The Link between Demographic Workforce Diversity Management, Employee Retention and Productivity: A Case of the Civil Society Organizations in Homabay County, Kenya

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Abstract
Employee retention and workforce diversity are critical components of organization that cannot be ignored when productivity is measured. This research investigated the link between these three important variables using descriptive survey research design. The study used attraction selection attrition theory. The research targeted top management of the civil society organizations within the county. Convenient Sampling was used to select 71 respondents who consisted of managers and administrators from the randomly selected non-governmental and community based organizations located rural areas in Homabay County. Research instrument consisted of a structured questionnaire that contained a five point Likert scale where respondents were requested to indicate their opinion based on the statements provided. The study found out that majority of the respondents (57.7%) somehow agreed that their organizations employ across the generation. Most respondents also strongly agreed (57.7%) that their organizations promote gender equity. The study recommended that future scholars to investigate each independent variable singularly and to test for the existence of any relationship.

Keywords: Workforce Diversity, Employee Retention and Productivity

1 INTRODUCTION
Mismanaged Workforce Diversity may lead to a dissatisfied workforce and low productivity in an organization, (Kinyanjui, 2012). This is because when employees feel that they are being discriminated based on their gender, social class, sexual orientation, ethnicity they tend to engage in disruptive activities that may hamper deliverance of key strategic objectives. Research has consistently indicated that those institutions with clear diversity policies and management systems tend to be effective, productive and sustainable, (Mercy and Rachel, 2013). Mutuku, K’Obonyo and Awino (2013) and McArthur (2010) contend that due to globalization, diversity is becoming an integral part of the organization life. Consequently, human resource managers must put mechanisms at workplaces to properly manage diverse talents for the organizational gains. According to Sahar (2010), effective diversity management strategies increases organizational productivity since it attracts diverse talents to the firm’s common goal. This in turn improves the organizational capacity to make accurate decisions, solve problems and build synergy which in turn enhances organizations competitive advantage, (Wambari, 2010).

The concept of diversity is deeply rooted in the Kenyan Constitution (2010) that outlaws any legislation and practices that promotes discrimination of all persons regardless of age, gender, ethnicity, religion, class, race, physical impairments, mental abilities, (Nakitare and Okibo, 2015). This therefore means that all corporate bodies in Kenya including the civil society organizations are expected to put in place strategies to curb workplace discrimination and promote workforce diversity. Consequently some civil organizations have developed and implemented diversity policies. However it is important to note that implementation of certain culturally sensitive diversity issues such sexual orientation, that is, inclusion of gay and lesbian at workplace still remains a challenge to the people of Kenya. Ethnicity and Corruption in public and private sectors need to be reduced or eliminated in order to achieve a meaningful workforce diversity program in Kenya. Negative attitudes and behaviors at workplace that encourage prejudice should also be discouraged and the top management should strive to promote inclusion, (Hanappi-Eggar, 2011).

Cox (2001) defines diversity as the variation in cultural and social identities in people existing in a given market setting or environment, while Esty et al (1995) looks at it as the process of acknowledging, understanding, valuing, celebrating and accepting differences among people in terms of class, age, ethnicity, gender and mental ability. Apana and Jackson, (2003) argue that diversity is all about demographic composition of a team. According to The Law Society of Scotland (2013) diversity refers to a multiplicity of demographic features that defines an organization’s workforce particularly in terms of gender, race, religion, age culture and different abilities. Managing Workforce Diversity is demands a comprehensive managerial process for developing an environment that works for all employees, (Munjuri, 2012) while Bagshawe (2004) defines it as systematic and planned commitment by the organization to resource, motivate and promote a heterogeneous mix of employees with an aim of achieving competitive advantage. It is important to note that demographic workplace diversity which this study investigated include employee’s age, ethnicity, sexual orientation, gender, physical status, education and religion as explained by McGrath, Berdchil and Arrow (1995). This therefore means that the study did not include other categories such as personality trait, task related knowledge skills/capabilities, status in the organization and values/view/attitudes.
According to Anderson (2012) and Were (2014) diversity should be part of the organization culture and therefore all organizations should have a comprehensive workforce diversity programs for creating work environment that attracts and retains all cadres of employees for its own advantage. These programs should aim at increasing individual employee’s cultural competency in building productive human relationships. The top managers should promote diversity visibly and implement mentoring programmes aimed at providing employees with access to opportunities and information, (Koonce, 2001 and Mutuku, K’Obonyo and Awino, 2013). Waiganjo, Mukulu and Kahiri (2012) argue that diversity management is a must for all organizations however complicated it is for organizations that intend to achieve sustainable development since there is no organization in this modern economy which is homogenous. This is because ethnically diverse teams are associated with more creativity and innovation. It was against this backdrop that this study was conducted with the main objective of finding out the association between demographic workforce diversity management, employee retention and productivity in civil society organizations located in Homabay County.

