normally regard diversity management as giving a fair chance to get ahead for everyone. Where resources are invested to train, it may be best to avoid associating the diversity-trainers with the concept of expertise on the subject. In order for an organization to realize the potential benefits that can be afforded by employing diverse individuals, there needs to be a paradigm shift in which the inputs of diverse individuals are systemically managed within an organization to enable the successful accomplishment of its strategic goals. Training of individuals is viewed as a necessary tool to facilitate the organization in achieving its goals. Diversity training should be viewed no differently than any other type of training in which an organization invests.

Pay inequality is a main cause of job dissatisfaction and demotivation, and therefore a major HR diversity issue (McLoughlin et al., (1997). EEO and AA have been integrated with compensation practices by many organizations, again, like Digital, Esso and Westpac (Kramar 1998). Kramar has been supported by Dagher et al. (1998) who also reported that diversity practices in remuneration are widely used by Australian organizations. However, Dagher et al. (1998) attributed positive remuneration practices to a 'union effect'. These authors state that a relatively strong trade union movement in Australia has prevented the occurrence of wage discrimination among unionized employees. Remuneration strategy seeks to improve employee performance by rewarding those who have made a contribution to the organization's performance. Good remuneration strategies ensure that there is a direct relationship between effort and reward. Thus, a performance-based pay system is viewed as being effective when the process of providing measurable rewards is appropriately linked to the individual or

group performance. This is achieved within an agreed framework of planned goals, objectives and standards (Armstrong and Murlis, 1994).

Performance appraisal is a strategy to evaluate the performance of an employee after certain period (Schuler, 1981). Effective performance appraisal strategy in the area of diversity management should be objective not subjective, relevant to the job and the company, and fair to all employees and offer no special treatment (Schuler, Dowling and, 1993). Including non-traditional managers on the appraisal panels can help to create objective criteria and fair performance appraisal practices. When conducting appraisals, the language of appraisal should focus on the individual's performance and not on the personality or race. Hence, the aim should be to make the appraisal as culturally neutral as possible (Fulkerson and Schuler 1992). Also, some scholars suggest that when assessing each manager's performance, actions taken by the manager to hire and promote minorities and women can be used as performance criteria in order to promote diversity (Morrison 1992; Sessa 1992)

Tsui and Gutek (1999), reported that there is consistent evidence showing that higher demographic similarity between supervisors and subordinates on age, race or gender correlates with workforce outcomes, such as higher ratings on performance, organizational citizenship, and lower role ambiguity and conflict. Other mechanisms of discrimination are pointed out in the performance appraisal processes, in which women seem prone to get lower ratings (Ohlott, Ruderman and McCauley, 1994). Australian

companies usually do not involve culturally diverse employees in performance appraisal panels (Dagher *et al.*, 1998).

Strong emphasis has been put on management policy and appreciating and making use of diversity at the strategic level. As Truss (1999) argued, leadership and administrative heritage influence the nature and form of careers offered to both men and women. Effective diversity management requires a culture of inclusion that creates a work environment nurturing teamwork, participation and cohesiveness (Dwyer, Richard and Chadwick, 2001). The formation of a diversity culture requires a significant commitment of resources and leadership. Formalization of workforce diversity policies is also necessary as Reskin and McBrier (2000), argued that organizations with written documents for hiring and firing had higher percentages of women in management.

2.4 Effects of Workforce Diversity Management Strategies on Organisational Performance

The Workplace Diversity Strategy aims to build a relationship between the organization and its employees by supporting an inclusive environment which looks beyond perceived differences. A good performance appraisal strategy help to enhance employee performance by evaluating how employees are doing on the job and giving them the chance to correct their mistakes and acquire new skills (Stewart, 1986). A performance appraisal strategy influences organizational achievement of high returns, increase competitive advantage and increase firm productivity (Schuler *et al.*, 1992). Labour retention strategies helps organizations in building on diversity into the hiring process,

improving performance and retention of a wider range of age and ethnicity gives the firm a larger talent pool.

