EFFECT OF WORKFORCE DIVERSITY ON PERFORMANCE OF INFORMATION TECHNOLOGY FIRMS IN NAIROBI COUNTY

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DECLARATION

This project is my original work which has not been presented to any university or other institution of higher learning in Kenya for the award of any degree.

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This research project has been submitted for examination subject with my approval as the University supervisor.

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DEDICATION

I dedicate this project to all my family members for the support they accorded me.

ACKNOWLEDGMENT

I would like to acknowledge my supervisor for the guidance and wise counsel during the development of this thesis. I would also like to acknowledge my friends and family for their support.

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ABSTRACT

Managing diversity in the workplace should be the concern of every organization. In order to survive, a company needs to be able to manage and utilize its diversity for creating advantages and its benefits. Managing diversity in the workplace should be a part of the culture of the entire organization. Valuing and recognizing diversity is imperative in order to maintain competitive advantage. The purpose of the study was to determine the effect of workforce diversity on performance of IT firms in Nairobi County. The specific objectives of the study were to; establish the effect of age diversity on performance of IT firms in Nairobi County; determine the gender diversity impact on performance of IT firms in Nairobi County; examine influence of education level diversity on performance of IT firms in Nairobi County; and assess ethnicity diversity influence on performance of IT firms in Nairobi County. The study adopted a descriptive research design. The population of the study comprised of four executives from the 20 ICT based companies operating in Westlands, Nairobi County giving 80 respondents. A census was employed on all the 80 respondents and thus the sample size was 80 respondents. The study collected primary data using questionnaires. The collected data was coded into SPSS software and the analysis was done using descriptive and inferential statistics. Means and standard deviations formed the descriptive statistics while regression analysis was the inferential statistic. The findings were presented using frequency distribution tables, graphs and pie charts. The study established that age diversity ($p=0.296$) had no significant influence on organizational performance. However, gender diversity ($p=0.000$), educational diversity ($p=0.005$) and ethnicity diversity ($p=0.000$) all had p values less than 0.05 and thus significantly influence organizational performance. The study concludes that gender diversity, educational diversity and ethnicity diversity all significantly influenced organizational performance. The study recommends that the top management team of all IT firms should recognize and value age diversities at the work place. The management of all IT firms operating in Kenya need to improve on their gender diversities at the work place to significantly raise performance of their organizations.. All other firms in Kenya should strengthen their education level diversities. All IT firms need to improve on their ethnicity diversity at the work place.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

In the recent years, workforce diversity has come to play a central role in organizational life due to increased globalization, growing technology and the increasing complexity of jobs (Gacheri,2012). In some countries, it has come about as government legislation in order to ensure equity in sharing of available employment due to high levels of unemployment. Lawrence(2015)defines workforce diversity as the ways that people differ which can affect a task or relationship within an organization such as age, gender, race, education, religion, and culture. Theories and techniques of diversity management have been developed and enthusiastically supported by a growing number of chief executives, training specialists, diversity consultants and academics (Okoro & Washington, 2012). Diversity can improve organizational effectiveness since organizations that develop meaningful policies to encourage cross pollination experience improved reputation which may be tapped as an avenue to leverage competitive advantage.

In India, Rijamampianina and Carmichael (2005) argue that diversity, if effectively managed, can be a source of competitive advantage for the organisation since only organisations that can anticipate and respond to change will be able to survive in today's business environment. A more diverse workforce will increase organizational effectiveness. It will lift morale, bring greater access to new segments of the market place and enhance productivity (Thomas &Ely, 1996).Workforce diversity is encouraged mainly to further the availability equal opportunities in the workplace. This arose in order to eliminate the prejudices that may exist due to, cultural insensitivity and language differences, increasing numbers of women and disabled in the workforce thereby enabling equal opportunities for all. This equal opportunity philosophy is aimed at ensuring that the organizations make the most out of the differences from a diverse workforce rather than losing talent which might assist the organization to be more efficient and effective (Nguyen& Aoyama,2014).

In South Africa, Jonsen, Maznevski and Schneider(2013). state that companies adopt workforce policies for a number of reasons. The most important of these are ethical; regulatory; and, economic. In a number of cases companies adopt diversity policies for more than one of these reasons. This project focuses solely on the economic reasons for adopting workforce diversity policies, because it is principally concerned with understanding the costs and benefits that make up the business case. Notwithstanding this, it is important to remember that companies may reach the decision to become 'diverse' because of a complex interplay of factors, of which economics is only one (Erasmus, 2012).

Like other developing and developed nations, Kenya is ethically heterogeneous and experiences managerial challenges associated with workforce diversity. As a developing state, Kenya has more than forty-two tribes, which are deeply rooted in their culture, customs and traditions(Karatepe, 2013). This cultural and demographic diversity is manifested in almost all corporate organizations and evokes numerous managerial challenges, which the organization management team are supposed to manage, mitigate and address effectively. In economic terms, companies invest in diversity policies as a result of a qualitative or quantitative judgement that benefits will, over time, exceed costs and risks. In general, companies examine such investments in response to the emergence of new business opportunities or because of the impact of internal or external pressures on business performance. Investments in diversity policies represent decisions by companies to create business opportunities or strengthen overall competitiveness by building up human or organisational capital (Maingi,2015). They are, therefore, decisions to invest in intangible assets; one of the most important sources of competitiveness for companies in the modern, knowledge-based economy.

1.1.1 Workforce Diversity

Workforce diversity refers to those significant differences and similarities that are present among employees within an organization (Griffin & Moorhead, 2014). Nwinami (2014) said it represents those uniqueness which includes; an individual's personality, age,

gender, ethnicity/race, religion, marital status, income, the work experience and all those views which supposes and sustains an organization core values. It also means those organizations that are turning out to be more varied with respect to its workforce composition based on characteristics as age, ethnicity, expertise, etc. (Robbins & Judge, 2013).

Avey, Nimnicht and Graber Pigeon(2014) describe diversity as the distinction of societal personalities among individuals livingcollectivelyin a distinct service situation, even as, author denote range as the volume of differences among colleagues on specific demographic length, their assumption intends to describe how such variations impact team methods and overall performance. Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn, Leonard, Levine and Thomas (2013), postulate that variety must be visible from extensive factors and techniquesto paintings that humans of various identity agencies convey. Decent variety alludes to the conjunction of individuals from unmistakable social-social foundations in the organization. It fuses social components which incorporate race, sexual orientation, age, shading, physical capacity, preparing history ethnicity.

According to Saxena (2014), workforce diversity is simply similarities and differences among the workforce in terms of cultural background, age, disabilities and physical abilities, gender, race, religion, and sexual orientation. Individuals are distinctive in not just race, sexual orientation, social culture, and mental attributes yet additionally in their preferences and points of view. Society had segregated on these viewpoints for a long time. Diversity influences the work to drive heterogeneous. Utilizing enhanced workforce is a need for each association however to oversee such broadened workforce is additionally a major issue for the administration.

There is basic relationship between gender and performance.Gender set and employee performance are positively linked. High illustrative execution relates unequivocally with sexual presentation variable(Kossek, Lobel& Brown, 2016).Educational background is significant in explaining employee performance when employees with different

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educational levels or background works together. Those with higher education tended to perform better.Ethnicity can be used as a delegate for social establishment and gathered accumulation in ethnicity can be relied upon for ensuring creative execution, since it expands the perspectives and point of view in the firm. Age and performance is related with higher worker's profitability (i.e. target performance assessed by administrators) (MacLeod& Clarke,2015).

An association's intensity and achievement rely on its capacity to grasp diversity and understand the outcomes. Successful firm effectively evaluate their treatment of work environment diversity issues, create and actualize diversity strategies. An association utilizing a diverse workforce can supply more diverse answers for issues in, sourcing, administration and allocation of resources. Representatives from different associations bring singular encounters and abilities and in proposing thoughts that are adaptable in adjusting to fluctuating customer demands markets (Chuang, 2014).

Van Knippenberg, et al., (2014) are in consensus contending that gender diversity improves the quality of organizational leadership and management by stating that gender diversity enhances managerial information processing and decision making of the managerial team resulting in effective strategy formulation and decision making key processes. Nakagwa (2015) found that gender diversity in addition to other kinds of diversities in the workforce provided more innovative and higher-quality solutions, due to 14 a combination of gender-based perspective presented by both males and females in the managerial teams. In other words, gender diversity accrues a spectrum of insights into the vital strategic leadership and managerial decision enhancing the quality and potential effectiveness of such decisions for the firm.

1.1.2 Performance

Performance according to three criteria; meeting or exceeding customers' standards based on the productive yield of the work group; maintained social processes during group work uphold or boost employees' capacity to complete tasks; and workers are contented

with rather than discouraged by group relations(Adler,2015).According to Afiouni(2017) group dynamics has the capacity to boost inventiveness and modernism in group performance. The author further defines group performance in three perspectives; clients' values are satisfied in light of the productivity of the group; the societal activities sustained thus enhancing team members' capacity to finish responsibilities; team affiliates are not annoyed by relations but rather satisfied.

Fernandez (2013) an enhanced employee's diversity contributes positively in organization and employee performance. An effective diversity management involves considering cultural differences, ideas, skills and abilities with a common goal of enhancing performance at individual and organization level. Hayles and Mendez (2014) noted that there is a correlation between best employee diversity and results. Compelling performance management can be a key determinant in the accomplishment of association goals while augmenting the representative commitment. A performance evaluation system ought to be applicable, target to the activity and the organization, and reasonable for all representatives and offer favours.

IT firms are adopting and implementing workforce diversity with a focus of achieving higher performance. The electronic firms are investing in adoption of appropriate workforce diversity management strategies to manage their training and development function more effectively. The number of overseas employees continues to increase in line with company's localization strategy. Female employees comprise 16% of the company's total domestic workforce where 2% for manager and the figure is on a steady rise. The average age of the entire workforce, male and female, is 33.8 years. Disabled people represent 0.8% of the total workforce (LG Kenya, 2013).

For virtually all organizations productivity is indispensable for long-term profitability and competitiveness (Muchiti & Gachunga, 2015). Productivity has been defined as the measure or quantification of how effectively resources are adopted in the firm and used to accomplish a set of organizational objectives (Ofoegbu, Olawepo & Ibojo, 2013). Generally, productivity is the qualitative association between resources used in

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production and what is produced in a particular production. In other words, it is the ratio of input and output (Muchiti & Gachunga, 2015). The lower the ratio the lower the productivity and vice versa. When applied to employees, productivity is a concept which is both difficult to express and to measure (Ofoegbu, et al., 2013).

1.2 Statement of the Problem

Whenever individuals from different spheres of life work in the same environment, diversity in the workplace will be created and as such through the differences creativity and innovation will be achieved (Nwinami, 2014).Managing diversity in the workplace should be the concern of every organization. In order to survive, a company needs to be able to manage and utilize its diversity for creating advantages and its benefits. Managing diversity in the workplace should be a part of the culture of the entire organization. Valuing and recognizing diversity is imperative in order to maintain competitive advantage. Diversity management practices enhance productivity, effectiveness, and sustained competitiveness especially with affirmative action from both the government in installing the two thirds rule that encourages all genders to seek and get employment and from the corporates that have internship programmes to encourage the young people join the corporate working world. The employers also encourage and employ staffs from all educational level and ethnicity so as to improve performance.

It is imperative to note that in spite of every effort made at different sectors of society, the disparities in gender, age, race, culture etc continue to grow. For instance, in Kenya the new constitution that was promulgated and came into effect in 2010 created a provision to have a One-Third Gender Law that envisaged increased space to accommodate the female gender that has been kept on the periphery of developmental initiatives due to the patriarchal nature of the Kenyan society. The Millennium Development Goals has the promotion of gender equality and empowerment of women as one of its key cornerstones. In Kenya, the new Law further, increased women participation in parliament by creating the seats of Women Representatives in each county. Scott (2018) avers that firms with diverse workers perform better and achieve higher returns on assets directly proportional

to the team's diversity. In Kenya, people from the pastoralist communities are confronted with prejudicial perceptions of being considered persons with lower mental abilities to discharge some roles and duties. Researchers have further recommended that workplace cohesion issues need to be curtailed through managers being sensitive to multicultural diversity.