2 PROBLEM STATEMENT
Workforce Diversity Management has attracted several research studies in the recent past. Majority of these studies focused on finding the relationship between workforce diversity and specific aspects of Human Resource Management functions such as performance, employee turnover, and retention among others. Most of these studies found existence of a positive relationship while others recorded negative relationships. For instance Gellner and Veen (2009) found that age heterogeneity has a negative effect on productivity of individual employee while Turner and Haslam (2001) found that diversity in work teams lead to negative outcomes such as disruptive conflict. Studies done by Nicole, Nadler and Swan (2009) found moderate significant relationship between cultural empathy and gender perception on diversity programmes while Joseph and Selvaraj (2015) found that diversity alone is insufficient for improving workplace performance since there was no relationships among the variables tested. There are few empirical studies done to determine the link between demographic workforce diversity, productivity and employee retention in Kenya more so in the civil society organizations.

It is imperative to note that majority of these studies are not empirical in approach as most of the researchers merely reviewed and compiled literature in their endeavor to present facts on the effects of diversity on employee retention. Most of these studies also have recommended empirical studies in order to test hypothesis and determine whether statistical relationships exist between workforce diversity and employee productivity. It was these propositions for further research that prompted the researcher to conduct the study with a view to bridge this gap. Finally, this study was meant to contribute towards the creation of a body of knowledge and to be used for reference by future scholars.

3 RESEARCH OBJECTIVES
The study objectives were:-

a. To determine the relationships between demographic workforce diversity and productivity in civil society organizations in Homabay County.

b. To find out the effects of employee retention on productivity in civil society organizations in Homabay County.

4 EMPIRICAL REVIEW
Meghna Sabharwal (2014) study focused on the concept of organizational inclusion, which goes beyond diversity management. The study confirmed that diversity management alone is insufficient for improving workplace performance. The research proposed that what public administrators as well Human Resource Practitioners should promote greater inclusion of workforce in ways that takes their views into account and promotes self-esteem. The results further indicated that productive workplaces exist when employees are encouraged to express their opinions, and their input is sought before making important organizational decisions. Kinyanjui (2013) a review the innovative strategies for managing workforce diversity in Kenyan leading Corporations in present global scenario and assets that there is no one single way to manage workforce diversity in an organization. Different organizations and circumstances influence the way employee diversity is managed. However it is important to note that the benefits of diversity management outweigh the demerits. Mutuku, K’Obonyo and Awino (2013) studied the relationship top management team diversity, quality of decisions and performance of commercial banks in Kenya. The study targeted heads of HR in all banks and found out that quality of decisions have effects on relationship between top management diversity and performance.

Nicole, Nadler and Swan (2009) investigated the influence of cultural empathy and gender on perceptions of diversity programmes. Specifically the study examined whether individual ethnic/cultural empathy toward diverse groups relates to intentions to attend and interest in diversity initiatives. Data was collected from a sample of 294 college students at a moderate sized Midwestern University. The research found moderate significant relationships between the variables. Findings also revealed that women and those higher in
ethic/cultural empathy reported higher behavioral intentions to attend and positive perceptions of diversity programs. Seyed-Mahmoud Aghazadeh (2004) Managing workforce diversity as an essential resource for improving organizational performance. The researcher posits that the effects of cultural diversity on organizational behavior are multifaceted and potent. Bakr, Ingo and Ahmad (2009) examined attitudes towards diversity in a emerging Gulf economy whose workforce is dominated by expatriates and is under significant pressure to accommodate host country citizens. The study randomly sampled 100 employees from 11 banks operating in the UAE. The study found out that all banks have a diverse workforce, with nationals representing a minority in all of them. The researchers contend these findings provide useful information on attitudes toward diversity in an emerging Gulf economy, dominated by expatriates.

Gupta (2013) also reviewed recent literature on the effects of workforce diversity and organizational performance and argues that with the current globalization human resource managers are faced with a lot of challenges with regards to diversity management and staff retention. Frank, Chan, Hasan, Carol, Denise and Paul (2006) applied the model of culture fit to determine the human resource (HR) strategies for managing knowledge workers in two socio-culturally in South African and Singapore. When data was analyzed, the results revealed that there were convergent effective HR strategies used for motivating and retaining, but practices were divergent for attracting knowledge workers. Nakitare and Okibo (2015) investigated the effects of employee diversity management on competitive advantage banks in Kisii town. The study established that hiring policies in the organization support the appointment of both gender in managerial positions and effectiveness paradigm are key motivation for organizations to realize diversity management programs. Mkoji and Sikalieh (2012) studied the influence of personality dimensions on organizational performance using descriptive survey research design. The study found out that Kenya Medical Research Institute staff consists mainly of conscientiousness personality trait which has been found to be predictive of job performance.