A well designed workforce diversity policy strategy specifically designed for minority groups help employees in understanding the culture of the organization and acquire essential skills; policy implementation policy strategies, particularly focusing on selection, appraisal, development and coaching, awareness training and training to identify cultural diversity and manage different cultures and across different cultures (Diversity, 2002). Singh and Madhumita (2012), found that training and development strategies are important mean to improve the employees' productivity which ultimately affects the organization performance and effectiveness. The recruitment and selection strategy determines the decisions as to which diverse candidates will get employment offers and improve the fit between employees, the organization, teams, and work requirements, and thus, to create a better work environment (Tzafirir, 2006). Pay strategy is to retain the most valuable employees by distributing the rewards in such a way that these employees are left with a feeling of satisfaction. Delaney and Huselid (1996) found that incentive compensation was associated with perceived market performance in USA. Employee compensation, particularly the performance based compensation system, resulted in better organizational performance in Indian firm (Singh, 2004).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology adopted for the study. In this chapter, most decisions about how research was executed and how interviewees were approached, as well as when, where and how the research was completed. The chapter therefore entailed research design, data collection and data analysis.

3.2 Research Design

The research design for this study was a case study since the unit of analysis is one organization. The study aimed at getting detailed information regarding the effects of workforce diversity strategies on firm performance at LG Kenya. According to Ngechu (2006), a case study allows an investigation to retain the holistic and meaningful characteristics of real life events. Kothari (2004), noted that a case study involves a careful and complete observation of social units. It is a method of study in depth rather than breadth and places more emphasis on the full analysis of a limited number of events or conditions and other interrelations.

3.3 Data Collection

The researcher used mainly primary data. Primary data was collected using an interview guide. The interview guide contain open-ended questions to collect qualitative data. This was used in order to gain a better understanding and possibly enable a better and more

insightful interpretation of the results from the study. The interview guide was made of two sections. The first part address the extent to which LG adopt workforce diversity strategies while the the second part address the extent to which workforce diversity affects firm performance at LG Kenya.

The interview guide was administered to the two financial manager, strategic managers, human resource managers, operation managers and relationship managers, all working in LG Kenya making a total of 10 interviewees.

3.4 Data Analysis

Content analysis was used to analyze collected qualitative data. Content analysis is a systematic detailed qualitative description of the objectives of the study. It involves observation and detailed description of objects, items or things that comprise the study (Mugenda and Mugenda, 2003). This method made it possible to analyze and logically group the large qualitative data and draw the inferences. Content analysis technique makes references by systematically and objectively identifying specific characteristics of information and using the same approach to relate to trends (Ngechu, 2006). The researcher used the data to determine workforce diversity strategies influence firm performance at LG Kenya.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data findings from the field, its analysis and interpretations there-of. The data was gathered through interview guides and analyzed using content analysis.

4.2 Response Rate

All the 10 managers working in LG Kenya projected to be interviewed were interviewed making a response rate of 100%. The commendable response rate was achieved after the researcher made frantic effort at booking appointment with the managers despite their tight schedules and making phone calls to remind them of the interview.

4.3 Background of the Interviewees

4.3.1 Current designation

The study in an effort to ascertain the interviewees' designation, a question on the current designation that the interviewee held in the organization was asked. According to the data findings, all the interviewees were managers in charge of finance, strategic, human resource, operations and relationship managers all working at LG Electronics Kenya Ltd.

4.3.2 Years respondents had worked at LG Electronics

The researcher also asked a question on the years that the interviewees had worked at LG Electronics Kenya Limited. According to the interviewees' response, all of them had

worked for LG Electronics Kenya Limited for at least five years as most promotions are internal, within the organization.

