

THE IMPACT OF EMPLOYEE DIVERSITY ON PERFORMANCE

A CASE STUDY OF GRACIOUS PALACE HOTEL, (LIRA)

SUBMITTED BY:

AKELLO JOYCE

(2011-BO21-10020)

**A RESEARCH REPORT SUBMITTED TO THE FACULTY OF BUSINESS
ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF A DEGREE IN BACHELOR OF BUSINESS
ADMINISTRATION AND MANAGEMENT OF
UGANDA MARTYRS UNIVERSITY**

APRIL 2014

Dedication

“My daughter, your eyes should stick to the sparkling rays of the sun...one day you will go to the west to seek wisdom and knowledge under the guidance of the divine hand of God” (Late Dad; Ogwang Albino). In humility, I also dedicate this work to my beloved brother; Jasper Okeng, my dearest Mum, Rose Ogwang and my sister Rita.

May the Almighty God bless you abundantly, Amen.

Acknowledgment

I would like to thank a number of individuals and institutions which without their support this work would have not been accomplished. I owe special thanks to all the respondents who with patience and commitment gave their time to participate in this study. Special gratitude goes the manager, Gracious Palace Hotel for his remarkable work of translating and scheduling meetings with the esteem respondents.

A special mention of honor and profound gratitude is due to my supervisor Aloysius Mubiru for his critical, diligent guidance and tireless support throughout the writing of this report. My greatest appreciation also goes to the entire staff of department of Business Administration and Management for the words of encouragement and academic support whenever consulted.

I also owe special thanks to all my dear friends; Amule Harriet, Opongogga Oscar and Jimmy Apita for their words of encouragement and support in times when I needed them most. Most grateful to my Mum Rose Ogwang for her generous financial support and encouragement towards the completion of this research project.

God blesses you all.

Table of Contents

Declaration	i
Approval	ii
Dedication	iii
Acknowledgment	iv
Table of Contents	v
List of tables.....	viii
Abstract	ix
CHAPTER ONE: GENERAL INTRODUCTION	1
1.0 Introduction.....	1
1.1 Background of the study	5
1.2 Statement of the problem	8
1.3 Objectives of the study.....	9
1.3.1 Major objective of the study	9
1.3.2 Specific objectives	9
1.4 Research Questions and Hypothesis	10
1.4.1 Research Questions	10
1.4.2 Research hypothesis.....	10
1.5 Scope of the study.....	10
1.6 Significance of the study.....	11
1.7 Justification of the study	12
1.8 Definition of key terms	13
1.9 Conceptual framework.....	14
Conclusion	15

CHAPTER TWO: LITERATURE REVIEW	16
2.0 Introduction.....	16
2.1 The impact of employee diversity on performance	16
2.3 Racial diversity and performance	20
2.4 Education level and performance.....	22
2.5 Age diversity and performance	26
2.6 Religion and performance.....	28
2.7 Competition and performance.....	31
2.8 The impact of socio-political factors on performance	35
Conclusion	38
CHAPTER THREE: RESEARCH METHODOLOGY	39
3.0 Introduction.....	39
3.1 Research Design.....	39
3.2 Area of study.....	40
3.3 The Study Population.....	40
3.4 Sampling techniques and Sample size	41
3.5 Research procedure.....	42
3.6 Quality control measures	42
3.7 Data Management and Processing.....	43
3.8 Data collection methods and instruments	44
3.8.1 The primary sources.....	44
3.8.2 Secondary sources.....	45
3.9 Data analysis	45
3.10 Ethical consideration.....	46
3.11 Limitations	46

CHAPTER FOUR: PRESENTATION AND INTERPRETATION OF FINDINGS.....	48
4.0 Introduction.....	48
4.1 Demographics of respondents.....	48
4.1.1 Respondents’ background.....	48
4.2 Racial diversity and performance	49
4.5 Age and performance.....	53
4.3 Education levels and performance	58
4.4 Religion and performance.....	63
4.6 Conceptual framework.....	68
4.6.1 Diversity and Performance	68
4.6.2 Competition and performance.....	72
4.6.3 Socio-political factors and performance	76
4.7 Relevance of social categorization theory	80
Conclusion	80
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECCOMENDATIONS.....	82
5.0 Introduction.....	82
5.1 Summary of the findings.....	82
Conclusion	84
5.3 Recommendations.....	85
5.4 Suggestions for future research.....	86
References/ Bibliography.....	87
Appendix 1: QUESTIONNAIRES FOR IMPACT OF DIVERSITY ON PERFORMANCE.....	98
Appendix 2: Research budget	108
Appendix 3: Work plan.....	109

