

# Moderating Effect of Organizational Factors on the Relationship between Diversity Management Strategy and the Performance of Public Universities in Kenya

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## Abstract

This study was designed to establish the effect of organizational factors on the relationship between workforce diversity management on the performance of public universities in Kenya. The study utilized descriptive correlational survey research design with emphasis on descriptive and analytical designs to put into perspective the effect of organizational factors on the relationship between workforce diversity management and performance of public universities in Kenya. The population of the study constituted all the public universities in Kenya. This being a census study, the data was collected from all registrars in charge of human resource management and administration in all public universities, by use of questionnaires. This study employed the test-retest technique to ascertain the reliability of the data collection instruments. The findings obtained from this study are useful to the following people: Scholars and academicians; can use the findings of this research as a contribution towards the existing knowledge on workforce diversity management related studies. Students and academicians wishing to carry out research in the field of workforce diversity management can use this study and its findings as a source of literature. This study provides policy makers in public Universities and other institutions of higher learning with alternative and appropriate interventions that can be employed for attaining successful workforce diversity management. On overall significance, organizational factors did not have significant moderating effect on the relationship between workforce diversity and university performance in that they had an overall significance value greater than the set p-value  $\alpha$  (Overall significance = 0.057). However, on individual significance, the degree of moderation varies from one organizational factor to another with University act/statutes, University culture and location of the university all had significantly moderate positive effect ( $r_{xy.z} = 0.269$  p-value = 0.024,  $r_{xy.z} = 0.285$  P-value = 0.019 and  $r_{xy.z} = 0.270$  P-value = 0.014) respectively. This implies that the presence of University act/statutes, University culture and location in the correlation model improves the relationship between workforce diversity and universities performance. The study was based on the premise that workforce diversity influence performance but this influence is moderated by a number of organizational factors. The study results supported this premise in that workforce diversity was found to significantly and positively affect performance with forty eight point six percent of the performance being explained by workforce diversity.

**Key words:** Organizational Factors, Diversity Management Strategy and Performance

## 1. Introduction

The emerging challenge for institutions of higher learning is how to better appreciate the wealth in continuous learning and the subsequent modification of behaviour in tandem with the dynamic global and national scenarios in higher education. Reports by the National cohesion and integration commission (2008) showed that the Kikuyu and Kalenjin communities dominate 40% of the public service jobs, regardless of the Cohesion Act which requires that a ministry or department should not hold more than 33% of its staff from one ethnic community. The report attributes the skewed dominance by the Kikuyu and the Kalenjin to political patronage. Public universities in Kenya are not an exception, a quick observation of our country's public university's top management, reveals that the vice chancellors and chancellors in those universities come from within the ethnic boundaries of where the universities are situated and 90% of them are men and they are all senior citizens. A direct outcome of this political compliance is a continued ethnicization of university administration, with the appointment of key university personnel from members of one ethnic community and region remaining a key feature. This he argues may lead to increased industrial unrests. Whereas the law in Kenya provides for industrial action its negative consequences on the total University system have often undermined quality assurance both in the short and long term. This is normally expressed through lost academic hours, strained personnel relationships particularly between academic staff and university management, and brain drain. Ultimately, the final product

being rolled out (i.e. graduate students) stands the risk of being ‘half-baked’ and thus not adequately prepared for the job market. This in itself translates into the loss of quality of human capital beyond the University walls. Organizations and their management teams often define diversity too narrowly by tolerating, rather than embracing, government guidelines about inclusion of gender, age and ethnic diversity in the workplace; focusing on the avoidance of legal risks, rather than the benefits of diversity; and doing the minimum necessary, rather than the maximum, to promote diversity.

## 2. Literature Review

In this study organizational factors are factors that influence the relationship between workforce diversity management and performance of public universities. Whereas there are many factors that can influence the relationship between workforce diversity management and performance of public universities, the study will focus on University policies, university culture and perceived inequity. An organization's commitment to diversity is reflected in the extent to which diversity policies and procedures are mutually understood and communicated (Cox, 2004). Nevertheless, diversity issues including short and long term agency concerns are rarely discussed in any consistent fashion (Allison, 2009). Diversity policies should be in aligned with organizational mission and vision. Numerous organizations have recognized and attempted to respond effectively to the demographic shifts in the workforce by launching diversity initiatives, hiring diversity consultants, and offering an array of diversity training programs (Kalev, Dobbin, & Kelly, 2006).