4.4 Extent to which the company has experienced workforce diversity

The interviewees were requested to indicate the extent to which the company had experienced workforce diversity. From the responses, the interviewees were unanimous that the company made the most of the full range of the employees as it attracts and retains the right skills, the best minds and all the required resources. The interviewees also reiterated that the company maximizes the potential of a diverse workforce in achieving competitive advantage in the market. The interviewees further indicated that the company had greater employee's diversity as it employed staff from different races, age, different tribes, from different nationalities and different gender. This implies that with the company has embraced workforce diversity to a great extent. This is in line with Peteraf, (1993) who stated that an organization's workforce diversity strategy is a key mechanism in ensuring the knowledge, skills and attitudes necessary to achieve organizational goals and create competitive advantage in the market.

4.4 Workforce Diversity Management Strategies Adopted

The interviewees were requested to indicate workforce diversity management strategies adopted at LG Kenya. All the interviewees opined that the company adopted creativity and innovation, increasing employee morale, retention, giving new employees the opportunity to work in areas where they could be expected to advance and improving relationships with clients. The company act fairly on employees, conduct employee

reviews and encourage employee's interaction to work with others employees of different backgrounds to successfully deal with diversity in the workplace. This implies adoption of workforce diversity strategies are essential to company as it can provide a powerful competitive advantage and the electronic firms are adopting and implementing workforce diversity management strategies with a focus of achieving higher performance. This is in line with Daniels, (2004) who stated that companies invest substantial resources in diversity management and generating reputations for being diversity leaders and attention has been given to the performance effects of being recognized for workforce diversity management strategies.

4.5 Workforce diversity management strategies successfully applied

To the question on the extent to which workforce diversity management strategies have been successfully applied in managing workforce diversity, the interviewees cited that the management had strategized, developed and implemented a meaningful diversity plan focusing on diversity initiatives, overall progress in recruiting, retaining and promoting employees in the company. Interviewee stated that the LG Kenya Limited management value its employee's contributions, grant promotions where appropriate, train its employees to take more responsibilities and pay each worker accordingly. The interviewees explained LG Electronics Kenya limited hired approximately employees from overseas, pays employees a huge bonus to create a high performance-driven culture. This implies that diversity programs assist organisations facing rapid demographic changes in their local consumer market and labour pool by helping people work and

understand one other better thus pursuing workforce diversity is a management goal that contributes greatly to the bottom line of the company. This is in line with Johnson and Scoles (2002), who view strategy as the direction and scope of an organization over the long-term which achieves advantage for the organization through its configuration of resources within a changing environment and fulfil stakeholders' expectations.

4.6 Influence of Workforce Diversity Management Strategies to Organizational Performance

The study also proceeded to determine the extent to which workforce diversity strategies influence company performances. The interviewees concurred that the company has used huge amounts in diversifying the workforce recognizing and utilizing it as an important organizational resource to provide an excellent customer service or to maintain a competitive edge. Interviewees suggest that diversity efforts can support and contribute to an organizational growth strategy and reinforces the importance of linking diversity. The successful diversity strategy at the company address organizational culture change to create a work environment that nurtures teamwork, participation and cohesiveness which positively impact performance. Team building and group training at LG electronics Kenya Limited enhances mutual cooperation, reduces role conflicts and increases sharing among the diverse work force.

This implies that workforce diversity impacts organizational level outcomes indirectly through effects that begin at the individual level. And that satisfaction with a mentoring relationship has been a stronger influence on career attitudes such as commitment and job

satisfaction. Moreover efficient communication enhances information sharing among employees which increases organizational effectiveness. This is in line with Delaney and Huselid (1996), who stated that a diverse workforce strategy becomes a source of competitive advantage for firms that strive to achieve a high level of innovation that ensures employee's satisfaction, quality, market share and the number of new products. Richard and Johnson (1999), stated that the repercussions for not adopting managing strategies for workforce diversity would lead to lack of skills, competencies, and interests in employees, which will ultimately increase employee turnover and reduce individuals' and organizations' performance to a great extent.

