

MANAGING WORKFORCE DIVERSITY AND
ORGANIZATION'S PERFORMANCE
CASE STUDY OF FAMY AUTO
SPARES LTD. KENYA

BY

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THIS DISSERTATION IS SUBMITTED TO THE FACULTY OF BUSINESS
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DECLARATION

I, Carolyn Njeri Ndaiga, declare that this dissertation is my own work and that it has never been submitted before by any other researcher, in any other institution of higher learning for any purpose

Name: Carolyn Njeri

Signature 

Date 12.06.2010

APPROVAL

I, the undersigned certify that I have read and hereby recommend the acceptance by Kampala international university a dissertation titled managing workforce diversity and organizational performance a case study of Famy auto spares limited, in partial fulfillment of the degree in human resource management, at Kampala international university.

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Date 12/06/2020

DEDICATION

To my family dad, mom, Felix, Jane and P thanks for your prayers and support.

To Kevin for encouraging me not to give up. Thanks.

To my supervisor Mr. John Baptist thanks for being a good teacher and a good man.

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LIST OF ABBREVIATIONS

| | | |
|-----|---|-----------------------------------|
| LTD | – | Limited |
| K | – | Capital |
| HR | – | Human resource |
| HRM | – | Human resource management |
| ERG | – | Existence, Relatedness and Growth |

DEFINITION OF TERMS

Diversity

Refers to the human characteristics that make people different from one another (Luiz R. et al, 2000).

Managing diversity

Is the set of activities involved in integrating nontraditional employees into the work force and using their diversity to enhance the firm's effectiveness (Luiz R. et al, 2000).

Organization performance

Means the rate of turnover to retain workers, profits made annually and ability to pay dividends and expand.

ABSTRACT

This study investigated whether managing diversity of workers in Famy auto spares limited is beneficial to its performance. The definition of managing diversity for this study was defined as the process of creating an effective environment for all employees to work and develop while organization performance was defined as the rate of turn over to retain workers, profits made annually and ability to pay dividends and expand. The study particularly sought to find ways of improving management of diversity, the study was conceived due to organizations not being able to manage the diversity of their workforce forcing them to be assimilated to the majority group of the workforce. Conducted through both qualitative and quantitative research designs, data was collected in May 2010 using questionnaires, document analysis and interviews from 75 staff selected from 150 staff randomly selected from accessible population. The data was analyzed through content analysis and statistical analysis and presented in tables and figures. The study established that majority employees think there is a relationship between managing workforce diversity and organization performance, workforce diversity leads to segmented communication and top managers should be committed to managing diversity. The study concluded that workforce diversity can be beneficial to an organization if effectively managed. The study recommends that top managers should be more involved in managing diversity and communication in organizations with diverse workforce should be effective to reduce segmented communications.

CHAPTER ONE

1.0 Introduction

This chapter contained a brief background of the topic under study, a brief background of the case study, a statement of the problem, objective of the study, scope of the study, significance of the study and the limitations of the study.

1.1 Background of the study

Managing diversity is not a new or futuristic management issue, from 1800s to the early 1900s, groups that immigrated to the United States were from Italy, Poland, Ireland and Russia. Members of these groups were considered outsiders because they did not speak English and had different customs and work styles. They struggled and often violently to gain acceptance in industries such as steel, auto, mobile insurance and finance. In the 1800s, it was considered poor business practice for white protestant-dominated insurance companies to hire Irish, Italians, Catholics or Jews (Bateman & Snell, 2002).

The traditional American image of diversity has been one of assimilation. Many ethnic and most racial groups retained their identities but they did not express them at work. Employees often abandoned most of their ethnic and cultural distinctions while at work to keep their jobs and get ahead.

Today immigrants are willing to be part of an integrated team, but they no longer are willing to sacrifice their cultural identities to get ahead. (Bateman & Snell, 2002). At

Famy auto spares limited the issue of managing diversity begun in the year 2002 when the organization opened new branches in Nairobi which is a metropolitan city therefore there was need to accommodate a diverse workforce to cater for their increasingly diverse customer base, therefore people of different denominations tribes and religion were employed some to fit the location of the branch.

The theoretical background adopted for this study is derived from the ERG theory of human needs that was advanced from Maslow's hierarchy of needs by alderfer. ERG theory postulates three sets of need: existence, relatedness and growth. Existence needs are all material and physiological desires. Relatedness needs involve relationship with other people and are satisfied through the process of mutually sharing thoughts and feelings. Growth needs; motivate people to productively or creatively change themselves or their environment. Satisfaction of growth needs comes from fully utilizing personal capacities and developing new capacities.

The researcher feels that ERG theory covers all the aspects that affect people with diversities working together. In that existence: people who didn't speak English in America struggled often violently to gain acceptance in industries (Bateman & Snead 2002), they needed same treatment, and relatedness people need to be comfortable with one another despite being different. Growth after relating with others they grow making the organization a harmonious place and providing competitive advantage.

Diversity refers to the human characteristics that make people different from one another (Luiz R. etal, 2000)

Managing diversity is the set of activities involved in integrating nontraditional employees into the work force and using their diversity to enhance the firm's effectiveness (Luiz R. et al, 2000). In this study managing diversity will be characterized by senior management commitment, establishment of diversity training programs, support groups accommodation of family needs and improving communications.

Organization performance will mean the rate of turnover to retain workers, profits made annually and ability to pay dividends and expand.

1.1.1 Background of case study

Famy auto spares limited was started in 1982 as a sole proprietorship type of business. Later in 1994 the founder partnered with his sons making it a partnership. Famy's core business is selling vehicle spare parts and car servicing material such as oil, filters, and grease, it also sells car and solar batteries of different companies.