Various researchers studying diversity in the workplace have consistently found that organizations that emphasize collectivism in the work environment see more benefits of workplace diversity than organizations that emphasize individualism (Chatman & Spataro, 2005; Dwyer, Richard, & Chadwick, 2003). The studies have also been found that an emphasis on teamwork fosters better relationships within a department and can promote identity within the department or organization that moves beyond surface level differences (Jayne & Dipboye, 2004). Based on this literature, we can conclude that departments that developed a strong culture of Involvement, one in which all employees were developed, empowered, and encouraged to work as a team, would be perceived as managing workplace diversity better than departments that had a weak Involvement culture. We were also interested in whether the national culture of the country where employees were from would affect the relationship between Involvement culture and diversity management perceptions. Hofstede's (1980) research has categorized countries based on being low or high in masculinity, individualism, uncertainty avoidance, and power distance. According to Hofstede (1980) the two dimensions of national culture that could impact diversity management are power distance and individualism. Countries high in power distance are characterized by a general understanding that power differentials are “normal and legitimate.” We reasoned that the effect of Involvement culture on the perceived management of workplace diversity would be stronger in countries characterized as low power distance and high collectivism. Low power distance countries, such as Australia, Canada, Germany, New Zealand, Sweden, United Kingdom, or the United States, would see stronger effects of Involvement on workplace diversity perceptions than high power distance countries, because there would be less barriers present in the workplace that would interfere with integrating diverse employees (Dwyer, et al, 2003). It is believed that people from individualist societies primarily focus on their own best interests and the interests of their immediate family. At the opposite end, collectivistic societies are characterized by a loyalty to one's own in-group and, as a consequence, are more tightly integrated. Countries high in collectivism, such as Brazil, Chile, Ecuador, Hong Kong, Malaysia, Pakistan, South Korea, or Thailand, should see stronger effects of Involvement on diversity perceptions than individualistic countries because of the emphasis on team work and inclusion (Dwyer, et al, 2003).

Despite more inclusive hiring and promotion patterns at many levels of organizations, there are limited opportunities for women and minorities. Argyris (2003) has observed that it is not unusual for managers to want to clone themselves; to hire people who are like them in style and substance. This organizational cloning makes not only increased comfort levels with coworkers but also allows one to foster continuity in the agency consistent with the current management culture. Such behavior is detrimental to diversity goals and limits the ability of the organization to become increasingly inclusive (Allison, 2009). Selecting or hiring employees based on the rule “he is color of me” become the basis for the loss of a huge talent pool from organization. In a recent research Arslan Ayub et al (2012) observed that the informal “rules of conduct” which surrounded hiring and promotion practices were ultimately linked to the power relations within the organization, and were unspoken and prevalent at all levels of the organization. These rules became so institutionalized that it was difficult for those socialized into the organization to see how their own behavior, policies, and procedures continue to promote inequity, insensitivity, and/or lack of access.

## 3. Methodology

This study used descriptive correlational survey research design as it sought to describe and establish the relationships among the study variables namely workforce diversity, performance and organizational factors. A

research design is the arrangement of conditions for collection, measurement and analysis of data in that aims to combine relevance to the research purpose Kothari (2010). Descriptive correlational survey research design allows the researcher to describe and evaluate the relationship between the study variables which are associated with the problem. Correlational survey design also allows a researcher to measure the research variables by asking questions to the respondents and then examining their relationship (O'Connor, 2011). This being a census study, all the public universities in Kenya which were registered and licensed by the Commission for Higher Education as at July 2013 were studied. A list of the public universities which were registered and licensed by the Commission for Higher Education (Appendix 3) indicated that there are twenty two public universities in Kenya.

Both primary and secondary data was used in this study. Primary data was collected through the use of key informant method and a self-administered questionnaire (Appendix 1). Hence, all the registrars in charge of HR and administration and academic affairs in all public universities were selected to take part in the study as they are perceived to be knowledgeable on the issues under study and for which they are either responsible for their execution or they personally execute them. Only two respondents were interviewed in each university and the questionnaire had both the open and closed ended questions and 'drop and pick' technique was used. Primary data was used in this study because the selected respondents are able to evaluate the study variables. Secondary data on the other hand, was obtained from the already written literature on the Kenyan universities which was used to cross-validate and check the consistency of the questionnaire responses. The researcher synthesized existing knowledge from a comprehensive desk-based literature from valid sources such as published works, manuals, policy position papers and reports relevant to study topic and the specific period under investigation. Documentary analysis was also used to gather background information by reviewing literature relevant to the study. This involved a review of secondary data sources such as books and journals, Commission for higher education publications, universities operation plans and Strategic Plans (SP) and other relevant documents from authoritative sources on the topic under study.