4.7 Whether LG Electronics Kenya Limited has achieved performance as a result of applying the strategies

4.7.1 Recruitment and selection strategy

On whether LG Electronics Kenya Limited has achieved performance as a result of applying recruitment and selection strategy, the interviewees indicated that the management implements a diversity recruitment policy where it determines how to award the job, postings and where to post them considering the generational, gender, racial or culture for a diverse recruitment. The study found that the objective of the LG Electronics Kenya Limited was to have a workforce that reflects the ethnic composition of the firm. The management search for prospective employees, stimulate and encourage them to apply for jobs in the organization. This implies that recruitment efforts was a very important aspect of achieving workplace diversity management and building diversity through recruitment process enabled the company to select competent, qualified and

knowledgeable workforce that improve on its productivity and improve the performance of the company. This was in line with Thomas and Ely, (1996) who stated that managing growth in workforce diversity and increasing the representation of women and minorities was a critical workforce management strategy of recruitment and selection for most organizations.

4.7.2 Employees mentoring

On whether LG Electronics Kenya Limited has achieved performance as a result of employees mentoring, the interviewees were in accord that the company's mentors are used to help assimilate new employees into the new culture and to develop potential leaders in the company. Employees' mentoring was a natural complement to the diversity strategy where the managers at LG select high-potential employees to develop and grow the mentoring relationship throughout the maturity of the mentee's career at the company. This implies that mentoring strategy of workforce diversity is an interactive, facilitative process meant to promote learning and development that is based on educational and social learning theories. This is in line with Loden, (1996) who stated that mentoring strategy is the plan as a professional relationship in which an experienced person assists another in developing specific skills and knowledge that will enhance the less-experienced person's professional and personal growth.

4.7.3 .Labour retention

On whether LG Electronics Kenya Limited has achieved performance as a result of applying labour retention, the interviewees indicated that the company top leaders ensure that staffs were selected and recruited into a workplace that supports and values employees' differences. The company offer unique benefits making it able to recruit and retain a diverse group of talented employees who might otherwise not join the company or may otherwise be forced to leave the workforce due to work-life balance issues. The interviewees also indicated that LG adopt labour retention strategy in retaining diverse competent and experience employees. This implies that LG Kenya Limited was attracting and retaining top talent human resources who foster creativity and innovation who performance excellently in their position. This concurred with Tzafrir, (2006) who stated that labour retention diversity strategy helps to retain the most valuable employees to enhance productivity and improve on overall organization performance.

4.7.4 Workforce training and development strategy

The interviewees were requested to indicate how workforce training and development strategy influences performance in the organizations. The study found that LG Kenya Limited had increase customer based, increase market share and increase in quality of products offer in the market. The interviewee also indicated that diversity training had provided employees with skill and knowledge that enhance creativity and innovativeness enabling the company develop superior quality electronic products, and improve company returns . The interviewees further established that workforce diversity

Training programs adopted by the company change employees' attitudes and behaviors to value diversity and reduce subtle forms of discrimination and exclusion that hinder effective working relationships thereby increasing company productivity. This implies training and development of workforce diversity improve performance of the company by ensuring quality production of electronic production, increase employee's productivity and increasing company's returns, improve company innovativeness and enhance development of new electronic products. This is in line with Holden, (1997) who stated that the intensification of global competition and the relative success of economies that give an emphasis to investing in training have resulted in the recognition of the importance of training in recent years.

4.7.5 Remuneration strategy

The interviewees were requested to indicate whether LG Electronics Kenya Limited had achieved performance as a result of adopting remuneration strategy. The interviewees indicated that adopting remuneration strategy influence attraction of competent and qualified employees and motivate them to improve on their individual productivity and increase company product development. Interviewees stated that the potential benefits of remuneration strategy influence on efficient delivery of products and services, contributes to organization and company returns, improves communication at all levels, and contributes to cultural change and increase customer base.

This implies that the remuneration strategies influence company performance to great extent performance outcomes but helps to contain fixed remuneration costs. This is in

line with Dagher et al. (1998) who stated that performance based incentive schemes can assist an organization to maximize its return on remuneration expenditure and that diversity practices in good remuneration strategies ensure that there is a direct relationship between effort and reward.