Performance is affected when managers fail to understand diversity and are not skilled enough to manage issues of diversity (Assefa, 2014). Another problem is the issue of organizations still depending on the old programs that they have been using over the years to manage the present issues of workforce diversity, minimize bias and increase diversity and inclusion in the workplace. Another problem that the organization face is that majority of the firms are biased because they employ more men and have a preference for the younger generation that is more IT-versed. The younger generation are referred to as the dot.com generation as they are well versed in technology.For this reason, some organizational leaders lack the knowledge on how to effectively management diversity, create an inclusive environment and what strategies to employ to assist them in dealing with issues of diversity in the organization.

For instance, Barak (2016) on a study onperceptions of diversity management and alienation in multinational companies, the study established that the phenomena of workforce diversity create managerial problems to corporate organizations and government ministries, especially within the team-setting environment. The study failed to link diversity with performance in information technology. Albrecht (2013), articulated that demographic diversity among the employees evokes conflicts, which are fuelled by biasness and disrupted group dynamics. Awadh and Alyahya (2013) identified that group members in a team may have different opinions and views about a given task because they have different belief structures in terms of priorities and assumptions. These diverse views among the employees are also influenced by disparity in resource allocation and rewards, which influence the employees to have different views about a given task. The study covered group diversity failing to mention workforce diversity and its effect on performance. From the studies carried out above, none of it linked workforce diversity to

performance, thus, this study bridged the gap by assessing the effects of workforce diversity on performance of information technology firms in Nairobi County.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective in this study was to examine the effect of workforce diversity on performance of IT firms in Nairobi County.

1.3.2 Specific Objective

i.   To establish the effect of age diversity on performance of IT firms in Nairobi County.
ii. To determine the gender diversity impact on performance of IT firms in Nairobi County.
iii. To examine influence of education level diversity on performance of IT firms in Nairobi County.
iv. To assess ethnicity diversity influence on performance of IT firms in Nairobi County.

1.4 Research Questions

i.   What is the impact of age diversity on performance of IT firms in Nairobi County?
ii. What is the effect of gender diversity on performance of IT firms in Nairobi County?
iii. How does the education level diversity influence performance of IT firms in Nairobi County?
iv. What is the influence of ethnicity diversity on performance of IT firms in Nairobi County?

1.5 Significance of the Study

This study would be beneficial to employers and employees as value for person variation can raise efficiency, advertising prospects, enhance staffing, resourcefulness and company figure.

Research findings would be of paramount importance to the management of IT firms in the sense that it will enable the firm identify, manage and address managerial challenges associated with the concept of workforce diversity effectively and efficiently.

Finally, academicians may benefit from the study as it will add on to the growing body knowledge in IT. This may act as a source of reference for studies to be done on technology. It is in this light that the research will aim at filling the existing academic gap by carrying out a research on the effects of workforce diversity on performance of IT firms in Nairobi County.

1.6 Scope of the Study

The study sought to investigate the effects of workforce diversity on performance of IT firms in Nairobi County. The study focused on all the employees at IT firms in Nairobi County based in Westland.

1.7 Limitations of the Study

The researcher anticipated that the respondents would be reluctant in giving information because of confidentiality reasons. To overcome this challenge, the researcher carriedanintroduction letter and assured the respondents that any information given would be treated with confidentiality and would be used for academic purposes only.

1.8 Organization of the study

Chapter one covers background of study and outlines an account on the research problem. The chapter also outline the research objective to be attained, the research questions,

scope of the study, importance or contribution of explore and the limitation of the study. Chapter two will review theoretical literature on the past studies from secondary sources such as articles and journals. Conceptual framework will be drawn from the empirical studies in this chapter. Chapter three will describe the research methods to be used in relations to research design, target population, sample and sampling process, methods of collecting data, operationalization and data analysis method. Chapter four analyses and interprets the collected data from the sample size established from the earlier chapter and present the findings relevant to the research questions inform of tables, graph and charts. Lastly, recommendations of the present research were provided and overall findings discussed in chapter five. In addition,suggestion for the future research is also included.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter discusses literature from other researchers that is relevant to the study. The literature has been organized according to sections; theoretical review and an empirical review in terms of the study objectives. The chapter also explores conceptualization on the relationships between research variables and its operationalization table having indicators.

2.2 Theoretical Review

This study is anchored on three theories; the informational and decision-making theory as established by Greenfield (1996); the similarity/attraction theory formulated Byrne Donn (1979)and Social identity and self-categorization theory by Tajfel and Turner (1970s)that will expound on the study objectives.

2.2.1 Informational and Decision-Making Theory

The development of research on records and choice making in enterprises depends on conviction that the creation of canvases gathering will affect how the association strategies measurements, conveys, and settles on decisions (Chankong& Haimes, 2008). One may depend on, given the introduction of the essential hypotheses of association collaboration, that this rule would likewise expect a poor dating among range and results. On the off chance that speculations of social recognizable proof and arrangement and likeness/fascination hypothesis tend to contend that range will thought process breakdowns in joint effort and verbal trade, at that point it may appear to watch that range would furthermore intention issues in data period and choice making. be that as it may, the writing on records and determination making in organizations tends to demonstrate that, for those two particular capacities (delivering realities and deciding), the broken

procedures that outcome from exorbitant phases of heterogeneity are triumph over by points of interest got from greater inventiveness, a substantial wide assortment of thoughts, and a vast pool of learning (Ortega& Braun, 2013).

2.2.2 Similarity/Attraction Theory

The similarity or attraction theory was advanced by Byrne Donn (1979). It alludes to the far-reaching inclination of individuals to be pulled in to other people who have comparative objectives. Fascination implies needing for or jumping at the chance to be around the individual. Distinctive measurements of likeness have been examined, in both sentimental and kinship and settings. Comparability impacts have a tendency to be most grounded and most predictable for values, states of mind, allure, and action inclinations. Identity comparability has indicated weaker, yet at the same time vital, impacts on attraction.

This theory maintains the believe that personality attributes and interpersonal skills are resourceful in shaping the behaviour of employees especially the manner in which employees perceive issues. This attribute can best be nurtured through having a diverse pool of employees from different backgrounds. The beauty of it is that it is easier for them to easily find a solution since their lines of though differs; this creates a platform to brainstorm and devise a way to find a sustainable solution to a problem. Similarity limits ideas and ways of thinking however, dissimilarity triggers questioning about issues while making attempts to find cause of problems.

The closeness/interest stream of research is predicated on the prospect that similarity in properties, in particular measurement factors, promotes social interest and preferring. Individuals with relative establishments may find that they have more in an indistinguishable way from each other than with others from different establishments, making it more pleasing for them to coordinate and cooperate toward making a thing or handling an issue. Resemblance empowers one to have his or her regards and contemplations braced, while distinction makes one request his or her regards and musings, the method that is presumably going to upset. Research has exhibited that in a

situation where a person got a chance to collaborate with one of different particular individuals, he or she is well while in transit to pick a man who is similar (Berman, 2001; Cassel 2001). The Attraction Selection Theory is applicable to this investigation as it clears up interest, decision and upkeep of laborers by affiliation and is supported by Schneider (1987) who claims affiliations select, attract and hold the individuals who are sharing the qualities.

2.2.3 Social Identity and Self Categorization Theory

This theory was expressed put forth by scholars by the names Henri Tajfel and John Turner at the beginning of the 1970s and the 1980s. According to the theory, Social identities are reflections of the social categories, groups, as well as the networks that an individual may belong. The core function of the assemblage to its members is its utility in increasing self-esteem and ego, internalized stereotypes as well as the norms are advanced in a manner that they advantage the in-group. The theory also posits that the process of singling out the group by stereotype apportionment and the allocation of the cognitive frameworks is christened the "categorization" process

Jackson (2004) defines Social category diversity as dissimilarity in social category membership. For instance, it can happen if members of the group vary in relation to gender, age or if they come from different ethnic groups. As a result of these differences, a team would achieve a low level of cohesiveness and satisfaction. A relationship-oriented conflict will have a harmful effect on performance if a team fails to control its differences, (Williams & O'Reilly, 1998; Tjosvold, 2003).

In accordance to social identity theory, personal identity develops among people according to the group to which they fit in (Hogg, Terry & White, 1995). Being a member of a particular group happens when persons stereotype themselves by attributing to them behaviors, attitudes and other characteristics. Self-categorization is defined as the process of seeing oneself as a member of a group (Kulik& Bainbridge 2006).Social identity theory can be termed as a theory of people belonging to a particular membership and portraying similar behavior (Hogg, 1995). It is how individual make sense and

understand themselves in social settings and circles.The theory is specifically applied in this study to depict how employees within the organization relate, interact and forms groups that are viable.

2.3 Empirical Review

2.3.1 Age Diversity and Performance

The demographic dynamics happening in most IT firms present an urgent need for many firms currently. In various companies, it is a common fact to be confronted with the notion that their workforce is aging and there is a possibility that there will be the problem of a shortage in the labour pool. In some companies however, the larger pool of employees may comprise the young workforce (Coad, Segarra & Teruel, 2013). The challenge in the dynamics of demographics can be seen when a company is undergoing changes in the presence of a homogenous workforce. In this situation, the young workforce is faced with the challenge of integrating the increasing number of older employees which leads to an age-diverse labour force (Zhou & Wu, 2014).

It can also a known fact in some firms that as firms get older, they might become less productive if they become increasingly inert and inflexible. This is because they might not adapt well to a changing business environment. A number of studies also emphasize that age is usually negatively related to expected growth rates as well as variance (LiPuma, Newbert & Doh, 2013). More recently, researchers have begun to take more interest in the role age plays in the performance of surviving firms. Some authors have investigated age effects by focusing specifically on samples of young firms (Messersmith & Wales, 2013). Some research has focused on the behaviours across firms of different ages, for example, some researchers have suggested that the age of a firm is positively related to its productivity levels (Backes, Gellner & Veen, 2013). A study has investigated that younger firms are better equipped to develop export capabilities because they are better able to learn how to succeed in environments that can be perceived to be uncertain (Coad, Segarra & Teruel, 2016).

Some studies have concentrated on variations in the financial structure of ageing firms. In one study, it was investigated that external finance reduces as the percentage of total finance over the first 7-8 years of the firm's life (Croce, Martí & Murtinu, 2013). In yet another study, it was analysed that a firm's debt ratio reduces once small firms exist beyond 3-4 years. Similarly, in another study, it was found that in the context of small businesses in their first few years after inception, the observation was that debt ratio reduced over time. This depicts how the financial structure of both young and old firms changed over time (Boehm, Kunze & Bruch, 2014).

In the context of global markets which has been seen to provide opportunities for many firms to rapidly increase their sales and achieve growth. These resources and capabilities appear to be dependent on age with younger firms having a limited capacity of resources and fewer capabilities than other established companies (Brush, 2013). There is also the belief resources and capabilities are required in gaining successful internationalization when pursuing foreign markets. The liability of newness suggests that young firms face the disadvantage of dissolution. They also lack the same level of recognition and legitimacy in the market place, in terms of economies of scale, development of routines and organizational processes and forging of alliances or partnerships. There is also a liability in the ageing perspective (Hsu, Chen & Cheng, 2013). A study suggests that these firms are at a competitive disadvantage as compared to less established firms because of their tendency to be more rigid in terms of organizational routines and processes of decision-making. This can prevent companies from making rapid changes in the state of current products and services and in terms of the exploitation of business opportunities. This implies that age will tend to have a negative influence on post-internationalization process of growth compared to younger firms (Andersson & Klepper, 2013).

Some studies however assert that the an firm with older employees is the more likely it is to acquire more resources over time. This is because a employees' age is related to more experience, more information, better reputation and greater access to business networks and financial institutions which are all elements that assist a firm overcome the limited

access to resources and it is also seen to operate more efficiently (Wilden, Gudergan, Nielsen & Lings, 2013). Studies that look at the relationship between the age of a firm and the profitability have produced mixed results, in other words, others find a positive relationship and others find a negative relationship between them and the performance of a firm (Mahlberg, Freund, Cuaresma & Prskawetz, 2013).