Its current client base includes private car owners, public service vehicles the Kenya army and various tea factories. Famy auto spares currently has seven branches that is three in Nairobi and the rest in Murang'a, Thika, Kirinyaga and Kiambu. Its current human resource base is around 150 employees working at the head office, they include management, administrators, salesmen subordinates stuff, accountants, and cashiers.

Famy auto spares limited has continued to pursue its mission of providing quality products and services at affordable prices and attracting and maintaining competent

employees. Cooperation between management and employees has led Famy to be among the top successful businesses in Kenya.

The study was conducted at the head office in Nairobi Kamukunji area along Pumwani road. The researcher intended to gather information from employees in all departments. The researcher used random sampling to obtain a sample for the study of 75 people.

1.2 STATEMENT OF THE PROBLEM

The main aim of business organizations is to make profit and avoid all dysfunctional conflicts that could lead to losses or poor performance of the organization therefore they need a workforce that works harmoniously otherwise the organization doesn't grow.

At famy auto spares limited the top managers belong to one ethnic tribe and worship on one particular day (Sunday) thus workers who worship on any other days are disadvantaged, also since work involves lifting heavy equipment, women workers are disadvantaged because it requires physical strength therefore everybody does what their culture requires and those who can't tolerate the situation leave the organization thus the need to develop an environment that all workers will be comfortable working with others.

1.3 PURPOSE OF THE STUDY

The purpose of this study was to explore whether managing diversity of workers in Famy auto spares limited is beneficial to its performance using interviews and questionnaires to a sample of workers with the view of improving methods of managing diversity in the organization. Managing diversity was generally defined as the process of creating an effective environment for all employees. In particular the study determined and described whether having a diverse work force and being able to manage it affects organization's performance by proving a competitive advantage.

1.4 OBJECTIVES OF THE STUDY

To determine the relationship between managing workforce diversity and the performance of Famy auto spare ltd.

To find out various methods of managing work force diversity in Famy auto spares.

To establish challenges faced in the process of managing diversity in Famy auto spares.

1.5 RESEARCH QUESTIONS

What is the relationship between managing workforce diversity and the performance of Famy auto spares?

What are the various methods of managing workforce diversity in Famy auto spares ltd?

What are the challenges faced in the process of managing diversity in Famy auto spares?

1.6 SIGNIFICANCE OF THE STUDY

In Kenya organizations are unable to continuously and consistently manage the diversity of their workforce due to varying cultural practices and beliefs of the people. Famy lacks upto date information on behavioral pattern of workforce. The researcher hopes that this study will result to information useful for proper planning and decision making at Famy auto spares.

The findings and recommendations of this study should also be useful to managers and administrators of other organizations so as not to rely on only personal experience, tradition or subjective expert judgment but base their actions and decisions on knowledge supported by research findings, this will improve internal efficiency and help them re-invent themselves as business organizations.

The researcher also hopes that the study will form a basis for further research on workforce diversity so as to lead to better and more efficient organizations.

1.7 SCOPE OF THE STUDY

This study on managing workforce diversity and organization performance was conducted between March and August 2010. The study was conducted in Famy auto spares limited head office in Nairobi. The information was collected from a selected sample of workers and management of all levels and departments of the organization, using questionnaires, interviews and document analysis.

The study was to specifically determine if there is a relationship between managing workforce diversity and performance of the organization, various methods of managing diversity and challenges faced when managing workforce diversity. The researcher endeavored to collect the information, by visiting the organization.

1.8 Limitations of the study

In the course of carrying out the research the researcher faced problems such as financial constraints

Some people were not willing to disclose any information for fear that it may lead them to trouble with their employers making it hard to collect information.

A time constraint since the researcher still had other classes and was expected to have completed the research by August.

1.9 Conceptual framework

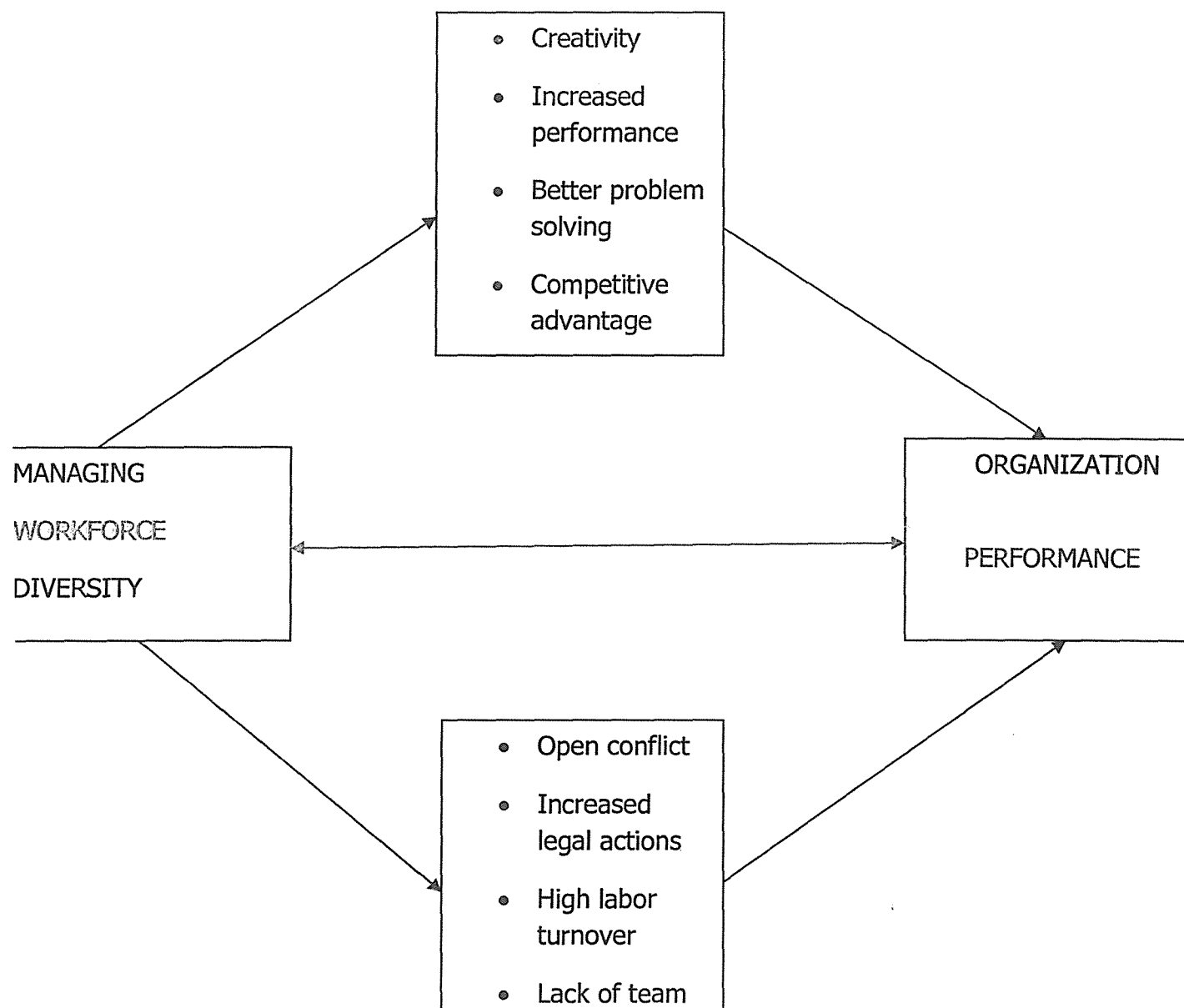
The conceptual framework helped the researcher define the research topic through the definition of variables within the topic. The independent variable controls, predicts and determines the dependent variable.