4.7.6 Appraisal strategies

On whether LG Electronics Kenya Limited has achieved performance as a result of applying performance appraisal strategies, interviewees stated that performance appraisal system influence career planning system and employee participation significantly influence employee job commitment at LG Electronics Kenya Limited. The interviewees explained that appraisal strategies promoted better understanding of an employee's role and clarity about their functions, gave a better understanding of personal strengths and weaknesses in relation to expected roles and functions, identified development needs of the employees, established common ground between the employee and the supervisor, increased communication and provided employees with the opportunity for self-reflection and individual goal setting thus improving company performance. This implies that since appraisal strategy evaluates the performance of employees after certain period, helpful in motivating and effectively utilizing the employees capabilities influencing overall company performance. This concurred with Schuler and Dowling, (1993) who stated that effective performance appraisal strategy in the area of diversity management should be objective not subjective, relevant to the job and the company, and fair to all employees and offer no special treatment.

4.7.7 Policy of workforce diversity management

On whether LG Electronics Kenya Limited has achieved performance as a result of applying policy of workforce diversity management, interviewees explained that the company embrace a more diverse workplace by reviewing policies on holidays, time off and employee communication. The interviewees also indicated that the company acknowledge standard holidays and recognize various religious holidays and adopted flexible leave for employees influence motivation of employees in achieving high performance and improving company overall performance through increase market share, increase customer base, improve on product development. Though office communications is in Standard English, LG Company have come up with different ways to communicate to employees who speak other languages to be more diverse in workplace and influence company performance and making the company more competitive in the market. This implies that an organization's performance and competitiveness depends upon its ability to embrace diversity and realize the benefits. This is in line with Truss (1999) who strongly emphasizes on management policy and appreciating and making use of diversity at the strategic level.

4.8 Use of Workforce diversity management strategies influenced performance

The interviewees were requested to indicate whether workforce diversity management strategies adopted by the LG Company had influenced achieving the performance. From the findings, interviewees indicated that use of workforce diversity management strategies influenced achieving of high profits, increase company return on assets and

return on investment, increase firm productivity, influence achieving of competitive advantage, increase market share of the company , improve on quality service delivery, offering of quality electronic products, increase Company Network, product market performance and increase sales volume. This implies that workforce diversity management strategies improve workforce productivity and customer satisfaction. This is in line with Sing, (2004) who stated that the demand for a well qualified workforce becomes a strategic objective.

4.9 Challenges in applying workforce diversity management strategies

The study sought to know the challenges faced by LG Electronics Kenya Limited in applying workforce diversity management strategies. Interviewees stated that quantifying diversity, managing diversity and the misperception that diversity is about affirmative action are the challenges in applying the strategies. Managers also are challenged with losses in personnel and work productivity due to prejudice, discrimination, complaints and legal actions against the organization. Negative attitudes and behaviors which include prejudice, stereotyping and discrimination are barriers to workforce diversity because they harm working relationships, damage morale and work productivity. Interviewees stated that challenges in managing workforce diversity are individual versus group fairness, resistance to change, equal employment opportunities and group cohesiveness and interpersonal conflict. This implies that there are challenges to managing a diverse work population. This is in line with Stavrou, Brewster and Charalambous, (2004) who stated that the intensification of global competition and the relative success of economies

that give an emphasis to investing in training have resulted in the recognition of the importance of training are the main challenges they faced.

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to. The conclusions and recommendations are drawn in quest of addressing the research question or achieving at the research objective which is the workforce diversity management strategies and firm performance at LG electronics Kenya limited.

5.2 Summary of Findings

The study found that the diverse work teams bring high value to organizations and LG Limited had adopted workforce diversity management strategies. The company had experienced workforce diversity through attraction and retaining embrace from all tribes, races, gender, and countries to ensure it acquires skillful and competent human resources.

The study reviewed that company maximizes the potential of a diverse workforce to achieve competitive advantage in the market by having a greater employee's diversity that makes it able to mirror increasingly diverse product markets and have more complex inimitable social resources. It revealed that LG Company use workforce diversity management strategies to enhance creativity in product development, increasing employee morale, enhance productivity and retention of valuable employees, giving new

employees the opportunity to develop and influence achieving of high returns in the company.