Kurt, Camichael and Merino (2011) Human resource management and cultural diversity: a case study in Mozambique. Applied mixed methodology employed a survey, as well as a case study in Mozambique. The results indicate high levels of power distance, collectivism, uncertainty avoidance, and feminism that are very similar to Kenya. These dimensions differed across a spectrum of employee levels illustrating cultural hybridization at firm level in a multinational operating in Africa. The results also illustrate the importance of a range of health, family, and societal beliefs in the workplace. Anton, Mala and Melissa (2011) conducted a study on the differentiation within the salary band: an endeavor to establish fairness, transparency and equitable remuneration using a 270\degree approach by a single rater group. Significant positive correlations were noted between the ratings of the supervisors (executive managers), the external job evaluation system and peer ratings. However a negative correlation with the self-ratings was observed. The study also found to differentiate fairly and transparently in relation to the inherent demands and consequently the relative worth and value of the senior management positions.

Wambiri (2010) investigated workplace diversity management effects on implementation of human resource management practices in the ministry of health in Kenya. The study sampled 34 respondents and used descriptive survey research design. Analysis of the returned self administered questionnaires revealed that there is a positive relationship between workplace diversity and implementation of HRM Practices. David and Mammed (2010) reviewed the literature on diversity training and examine the effect of power, privilege and politics on diversity in organizations. The conceptual review found out that the value of diversity training to promoting inclusivity, equality and fairness in organizations is underlined as is the importance of the human resource development community adopting a more proactive role in addressing the issue of diversity through research. Kochan et al (2003) investigated the effects of diversity on business performance and found that different aspects of organization context and some group process moderated diversity.

Omotayo, Abiodun and Fadugba (2012) conducted a study on executive perception of the impact on flexi time on organization performance in private sector in Nigeria. The study used correlation and multivariate regression analysis to test data collected via self administered questionnaires on managers. The study found out that marital status and gender exert significant negative impact on the level of satisfaction with flexi time. Munjuri (2012) studied workforce diversity management and employee performance in the banking sector in Kenya. The research selected three branches in Nairobi region and targeted 4000 employees. The study found out that most banks have diversity strategies such as balanced recruitment, diversity training and support to minority groups. The study also found out that there is a positive significant association between employee performances. Ahmed and Wario (2013) used descriptive survey research design to investigate diversity management practices in the civil service in Kenya. The study found that civil service management in Kenya does not link diversity issues to HR decision making. The study also found that better understanding of different groups, recognizing different views, empowering employees and eradicating prejudices on diversity issues result to better performance thus high productivity.

Kibui, Gichunga and Namusoge (2014) conducted an empirical review on the role of talent management on employee retention in Kenya. The study mainly focused on state corporations and the review
established that talent management in the public sector is not given much attention. It is critical to note that employees talent management is a diversity issue that if not well addressed may lead to high turnover in organization, (Were, 2015). This is true because loss of employee’s loss of employees disrupt production process hence staff retention enhancement practices should the centre focus of the top management, (Were, 2014). Hytter (2007) argues that even though it may be difficult with the current globalization and diversity issues to retain performing employees for long, however, organizations that retain their workforce for long tend to outperform their peers in the same market.

Mbugua, Waiganjo and Njeru (2015) studied the relationship between strategic performance management and employee retention in commercial banks in Kenya using survey research design. The study found that strategic performance to some extent influence employee retention. Those companies that incorporate strategic management and adopt individualized development plan for their employees tend to retain the top management for a long time, (Iles, 2010). Karemu, Kahara and Jose (2014) analyzed the effects of employee recruitment strategies on employee retention at the Equity Bank Kenya using descriptive survey research design. The study targeted managers at the headed quarters and branches recruited and promoted over two years prior to the research. The findings of the investigations revealed that employee recruitment strategies have positive significant effects on employee retention. It is important to note that through resourcing process diversity is put into perspective and the recruitment process in Kenya must be in tandem by the Kenyan Constitution for the civil society organization in Kenya.

