

HUMAN RESOURCES DIVERSITY MANAGEMENT AND EMPLOYEE TURNOVER MANAGEMENT AMONG MANUFACTURING COMPANIES IN NAIROBI COUNTY

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ABSTRACT

The research addressed the following objectives: assessing the impact of workforce diversity on employee turnover management; and determining the problem faced in managing diversity. The study was informed by four theories; the Equity Theory; Personnel Management Theory; Organization Culture Theory; and Quality Control Theory. The study adopted cross sectional research design as it incorporated a number of manufacturing firms in Nairobi County. The population of the research included 563 manufacturing companies as per the Kenya Association of Manufacturers list. The study selected a sample of 57 manufacturing firms being 10% of the target population. The study targeted human resource managers in each manufacturing firm because of their role in recruitment and employee management. The study used a questionnaire to collect primary data and analyzed using mean, frequency distribution, percentages and standard deviation. The study established that the organizations appreciated the presence of human resource diversity and there was a positive perception of the human resource diversity in the organization. The nature of existing diversity management in the organizations

was performance management and recruitment. The major source of diversity in the organization was educational background. The study also revealed that the organizations accommodated the diversities in the human resource by treating all employees with equity. It was also clear that the factors that were effective in operationalization of diversity management and the organization were performance management and training. The study also revealed that the policy that was often applied by the organization in human resource diversity management practice was equity. From the findings, the researcher concluded that the manufacturing organizations appreciated the presence of human resource diversity and it is also perceived positively by the organization. The study recommended that manufacturing organization appreciate diversity that the employees have and also learn to appreciate human characteristics that make people different from one another. This will promote employee retention and reduce attrition levels.

Key Words: *human resources diversity management, employee turnover management, manufacturing companies, Nairobi County*

INTRODUCTION

Workforce diversity acknowledges the reality that people differ in terms of: age, gender, marital status, social status, disability, sexual orientation, religion, personality, ethnicity and culture (Kossek, Lobel and Brown 2005). These differences affect the way they relate with their fellow employees and how they perform their tasks hence overall organizational performance. Pretorius (2002) views diversity as all the ways in which people differ and the effect of those differences on people's thinking and behaviour.

There are a number of activities that an organization can engage in to manage the diversity of their workforce. Various researchers studying diversity in the workplace have consistently found that organizations that emphasize collectivism in the work environment see more benefits of workplace diversity than organizations that emphasize individualism (e.g., Chatman & Spataro, 2005; Dwyer, Richard, & Chadwick, 2003). It has also been found that an emphasis on teamwork fosters better relationships within a department and can promote identity within the department or organization that moves beyond surface level differences (Jayne & Dipboye, 2004).

The management of cultural diversity in the workplace can be considered a response to the need to recognize, respect and capitalize on the different backgrounds in our society in terms of race, ethnicity, age and gender. Different cultural groups have different values, styles, and personalities, each of which may have a substantial effect on the way they do business. Rather than punishing or stifling these different management styles because they do not conform to the traditional management methods, employers should recognize these differences as benefits. Not only can diverse management styles achieve the same results as traditional methods, but cultural diversity in the workplace can also help improve the company's competitive position in the marketplace.

With the increasing globalization of business, differences among the cultures of various nations can complicate interactions among business people from different nations. National culture can be viewed as the norms, values and beliefs shared by individuals from a particular nation that distinguish it from other nations. Our cultural environment causes us to act in ways that we believe are appropriate but that people from other cultures may not be comfortable with or may not understand. As the illustrations above demonstrate, when individuals from different cultures interact, the behaviors that are consistent with the norms of one culture may violate the norms of another. An appreciation of cultural diversity helps managers function in the increasingly global business environment. Cultures affect the way people act and what they expect from others.

STATEMENT OF THE PROBLEM

Cultural diversity is a driving force of development, not only in respect of economic growth, but also as a means of leading a more fulfilling intellectual, emotional, moral and spiritual life. This is captured in the seven culture conventions, which provide a solid basis for the promotion of cultural diversity. Cultural diversity is thus an asset that is indispensable for poverty reduction and the achievement of sustainable development. diversity management is strategy to promote the perception, acknowledgement and implementation of diversity in an organization.