Workforce diversity management strategies influence company performances. From the findings, diversity efforts support and contribute to an organizational growth strategy and reinforce the importance of linking diversity promoting organizational culture change and enhance creating a work environment that nurtures teamwork, participation and cohesiveness which positively impact on company performance. Team building and group training at LG electronics Kenya Limited enhances mutual cooperation, reduces role conflicts and increases sharing among the diverse work force increasing high level of profitability.

The study revealed that use of workforce diversity management strategies influenced achievement of high profits, return on assets and return on investment, increase company productivity, achieving competitive advantage and increase market share, improve quality of product and service delivery, offering of quality electronic products, increase Company Network, product market performance and increase sales volume.

The study established the challenges facing application of workforce diversity management strategies. Quantifying diversity, managing diversity and the misperception that diversity is about affirmative action are the challenges in applying the strategies, losses in personnel and work productivity and negative attitudes and behaviors challenges the company in applying workforce diversity management strategies.

5.3 Conclusion

Well qualified workforce diversity becomes a strategic objective. The study concludes that the LG Company invests substantial resources in workforce diversity management and generating reputations for being diverse. Attention had been given to the performance effects as a result of being recognized for workforce diversity management strategies. The study concluded that LG Kenya Limited act fairly, conduct employee reviews and assessments and encourage employee's interaction to work with others of different backgrounds to successfully deal with diversity in the workplace.

Adoption of workforce diversity strategies are essential to company as it can provide a powerful competitive advantage and firms are adopting and implementing workforce diversity management strategies with a focus of achieving higher performance. In turn, an organization's workforce diversity strategy is a key mechanism in ensuring the knowledge, skills and attitudes necessary to achieve organizational goals and create competitive advantage. Effective strategic managers realize that assembling a diverse workforce usually contributes to a global company's ability to meet its key business objectives in a cost-effective manner.

The study concludes that by promoting training programs that encourage valuing diversity in the workplace; employers typically reduce employee dissatisfaction, improve morale and increase productivity. Maintaining a diverse workforce also reduces an employer's risk for discrimination or harassment lawsuits. By establishing programs to attract, recruit, interview, hire and train people from different backgrounds and cultures,

companies also tend to increase the likelihood of producing creative and innovation solutions to challenging problems.

The study concluded that diversity programs influence the company in facing rapid demographic changes in their local consumer market and labour pool by helping people work and understand one other better thus pursuing workforce diversity in management goal that contributes greatly to the bottom line of the company. To achieve managing diversity, it was imperative that management evaluates each component of the diversity strategy to determine successes, setbacks and new opportunities in order to revise the diversity strategy.

The study concluded that by employing diverse workforce management strategies, employees from different background, the LG Kenya brought individual aptitude and new ideas which were flexible in adapting to fluctuate markets and customer demands. A various collection of talents and experiences for example languages, cultural understanding allowed LG Company Kenya Limited to deliver quality electronic products and service to customers on a global basis.

5.4 Recommendation for Policy and Practices

From the findings and conclusion the study recommends that in order to achieve a high level of innovation that ensures employee's satisfaction, quality, market share and the number of new products management in the company must ensure that adoption of diverse workforce strategies.

Repercussions for not adopting managing strategies for workforce diversity would lead to lack of skills, competencies and interests in employees, which will ultimately increase employee turnover and reduce individuals and organizations performance to a great extent. Therefore the study recommends that management should support workforce diversity efforts such as mentoring or recruitment of minorities for top jobs, organizational diversity and upward mobility efforts more effectively. Communicating the outcomes and future goals of the diversity strategy should be expanded beyond employee groups to include additional stakeholders and the public. The goals should be recognized by employees, suppliers, customers and the public as an inclusive organization that places a high value on diversity that is reflected in the business products and services. Negative attitudes and behaviors in the workplace which include prejudice, stereotyping and discrimination should never be used by management for hiring, retention and termination practices. Attempts to achieve diversity goals must progress within lawful boundaries.