Amboka and Ssemigenyi (2014) conducted a study on the influence of human resource management practices on employee retention in Kenya Power Ltd. The study established that institutions that adopt better leadership styles and compensation strategies have low staff turnover and a satisfied workforce. Organizations with effective socialization process, clear training and development programmes, effective leaders and clear remuneration process also tend to retain their staff, (Baumruk, 2006). Employee retention increases the likelihood the employee will think long term hence assisting the organization in achieving both medium term and long term plans, (Njoguna, 2009). Therefore it is incumbent of all managers to initiate and sustain retention management programmes such as orientation and on boarding, developing and adopting diversity policies, executive coaching, career development and motivation across generations.

5 ATTRACTION SELECTION ATTRITION THEORY BY SCHNEIDER

This study adopted Attraction Selection Theory because of its application in better understanding of organizations and on the basis of emphasis on employee resourcing, retention, diversity and productivity and organization fit. It also cardinal to note that some previous scholars such as Wambili (2010), Karemu, Kihara and Jose (2014) used the same theory to explain variables under study. According to Garcia, Posthuma, & Colella, (2008) individuals are normally attracted to organizations that appear to have members with values similar to their own and as result, organization select new members that are similar to their existing members because their hiring continues to make everyone feel comfortable. Therefore Diversity right from the onset of the recruitment must be at the centre of the recruitment avoid expensive legal process. This theory is close to similarity/ attraction theory. Similarity/Attraction argues that attributes employees, specifically their demographic variables, increases interpersonal attraction and liking. Attraction/ selection theory also postulates that employees with similar backgrounds may find that they have more in common with each other than with others from different backgrounds, making it more comfortable for them to work together and collaborate toward producing a product or solving a problem.

Chatman, (2011) argues that Attraction Selection Attrition Theory emphasizes that Selection and recruitment are the first stages that are taken into account when considering person–environment fit and are significantly associated with job satisfaction. One of the key tenets of this theory is attrition which is the antonym of attraction. This theory argues that the workforces who do not seem to fit the work environment within the firm they tend to leave it. It further asserts that when employees leave the environment a more homogenous group stays than those were initially attracted to the organization. According to Schneider, (1987), employee attributes, not the nature of external environment, or organizational technology, or organizational structure, are the fundamental determinants of organizational behavior. This implies that workers who do not fit choose or are forced to leave, and the remaining employees are a more homogeneous group than those who were originally hired. Kristof-Brown and Guay, (2011), it is important to note that when using this theory, it may be very difficult to design conceptual model, Edwards, (2008).

6 METHODOLOGY

The study adopted descriptive survey research design, (Fowler, 2009). This study targeted top management of the civil society organizations within the county. These organizations were broadly categorized as non-governmental organizations whether local or international; community based organization whether faith based, self help or welfare groups and any other organization including but not limited to associations, societies and
profession bodies. It is also important to note all these organizations included in this study are non profit making and are geared towards sustainable community development. However, all these organizations have target to make and rigorous performance management and accountability system.

Convenient Sampling was used to select managers and administrators from the randomly selected non-governmental and community based organizations located rural areas in Homabay County. The sample size was 71 respondents consisting of 2 project coordinators, 2 programme officers and 67 community based organization’s administrators. The project coordinators and programme officers were grouped as managers and were drawn mainly from NGO’s while then administrators were selected from the community based organizations.

Research instrument consisted of a structured questionnaire (Cooper and Blumberg, 2006) that contained a five point Likert scale where respondents were requested to indicate their opinion based on the statements provided. The Structured Questionnaire was piloted two weeks prior to the actual data collection period. All the suggestions concerning the nature, structure of the questions and writing space were noted. The piloted document was again subjected to a panel of experts who further provided critique based on the scope of the items until a consensus was reached between the experts.

7 FINDINGS
Data Collected was cleaned, coded and analyzed via descriptive statistical analysis techniques. The results were shown on the frequency distribution tables as percentages. The study findings were as follows:-