The importance of diversity management is an aid in recruitment process. It helps in attracting the best candidates and retaining them. It leads to improved individual and organizational performance. This is due to the powerful effects of diversity on problem solving, decision-making, innovation and creativity. Diversity must be managed in order for firms to reap a

diversity dividend. This is by ensuring that the unique skills, perspective and knowledge of the workforces are channeled into producing a diversity dividend. Oluoch (2006) did a survey on diversity management practices of commercial banks in Kenya. Mureithi (2009) diversity Management Practices among the Non-Governmental organizations in Nairobi. These studies did not assess the effects of diversity management on employee turnover management among manufacturing companies in Nairobi County.

RESEARCH OBJECTIVES

1. To assess the impact of workforce diversity on employee turnover management
2. To determine the problem faced in managing diversity

THEORETICAL ORIENTATION

Equity Theory

The theory holds that individuals continuously compare their own rewards with those of other employees whom they regard as expending similar amounts of effort. When employees believe their returns are comparable to those of others with a state of distribution justice is thought to exist resulting in high motivation. It is also known as motivational theory. In circumstances where employees feel they are not well taken care of compared to their colleagues performing similar tasks but who are different from them in terms of age, race, colour among other diversity aspects, some level of dissonance sets in hence the desire to leave the organization. This theory is important in explaining the reasons why employees leave some organization.

Personnel Management Theory

According to the Institute of Personnel and Development, personnel management is that part of management concerned with people at work and their relationship within an organization. It is concerned with policies governing Human Resources planning recruitment, selection, placement and termination. It deals with working condition and employee service also concerned with the human and social implication of changes and method of working. It aims to achieve both efficiency and justice. It seeks to bring people together and develop into an effective enterprise enabling each to make his own best contribution to success. It seeks to provide fair terms and conditions of employment.

Organization Culture Theory

According to Cole (2002), an organization can claim to be equal opportunity employer in its literature, advice to staff and its jobs advertisements and yet in reality women, racial minority fail consistently to get promotion and men are rarely considered for posts typically held by women, for example secretarial and receptionists. The whole point of organizational culture is to

achieve harmonization in the organization. A strong culture is one where all cultures are in harmony.

Quality Control Theory

According to Deming, production processes are unbearable to quality problems caused by variation. Hence level of variation should be minimized in order to improve output quality. Quality is about people rather than physical products and the blame of quality problems lie with management rather than workers. The key to success was the circle of planning implementation check and action. Concerns for a customer have to be paramount, as delighted customer not only provide repeat business but would also promote supply firms product.

EMPIRICAL REVIEW

A study done by Chriswick (2004) in Kenya looked at diversity management the practices used to manage the diversity. The objective was to assess the level of diversity management DHL. The survey research instruments of data collection used were questionnaires and focused groups. The study found that legislation is often seen as the main way to promote equality. Anti discrimination legislation can help bring changes in attitude towards disabled people, older people and black and ethnic minority people. The study concluded that equality policies and equality statements are important way of stating what an organization is doing to promote equality practices. Equality policies and statement should say who will benefit from the policy; the employment equality policies should cover areas like recruitment, training and development, staff retention, opportunities for advancement, return to work and workplace accessibility dignity at work and anti harassment.

A study done by Jayne (2004) looked at leveraging diversity to improve business performance, the purpose was to summarize recent research that has looked at the impact that diversity programmes have on organizational performance and draw together advice on how to develop an effective diversity programme. Discusses how diversity is defined and the diversity programmes. Having programme does not necessarily improve the talent pool available to the organization. The benefits of diversity programme are contingent on the situation in which they are being applied concluded diversity need senior management commitment and accountability.

According to Singh and Point (2004), the goals of diversity training are to help employees understand: The legal and statutory requirements for Equal Employment Opportunity and Affirmative Action which support diversity in the government and in private industry; that diversity is the similarities, as well as the differences, among and between individuals at all levels of the organization, and in society at large; and how diversity contributes to a richness in the organization by having a variety of views, approaches, and actions to use in strategic planning, tactical planning, problem solving, and decision-making.