The study recommend that the company should have employees that can deal with different cultures and people from diverse backgrounds as it is crucial to any rapidly growing business. A diverse workforce helps build rounded individuals with experiences gained from mixed environment, the customers also benefit from the same as the organisation is open and flexible thus creating better business relationships. Unfortunately, this is not the case in most organisations.

The study recommends that company should allocate sufficient resources for diversifying the workforce, recognizing and utilizing it as an important organizational resource to achieve a competitive edge. The successful workforce diversity management strategy at the company enhance organizational culture change to create a work environment that nurtures teamwork, participation and cohesiveness which positively impact performance

The study recommend that recruitment in workforce diversity management influenced building diversity through recruitment process enabled the company to select competent, qualified and knowledgeable workforce that improve on its productivity and improve the performance of the company. The management diversity recruitment policy adopted by the firms determines how to award, postings and where to post them considering the generational, gender, racial or culture for a diverse recruitment. The management search for prospective employees, stimulate and encourage them to apply for jobs in the organization as recruitment efforts was a very important aspect of achieving workplace diversity management and building diversity through recruitment process enabled the company to select competent, qualified and knowledgeable workforce that improve on its productivity and improve the performance of the company.

The study recommends that the Company should spend significant amounts of money recruiting, training and developing their employees, top priorities being the retention and development of diverse talent. The management should actively assess their handling of workplace diversity issues, develop and implement diversity plans as this will enable the company to report multiple benefits.

5.5 Limitation of the Study

The study faced limitation of focusing on a case study of LG Electronics Company. The study would have focus on electronic companies in the sector but resource limited the study. To mitigate this limitation, the study focuses on a case study to carry out an in depth analysis on effects of workforce diversity management strategies on performance.

The study faced a limitation of interviewees being uncooperative; however the researcher explained that the data that was to be obtained was for academic purpose only.

The other limitation was that, since the instruments needed interviewee to offer as much information, a few interviewees found it difficult in offering information they may deemed confidential. The researcher explained to the respondent that the information they would give would only be used for academic purposes.

The interviewees who were in high level managerial position were usually busy and it was a challenge to secure time to interview and collect data within the time of the day. The researcher sought permission from the university and the management to secure cooperation as well made follow up so that interviewees could be allowed time off during their free time to provide information for the study

5.6 Recommendations for Further Research

The objectives of this study were to establish the effects of workforce diversity management strategies on firm performance in LG Electronics Company Limited. The study recommends that further research should be done to determine factors that hinder effective workforce diversity management in firms.

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APPENDICES

Appendix 1: Interview Guide

Section A: Bio Data of Respondents

1. What is your current designation in the company?
2. How many years have you worked at LG Electronics Kenya Limited?

Section B: Extent to which LG Limited has adopted workforce diversity management strategies

1. Indicate the extent to which your company has experienced workforce diversity
2. Indicate workforce diversity management strategies adopted in your company
3. Indicate the extent to which workforce diversity management strategies have been successfully applied in managing workforce diversity

Section C: Influence of workforce diversity management strategies to organizational performance

4. Explain the extent to which workforce diversity strategies influence company performance
5. Indicate how LG Electronics Kenya Limited has achieved performance as a result of applying the following workforce diversity management strategies
 - i. Recruitment and selection strategy
 - ii. Employees mentoring

- iii. Labour retention
 - iv. Workforce training and development strategy
 - v. Remuneration strategy
 - vi. Performance appraisal strategies
 - vii. Policy of workforce diversity management
 - viii. Labour retention strategies
6. Explain how use of Workforce diversity management strategies in your company has influenced achieving the performance in the following terms
- i. Achieve high profits, return on assets and return on investment
 - ii. Increase firm productivity
 - iii. Achieving competitive Advantage
 - iv. Increase Market Share
 - v. Quality service delivery
 - vi. Offering of Quality Electronic Products
 - vii. Increase Company Network
 - viii. Product market performance

ix. Increase sales Volume

7. Give challenges faced by LG Electronics Kenya Limited in applying workforce diversity management strategies.