Age heterogeneity improved the ability of groups to solve tasks with high complexity (Boehm, Kunze & Bruch, 2014). In a study, it was observed that groups working on simple tasks, however, age heterogeneity increased the number of self-reported health problems which in turn indicates that groups of diverse ages should be utilised particularly for innovation or solving complex problems. There is the belief that these results can be extended to the board of a public company, considering the tasks at hand involve complex decision making (Boehm, Kunze & Bruch, 2014).

In age-diverse companies, an intensified negative age-discrimination climate can be explained primarily by social identity (Hafsi & Turgut, 2013). In such age-heterogeneous companies, compared to age homogenous organizations, age is likely to become a more salient factor of social categorization. The social categorizations based on age stimulates more professional and private interactions between age peers. Consequently, age-based subgroups might develop that are not limited to work group or department boundaries but can spread throughout the organization. In terms of the empirical analysis of age discrimination, the investigation shows that there is a negative relationship between age discrimination and firm performance. This was because of a decline in the level of affective commitment for both the young and old employees experiencing discrimination in an organization. Such feelings of being undervalued by the organization might also emerge as a collective phenomenon within whole companies (Hafsi & Turgut, 2013).

2.3.2 Gender Diversity and Performance

Gender refers to a description of person as either feminine or masculine (McDowell, 2018). The diversity between the two is closely linked and when gender diversity is

adopted in an organization, it has often led to enhanced firm competitive edge and increase in productivity. Gender is a factor that could affect the performance of the certain employees, majorly because of the physical and psychological differences between males and females. But, in modern times and entry of mechanization of work operations, such differences may not make valid reasons since modern life style of both the genders is not different as was it used to (Sekulic, Spasic, Mirkov, Cavar& Sattler, 2013).

Hoogendoorn, Oosterbeek and Van Praag(2013) shared that teams with an equal mix of both genders perform much better than either an all-female/male dominated team, the teams achieve higher results in terms of increase in sales volume and profits. This is because there is a reduction in conflicts, increase in learning and training of each other through sharing of knowledge and experiences. Similarly, the mixed gender teams compliment and support each other resulting in higher performance. In leadership positions, the issue of gender diversity has resulted in significant and positive results. Inclusion of women in the male-dominated positions and roles, improves the quality of the leadership and top-level management. According to Joecks, Pull and Vetter (2013) who investigated on gender diversity in the boardrooms and its impact on performance of the firm, revealing that gender diversity improves the quality of organizational leadership and management. Involvement of both genders enhances managerial information processing and decision making of the managerial team resulting in effective strategy formulation and decision making key processes. Nakagwa and Schreiber(2014) while looking at women as managers and their impact to firm performance found that gender diversity in addition to other kinds of diversities in the workforce provided more innovative and higher-quality solutions, due to a combination of gender-based perspective presented by both males and females in the managerial teams.

Gender disparities in firms are biased with men stereotypes therefore men assuming high status. They therefore noted that firms go for men employees perceiving men to be in good position to manage their work. This perception has now been outdated with emerging new human resource practices like flexibility in working time which gives

women an opportunity to manage emergency family issues without interfering with work (Nakagawa, 2015).

In the investigative study on gender diversity, Noland, Moran and Kotschwar (2016) revealed that nowadays there is a gender convergence rather than divergence, and women and men are far more alike than they were some decades ago since from childhood the males and females are treated alike in all walks of life and the society is not discriminating between them. All children go to school seeking an education, help in handling household chores and responsibilities and participate in all sporting activities and games. In essence, the modern society has erased the boundaries between the life style of both the sexes which has abolished the gender stereotyping. Busolo(2017) considered workforce diversity on performance by looking at age, gender and ethnicity. And in regard to gender diversity on aspects of performance revealing that competitiveness, management and leadership quality, culture and job satisfaction by both genders leads to high performance.

2.3.3 Education Level Diversity and Performance

Educated people can do certain tasks easily and efficiently compared to the uneducated or those who are educated lesser. This is in accordance with the dictum knowledge is power. It implies that a person who is knowledgeable can perform better at tasks that require that knowledge (Macnamara, Hambrick & Oswald, 2014). Let aside the tasks that require the specialized knowledge but even the common tasks educated people can handle better. In fact, lack of education and knowledge make a person crippled and inefficient. At times, education does not imply the formal college diplomas but, the mere knowledge of it. Though a person might not have diplomas but, the possession of knowledge will make him or her efficient (Hvidman & Andersen, 2013).

The same hold good in the case of a skilled or experienced worker. A worker having good experience in his job can become a leader due to his special gift of experience he acquired during the course of his work. This gives him an expert power and hence

dependable and he is more efficient too due to the tacit knowledge he has. This is in accordance to the common adage practice makes a man perfect (Hsu, Chen & Cheng, 2013). The educated and wise people in the organizations are responsible for creating wealth for their organizations and the mere machinery will not do this fete. It has been proved that the human capital to be the most important component of intellectual capital in influencing organizational performance of pharmaceutical companies (Enders, De Boer & Weyer, 2013).

Dougherty, Jones, Lahr, Pheatt, Natow and Reddy (2016) states that the human capital is more efficient than other two types of capital (structural and physical) in terms of value creation and efficiency. Human capital is the most valuable component of intellectual capital and the companies with greater human capital efficiency tend to have better financial performance (Rahman, 2012). Some human capital indicators showed a positive and statistically significant relationship with firm performance (Kotur & Anbazhagan, 2014). The greatest objectives of human capital are to educate employees and maximize the intangible capabilities of knowledge, skills, and experience to create company value and increase performance (Hsiung and Wang (2013).

Wulandari (2017) point out that learning at an individual level enhances human capital, that group learning increases social capital, and that organizational learning enhances structural capital. The human capital has been defined as the combined knowledge, skill, innovativeness, and ability of the organization's employees to meet the task at hand. Mulki, Caemmerer and Heggde (2015) stated that human capital comprises of competence, skills, and intellectual agility of the individual employees. According to Gomes, Teixeira, Fonseca, Freitas, Fonseca, Pacheco and Caramelli, (2015) the human capital as "the capabilities of individuals required to provide solutions to customers" and according to Stewart the human capital is the cream of the intellectual capital. Human capital refers to the knowledge, skills and abilities of employees, i.e. professionalism, efficiency and effectiveness in improving business productivity. Human capital refers to the abilities, competences, and know-how of human resources (Pitt, Powis, Levett-Jones & Hunter, 2015).

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In the study conducted by Dečman (2015) shows that Afghan leaders have higher scores on the relationship orientation which relates to better performance. This indicates that the leaders with some specialized knowledge or skill in psychology can perform better as leaders. On his study on the school principals, Bunce, Baird and Jones (2017) claims that education and experience bring about a change in the leadership attitudes and hence performance. Honicke and Broadbent (2016) argued that knowledge is a chief weapon that makes a person effective as a leader and therefore a leader should be educated, experienced and qualified. The author concluded that unless principals are well equipped with knowledge and skills in management and leadership, they would not be effective.

Education increases job satisfaction. The provision of training will foster an increase in professionalism and further exploitation of management methods, whereas a lack of training can cause frustration and lack of job satisfaction (Miller, 2016). Well-trained individuals know the scope expectations and dept of their jobs and will be able to add building blocks to their professionalism as they progress through their careers (Priti, 2014). Training is therefore critical for human resource planning, and marketing management.

2.3.4 Ethnicity Diversity and Performance

Ethnicity is grouping of people based on common origins, cultural practices, destinies, lifestyles and tribalistic nature (Wambui, Wangombe, Muthura, Kamau& Jackson, 2013). For any organization seeking an increase in performance, productivity and returns, there is need to investigate how diversity in terms of ethnic lines impact it. In essence, ethnic diversity has an effect on productivity by shaping how people feel motivated about their jobs, the level of efficiency in the firm, employee satisfaction with their job and the quality of products and services that a firm produces (Selvaraj, 2015). On the other hand, ethnic diversity can lead to challenges such as conflicts amongst teams at the work place and also create communication challenges. If any organization ignores these problems and fails to fully integrate the employees, these challenges may increase resulting in organization clashes, personal and emotional conflicts and adversely affecting the

employee morale and therefore poor employee and organization performance (Sabharwal, 2014).

Maingi (2015) looked at workforce diversity and employee performance, revealing that workforce diversity in terms of ethnicity and education aspects can lead to demoralization of employees thus affecting employee performance. It also showed that organizations in search of improved performance should create effective policies to guard the ethnic and education background diversity in the workforce for better employee performance. Similarly, Shifnas and Sutha(2016) shared that ethnic diversity is one of the most relevant and salient dimensions of workforce heterogeneity. They define ethnic diversity as the heterogeneity in (mother) or primary languages, races, religions and cultures measured in terms of country of birth, of the parents of/or an individual. It is underscored by a multiplicity of information sets, norms, ability levels and knowledge. An effective diversity management involves considering cultural differences, ideas, skills and abilities with a common goal of enhancing performance at individual and organization level (Kulik, 2014).

Ethnically diverse workforce exhibits more creativity, innovativeness than a more ethnically homogenous workforce does, this is according to Mwatumwa(2016) when assessing the effect of workforce diversity on employee work performance. The study further shared that differences in cultural characteristics bring an advantage of having ethnically different views for team problem solving which can result in increased team performance when the team learns to utilize these differences to their benefit. Alternatively, Madera(2013) shares that ethnic diversity can lead to creation and innovation of products and service delivery in a high quality, if well managed and the ideas of each group are considered valid and respected. Ethnicity can be used as a source of new knowledge and information about a sector of the economy and client base. As such ethnicity can be positive toward performance, since it broadens the viewpoints in the firm (Singh, Winkel& Selvarajan, 2013).

In getting diversity at work to work, Guillaume, Dawson, Woods, Sacramento and West(2013) share that whenever employees feel they are appreciated and respected for their work and acceptable in to the work teams, then there is a possibility of them working hard and improving both their individual performance as well the overall organizational performance. Ethnic identity is closely connected to important psychological characteristics including high self-esteem, a sense of belongingness, confidence, hope, optimism and resilience which are important aspects in the performance of individuals at the workplace. According to Janssens and Zanoni(2014) when assessing alternative diversity management by creating practices that foster workplace ethnicity noted that performance in an organization is only improved whenever the employees feel acceptable for who they are and where they come from. Guillaume, Dawson, Otaye, Ebede, Woods and West(2017) reveal that the leadership should create a conducive working environment where all employees part of it and can own it. This is only made possible through the recruitment process that brings in staffs from all cultures, religion and backgrounds, in essence globalization calls for workplace diversity. Employees drawn from across the globe, benefit the organization through bringing in varied viewpoints to issues and challenges the firm faces and create collaborating linkages that improves teamwork, and also the communication channels are improved leading to high performance (Munjuri& Maina,2013).

2.4 Summary of Research

This chapter has reviewed literature from different scholars who have covered the four study objectives (age, gender, education level and ethnicity) as aspects of workforce diversity and its effect to performance of information technology firms.

On Hsu, Chen and Cheng (2013) looked at firm performance in SMEs while looking at the attributes CEOs, noting that older management staff have more experience and hence get more returns. Others include Boehm, Kunze and Bruch (2014) and Brush (2013) mentioning that younger and age limits have a negative influence on growth of firms.

On Gender, studies like Nakagwa and Schreiber (2014) onwomen as managers and their impact to firm performance revealing that gender diversity in addition to other kinds of diversities in the workforce provided more innovative and higher-quality solutions, due to a combination of gender-based perspective presented by both males and females in the managerial teams and Busolo (2017) considered workforce diversity on performance by looking at age, gender and ethnicity. And in regard to gender diversity on aspects of performance revealing that competitiveness, management and leadership quality, culture and job satisfaction by both genders leads to high performance.