Table 1 Demographic Workplace Diversity

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<tbody>
<tr>
<td>Demographic Workplace Diversity</td>
<td>Our organization employs across the generation</td>
<td>11.3% (n=8)</td>
<td>2.8% (n=2)</td>
<td>7.0% (n=5)</td>
<td>57.7% (n=41)</td>
<td>21.1% (n=15)</td>
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<tr>
<td></td>
<td>Our organization does not discriminate against one’s ethnicity</td>
<td>2.8% (n=2)</td>
<td>18.3% (n=18.3)</td>
<td>16.9% (n=12)</td>
<td>36.6% (n=26)</td>
<td>25.4% (n=18)</td>
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<td></td>
<td>Our organization promotes gender equity</td>
<td>5.6% (n=4)</td>
<td>2.8% (n=2)</td>
<td>5.6% (n=4)</td>
<td>28.2% (n=20)</td>
<td>57.7% (n=41)</td>
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<tr>
<td></td>
<td>Our organization does not discriminate against one’s religion</td>
<td>15.5% (n=11)</td>
<td>12.7% (n=9)</td>
<td>11.3% (n=8)</td>
<td>28.2% (n=20)</td>
<td>32.4% (n=23)</td>
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<td></td>
<td>My pay is commensurate to the level of my education</td>
<td>9.9% (n=7)</td>
<td>33.8% (n=24)</td>
<td>5.6% (n=4)</td>
<td>28.2% (n=20)</td>
<td>22.5% (n=16)</td>
</tr>
<tr>
<td>Demographic Workplace Diversity</td>
<td>Enhances Productivity</td>
<td>5.6% (n=4)</td>
<td>11.3% (n=8)</td>
<td>19.7% (n=14)</td>
<td>28.2% (n=20)</td>
<td>35.2% (n=25)</td>
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</table>

Source: Fieldwork, 2015

In table 1, majority of the respondents (57.7%) somehow agreed that their organization employs across the generation. Most respondents also strongly agreed (57.7%) that their organizations promote gender equity. These findings may be attributed the fact that most organizations in Kenya appreciates the role of gender in any development agenda and the fact it is a legal requirement that no organization will be allowed to operate in the Country if it segregates employees based on ethnicity. This is reflected in the results on the second statement that sought to find out whether there is any form of discrimination at workplace. It is important to note in this results that a good percentage of the respondents strongly disagreed (11.3%) with the statement that their organization employees across the generation. The statement: Our organization discriminate against one’s religion also attracted a 15.5% strong disagreement.
Table 2: Employee Retention

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<tbody>
<tr>
<td>Employee Retention</td>
<td>Our supervisors involve us in decision making process</td>
<td>8.5% (n=6)</td>
<td>11.3% (n=8)</td>
<td>15.5% (n=11)</td>
<td>21.1% (n=15)</td>
<td>43.7% (n=31)</td>
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<td></td>
<td>Our organization values and recognizes us</td>
<td>12.7% (n=9)</td>
<td>12.7% (n=9)</td>
<td>12.7% (n=9)</td>
<td>28.2% (n=20)</td>
<td>33.8% (n=24)</td>
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<tr>
<td></td>
<td>Our managers are helpful and friendly</td>
<td>4.2% (n=3)</td>
<td>2.8% (n=2)</td>
<td>11.3% (n=8)</td>
<td>46.5% (n=33)</td>
<td>35.2% (n=25)</td>
</tr>
<tr>
<td></td>
<td>Employee Retention influences organization productivity</td>
<td>18.3% (n=13)</td>
<td>7.0% (n=5)</td>
<td>11.3% (n=8)</td>
<td>22.5% (n=16)</td>
<td>40.8% (n=29)</td>
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Source: Fieldwork, 2015

In Table 2, majority of those who responded to the statement: Our supervisors involve us in decision making process, strongly agreed and this translated to 43.7% (n=31). Majority of the respondents also strongly agreed (40.8%) that employee retention influences productivity of the organization.

Table 3: Productivity

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<tr>
<td>Productivity</td>
<td>Our organization produces quality results</td>
<td>1.4% (n=1)</td>
<td>1.4% (n=1)</td>
<td>32.5% (n=23)</td>
<td>25.4% (n=18)</td>
<td>39.4% (n=28)</td>
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<tr>
<td></td>
<td>Our organization is efficient and effective</td>
<td>2.8% (n=2)</td>
<td>9.9% (n=7)</td>
<td>22.5% (n=16)</td>
<td>25.4% (n=18)</td>
<td>39.4% (n=28)</td>
</tr>
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</table>

Source: Fieldwork, 2015

In Table 3, majority of the respondents strongly agreed (39.4%) to the statements that their organization produces quality results and is effective/efficient. This further confirms that the level of satisfaction of employees to the organization they work for is high since majority approves of the products and efficiency level.

8 RECOMMENDATIONS

The study made the following recommendations:

- Civil society organizations should continue to develop and implement diversity policies at workplace in order to reduce any form discrimination. Recruitment strategies should also focus on balancing employees across the generations so that the necessary talents can be tapped for productivity. Diversity and employee retention programmes should also be put in place to curb high staff turnover which may hamper production.

- This study did not use inferential statistical technique to test data to show the link between demographic workplace diversity, employee retention and productivity. The study therefore recommends that future scholars to investigate each independent variable singularly and to test for the existence of any relationship.

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