There are also intervening variable that work with the independent variable to influence the dependent variable. For this study the independent variable is managing diversity, dependent variable is organizations performance and intervening variables are creativity, increased performance better problem solving, open conflicts, legal actions, high labor turnover and lack of team cohesion.

Figure 1 conceptual frame work

INDEPENDENT VARIABLE

DEPENDENT VARIABLE



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is about related literature on management of workforce diversity, it is about what other researchers have written on managing diversity it included the relationship between managing workforce diversity and the performance of the organization, challenges faced when managing diversity and how to improve management of diversity in organizations.

2.1 Definitions

According to (R. Luiz etal 2000) diversity simply refers to human characteristics that make people different from one another. Workplace diversity includes important human characteristics that influence values, perceptions of self and others, behavior and interpretations of elements (Schwind etal 2002). Today diversity refers to far more than skin color and gender it is a broad term used to refer to all kinds of differences, that include religious affiliations, age, disability, status, military experience, sexual orientation, ethnicity and nationality.

Managing diversity is the ability to manage teams made up of members with different cultural values (schwind etal 2002).

Managing diversity recognizes that an organization is a mosaic where employees with varying beliefs, cultures, values and behavior patterns come together to create a whole organization and where these differences are acknowledged and accepted.

Managing diversity has three major dimensions first it assumes that effective management of diversity includes all types of differences among workers and can add value to an organization. Second diversity includes all types of differences of and not just gender and race. Third organization culture and working environment are key items to focus on in managing diversity.

(Bateman and snell, 2002) state that managing diversity means being acutely aware of characteristics common to a group of employees while also managing these employees as individuals. It means not just tolerating or accommodating all sorts of differences but supporting, nurturing and utilizing these differences to the organization's advantage.

According to (Luiz etal 2000) managing diversity is the set of activities involved in integrating nontraditional employees into the workforce and using their diversity to enhance the firm's effectiveness.

2.2 The relationship between managing workforce diversity and organizational performance

Unless effectively managed the presence of diversity among employees may have negative impacts on work performance by creating ill feelings misunderstanding and break down of productive team work. It may also result in avert or subtle discrimination

by those who control organization resources against those who don't fit the dominant group (Luiz et al 2000).

Excluding people from full participation in an organization because of their group membership is not only illegal; it is counterproductive because it prevents capable and motivated people from making a contribution. To survive and prosper in an increasingly multi cultural and diverse society, organizations must capitalize on employee diversity as a source of competitive advantage. Private sectors such as Levi Strauss find that promoting and valuing diversity not only makes ethical sense; it makes good financial sense. Levi Strauss executives admit that it is easier to develop and design merchandise for markets when you understand them; that understanding begins in the workplace (Luiz et al 2000)

2.2.1 Why manage diversity

Changing workforce

The world's labor market is undergoing rapid and continuous transformation. Traditional workers were either unskilled or semiskilled, worked within the region of their birth, most were men approximately 30 years old were married had children and their wives stayed home to take care of their family, today in contrast the workforce includes highly skilled people, women, ethnic minorities, people with physical disabilities, people with same sex partners even age. Given the state of affairs managing diversity isn't merely

desirable but mandatory if an organization is to effectively attract, utilize and develop human resources. (Luiz et al 2000)

Importance of human capital (K)

Changes in production technology have dramatically increased the importance of human capital. In the past the entrepreneur raised K, invested in fixed assets like a factory, hired workers and kept all emerging profits to himself. In today's world of intellectual capitalism the situation is different. The knowledge worker may be the key to success or failure of the firm. The departure of even a few workers can spell disaster for the firm. The most valuable parts of the firm's operation may be reflected in human tasks of sensing judging and making decisions. Therefore today no one can afford to use human capital inefficiently. (Luiz et al 2000)

Diversity as competitive advantage

Proactive organizations realize that competitive strength often lies in focusing on their employees and their clients. Globalization and changing domestic markets (because of demographic changes and immigration) means that a firm's customers are no longer a homogenous group of persons. Managers learn to achieve productivity gains by leveraging strengths of all employees. They recognize that there is a world of opportunity to be gained from tapping people's differences and pooling their insights and experiences.