Education level was fashioned with studies by Dougherty, Jones, Lahr, Pheatt, Natow and Reddy (2016), while Wulandari (2017) pointed out that learning at an individual level enhances human capital, that group learning increases social capital, and that organizational learning enhances structural capital.Mulki, Caemmerer and Heggde (2015) stated that human capital comprises of competence, skills, and intellectual agility of the individual employees. While Dečman (2015) shows that Afghan leaders have higher scores on the relationship orientation which relates to better performance and Honicke and Broadbent (2016) argues that knowledge is a chief weapon that makes a person effective as a leader.

The variable on ethnicity was covered by studies like Sabharwal (2014) and Selvaraj (2015) stating that ethnicity effects productivity by shaping how people feel motivated about their jobs, the level of efficiency in the firm, employee satisfaction with their job and the quality of products and services that a firm produce. It has challenges such as conflicts, clashes and problems in communication.Maingi (2015) looked at workforce diversity and employee performance, revealing that workforce diversity in terms of ethnicity and education aspects can lead to demoralization of employees thus affecting employee performance

2.5 Conceptual Framework
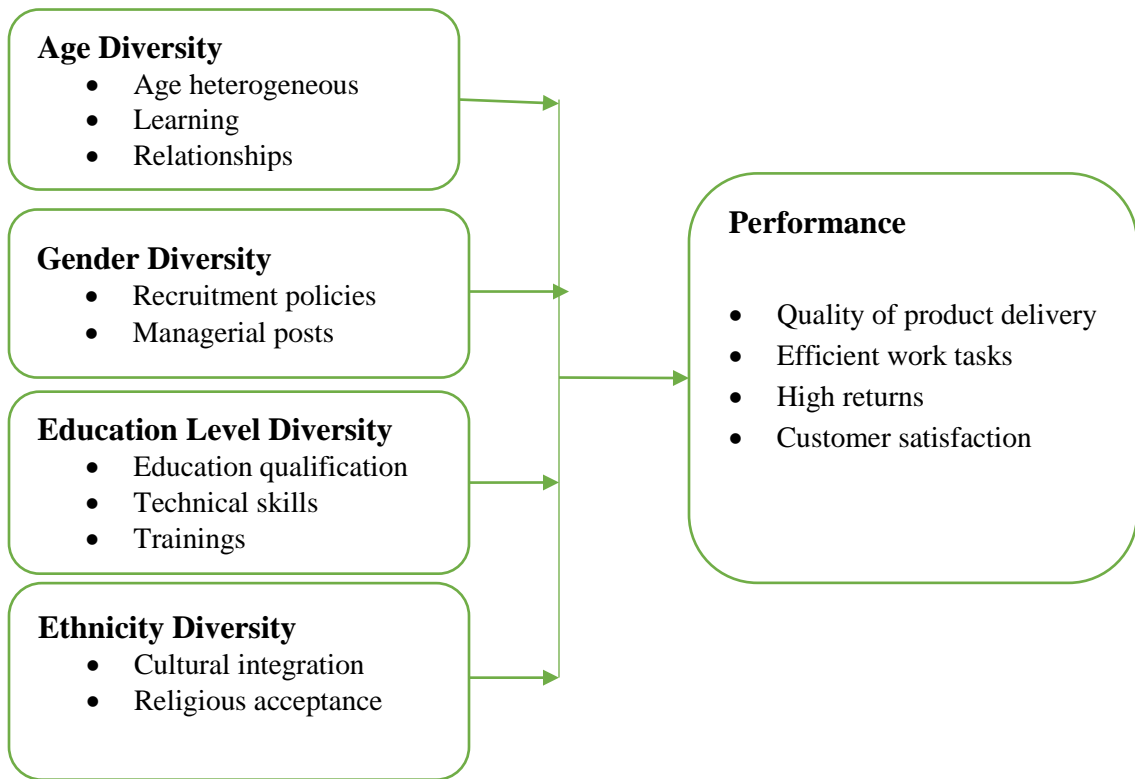
Figure 2.1: Conceptual Framework

Source: Researcher (2018)

2.6 Operationalization of Variables

Objective	Variable Type	Indicators	Type of data
To establish the effect of age diversity on performance of IT firms in Nairobi County	Independent Age	• Age heterogeneous • Learning • Relationships	Descriptive Regression
To determine the gender diversity impact on performance of IT firms in Nairobi County	Independent Gender	• Recruitment policies • Managerial posts • Work advancement	Descriptive Regression
To examine influence of education level diversity on performance of IT firms in Nairobi County	Independent Education level	• Education qualification • Technical skills • Trainings	Descriptive Regression
To assess ethnicity diversity influence on performance of IT firms in Nairobi County.	Independent Ethnicity	• Cultural integration • Religious acceptance	Descriptive Regression
Performance of IT firms in Nairobi County.	Dependent	• Quality of product delivery • Efficient work tasks • High returns • Customer satisfaction	Descriptive Regression

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter focuses on the methodology the study was use during the data collection process. The chapter is divided into sections covering the research design, target population and sampling procedure that were used to get the sample size. It also mentions the research instruments, pilot tests, data collection methods and data analysis and presentation.

3.2 Research Design

Research designs are the blueprints that guide the researcher in the activities done in an effort to collect information that will answer the research questions (Creswell & Creswell, 2017). This study was guided through the adoption of a descriptive research design in responding to the research questions on workforce diversity and performance of ICT in firms in Nairobi County. According to Yin (2017) a descriptive design is concerned with finding out the what, when, where and how of a phenomenon. This design looks at collecting data that is useful in analysing events and coming up with relevant conclusions and recommendations. This research helped in identifying the aspects of workforce diversity, and measures of performance in the ICT firms within Nairobi County.

3.3 Target Population

A target population is a large population of interest to the researcher from which the sample respondents were drawn. The target population of the study comprised of four executives from the 20 ICT based companies operating in Westlands, Nairobi County. The four included ICT manager, HR manager, Operations managers and Administrative Manager from the 20 companies such that the target population was80 respondents.

3.4 Sampling Technique and Sample Size

A sample is a subset of a population that has been selected to reflect or represent characteristics of a population (Creswell & Creswell, 2017). Sampling is a deliberate choice of a number of people who are to provide the data from which study drawn conclusions about some larger group whom these people represent. The sample size is a subset of the population that is taken to be representatives of the entire population.

Since the population was small, the study undertook a census of all the 80 managers working in the ICT firms in Westlands, Nairobi County. A census is a survey where the entire population is included in the study and it is more accurate. Bryman and Bell (2015) indicate that whenever the population is small of less than 200 members who are unique and having unique characteristics then applying a census where all members were picked for the study was ideal.

3.5 Research Instrumentation

The study collected primary data for analysis with the use of questionnaire. The questionnaire were structured and divided into five sections, covering the background information of the respondents and the four study variables. The structured questionnaires were used due for ease and convenience in distribution collection, analysis and overall cost-effectiveness in terms of resources utilization and mobilization. The advantage of this method (questionnaire) is that it is the most feasible and allows the respondents moments of reflection on the subject this is because it is cost effective, free from bias and gives the respondent adequate time to respond to the questions (Lewis, 2015).

The questionnaire contained six sections each covering a study variable and the general information. Section A sought the general, demographic information about the respondents in order to determine their suitability to participate in the study. Section B covered Age diversity, section C covered Gender diversity, section D Educational level diversity, section E covered ethnicity diversification while section F covered organizational performance in ICT firms in the county of Nairobi. The questionnaire

made use of both open and closed ended questions to ensure exhaustive response to study objectives. Closed ended questions made use of a five-point Likert scale ranging from 1-5 where 1 is strongly disagree and 5 is strongly agree.

3.5.1 Validity of the Instrument

A pilot study is a small-scale version of the full study that is done to check for procedures, processes, parameters and materials needed for the final study (Yin, 2017). It is done to check for weakness and correct the instrument so as to provide valid and reliable answers to the research questionnaires. A pilot group of 4 respondents working at the ICT firms within CBD were used to test the instrument for validity of its instrument.

According to Bowling (2014) a reasonable pilot group should consist of between 1-10% of the sample size, hence this study picked 5% of the sample size to be included in the study. Validity refers to the extent to which the research instrument measures what it was expected to measure. Validity ensures that the data is reliable, true and accurate (Pickard, 2012). This study used content validity to test the instrument and ensure it measures what it was meant to measure. Content validity refers to how effectively a measurement tool tap into the various aspects of the specific construct in question. The researcher measured content validity by relaying on the knowledge of people familiar with construct being measured. The subject matter experts were provided with the measurement tool an asked to provide feedback on how well each question measures with the construct with the question. Their feedback was analyzed and informed decision made on effectiveness of each question.

3.5.2 Reliability of Instrument

Reliability of the instrument is the degree to which the research instrument yields results that are consistent every time it is administered to the same object (Soy, 2015). It is a measurement offering consistency in the measurement variables. For this study, the researcher used Cronbach alpha basic formula for determining the reliability based on internal consistency. An internal consistency technique was applied using Cronbach's

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Alpha in order to test the reliability of the instruments. The alpha value ranges from 0 to 1 with reliability increasing with the increase in value. A Cronbach Alpha coefficient that ranges of 0.7 and above is deemed sufficient enough to collect reliable data (Fowler, 2013).

3.6 Data Collection Procedure

This is the procedure that the researcher used during the process of collecting data that responded to the research questions. In collecting data, as it was expected that the respondentswould be busy people and also allowing them to fill the instrument at their convenient time would improve the quality of response. It also improved response rate, as the respondents were allowed one week to fill the questionnaire before they were collected in readiness for analysis. Contact information was obtained when dropping the instrument for purposes of reminding the respondents to fill it during the one-week timeframe and for responding to queries.

3.7 Data Analysis and Presentation

Data analysis comprises the process of editing, coding and tabulation of the collected data into simpler summaries (Yin, 2013). Data coding was done to facilitate its entry in the computer for analysis. The Statistical Package for Social Sciences (SPSS version 23.0) and MS. Excel were used to analyze the data and generate descriptive statistics such as frequency counts, percentages, mean, mode and standard deviation. The threshold of content analysis was measured based on the respondent's answers in relation to the objectives of the study.

Multiple Regression analysis was conducted to test the effect of the relationship between the independent variables (Age, Gender, Education Level and Ethnicity) and the dependent variable (Performance). The study used the F Statistic to determine the validity of the regression model adopted. This statistic was compared to the F Critical value where the regression model would be referred to as valid if F Statistic is greater than F

Critical. Otherwise, the conclusion made was that that the model is invalid. This was based from the results in the ANOVA Table.

The regression model was used to determine if the regression assumptions used in the study are valid before performing the inference. Since if there any violations, subsequent inferential procedures would be invalided resulting in faulty conclusions. In constructing regression models, it was assumed that the responses Y to the explanatory variables were linear in the parameters and that the errors were independent and identically distributed.

The Multiple Regression Model followed this format:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where Y= Performance of IT firms in Nairobi County

$B_0 =$ Constant

β_1, β_2, β_3 and β_4 are Coefficients of the effects of workforce diversity on performance of IT firms in Nairobi County.

E = error term
X_1= Age diversity
X_2= Gender diversity
X_3= Education Level diversity
X_4= Ethnicity diversity

The finding from the analysis were presented in form of charts, pie charts, figures, graphs, tables and narrations.

3.7.1 Diagnostic Tests

Before carrying a regression analysis, the researcher conducted diagnostic tests to determine the suitability of data set for regressing. The diagnostic testswere used to test if

the general information of the respondents how it affected the main objective of the study in workforce diversity and performance of the IT firms.

These diagnostic tests includedMulticollearity, Normality, and Heteroscedasticity.

Normality test was done using Kurtosis and Skewness. Data analysis would proceed if the kurtosis and skewness is between +2 and -2 as this would be an indicator that the data has a Normal distribution (Kothari, 2004).

Multicollinearity was checked using the Variance Inflation Factor VIF, to show how the variables are correlated. If VIF is between 1-5, the variables were not correlated and hence the test deems was valid.

Heteroscedasticity test is useful in examining whether there is difference in residual variance of the observation period to another period of observation (Godfrey, 2008), and it was tested using scatter plots.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter details the findings of the analysis of the data that was collected using questionnaires from respondents. The findings were analysed using descriptive and inferential statistics. Descriptive statistics included use of means and standard deviations while inferential statistics entailed use of regression analysis. The findings were presented using frequency distribution tables, graphs and pie charts.