The study employed a descriptive correlational survey research design hence the research instruments used enabled the researcher to obtain accurate information in the shortest time possible. Therefore questionnaires and document analysis was used to collect the desired data. The data collection instruments were administered to all the twenty two public universities in Kenya. After the data had been collected, the researcher edited them to ensure their completeness and consistency, Coding and classification then followed to ensure sufficient analysis. The data was then entered and analyzed by simple descriptive analysis using statistical package for social scientists (SPSS) computer software to generate cumulative frequencies and percentages. The software package was chosen because it is the most used package for analyzing survey data. Besides being the most used package, the software has the advantage of being user friendly (Mugenda, 2003). It is also easily used to analyze multi-response questions, cross section and time series analysis and cross tabulation; (relate two sets of variables) and it can also be used alongside Microsoft Excel and Word packages.

Both descriptive and inferential statistics were used in the analysis then presented using frequency and contingency tables. Descriptive statistics were used to deduce any patterns, averages and dispersions in the variables. They include measure of locations (mean) and measure of dispersions (standard error mean). These measures were used to describe the characteristics of the collected data. Inferential statistics were used to determine the relationship between the study variables and these inferential statistics included correlation and regression analysis. The primary association among the study variables were assessed using correlation which were tested both at 95 percent confidence level (level of significance,  $\alpha= 0.05$ ) and 99 percent confidence level (level of significance,  $\alpha= 0.01$ ) and all the hypothesis were tested at 95 percent confidence level (level of significance,  $\alpha= 0.05$ ).

To be able to determine the strength and the direction of the relationship between workforce diversity and performance, and relationship between organizational factors and performance, the researcher used simple regression analysis. To determine the effect of organizational factors on the relationship between workforce diversity and performance, the researcher used Karl Pearson's first order partial coefficient ( $r_{xy.z}$ ) as shown in Table 3.1 below. The relationship between organizational factors and performance and work diversity was expected to follow a regression model of the nature  $P=\alpha+\beta_2OF+\epsilon$

Where;

P = Performance of the university indicators

$\alpha$  = Intercept term

$\beta_1$  and  $\beta_2$  = Beta coefficients

WD = Workforce Diversity

OF= Organizational factors and

$\epsilon$  = Error term- random variation due to other unmeasured factors.

#### 4. Results

The key organizational factors in this study were the university specific factors. They were; university act/statutes, university culture, location of the university. These factors show the operational features of the universities and the following section highlights the study results on these organizational factors. In order to be able to determine the influence of board of directors, respondents were required to respond to various aspects of university statutes to the performance of their respective universities and their responses recorded in Table 4.1 below.

**Table 4.1: The university statutes influences the performance of public universities**

	Frequency	Percent	Cumulative Percent
Strongly disagree	1	2.25	2.25
Disagree	5	12.25	14.50
Fairly agree	6	14.55	29.05
Agree	17	42.3	71.35
Strongly agree	11	28.65	100
Total	40	100	

*Source: Research*

According to study findings in Table 4.1 reveals that 2.25 percent of the respondents strongly disagreed, 12.25 percent disagreed, 14.55 percent fairly agreed, 42.30 percent agreed while 28.65 percent strongly agreed with most of the aspects of the influence of university statutes on the performance of the public universities in Kenya board of directors to the Saccos. This shows that over 60 percent agreed or strongly agreed that the university statutes had influence on the performance of the universities.

The respondents were asked to indicate the extent to which they disagree or agree with various aspects of the university culture in their respective universities and their responses presented in the Table 4.2.

**Table 4.2: Effect of University culture on the performance of the universities**

	Frequency	Percent	Cumulative Percent
Strongly disagree	2	3.55	3.55
Disagree	1	2.10	5.65
Fairly agree	5	12.33	17.98
Agree	21	52.95	70.93
Strongly agree	11	29.07	100
Total	40	100	

*Source: Research*

According to study findings in Table 4.2 reveals that 3.55 percent of the respondents strongly disagreed, 2.10 percent disagreed, 12.33 percent fairly agreed, 52.95 percent agreed while 30.38 percent strongly agreed with most of the aspects of university culture. Over 80 percent of the respondents agreed that the university culture affects their performance

The respondents were asked to indicate the extent to which they disagree or agree with various aspects of location of the university in their respective universities and their responses recorded in Table 4.3.