The paradigm shift

There has been a revolutionary change in organizational assumptions about people and their work. A paradigm is a shared mindset that reflects a fundamental way of thinking and understanding the world around us, since our beliefs and understanding direct our behavior, a paradigm shift can have profound effect on the behavior of organizations, for instance, traditionally organization success was linked to standardization, diversity was seen as a cost rules and policies were shaped by senior executives today success is linked to individual contribution. Diversity is a competitive advantage and rules and policies are shaped to satisfy customers and employees. Such dramatic changes necessitate fundamental alterations in the way we think, operate and manage people.

Increasing role of work teams

Teams play a dominant role in modern organizations in modern organizations. Work teams are changed with task accomplishment to enable the firms to distance themselves from competitor and ensure survival. While teams always reflect some degree of diversity, today the differences among members is even greater, race, gender ethnicity, age, education levels sex orientation and so on. The differences must be considered as value added rather than problematic and the team leader today must have skills to facilitate and inspire rather than coach and control as in the past. Assimilation into a homogenous culture may result in loss of synergy valuing the differences on the other hand can result in improved creativity and innovative problem solving. It is evident that employee morale and satisfaction are related to the way in

which employees and group identifies are defined and respected. The overall organization performance measures such as work quality, productivity, absenteeism and turnover may be significantly influenced by the way individuals and groups are treated. Effective handling of workforce diversity can lead to added creativity problem solving and intra-organizational communication.

2.3 challenges in managing workforce diversity

Although diversity offers opportunities that can enhance organizational performance, it also presents managers with a new set of challenges. These challenges include appropriately valuing employee diversity, balancing individual needs with group fairness, dealing with resistance to change, ensuring group cohesiveness and open communication, avoiding employee resentment retaining valued performance and maximizing profit for all. (Luiz R. etal 2000)

Valuing employee diversity

In some ways, the idea that diversity is good runs counter to the desire for cohesiveness within a company. When group identification becomes a dominant issue for people, social cohesion beyond the group is almost impossible to sustain. Where there are tensions between groups and group members defines how individuals from one group relate to those from another, communication and cohesion between groups

is seriously undermined. It is important to find a common ground, and diversity should help accomplish that objective.

The challenge that arises is not simply that people from different backgrounds see the world differently. Many employers are beginning to recognize that the introduction of significant numbers of nontraditional employees changes the organization's culture. That can often be a real asset to the organization. However this process of change can cause tension and frictions to develop. (Mathis and Jackson, 1996).

Resistance to change

Although employee diversity is a fact of life, the dominant groups in the most organizations are still males. Some argue that the long established corporate culture is very resistant to change, and that this resistance is a major roadblock for women and minorities seeking to survive and prosper in a corporate setting. Although employee diversity can lead to greater creativity and improved problem solving, it can also lead to open conflict and antagonism if there is mistrust and lack of respect among groups. This means that as organizations become more diverse they face greater risks that employees will not be able to work together effectively. (Bateman and Snell, 2002).

Individual versus group fairness

An issue related to the "difference as deficiency/asset" debate is the extent to which HR policies should be tailored to various groups. There are challenges to managing a diverse work population. Managing diversity is more than simply acknowledging

differences in people. It involves recognizing the value of differences, combating discrimination, and promoting inclusiveness. Managers may also be challenged with losses in personnel and work productivity due to prejudice and discrimination and complaints and legal actions against the organization (Devoe, 1999).

Segmented communication channels

Shared experiences are often strongly reinforced by segmented communication channels in the workplace. One study found that communication within organizations occurs between members of the same sex and race. This was found to be true across all professional categories even at the top, where the number of women and visible minorities is very small.

The presence of segmented communication poses three major problems to businesses. First the organization cannot fully capitalize on the perspectives of diverse employees if they don't communicate across groups. Second, segmented communication makes it more difficult to establish common ground across various groups. Third women and minorities always miss opportunities or are unintentionally penalized for not being part of the main stream communication networks.

Resentment

The influence of government regulations and fiscal incentives on the employment policies and practices of private sector employers is always a contested matter.

Typically the tensions exist between employers and individual employees or between employers and unions. However policies that attempt to improve the prospect of women visible minorities and other groups can increase tension among employees.

If employers and the long dominant employee group view the status quo as normal, and perhaps even right then anything done to systematically change the balance of who gets hired or promoted will be viewed as artificial and a distortion of proper practice. Employers often resist such changes because they are viewed as intrusions into how they run their business.

Implementation of diversity in the workplace policies –

This can be the overriding challenge to all diversity advocates. Armed with the results of employee assessments and research data, they must build and implement a customized strategy to maximize the effects of diversity in the workplace for their particular organization.

Successful Management of Diversity in the Workplace - Diversity training alone is not sufficient for your organization's diversity management plan. A strategy must be created and implemented to create a culture of diversity that permeates every department and function of the organization.

Backlash

Negative attitudes and behaviors can be barriers to organizational diversity because they can harm working relationships and damage morale and work productivity (Esty, et al., 1995). Negative attitudes and behaviors in the workplace include prejudice, stereotyping, and discrimination, which should never be used by management for hiring, retention, and termination practices (could lead to costly litigation).

2.4 Improving the management of diversity

Organizations that have made the greatest strides in successfully managing diversity tend to share a number of characteristics such as top management commitment communication standards diversity training employee support groups and a policy of holding management responsible for the effectiveness of diversity efforts.