4.1.1 Response Rate

The researcher distributed 80 questionnaires to respondents of the study in the field. Out of these, 61 of them were dully filed by respondents and returned to the researcher. This gave a response rate of 76.3% as shown in Table 4.1.

Table 4.1: Response Rate

	Frequency	Percentage
Response	61	76.3
Non Response	19	23.7
Total	**80**	**100**

The above response rate was in line with Mugenda and Mugenda (2003) who noted that a response rate of 70% and above is sufficient for analysis and interpretation of the findings.

4.2 Demographic Information

The study examined the demographic information of the respondents a shown in subsequent sections.

4.2.1 Gender of Respondents

The findings on the gender distribution of the respondents of the study are shown in Table 4.2.

Table 4.2: Gender of Respondents

	Frequency	Percentage
Male	34	55.7
Female	27	44.3
Total	**61**	**100.0**

From the findings in Table 4.2, most of the respondents 55.7% were male while 44.3% were female. This finding indicates that the study was gender sensitive and thus balanced information was sought from respondents.

4.2.2 Position Held

Figure 4.1 presents the findings on positions held by respondents in their respective organizations.
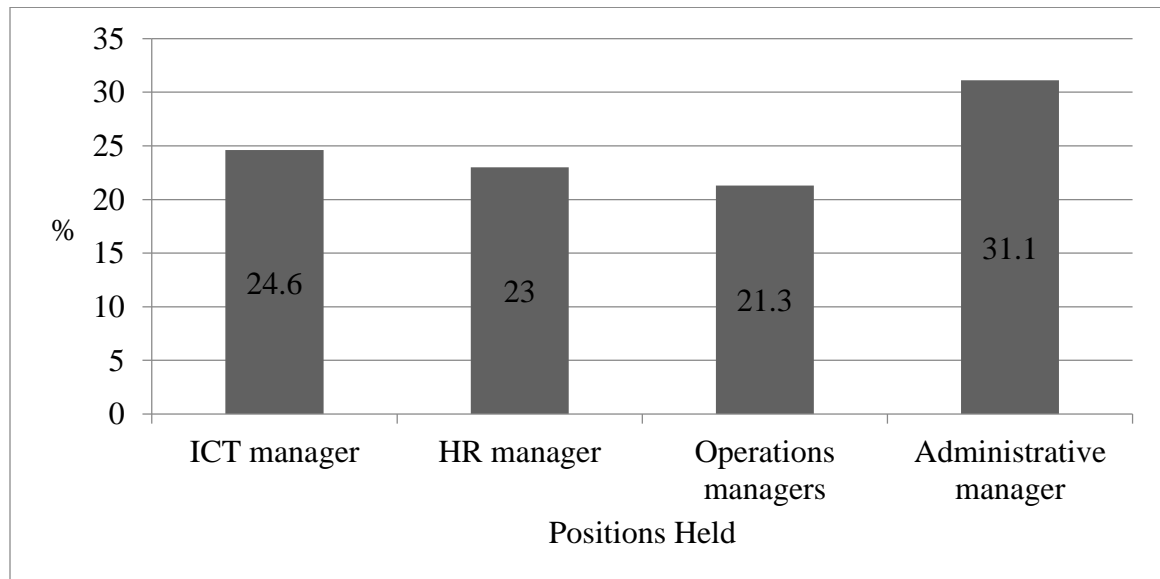
Figure 4.1 : Position Held

Figure 4.1 shows that majority of the respondents 31.1% were administrative managers, 24.6% were ICT managers, 23% were HR managers and 21.3% were operations managers. This finding simply that respondent of the study were drawn from senior positions in their respective organization and thus were directly involved in making decisions on diversities in their organization. Thus, they were knowledgeable on the topic of the study.

4.2.3 Length in the Position

The number of years that respondents had worked in their respective positions is shown in Table 4.3.

Table 4.3: Length in the Position

	Frequency	Percentage
1- 5 years	7	11.5
5-10 years	10	16.4
10-15 years	32	52.5
Above 15 years	12	19.7
Total	**61**	**100.0**

Table 4.3 indicate that most of the respondents, 52.5% had worked in their respective positions for 10-15 years, 19.7% for over 15 years, 16.4% for 5-10 years and 11.5% for 1-5 years. Thus, most of the respondents of the study had worked in senior management positions in their organization for a relatively longer period of time and therefore they had gained a lot of information on work force diversity and how it influences performance of their organizations.

4.2.4 Length in the Organization

The researcher examined the number of years that respondents had worked in their organization. The findings are shown I n Figure 4.2.
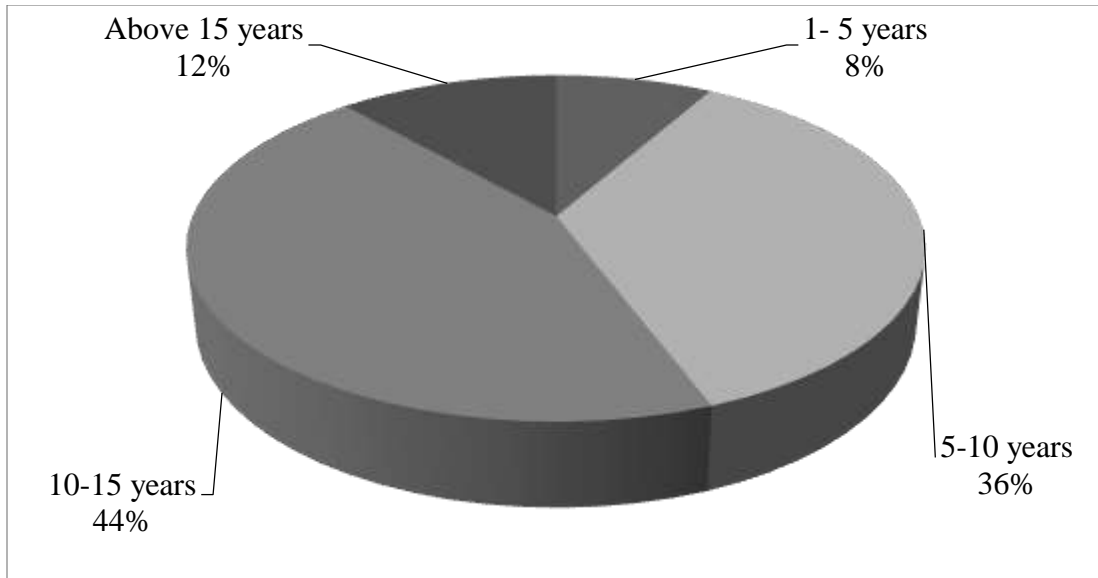
Figure 4.2: Length in the Organization

Figure 4.2 shows that majority of respondents 44% had worked in their organization for 10-15 years, 36% for 5-120 years, 12% for over 5 years and 8% for 1-5 years. Thus, most of the respondents had been in their current organization for a longer period of time and therefore they were informed on work force diversity in their organization.

4.2.5 Level of Education

The highest levels of education of respondents of the study are shown in Figure 4.3.
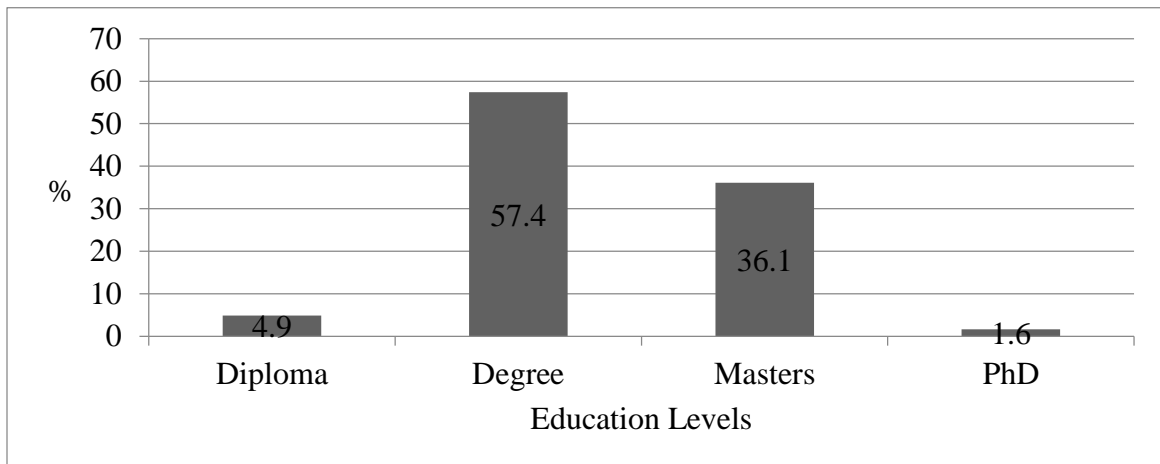
Figure 4.3: Level of Education

From the findings, most of the respondents 57.4% had degrees, 36.1% had masters, 4.9% had diplomas and 1.6% had PhDs. From this finding, it can be seen that respondents who took part in the study were educated and therefore had knowledge on work force diversity and how it influences performance of their organization.

4.3 Age Diversity and Organization Performance

The study sought to determine how age diversity influenced organization performance of IT firms. To achieve this objective, the researcher established several statements and respondents were requested to indicate the extent of their agreement with each of these statements. A scale of 1-5, where 1= Not at all; 2 = Little Extent; 3= Moderate Extent; 4= Large Extent and 5= Very Large Extent was used.

Table 4.4: Age Diversity and Organization Performance

Statement	Mean	Std. Dev
Our organization is comprised of elderly employees	3.81	.846
Our organization is comprised of many youthful employees	3.85	.853
Elderly employees relate well with youthful employees in our organization	3.93	.727
The mixture of youthful and elderly employees improves the quality work performance	3.80	.400
The blending of youthful and elderly employees improves the level of innovation in our organization	3.59	.803
Diverse age categories among employees has improved learning experience in our organization	4.08	.556

From Table 4.4, the organization comprised of elderly employees with a mean of 3.81 and standard deviation of 0.846. The organization comprised of many youthful employees with a mean of 3.85 and standard deviation of 0.853. This is supported by Coad, Segarra and Teruel (2013) who established that some companies however, the larger pool of employees may comprise the young workforce. Elderly employees related well with youthful employees in the organization with a mean of 3.93 and standard deviation of 0.727. The mixture of youthful and elderly employees improved the quality work performance with a mean of 3.80 and standard deviation of 0.400. A study carried out by Zhou and Wu (2014) established that the young workforce is faced with the

challenge of integrating the increasing number of older employees which leads to an age-diverse labour force (Zhou & Wu, 2014).

Respondents however slightly agreed that blending of youthful and elderly employees improved the level of innovation in an organization as shown by a mean of 3.59 and standard deviation of 0.853. The study established that diverse age categories among employees had improved learning experience in an organization with a mean of 4.08 and standard deviation of 0.556. This is supported by Coad, Segarra and Teruel (2016) who established that younger firms are better equipped to develop export capabilities because they are better able to learn how to succeed in environments that can be perceived to be uncertain.

4.3.1 Extent of the Influence of Age Diversity on Organization Performance

Respondents were asked to indicate the extent which age diversity influenced organization performance as shown in Table 4.5.

Table 4.5: Extent of the Influence of Age Diversity on Organization Performance

	Frequency	Percentage
Little Extent	2	3.3
Moderate Extent	8	13.1
Large Extent	45	73.8
Very Large Extent	6	9.8
Total	**61**	**100.0**

From Table 4.5, most of the respondents 73.8% noted that age diversity had a large influence on organizational performance. The finding concurs with Hafsi and Turgut (2013) who revealed thatin age-heterogeneous companies, compared to age homogenous organizations, age is likely to become a more salient factor of social categorization.

4.4 Gender Diversity

To examine how gender diversity influenced organizational performance; the researcher formulated several statements that respondents were required to indicate the extent of their agreement. The findings are shown in Table 4.6.