**Table 4.3 level and nature of members in the University**

	Frequency	Percent	Cumulative Percent
Disagree	1	0.92	0.92
Fairly agree	5	14.68	15.60
Agree	22	54.02	69.62
Strongly agree	12	30.38	100
Total	40	100	

*Source: Research*

According to study findings in Table 4.3 reveals that 0.92 percent of the respondents disagreed, 14.68 percent fairly agreed, 54.02 percent agreed while 30.38 percent strongly agreed with most of the aspects of location of the university. The results show that over 84.4 percent of the respondents say that their university performance is affected by the location of the university.

To establish the moderating effect of the organizational factors on the relationship between workforce diversity and performance, the relevant null hypothesis was stated as shown below:

H<sub>02</sub>. Organizational factors do not have significant moderating effect on the relationship between workforce diversity and public universities performance in Kenya.

To be able to determine the moderating effect of the organizational factors, the researcher correlated the mean of the measures of workforce diversity against the mean of the measures of university performance without involving the organizational factors to obtain the zero order (Pearson) correlation coefficient ( $r_{xy}$ ). The same process was repeated with every organizational factor as a controlling variable in order to obtain the first partial correlation coefficient ( $r_{xy.z}$ ). The hypothesis test was set in such a way that the null hypothesis was

rejected if  $r_{xy.z} \neq 0$  and  $p\text{-value} < \alpha$  otherwise fail to reject  $H_{02}$  if  $r_{xy.z} = 0$  and  $p\text{-value} > \alpha$ . Table 4.4 gives a summary of the effect of organizational factors on the relationship between workforce diversity and performance.

**Table 4.4 Summary of the moderating effect of organizational factors on the relationship between workforce diversity and performance**

Results of zero order Correlation of workforce Diversity and Performance			
		Mean of workforce diversity	Mean of performance
Mean of workforce diversity	Pearson Correlation	1	0.280
	Significance. (2-tailed)	.	0.014
	N	40	40
Mean of Performance	Pearson Correlation	0.280	1
	Significance. (2-tailed)	0.014	.
	N	40	40

Correlation is significant at 0.05 lever (2-tailed)

**Results of first order partial correlation of workforce Diversity and Performance with Organizational factors.**

Control / moderating variable(z)	First order partial correlation ( $r_{xy.z}$ )	Moderation effect of organizational factors (compared to zero order simple correlation coefficient of workforce Diversity and Performance ( $r_{xy} = 0.280$ ))	Significance (p-value = 0.05, 2-tailed)
University act/status	0.269	Moderately positive	0.024
University culture	0.285	Slightly negative	0.019
University location	0.270	Moderately positive	0.014
Overall significance = 0.057			

Source; Research data

The study results presented in Table 4.4 indicate that on overall significance, organizational factors did not have significant moderating effect on the relationship between workforce diversity and university performance in that they had an overall significance value greater than the set  $p\text{-value } \alpha$  (Overall significance = 0.057). However, on individual significance, the degree of moderation varies from one organizational factor to another. For example, University act/statutes, University culture and location of the university all had significantly moderate positive effect ( $r_{xy.z} = 0.269$   $p\text{-value} = 0.024$ ,  $r_{xy.z} = 0.285$   $P\text{-value} = 0.019$  and  $r_{xy.z} = 0.270$   $P\text{-value} = 0.014$ ) respectively. This implies that the presence of University act/statutes, University culture and location in the correlation model improves the relationship between workforce diversity and universities performance.

As shown in Table 4.4, none of the  $r_{xy.z} = 0$  and the  $p\text{-value} < \alpha$ . We therefore rejected the null hypothesis and concluded that organizational factors significantly affected the relationship between workforce diversity and the university performance.

## 5. Conclusion

The fourth and final objective was to determine the effect of organizational factors on the relationship between workforce diversity the performance of public universities in Kenya. The organizational factors involved in this study were University act/statutes, University culture and location of the university. On aggregate, the organizational factors were found to have a moderating effect on the relationship between workforce diversity and performance of public universities though the degree and direction of the effect varied across the organizational factors. University act/statutes, University culture and location of the university improved the relationship between workforce diversity and university performance.

Organizational factors on the other hand, had a moderating effect in the relationship between workforce diversity and performance. It was noted that the direction and strength of this effect vary across individual organizational factors. However, on individual significance, the degree of moderation varied from one organizational factor to another. Performance of public universities depended on the organizational factors with thirty six point nine percent of their performance being explained by organizational factors.

The organizational factors of the Universities have been found to have a moderating effect on the relationship between workforce diversity and performance hence the need to improve the organizational factors in universities in order to improve on their performance.

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