Top management commitment to valuing diversity

The personal commitment of executive and managerial teams is a must. Leaders and managers within organizations must incorporate diversity policies into every aspect of the organization's function and purpose. Attitudes toward diversity originate at the top and filter downward. Management cooperation and participation is required to create a culture conducive to the success of your organization's plan.

Ward off change resistance with inclusion.

Involve every employee possible in formulating and executing diversity initiatives in your workplace. Foster an attitude of openness in your organization. Encourage employees to express their ideas and opinions and attribute a sense of equal value to all.

Promote diversity in leadership positions.

This practice provides visibility and realizes the benefits of diversity in the workplace. Utilize diversity training. Use it as a tool to shape your diversity policy. Depending on the size of your company, you may or may not have a human resource or personnel department to handle the hiring process. Nevertheless, one thing is for certain, you and your staff will most certainly have to learn to work with the new global business environment if you are to be successful. You can make life easier for you, your staff and your new global workforce.

Launch a customizable employee satisfaction survey that provides comprehensive reporting.

Use the results to build and implement successful diversity in the workplace policies. As the economy becomes increasingly global, our workforce becomes increasingly diverse. Organizational success and competitiveness will depend on the ability to

manage diversity in the workplace effectively. Evaluate your organization's diversity policies and plan for the future

Communication standards

Another vital requirement when dealing with diversity is promoting a "safe" place for associates to communicate (Koonce, 2001). Social gatherings and business meetings, where every member must listen and have the chance to speak, are good ways to create dialogues. Managers should implement policies such as mentoring programs to provide associates access to information and opportunities. Also, associates should never be denied necessary, constructive, critical feedback for learning about mistakes and successes (Flagg, 2002).

Diversity training

Unfortunately, there is no single recipe for success. It mainly depends on the manager's ability to understand what is best for the organization based on teamwork and the dynamics of the workplace. According to Roosevelt (2001), managing diversity is a comprehensive process for creating a work environment that includes everyone. When creating a successful diverse workforce, an effective manager should focus on personal awareness. Both managers and associates need to be aware of their personal biases. Therefore, organizations need to develop, implement, and maintain ongoing training because a one-day session of training will not change people's behaviors (Koonce,

2001). Managers must also understand that fairness is not necessarily equality. There are always exceptions to the rule.

Support groups

Encourage everyone to talk about how things are going and to ask questions. Remember that not everyone on your team will feel comfortable talking in public. Plan to hold periodic meetings with individuals or, if you have team managers, be sure the managers have these individual meetings and talk about how things are going.

Conclusion

A diverse workforce is a reflection of a changing world and marketplace. Diverse work teams bring high value to organizations. Respecting individual differences will benefit the workplace by creating a competitive edge and increasing work productivity. Diversity management benefits associates by creating a fair and safe environment where everyone has access to opportunities and challenges. Management tools in a diverse workforce should be used to educate everyone about diversity and its issues, including laws and regulations. Most workplaces are made up of diverse cultures, so organizations need to learn how to adapt to be successful.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presented a detailed description of the research methodology. Research methodology refers to the detailed procedure that was followed to realize the research objectives. Methodology included a description of the research design, sampling techniques, instrumentation and data analysis techniques. It described in details what was to be done and how it was done. It comprised of the following

3.1 Research design

This research was conducted through both qualitative and quantitative research designs; qualitative is where the researcher used words to explain findings where mathematical figures could not explain effectively while quantitative is where the researcher used mathematical figures instead of literature.

3.2 Population and sampling

3.2.1 Target population

The target population consisted of 135 permanent employees and 15 managerial staff of Famy auto spares. Famy as a firm has employees from different religious and cultural backgrounds and age thus the researcher considered it ideal to provide information on diversity management.

3.2.2 Sample

The sample consisted of 75 respondents, permanent employees and managerial respondents selected from 150 employees, the 75 respondents were distributed as 15 managerial and 60 permanent employees. This number was chosen according to the number of employees in the organization and the convenience of the researcher to access them.

3.2.3 Sampling technique

This study employed stratified sampling to select a sample. Stratified sampling refers to identifying subgroups in the population and their proportions and selecting from each subgroup to form a sample. It groups a population into separate homogenous subsets that share similar characteristics to ensure equitable presentation of the population in the sample. The target population is not uniform there are women, men old single and married in the population.

3.3 data collection

Data is information, often in the form of facts or figures obtained from experiments or surveys, used as a basis for making calculations or drawing conclusions.

3.3.1 instrumentation

The study used questionnaires and document analysis and interviews as the main tools for collecting data was guided by the nature of data to be collected, the time available

and objectives of the study. The interviews were group interviews where homogenous sub groups were interviewed. Questionnaires were used since the study was concern with variables that couldn't be directly observed such as views opinions perceptions and feeling of respondents. The sample size was also large considering time constraints the respondents were also largely literate thus responded well.

3.3.2 Research procedure

The researcher intended to collect both qualitative and quantitative data by using questionnaires, interviews and document analysis, the researcher intended to collect the data herself to avoid added cost and to avoid distortion of data.

3.4 Validity and reliability

The instruments were piloted with employees in one of the branches and modified to improve their validity and reliability coefficients to at least 0.70. Items with validity and reliability coefficients of at least 0.70 were accepted as valid and reliable in research (kathuri & Pals, 2005). Validity is the extent to which research results can be accurately interpreted and generalized to other populations, the extent to which research instruments measure what they are intended to measure.