Table 4.6: Gender Diversity

Statement	Mean	Std. Dev
Our organization is balanced in bother gender	3.67	.700
Employment of both genders in the organization has improved innovations	3.72	1.03
Employment of both genders has improved the competition for senior positions in the organization	3.65	.892
There is a balance in gender distribution among senior managers	3.72	.686
Gender balance has improved performance of our organization	3.73	1.01
Mixed gender teams compliment and support each other in our organization	4.00	.752
Mixed gender teams achieve higher results in terms of increase in sales volume	3.57	.902
Mixed gender teams achieve higher results in terms of increase in profits	3.60	.899
Inclusion of women in top management has improved the quality of the leadership in this organization	3.81	.387
Involvement of both genders enhances managerial information processing	3.44	1.04
Involvement of both genders enhancesdecision making of the managerial team	3.59	1.05
Gender diversities in the workforce provide more innovative solutions	3.63	.949

The findings from Table 4.6 shows that the organization was balanced in bother gender with a mean of 3.67 and standard deviation of 0.700. This is supported by Nakagwa and Schreiber(2014) who established that diversities in the workforce provides more innovative and higher-quality solutions, due to a combination of gender-based perspective presented by both males and females in the managerial teams.Employment of both genders in the organization had improved innovations with a mean of 3.72 and standard deviation of 1.03. Employment of both genders had improved the competition for senior positions in the organization with a mean of 3.65 and standard deviation of 0.892. There was a balance in gender distribution among senior managers with a mean of 3.72 and standard deviation of 0.686.

Gender balance had improved performance of an organization with a mean of 3.73 and standard deviation of 1.01. Mixed gender teams complimented and supported each other in an organization with a mean of 4.00 and standard deviation of 0.752. Respondents

slightly agreed that mixed gender teams achieve higher resulted in terms of increase in sales volume with a mean of 3.57 and standard deviation of 0.902. Modern life style of both the genders is not different as was it used to (Sekulic, Spasic, Mirkov, Cavar& Sattler, 2013). Nakagwa and Schreiber(2014)found that gender diversity in addition to other kinds of diversities in the workforce provided more innovative and higher-quality solutions, due to a combination of gender-based perspective presented by both males and females in the managerial teams.

Mixed gender teams achieved higher results in terms of increase in profits with a mean of 3.60 and standard deviation of 0.899. Inclusion of women in top management had improved the quality of the leadership in the organization with a mean of 3.81 and standard deviation of 0.387. Respondents were not sure whether involvement of both genders enhanced managerial information processing with a mean of 3.44 and standard deviation of 1.04. Respondents slightly agreed that involvement of both genders enhanced decision making of the managerial team with a mean of 3.59 and standard deviation of 1.05. The study established that gender diversities in the workforce provided more innovative solutions with a mean of 3.63 and standard deviation of 0.949. This is supported by Hoogendoorn, Oosterbeek and Van Praag(2013)who stated that an equal mix of both genders perform much better than either an all-female/male dominated team, the teams achieve higher results in terms of increase in sales volume and profits.

4.4.1 Extent of the Influence of Gender Diversity on Organizational Performance

The study sought to determine the extent which gender diversity influenced organizational performance. The findings are shown in Table 4.7.

Table 4.7: Extent of the Influence of Gender Diversity on Organizational Performance

	Frequency	Per cent
Little Extent	2	3.3
Moderate Extent	9	14.8
Large Extent	46	75.4
Very Large Extent	4	6.6
Total	**61**	**100.0**

Table 4.7 indicates that most of the respondents 75.4% said that gender diversity had large influence on organizational performance. The finding is in line with Sekulic, Spasic, Mirkov, Cavar and Sattler(2013) who revealed that gender is a factor that could affect the performance of the certain employees, majorly because of the physical and psychological differences between males and females.

4.5 Educational Level Diversity

The study examined how education levels influenced organizational performance as shown in Table 4.8.

Table 4.8: Educational Level Diversity

	Mean	Std. Dev
Our organization has employees of diverse professional qualifications	3.54	.502
Diversity in educational levels promote innovations in our organization	3.11	1.01
Educational qualifications improve the decision-making capability of employees in our organization	3.44	.742
Professionally trained employees are more accurate in developing solutions to customer problems	3.68	.696
Academically trained employees delivery high quality service to customers	3.65	1.03
Well educated employees are accurate in performing their tasks	3.59	.495
Our organization places employees in departments where they are trained	4.19	.833
Highly educated employees relate well with their colleagues	3.81	.846
Highly educated employees are satisfied with their jobs	3.96	.576
Well-trained employees understand the scope expectations	3.81	.846

From Table 4.8, respondents slightly agreed that their organization had employees of diverse professional qualifications with a mean of 3.54 and standard deviation of 0.502. Respondents were not sure whether diversity in educational levels promoted innovations in an organization with a mean of 3.11 and standard deviation of 1.01. Respondents were further not sure whether educational qualifications improved the decision-making capability of employees in an organization with a mean of 3.44 and standard deviation of 0.742. It implies that a person who is knowledgeable can perform better at tasks that require that knowledge (Macnamara, Hambrick & Oswald, 2014).

The findings of the study showed that professionally trained employees were more accurate in developing solutions to customer problems with a mean of 3.68 and standard deviation of 0.969. The study established that academically trained employees delivered high quality service to customers with a mean of 3.65 and standard deviation of 1.03. Well educated employees were accurate in performing their tasks with a mean of 3.59 and standard deviation of 0.495. Person might not have diplomas but, the possession of knowledge will make him or her efficient (Hvidman & Andersen, 2013).Human capital to be the most important component of intellectual capital in influencing organizational performance of pharmaceutical companies (Enders, De Boer & Weyer, 2013).

The organization placed employees in departments where they were trained with a mean of 4.19 and standard deviation of 0.833. The findings indicated that highly educated employees related well with their colleagues with a mean of 3.81 and standard deviation of 0.846. Highly educated employees were satisfied with their jobs with a mean of 3.96 and standard deviation of 0.576. Well-trained employees understood the scope expectations with a mean of 3.81 and standard deviation of 0.846. Dougherty, Jones, Lahr, Pheatt, Natow and Reddy (2016) states that the human capital is more efficient than other two types of capital (structural and physical) in terms of value creation and efficiency. Human capital is the most valuable component of intellectual

4.5.1 Extent of the Influence of Education Level on Organizational Performance

The study examined how education levels influenced performance of IT firms as shown in Table 4.9.

Table 4.9: Extent of the Influence of Education Level on Organizational Performance

	Frequency	Percent
Not at all	1	1.6
Little Extent	6	9.8
Moderate Extent	6	9.8
Large Extent	45	73.8
Very Large Extent	3	4.9
Total	**61**	**100.0**

Table 4.9 shows that education level has a large influence (73.8%) on organizational performance. According to Hsu, Chen and Cheng(2013), the educated and wise people in the organizations are responsible for creating wealth for their organizations and the mere machinery will not do this fete.

4.6 Ethnicity Diversity and Performance

The study sought to determine how ethnicity influenced organizational performance. The findings are shown in Table 4.10.

Table 4.10: Ethnicity Diversity and Performance

Statement	Mean	Std. Dev
Our organization has employed staff with diverse origins	3.85	.813
Our organization has employed staff with diverse cultural backgrounds	3.45	.720
Our organization has employed staff with diverse lifestyles	3.72	.452
Our organization has employed staff with diverse tribalistic nature	3.44	.742
Ethnic diversity has led to conflicts amongst teams in this organization	3.34	.772
The level of ethnic diverse promotes creativity in this organization	3.88	.635
The level of ethnic diverse promotes innovativeness in this organization	3.70	.882
Ethnicity has been used as a source of new knowledge and information in IT sector	3.72	.686
Diverse ethnic orientation promotes a sense of belongingness among employees	4.09	.675
Diverse ethnic orientation promotes the level of confidence among employees	3.59	.882
Diverse ethnic orientation promotes the level of resilience among employees	3.85	.357
Diverse ethnic orientation promotes the level of optimism among employees	3.59	.715
Diverse ethnic orientation promotes the level of self-esteem among employees	3.24	.698

From Table 4.10, the organization had employed staff with diverse origins with a mean of 3.85 and standard deviation of 0.813. Respondents were not sure whether an organization had employed staff with diverse cultural backgrounds with a mean of 3.45 and standard deviation of 0.720. The organization had employed staff with diverse lifestyles with a mean of 3.72 and standard deviation of 0.452. Respondents were not sure whether the organization had employed staff with diverse tribalistic nature with a mean of 3.44 and standard deviation of 0.742. This is supported by Selvaraj (2015)ethnic diversity has an effect on productivity by shaping how people feel motivated about their jobs, the level of efficiency in the firm, employee satisfaction with their job and the quality of products and services that a firm produces.

Respondents were not sure whether Ethnic diversity had led to conflicts amongst teams in an organization with a mean of 3.34 and standard deviation of 0.772. The level of ethnic diverse promoted creativity in an organization with a mean of 3.88 and standard deviation of 0.635. The level of ethnic diverse promoted innovativeness in the organization with a mean of 3.70 and standard deviation of 0.882. Ethnicity had been used as a source of new knowledge and information in IT sector with a mean of 3.72 and standard deviation of 0.686. Diverse ethnic orientation promoted a sense of belongingness among employees with a mean of 4.09 and standard deviation of 0.675. This is supported by Maingi (2015) looked at workforce diversity and employee performance, revealing that workforce diversity in terms of ethnicity and education aspects can lead to demoralization of employees thus affecting employee performance.

Respondents of the study slightly agreed that diverse ethnic orientation promoted the level of confidence among employees with a mean of with a mean of 3.59 and standard deviation of 0.882. Diverse ethnic orientation promoted the level of resilience among employees with a mean of 3.85 and standard deviation of 0.357. Respondents slightly agreed that diverse ethnic orientation promoted the level of optimism among employees with a mean of 3.59 and standard deviation of 0.715. Respondents were not certain whether diverse ethnic orientation promoted the level of self-esteem among employees with a mean of 3.24 and standard deviation of 0.698. This is supported by Madera (2013) shares that ethnic diversity can lead to creation and innovation of products and service delivery in a high quality, if well managed and the ideas of each group are considered valid and respected.

4.6.1 Extent of the Influence of Ethnicity on Performance

The study sought to find out how ethnicity influenced organizational performance as shown in Table 4.11.

Table 4.11: Extent of the Influence of Ethnicity on Performance

	Frequency	Percent
Little Extent	6	9.8
Moderate Extent	6	9.8
Large Extent	44	72.1
Very Large Extent	5	8.2
Total	**61**	**100.0**

Table 4.11 indicates that on overall; most of the respondents 72.1% said that ethnicity had large influence on organizational performance. The finding is in line with Shifnas and Sutha(2016) who shared that ethnic diversity is one of the most relevant and salient dimensions of workforce heterogeneity.

4.7 Organizational Performance

The findings on the dependent variable (organizational performance) of the study are shown in Table 4.12.

Table 4.12: Organizational Performance

Statement	Mean	Std. Dev
The quality of products and services delivered to customers has increased	3.77	.739
The level of efficiency among employees has increased	3.59	.882
The returns of our organization has increased	3.55	.904
The level of customer satisfaction has increased.	3.80	.653

From Table 4.12, the quality of products and services delivered to customers had increased with a mean of 3.77 and standard deviation of 0.739. The level of efficiency among employees had increased with a mean of 3.59 and standard deviation of 0.882. The returns of an organization had increased s seen by a mean of 3.55 and standard deviation of 0.904. The level of customer satisfaction had increased as seen by a mean of 3.80 and standard deviation of 0.653.

4.8 Diagnostic Tests

Before conducting regression analysis, the researcher performed diagnostic tests. They included multicollinearity, normality and heteroskedasticity.

4.8.1 Multicollinearity Test

Variance of Inflation Factor (VIF) was used to test for multicollinearity in the data set as shown on Table 4.13.