Diversity training usually focuses on: Interpersonal skills employees need to provide services to, work with, and manage persons and groups with similarities and differences; Behavior employees are expected to exhibit in all workplace contacts -- behavior that respects each individual, preserves human dignity, honors personal privacy, and values individual differences as well as common characteristics; and the work environment and its relationship to effectiveness and efficiencies in organizational performance.

RESEARCH METHODOLOGY

The study adopted cross sectional research design as it incorporated a number of manufacturing firms in Nairobi County. The population of the research included 563 manufacturing companies as per the Kenya Association of Manufacturers list. The study selected a sample of 57 manufacturing firms being 10% of the target population. The study targeted human resource managers in each manufacturing firm because of their role in recruitment and employee management. The study used a questionnaire to collect primary data and analyzed using mean, frequency distribution, percentages and standard deviation.

RESEARCH RESULTS

Demographic Information

From the findings, the researcher found out that 52% were males, while 48% were females. On the marital status of the respondents, the researcher found out that the majority of respondents as indicated by 81.8% were married, 13.6% were single, while a small proportion of respondents comprising of 4.5% were separated. The study further found out that the majority of respondents were middle level managers, 31.8% were lower level managers, while 18.2% were in the upper management. The findings further showed that the majority of the respondents as shown by 45.5% had worked in their section for 11-15 years, 27.3% had worked in their section for 16 years and above, while the respondents who had worked in the section for 1-5 years and 6-10 years were shown by 13.6% each.

Human Resource Diversity Management Practices in the Organization

The study sought to establish the Human Resource Diversity Management Practices adopted by the manufacturing organizations in Nairobi to manage the level of employee turnover. From the findings, 81.8% of the respondents indicated that they appreciated the presence of human resource diversity compared to 18.2% who did not. The findings further indicated that 83.3% had a positive perception of human resource diversity, while 16.7% had a negative perception.

On the nature of existing diversity management practices, performance management and recruitment was highly practiced at 36.4%, followed by personnel selection and planning process as shown by 9.1%, while training process and others like target meeting had 4.5% each

The researcher found out that the aspect that was very significant as a major source of diversity in the organization was education background as it had a mean score of 1.64 which in the response scale of 1-5 this means that this aspect was significant as a source of diversity in the organization, and it also had a standard deviation of 0.9 which means that there were no much variations in the responses.

Race was the least significant aspect as a source of diversity in the organization as it had a mean score of 4.09. Cultural differences were viewed by the majority of respondents as moderately significant and it had a mean score of 3.32.

All the other factors were viewed by the majority of respondents as less significant as sources of diversity in the organization as they had a mean score ranging from 3.23-3.73, and they also had a standard deviation of more than 1 which means that there were dispersions of responses from the respondents.

Effectiveness of Factors in Operationalization of Diversity Management in the Organization

The researcher found out that performance management was the most effective factor as shown by the majority of respondents indicated by 59.1% of the respondents who said that it was effective, followed by training as was shown by 45.5% of the respondents. All the other factors i.e. recruitment, selection and planning were fairly effective in operationalization of diversity management in the organization as shown by majority of respondents as indicated by 45.5%, 40.9% and 40.9% respectively.

Policy Applied by the Organization in Human Resource Diversity Management Practice

Majority of respondents as indicated by 54.5% suggested that the policy that was applied by their organization in human resource diversity management practice was equity, 27.3% suggested favorable working conditions, 13.6% said organization learning, while 4.5% said quality of work life.

CONCLUSIONS

From the findings, the researcher concluded that the manufacturing organizations appreciated the presence of human resource diversity and it is also perceived positively by the organization.

The researcher also concluded that the aspect that was the major source of diversity in the organization was educational level, and also the organisation treated all the employees with equity in order to accommodate the diversities in the human resource.

It was also concluded that the most effective factors in operationalization of management in the organization were performance management and training and the method used by the organization to recruit new personnel was job advertisement.

RECOMMENDATIONS

The study recommended that manufacturing organization appreciate diversity that the employees have and also learn to appreciate human characteristics that make people different from one another. This will promote employee retention and reduce attrition levels. The researcher also recommended that in order to enhance business performance in the organization, the organization should train its employees through either on job training or sponsoring the employees for further training in their careers.

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