To establish validity the instruments were given to two lecturers to evaluate the relevance of each item in the instruments to the objectives then rate each item on the

scale

Very relevant 4

Quite relevant 3

Somewhat relevant 2

Not relevant 1

Validity was determined using content validity index (C.V.I) Items rated 3 or 4 by both lecturers divided by the total number of items in the questionnaire = $n \frac{3+4}{N}$

3.5 Data analysis and presentation

The researcher used narrative or content analysis to analyze qualitative data and statistical methods such as mean and chi squared of goodness fit to analyze quantitative data. The researcher simply presented a detailed and literal description of the findings for the readers to make their opinion and subject quantitative data to statistical figures. Data was presented through tables, graphs and descriptions.

3.6 Limitations

Major limitations of this study were failure of respondents to fill in the questionnaires and failure to disclose information. If all factors were constant then the researcher would get accurate information. But several factors such as fear of victimization for disclosing information led to inaccurate data.

CHAPTER FOUR

DATA ANALYSIS INTERPRETATION AND PRESENTATION

4.0 Introduction

This study investigated whether diversity of workers at Famy auto spares limited is beneficial to the performance of the organization. this was in the light of the research problem that is the organization has failed to manage the diversity of its workforce leading to labor turnover and conflicts. The data collected was analyzed using content data analysis and statistical methods. This chapter presents the results of the analysis. It starts with presentation of respondents bio data, that was necessary in drawing conclusions then presentation of data guided by research questions.

4.1 PRESENTATION OF BIO DATA

This is a presentation of the respondent's bio data as required in the questionnaires. The researcher felt that this information was important in drawing conclusions, it also helped in developing a rapport between the researcher and the respondents. The study presents the following age gender education background time worked in the organization

Table 1: Age distribution of the respondents

| AGE | RESPONDENTS | PERCENTAGE |
|--------------|-------------|------------|
| 25-35 | 28 | 37 |
| 36-45 | 35 | 47 |
| 46-55 | 10 | 13 |
| 56 and above | 2 | 3 |
| total | 75 | 100 |

Source: primary data

As from the table above most respondents are between the ages of 36-45 or 47% this is probably because Famy deals in operations of heavy machines and lifting thus high stress levels thus people between these ages are strong to lift also have families thus cannot just leave their jobs. 56 and above are 2 or 3% probably because they cannot keep up with the work thus leave.

The researcher also explored the gender of the respondents this information is important because it helps in understanding the reason for various respondents and also building rapport with the respondents. The information is presented in table two.

Table (2): gender distribution of the respondents

| Gender | Respondents | percentage |
|--------|-------------|------------|
| Male | 50 | 67 |
| Female | 25 | 33 |
| total | 75 | 100 |

Source: primary source

Table two above indicates that the greatest number of respondents were male 50 or 67%.this could be explained by the nature of the work done at Famy that includes heavy lifting and long working hours thus the number of females is small 25 or 33%because they are not accustomed to that type of work they also have families thus cannot work long hours thus gender balance is not observed at Famy.

The researcher also endeavored to explore the level of education of the respondents. This is important because the level of education of the individual determines his or her abilities to possess adequate information. The results are presented on table 3 below

Table (3) the distribution of respondents by their level of education

| Level of education | Respondents | percentage |
|--------------------|-------------|------------|
| Masters | 4 | 5 |
| Degree | 30 | 40 |
| Diploma | 32 | 43 |
| certificate | 9 | 12 |

Source: primary data

Table 3 reveals that majority respondents are diploma holders 32 or 43% this is mostly due to the nature of work at Famy in that it is mostly manual. Most of these respondents probably work at production.

30 or 40%are degree holders most working at managerial levels or are head of departments, 4 or 5% have masters and are in the top management. 9 or 12%have certificates and are supporting staff this enabled the researcher to understand the perception of people with various levels of education.

The researcher also researched on the experience of the various respondents in the organization this would help the researcher in knowing what the organization was like before and now. The results are summarized in table 4

Table 4 : distribution of respondents experience with the organization

| Years | respondents | percentage |
|--------------|-------------|------------|
| 0-5 | 40 | 53 |
| 6-10 | 19 | 25.3 |
| 11-20 | 13 | 17.3 |
| 21 and above | 3 | 4 |
| Total | 75 | 100 |

Source: primary data

Table four shows that most respondents have worked in the organization for 0-5 years that is 40 or 53% 19 or 23.5% have worked for 6-10 years, 13 or 17.3% have worked for 11-20 years and 3 or 4% 21 years and above. This allowed the researcher to get information from people with different experiences. The results above could probably be due to low payment and introduction of diversity leading to those who can't deal to leave the organization.

4.2 Research question one

The first objective of this study was to determine the relationship between managing diversity and organizational performance at Famy auto spares. To achieve this objective the staffs at Famy were asked to react to several statements regarding performance

such as is there a relationship between managing diversity and organizational performance. How does the presence of diversity in the organization affect their performance and whether there is need to manage diversity in the organization. Data on this objective was analyzed under the question "is there a relationship between managing diversity and organizational performance" their results are summarized in table 5.

Table 5: is there a relationship between managing diversity and organizational performance

| Response | respondents | Percentage |
|------------|-------------|------------|
| Yes | 38 | 50 |
| No | 20 | 27 |
| No opinion | 17 | 23 |
| total | 75 | 100 |

Source: primary data

The results show that majority respondents 38 or 50% of the workers believe that there is a relationship between managing diversity and organizational performance at Famy, 20 or 27% did not agree that there is a relationship while 17 or 23% had no opinion. This is probably because the organization is able to cater for a wide and diverse number of customers also failure to manage diversity has led to many people

leaving the organization. The 20 or 27% who did not agree that there is a relationship are probably the majority groups and wouldn't admit that the minority groups have affected the performance of the organization. 17 or 23% had no opinion because they probably did not understand diversity.