Table 4.13: Multicollinearity Test

	Collinearity Statistics		
	B	**Tolerance**	**VIF**
(Constant)	-2.374		
Age Diversity	.079	.312	3.202
Gender Diversity	.162	.366	2.729
Education Diversity	-.093	.600	1.665
Ethnicity Diversity	.243	.497	2.010

Table 4.13 shows VIF values of the age diversity, gender diversity, education diversity and ethnicity diversities. These values are all within the range of 1-10. It can thus be inferred that there was no multicollinearity in the data set. Muff, Riebler, Held, Rue and Saner (2015)argues that existence of multicollinearity results into regression coefficients with large standard errors meaning the coefficients cannot be estimated with great precision and accuracy.

4.8.2 Normality Test

Normality test was used to determine whether the date set was normally distributed as shown in Figure 4.4 and Table 4.14.

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: OrganizationalPerformance
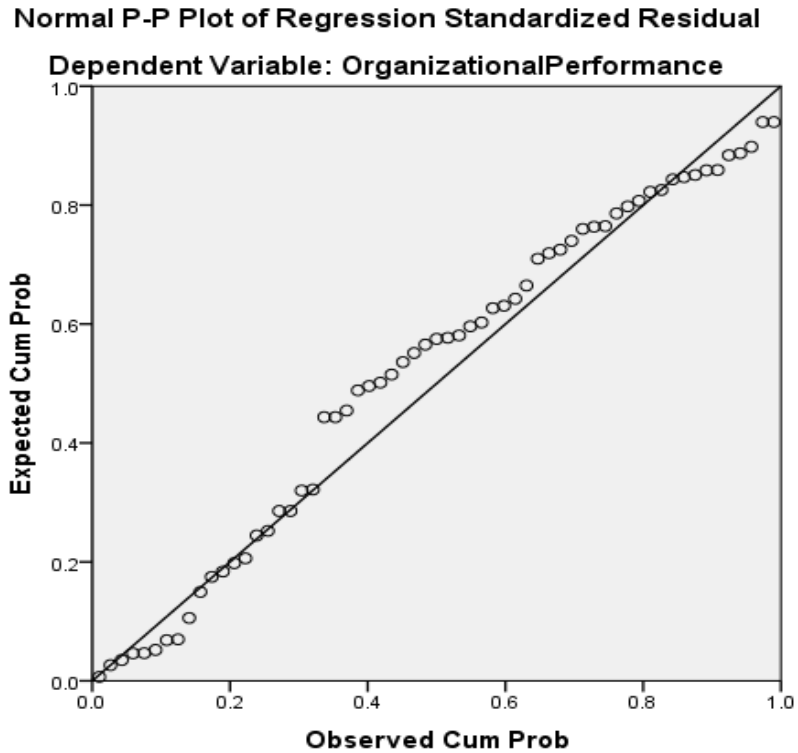
Figure 4.4: Normal PP Plot

From Figure 4.4, the data points are aligned along the P-P plot line showing that the observations originated from a normal distribution. Greene (2012) stated that normality is not necessary to obtain many of the results in multiple regression analysis, it enables several exact statistical results and proves useful in constructing confidence intervals and test statistics.

This finding is further supported by the values of Skewness and Kurtosis shown in Table 4.14.

Table 4.14: Normality Test

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
Organizational Performance	61	-.161	.306	-.350	.604
Age Diversity	61	-.910	.306	.577	.604
Gender Diversity	61	-.215	.306	-.529	.604
Education Diversity	61	-.208	.306	-.715	.604
Ethnicity Diversity	61	-.535	.306	.011	.604

As indicated in Table 4.14, the values of Skewness and Kurtosis of the study variables are all within the range of +2 and -2. This shows that the data set was normally distributed.

4.8.3 Heteroskedasticity Test

This test was used to determine whether the data set had homoskedasticity or heteroskedasticity as shown in Figure 4.5.
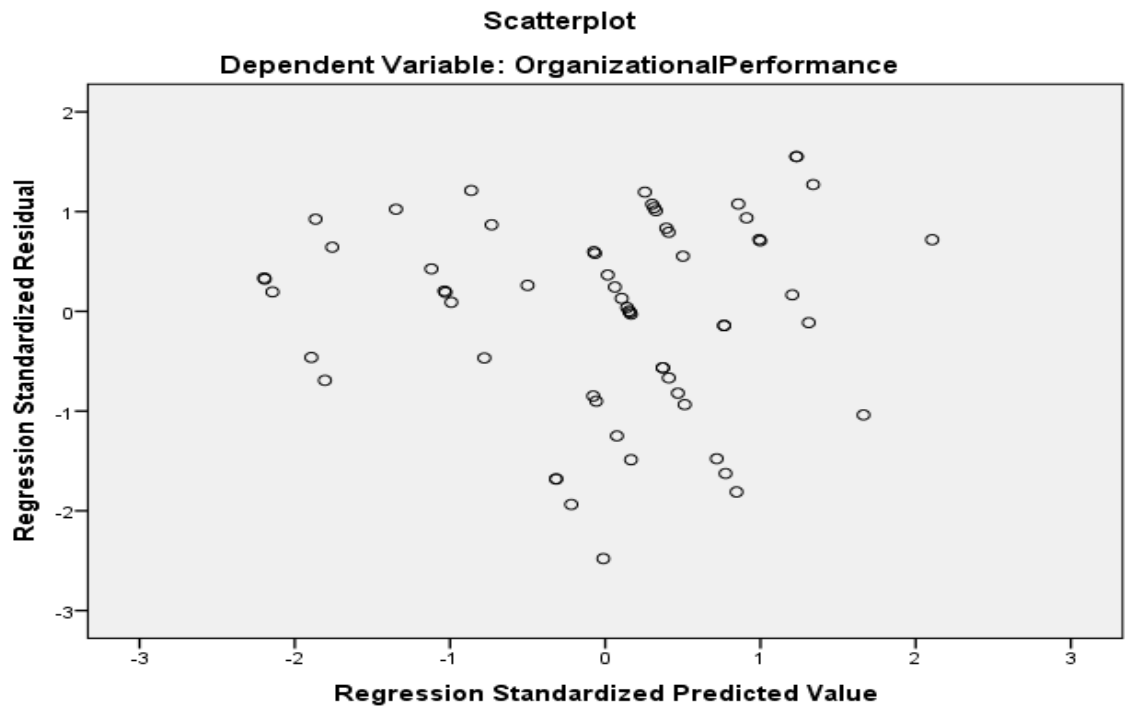
Figure 4.5: Scatter Plot

From the findings, the data points are spread with no clearly established pattern. This implies that the data set had homoscedasticity as opposed to heteroskedasticity which is undesirable. However, the assumption of the study is that the residuals of the study have a constant variance and are homoscedastic (Gal,2016).

4.9 Regression Results

The researcher regressed work force diversity against organizational performance and the findings are shown in subsequent section.

4.9.1 Model Summary

The Model Summary in Table 4.15 shows the values of coefficients of correlation, determination and adjusted R square.

Table 4.15: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.938[a]	.881	.872	.68557

a. Predictors: (Constant), Ethnicity Diversity, Education Diversity, Gender Diversity, Age Diversity
b. Dependent Variable: Organizational Performance

Table 4.15 shows the coefficients of correlation, determination and R square as 0.938, 0.881 and 0.872 respectively. Thus, 87.2% change in organizational performance is explained by the work force diversity. This thus shows that there are other factors that the study did not cover that explain 12.8% change in organizational performance that future studies should focus on.

4.8.2 Analysis of Variance

An Analysis of Variance (ANOVA) was conducted at 5% level of significance and the findings are shown in Table 4.16.

Table 4.16: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Regression	193.942	4	48.486	103.160	.000[b]
Residual	26.320	56	.470		
Total	**220.262**	**60**			

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Ethnicity Diversity, Education Diversity, Gender Diversity, Age Diversity

The findings in Table 4.16 shows the value of F calculated as 103.160. The value of F critical on the other hand is 2.54. Thus, the value of F calculated is greater than F critical. This shows that the overall regression model was significant in predicting how work force diversity influenced organizational performance.

4.8.3 Regression Coefficient's

The findings on beta coefficient and the p values of the variables of the study are shown in Table 4.17.

Table 4.17: Regression Coefficient's

	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	-2.374	1.172		-2.025	.048
Age Diversity	.079	.075	.087	1.054	.296
Gender Diversity	.162	.025	.500	6.557	.000
Education Diversity	-.093	.031	-.176	-2.951	.005
Ethnicity Diversity	.243	.028	.569	8.683	.000

a. Dependent Variable: Organizational Performance

The established equation becomes;

$$Y=-2.374+0.079X_1+0.162X_2-0.093X_3+.243X_4$$

Where Y=Organizational performance; X_1; X_2; X_3; X_4 represent age diversity, gender diversity, education diversity and ethnicity diversity.

This shows that holding other factors constant, organizational performance would be at -2.374. A unit increase in age diversity other factor's kept constant would lead to 7.9%

increase in organizational performance. A unit increases in gender diversity other factors kept constant would lead to 16.2% increase in organizational performance. A unit decreases in educational diversity other factors kept constant would lead to 9.3% increase in organizational performance. A unit increase in ethnicity diversity holding other factors constant would result into 24.3% increase in organizational performance.

At 5% level of significance, age diversity (p=0.296) was greater than 0.05. Thus, age diversity had no significant influence on organizational performance. The finding is inconsistent with Hafsi and Turgut(2013) who established that there is a negative relationship between age discrimination and firm performance. According to Mahlberg, Freund, Cuaresma and Prskawetz(2013),studies that look at the relationship between the age of a firm and the profitability have produced mixed results, in other words, others find a positive relationship and others find a negative relationship between them and the performance of a firm.

Gender diversity (p=0.000) had p value less than 0.05. Thus, it can be inferred that the gender diversity had significant influence on organizational performance. Educational diversity (p=0.005) had p value less than 0.05. This therefore indicates that educational diversity had significant influence on organizational performance. According to Priti(2014), training is therefore critical for human resource planning, and marketing management.

Ethnicity diversity (p=0.000) had p value less than 0.05. Thus, ethnicity diversity had significant influence on organizational performance. The findings are in line with Selvaraj(2015) who noted thatethnic diversity has an effect on productivity by shaping how people feel motivated about their jobs, the level of efficiency in the firm, employee satisfaction with their job and the quality of products and services that a firm produces.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings of the analysed data. The key findings are used to draw conclusions of the study. The findings are also used to make relevant recommendations of the study. The chapter also presents areas for further studies for future scholars and academicians.

5.2 Summary of the Findings

The main objective of the study was to determine the work force diversity on performance of IT firms. The study specifically looked at how age, diversity, gender diversity, education level diversity and ethnicity diversity influenced performance of IT firms.

5.2.1 Age Diversity and Organization Performance

The study established that age diversity had a large influence on organizational performance (73.8%). The study established that diverse age categories among employees had improved learning experience in an organization with a mean of 4.08 and standard deviation of 0.556.Elderly employees related well with youthful employees in the organization with a mean of 3.93 and standard deviation of 0.727.The organization comprised of many youthful employees with a mean of 3.85 and standard deviation of 0.853. The organization comprised of elderly employees with a mean of 3.81 and standard deviation of 0.846. The mixture of youthful and elderly employees improved the quality work performance with a mean of 3.80 and standard deviation of 0.400.

5.2.2 Gender Diversity

From regression results, gender diversity (p=0.000) had p value less than 0.05. The study established that gender diversity had large influence on organizational performance (75.4%). Mixed gender teams complimented and supported each other in an organization

with a mean of 4.00 and standard deviation of 0.752.Inclusion of women in top management had improved the quality of the leadership in the organization with a mean of 3.81 and standard deviation of 0.387. Gender balance had improved performance of an organization with a mean of 3.73 and standard deviation of 1.01. Employment of both genders in the organization had improved innovations with a mean of 3.72 and standard deviation of 1.03.There was a balance in gender distribution among senior managers with a mean of 3.72 and standard deviation of 0.686.The organization was balanced in bother gender with a mean of 3.67 and standard deviation of 0.700.