4.3 Research question two

The second objective of this study was to determine the challenges faced in the process of managing diversity at Famy. To achieve this objective the staffs of Famy were asked to react to several statements regarding challenges such as what are some of the challenges faced due to the presence of diversity in the organization does the presence of diversity make communication difficult and whether Famy has successfully managed diversity. Data on this objective was analyzed on the question does the presence of diversity make communication difficult. The results are summarized in table 6

Table 6 does diversity make communication difficult in the organization

| Response | respondents | Percentage |
|------------|-------------|------------|
| Yes | 28 | 37 |
| No | 35 | 47 |
| No opinion | 10 | 13 |
| total | 75 | 100 |

Source: primary data.

The results show that the majority 35 or 47% of the workers at Famy auto spares don't agree that communication is made difficult by the presence of diversity in the organization. This is probably because majority of the employees are male therefore are not among the minority thus not affected by diversity. 28 or 37% agree that diversity makes communication difficult this are women and the elderly. Women have difficulties communicating due to glass ceiling and the old with younger people due to age difference, ideas and perception thus communication is difficult. 10 or 13% didn't have an opinion this is probably the top management because they mostly deal in written communication.

4.4 Research question three

The third objective of this study was to find out the various method used to manage diversity. The respondents were asked to react to various questions such as whether Famy has successfully managed diversity and if the top management of Famy is committed to managing diversity and what Famy can do to improve management of diversity in the organization. Data was analyzed under the question is the top management committed to managing diversity. Results are presented in table 7

Table7 Whether the management is committed to managing diversity

| Response | respondents | Percentage |
|------------|-------------|------------|
| Yes | 19 | 25.3 |
| No | 21 | 28 |
| No opinion | 35 | 46.7 |
| total | 75 | 100 |

Source: primary data

Majority respondents have no opinion as to whether the management is committed to managing diversity this is because majority employees are traditional work force thus not affected by presence of diversity. 19 or 25.3% agree that management is committed to managing diversity this could be the minority workers because now they are allowed to work in the organization and retain their culture. 21 or 28% are probably those who are highly educated and believe that the management should do more to manage diversity.

CHAPTER FIVE

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter of the study presents the discussions of the results derived from the data presented in chapter four. The discussions are of each research question leading to various conclusions and recommendations.

Discussion of the findings

5.1 First research question

The first research question of this study was to establish the relationship between managing diversity and organizational performance at Famy auto spares limited. Data analysis and interpretation revealed that there is a relationship between managing diversity and organizational performance. These findings indicate that the staffs are affected by diversity and in turn affecting the performance of the organization. This could owe to the fact that today the staffs are able to cater for the organizations diverse customer base because they understand the clients better from associating with colleagues. interpretations of elements

According to (R. Luiz etal 2000) diversity simply refers to human characteristics that make people different from one another. Workplace diversity includes important human characteristics that influence values, perceptions of self and others, behavior. Managing diversity is the ability to manage teams made up of members with different cultural

values (Schwind et al 2002). The reason for such a response is because first employees are able to understand their clients thus providing products and services that are best suited for them because they are like them thus increase profitability thus affecting organizational performance.

Diversity brings together different qualities and values this characteristics harnessed together in a team provides many advantages such as ideas that lead to creativity, problem solving and quality work life of employees making them efficient committed and loyal to the organization. This has a great effect on employees' performance and in turn the organization. Third failure to manage diversity could be detrimental to employees such as glass ceiling discrimination and harassment. This can lead to job dissatisfaction, poor production and conflicts thus poor organizational performance.

5.2 Research question two

The second research question of this study was to find out the challenges faced in the process of managing diversity at Famy auto spares. Data analysis and interpretation revealed that minority groups' communications at work places are affected by diversity. The researcher recon this could be due to the fact that women have difficulties communicating due to glass ceiling and the old with younger people due to age difference, ideas and perception thus communication is difficult. This results in segmented communication channels One study found that communication within organizations occurs between members of the same sex and race. This was found to be true across all professional categories even at the top, where the number of women and visible minorities is very small.

The presence of segmented communication poses three major problems to businesses. First the organization cannot fully capitalize on the perspectives of diverse employees if they don't communicate across groups. Second, segmented communication makes it more difficult to establish common ground across various groups. Third women and minorities always miss opportunities or are unintentionally penalized for not being part of the main stream communication networks.

5.3 Research question three

The third objective of this study was to find out the methods used to manage diversity at Famy auto spares limited the data analyzed under this question was to find out whether the top management of Famy is committed to managing diversity. The data revealed that majority respondents had no opinion this is because majority employees are traditional work force thus not affected by presence of diversity but also revealed that some respondents feel that the management should do better to manage diversity. Minority groups agree that management is committed to managing diversity this could be the minority workers because now they are allowed to work in the organization and retain their culture. The personal commitment of executive and managerial teams is a must. Leaders and managers within organizations must incorporate diversity policies

into every aspect of the organization's function and purpose. Attitudes toward diversity originate at the top and filter downward. Management cooperation and participation is required to create a culture conducive to the success of your organization's plan.

5.4 Conclusions

This study investigated managing diversity and organizational performance. It was intended to explore whether managing diversity of workers in Famy auto spares limited is beneficial to its performance using interviews and questionnaires to a sample of workers with the view of improving methods of managing diversity in the organization. Managing diversity was generally defined as the process of creating an effective environment for all employees. In particular the study was determine and describe whether having a diverse work force and being able to manage it will affect organization's performance by proving a competitive advantage.

This was in relation to the fact that main aim of business organizations is to make profit and avoid all dysfunctional conflicts that could lead to losses or poor performance of the organization therefore they need a workforce that works harmoniously otherwise the organization doesn't grow.

At Famy auto spares limited the top managers belong to one ethnic tribe and worship on one particular day (Sunday) thus workers who worship on any other days are disadvantaged, also since work involves lifting heavy equipment, women workers are disadvantaged because it requires physical strength therefore everybody does what

their culture requires and those who can't tolerate the situation leave the organization thus the need to develop an environment that all workers will be comfortable working with others.

The study specifically sought to determine the relationship between managing workforce diversity and the performance of Famy auto spare ltd, to find out various methods of managing work force diversity in Famy auto spares and to establish challenges faced in the process of managing diversity in Famy auto spares.

The study established that there is a relationship between managing diversity and organizational performance. Minority groups' communications at work places are affected by diversity. The researcher recon this could be due to the fact that women The data also revealed that majority respondents had no opinion this is because majority employees are traditional work force thus not affected by presence of diversity but also revealed that some respondents feel that the management should do better to manage diversity. Have difficulties communicating due to glass ceiling and the old with younger people due to age difference, ideas and perception thus communication is difficult.

5.5 Recommendations

The researcher has argued in this report that there is a relationship between managing diversity and organizational performance. These findings indicate that the staffs are affected by diversity and in turn affecting the performance of the organization. This could owe to the fact that today the staffs are able to cater for the organizations diverse customer base because they understand the clients better from associating with colleagues; groups' communications at work places are affected by diversity. The researcher recon this could be due to the fact that women have difficulties

communicating due to glass ceiling and the old with younger people due to age difference, ideas and perception thus communication is difficult and management should try to do better in managing diversity.

The researcher recommends that for organization to improve the management of diversity the following should be done;

The personal commitment of executive and managerial teams is a must. Leaders and managers within organizations must incorporate diversity policies into every aspect of the organization's function and purpose. Attitudes toward diversity originate at the top and filter downward. Management cooperation and participation is required to create a culture conducive to the success of your organization's plan.

Utilize diversity training. Use it as a tool to shape your diversity policy. Depending on the size of your company, you may or may not have a human resource or personnel department to handle the hiring process.

Another vital requirement when dealing with diversity is promoting a "safe" place for associates to communicate. Social gatherings and business meetings, where every member must listen and have the chance to speak, are good ways to create dialogues. Managers should implement policies such as mentoring programs to provide associates

access to information and opportunities. Also, associates should never be denied necessary, constructive, critical feedback for learning about mistakes and successes. It mainly depends on the manager's ability to understand what is best for the organization

based on teamwork and the dynamics of the workplace. Managing diversity is a comprehensive process for creating a work environment that includes everyone. When creating a successful diverse workforce, an effective manager should focus on personal awareness. Both managers and associates need to be aware of their personal biases. Therefore, organizations need to develop, implement, and maintain ongoing training because a one-day session of training will not change people's behaviors. Managers must also understand that fairness is not necessarily equality. There are always exceptions to the rule.

Encourage everyone to talk about how things are going and to ask questions. Remember that not everyone on your team will feel comfortable talking in public. Plan to hold periodic meetings with individuals or, if you have team managers, be sure the managers have these individual meetings and talk about how things are going.

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Appendices

Budget

| ITEM | TRANSACTION | AMOUNT IN UGSH |
|----------------------|-----------------------|----------------|
| Stationery | stationery | 10,000 |
| Secretarial services | Typing | 100,000 |
| | Printing | 50,000 |
| | binding | 30,000 |
| transport | To famy | 300,000 |
| communication | With the organization | 50,000 |
| Other expenses | Meals, photocopy | 60,000 |
| Total | | 600,000 |

WORK SHCEDULE

| MONTH | ACTIVITY |
|----------------|-------------------------------------|
| April to May | Proposal writing |
| May to June | Collecting data from the field |
| June to July | Analyzing data |
| July to august | Presentation of data (dissertation) |

QUESTIONNAIRES USED FOR DATA COLLECTION

Dear respondent,

I am a student of Kampala International University pursuing a bachelor degree in Human Resource Management. I am currently carrying out a research on managing diversity and organizational performance. I request you to provide accurate information that will lead to quality data for analysis. All information provided will be treated with confidence and shall be used for academic purposes only.

INSTRUCTIONS

Fill in your answer in the blank spaces and tick where appropriate.

Bio data

1. Age

i. 25-35

☐

ii. 36-45

☐

iii. 46-55

☐

iv. 56 and above

☐

2. Gender

Male

☐

Female

☐

3. Education background

High school certificate

☐☐

Bachelor Degree

Masters diploma

PhD

Others specify

☐☐

.....

4. Time worked in the organization

i. 0-5 Years

ii. 6-10 Years

iii. 11-20 Years

Iv. 21 Years and above

☐☐☐☐

Marital status

Single

married

divorced

widowed

☐☐☐☐

Others specify

.....

.....

2) Relationship between managing diversity and organization’s performance

a) is there a relationship between managing diversity and organization performance at Famy auto spares ltd?

Yes ☐

No ☐

Others specify

.....

.....

b) How does the presence of people who are different from you in the organization affect your performance?

Positively ☐

Negatively ☐

Others specify

.....

.....

.....

c) Do you think there is need to manage diversity at Famy auto spares ltd?

Yes ☐

No

Others specify

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.....

.....

3) Challenges faced in the process of managing diversity

a) What are some of the challenges do you face due to the presence of workforce diversity? Please outline

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b) Do you find it difficult to communicate with people who are different from you in various ways?

Yes

☐

No

☐

Others specify

.....
.....
.....

4. Methods used in managing diversity

c) Do you think Famy auto spares is successfully managing diversity

Yes

☐

No

☐

Others specify

.....
.....
.....

b) Is the top management of Famy auto spares committed to managing diversity?

Yes

☐

No

☐

Others specify

.....
.....
.....

What do you think Famy auto spares should do to improve management of diversity?

Please outline

.....

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