5.2.3 Educational Level

Regression results showed that Educational diversity (p=0.005) had p value less than 0.05. Descriptive statistics established that education level has a large influence on organizational performance (73.8%). The organization placed employees in departments where they were trained with a mean of 4.19 and standard deviation of 0.833.Highly educated employees were satisfied with their jobs with a mean of 3.96 and standard deviation of 0.576. Well-trained employees understood the scope expectations with a mean of 3.81 and standard deviation of 0.846.The findings indicated that highly educated employees related well with their colleagues with a mean of 3.81 and standard deviation of 0.846. The findings of the study showed that professionally trained employees were more accurate in developing solutions to customer problems with a mean of 3.68 and standard deviation of 0.969. The study established that academically trained employees delivered high quality service to customers with a mean of 3.65 and standard deviation of 1.03.

5.2.4 Ethnicity and Performance

From regression results, ethnicity diversity (p=0.000) had p value less than 0.05. The findings of descriptive statistics indicated that ethnicity had large influence on organizational performance (72.1%). Diverse ethnic orientation promoted a sense of belongingness among employees with a mean of 4.09 and standard deviation of 0.675.

The level of ethnic diverse promoted creativity in an organization with a mean of 3.88 and standard deviation of 0.635. Diverse ethnic orientation promoted the level of resilience with a mean of 3.85 and standard deviation of 0.357. The organization had employed staff with diverse origins with a mean of 3.85 and standard deviation of 0.813. Ethnicity had been used as a source of new knowledge and information in IT sector with a mean of 3.72 and standard deviation of 0.686. The organization had employed staff with diverse lifestyles with a mean of 3.72 and standard deviation of 0.452. The level of ethnic diverse promoted innovativeness in the organization with a mean of 3.70 and standard deviation of 0.882.

5.3 Conclusion

The study concludes that age diversity had a large influence on organizational performance. The diverse age categories among employees had improved learning experience in an organization.Elderly employees related well with youthful employees in the organization.The organization comprised of many youthful employees. The organization comprised of elderly employees. The mixture of youthful and elderly employees improved the quality work performance.

The study also concludes that gender diversity had significant influence on performance of IT firms. The gender diversity had large influence on organizational performance. Mixed gender teams complimented and supported each other in an organization.Inclusion of women in top management had improved the quality of the leadership in the organization. Gender balance had improved performance of an. Employment of both genders in the organization had improved innovations.There was a balance in gender distribution among senior managers.

The study concludes that educational diversity had significant influence on performance of IT firms. Education level has a large influence on organizational performance. The organization placed employees in departments where they were trained.Highly educated employees were satisfied with their jobs. Well-trained employees understood the scope

expectations.Highly educated employees related well with their colleagues.Professionally trained employees were more accurate in developing solutions to customer problems. Academically trained employees delivered high quality service to customers.

Ethnicity diversity had significant influence on performance of IT firms. Ethnicity had large influence on organizational performance. Diverse ethnic orientation promoted a sense of belongingness among employees. The level of ethnic diverse promoted creativity in an organization. Diverse ethnic orientation promoted the level of resilience. The organization had employed staff with diverse origins. Ethnicity had been used as a source of new knowledge and information in IT sector. The organization had employed staff with diverse lifestyles. The level of ethnic diverse promoted innovativeness in the organization.

5.4 Recommendations of the Study

The study recommends that the top management team of all IT firms should recognize and value age diversities at the work place. Having age diversity in IT firms would improve learning experience among employees in an organization.Efforts should be in place to strike a balance between elderly and youthful employees among all IT firms operating in Kenya.

The study further recommends that the management of all IT firms operating in Kenya need to improve on their gender diversities at the work place to significantly raise performance of their organizations. There should be mixed gender teams to complement and support each other within IT firms. There is also need to increase the number of female employees incorporated in the management team of all IT firms.

The study further recommends that the management of all other firms in Kenya should strengthen their education level diversities. These can be achieved hiring highly educated employees at the work place. Having a highly educated team would make them relate well with other colleagues at the work place.

The study also recommends that all IT firms need to improve on their ethnicity diversity at the work place. To promoter a sense of belonging among employees, all IT firms should improve on their ethnic diversities. To promote a level of resilience in all IT firms, the top management should invest in diverse ethnic orientations.

5.5 Suggestions for Further Studies

The focus of the current study was on work force diversity and how it influenced organizational performance. The adjusted R square from the findings was 87.2% showing that there are other factors influencing performance of IT firms that future studies should focus on. The current study was only limited to independent and the dependent variables. The independent variables of the study were age diversity, gender diversity, education diversity and ethnicity diversity and the dependent variables was performance. Future studies should incorporate the intervening, moderating and controlling variables.

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APENDICES

APPENDIX I: LETTER OF INTRODUCTION

Dear Respondent

<u>**Letter of Introduction**</u>

I am a student at **Kenya College of Accountancy (KCA)**and undertaking a course in Master of business Administration, Corporate Management. I am undertaking a study on **EFFECT OF WORKFORCE DIVERSITY ON PERFORMANCE OF INFORMATION TECHNOLOGY FIRMS IN NAIROBI COUNTY.** I therefore wish to kindly request that you complete the attached questionnaire to aid me in conducting the research. I wish to assure you that the information disclosed will be treated with utmost confidence and used only for the purpose of this study.

I will be most grateful for your assistance and cooperation

Yours sincerely,

Vincent Anjiri

APPENDIX II: QUESTIONNAIRE

Kindly fill out this questionnaire on: **EFFECT OF WORKFORCE DIVERSITY ON PERFORMANCE OF INFORMATION TECHNOLOGY FIRMS IN NAIROBI COUNTY**.

Mark with an (X) on the response that best represents your opinion on each of the statement.

SECTION A: DEMOGRAPHIC INFORMATION

1) What is your gender

    Male [ ]   Female [ ]

2) What is your position at your organization?

    ICT manager [ ]   HR manager [ ]   Operations managers [ ]

    Administrative Manager   [ ]

    Other (Please Specify   [ ]

3) How long have you served in this position?

    1- 5 years   [ ]   5-10 years   [ ]

    10-15 years   [ ]   Above 15 years   [ ]

4) How long have you worked at this organization?

    1- 5 years   [ ]   5-10 years   [ ]

    10-15 years   [ ]   Above 15 years   [ ]

5) What is your highest level of education?

    Certificate   [   ]   Diploma   [   ]   Degree [   ]

    Masters   [   ]   PhD [   ]

    Other (Please explain) --

SECTION B: AGE DIVERSITY AND ORGANIZATION PERFORMANCE

6) For each of these statements on age diversity, kindly indicate the extent of you agree on how it affects performance in your organization. Use the Likert scale which ranges from 1 -5 where 1= Not at all; 2 = Little Extent; 3= Moderate Extent; 4= Large Extent and 5= Very Large Extent.

Statement	1	2	3	4	5
Our organization is comprised of elderly employees					
Our organization is comprised of many youthful employees					
Elderly employees relate well with youthful employees in our organization					
The mixture of youthful and elderly employees improves the quality work performance					
The blending of youthful and elderly employees improves the level of innovation in our organization					
Diverse age categories among employees has improved learning experience in our organization					

7) In general terms, to what extent does age diversity affect performance in your organization?

Not at all   [   ]

Little Extent   [   ]

Moderate Extent   [   ]

Large Extent   [   ]

Very Large Extent   [   ]

SECTION C: GENDER DIVERSITY

8) Kindly indicate the extent of your agreement on gender diversity and its influence on organizational performance. Using a Likert scale rate how each of these statements applies in your organization. The scale ranges from 1 -5 where 1= Not at all; 2 = Little Extent; 3= Moderate Extent; 4= Large Extent and 5= Very Large Extent.

Statement	1	2	3	4	5
Our organization is balanced in bother gender					
Employment of both genders in the organization has improved innovations					
Employment of both genders has improved the competition for senior positions in the organization					
There is a balance in gender distribution among senior managers					
Gender balance has improved performance of our organization					

Mixed gender teams compliment and support each other in our organization					
Mixed gender teams achieve higher results in terms of increase in sales volume					
Mixed gender teams achieve higher results in terms of increase in profits					
Inclusion of women in top management has improved the quality of the leadership in this organization					
Involvement of both genders enhances managerial information processing					
Involvement of both genders enhances decision making of the managerial team					
Gender diversities in the workforce provide more innovative solutions					

9) To what extent does gender diversity affect organizational performance?

Not at all	[	]
Little Extent	[	]
Moderate Extent	[	]
Large Extent	[	]
Very Large Extent	[	]

SECTION D: EDUCATIONAL LEVEL

10) For each of these statements on educational achievements of staff, kindly indicate the extent of your agreement on its impact on organizational performance. Use the Likert scale which ranges from 1 -5 where 1= Not at all; 2 = Little Extent; 3= Moderate Extent; 4= Large Extent and 5= Very Large Extent rating.

Statement	1	2	3	4	5
Our organisation has employees of diverse professional qualifications					

Diversity in educational levels promote innovations in our organization				
Educational qualifications improve the decision-making capability of employees in our organization				
Professionally trained employees are more accurate in developing solutions to customer problems				
Academically trained employees delivery high quality service to customers				
Well educated employees are accurate in performing their tasks				
Our organization places employees in departments where they are trained				
Highly educated employees relate well with their colleagues				
Highly educated employees are satisfied with their jobs				
Well-trained employees understand the scope expectations				

11) In general terms, to what extent does educational level diversity affect organizational performance?

<div align="center">

Not at all   [   ]

Little Extent   [   ]

Moderate Extent   [   ]

Large Extent   [   ]

Very Large Extent   [   ]

</div>

SECTION E: ETHNICITY DIVERSITY AND PERFORMANCE

12) For each of these statements on employee coaching, kindly indicate the extent of your agreement on its impact on organizational productivity. For each statement use the Likert scale which ranges from 1 -5 where 1= Not at all; 2 = Little Extent; 3= Moderate Extent; 4= Large Extent and 5= Very Large Extent.

Statement	1	2	3	4	5
Our organization has employed staff with diverse origins					
Our organization has employed staff with diverse cultural					

Statement					
backgrounds					
Our organization has employed staff with diverse lifestyles					
Our organization has employed staff with diverse tribalistic nature					
Ethnic diversity has lead to conflicts amongst teams in this organization					
The level of ethnic diverse promotes creativity in this organization					
The level of ethnic diverse promotes innovativeness in this organization					
Ethnicity has been used as a source of new knowledge and information in IT sector					
Diverse ethnic orientation promotes a sense of belongingness among employees					
Diverse ethnic orientation promotes the level of confidence among employees					
Diverse ethnic orientation promotes the level of resilience among employees					
Diverse ethnic orientation promotes the level of optimism among employees					
Diverse ethnic orientation promotes the level of self-esteem among employees					

13) In general terms, to what extent does Ethnicity affect performance in your organization?

<div style="margin-left:3em">

Not at all   [   ]

Little Extent   [   ]

Moderate Extent   [   ]

Large Extent   [   ]

Very Large Extent   [   ]

</div>

SECTION F: ORGANIZATIONAL PERFORMANCE

14) Kindly indicate the changes in your organization performance over the past five years on the following aspects.

Statement	1	2	3	4	5
The quality of products and services delivered to customers has increased					
The level of efficiency among employees has increased					

The returns of our organization has increased					
The level of customer satisfaction has increased.					

THE END
THANK YOU

APPENDIX III: LIST OF ICT COMPANIES IN WESTLANDS, NAIROBI COUNTY

No.	Company Name
1	Empire Microsystems Ltd
2	Octopus ICT Solutions
3	ICT Consultants Limited
4	By-tech Engineering Limited
5	Software Technologies Limited
6	ICT Mentors Limited
7	Dynamic World Technologies Ltd
8	Fountain Technologies Ltd
9	OSBS technologies Ltd
10	Elite Digital Solutions
11	Logo For Work
12	Alphalarm Technologies Limited
13	inkyROBO
14	PSDtoWordPressExpert
15	Business Management & ERP Software
16	Latitude Kenya
17	Infinium Technologies Ltd
18	Adva Tech Office Supplies Ltd
19	Business Computer Systems Ltd
20	Dell Computer Systems