List of tables

Table 1: How Racial Differences affect Individual Performance.....	49
Table 2: Racial Diversity and Organization Performance	50
Table 3: Relationship between Racial Diversity and Individual and Organization Performance	52
Table 4: Impact of Age on Individual Performance	53
Table 5: Age Diversity among employees and Organizational Performance.....	55
Table 6: Relationship between Age and Performance	57
Table 7: Education level and performance	58
Table 8: Different Employees' Education levels and Performance of an Organization.....	60
Table 9: Relationship between education level of employees and performance	62
Table 10: How Religion affects Individual Performance	63
Table 11: Religious differences among employees and Organizational Performance	65
Table 12: Relationship between religion and performance	67
Table 13: Impact of diversity on performance.....	68
Table 14: Proper management of diverse workforce and Performance of an Organization?	70
Table 15: Proper management of diverse work force can improve Performance.....	71
Table 16: Competition affects Individual Performance.....	72
Table 17: How Competition affects Organizational Performance.....	73
Table 18: The Relationship between Competition and Performance	75
Table 19: Socio-Political factors affect Individual Performance.....	76
Table 20: Social Political factors affect Organizational Performance.....	77
Table 21: Relationship between Socio Political factors and Performance	79
Table 22: The level to which people like associating with similar others	80

Abstract

Using a diverse workforce to improve performance has always been a challenge to many Human Resource Managers. Indeed, so many positive changes in organization's performance have been experienced associated with diversity in the context of diversity in race, religion, education levels as well as age. These positive changes pose a question to managers to whether base their interest on diversity to as to improve their performance as well as that of the organization or consider also other factors in the external environment.

The purpose of this study is to analytically explore the impact of diversity on performance of Gracious Palace Hotel (GPH), Lira District of Northern Uganda. The study aimed specifically at establishing the elements of diversity that exist at GPH, find out the impacts of each element and establish their specific influence on performance on an individual's performance and organizational performance as a whole.

The study was a qualitative research with a single case study on individual perceptions and interpretations on the question of diversity leading to improved performance. Questionnaire guides were sent and physical observations were methods of collecting for the study.

From the study conducted at GPH, 64.3% (27) of respondents were males while 35.7% (15) were female, implying that in GPH, more males employed as compared to female employees. From the assessment made in the organization as per the gender composition of the workforce, the reasons for this imbalance was that women oftenly left work earlier to attend to their domestic responsibilities which reduced on the number of hours worked by them

The study found that core elements of diversity as a means of improving performance include racial diversity, education levels, age diversity and religious diversity. The study found out that competition as a means of improving performance fuelled better performance methods by many organizations. The study also found that socio political factors especially on government rules in place improved performance. The study found that there were other factors that need to be considered when determining what influences performance. These were socio political factors like the government laws in place and competition form other firms in the same industry.

The study found that there were other factors that need to be considered when determining what influences performance. These were socio political factors like the government laws in place and competition form other firms in the same industry. The study finally recommended management establish strategies for handling the impact of each diversity element in a diverse workforce and that management act as examples to their subordinates if performance of GPH is to be upheld at GPH.

The study generally concludes that in pursuit of better performance, managers should mind the combination of the workforce in terms of race, education, age and religion so as to attain their goals and objectives.

CHAPTER ONE: GENERAL INTRODUCTION

1.0 Introduction

Thomson (2002) defines diversity as the attributes that human beings are likely to tell themselves. Thomson adds that diversity relates to the fact that we are all unique individuals, and that these can be alongside the dimensions of race, ethnicity, gender, sexual orientation, socio economic status, age, physical abilities, religious beliefs, political beliefs or other ideologies.

Van (2007) and Schippers (2007) have both defined diversity as a group characteristic that reflects the degree to which there are objective or subjective differences among members. According to these authors, diversity may concern differences in demographic characteristics, such as age, gender, or ethnicity; job-related characteristics, such as functional background, educational level or organizational tenure; deeper psychological characteristics, such as personality, attitudes, and values; or other attributes. Although diversity can (in principle) involve many different member characteristics, most researchers have focused on diversity in age, gender, ethnicity, tenure, functional background, and educational background (Bell, et al., 2011). Bell adds that over 50 years of research in diversity and performance have shown that diversity can be consequential, greater diversity has been associated with altered levels of performance.

Narrative reviews of the field suggest that there is little consistency in these findings (Jackson, et al., 2003). It may be an exaggeration to conclude that any dimension of diversity that has been investigated in more than a few studies has been associated with inconsistent results (Van, 2007; Schippers, 2007). Van (2007) further explains that this situation suggests it may be necessary to focus on possible moderators of diversity's effects on performance and to identify such

moderators; it is helpful to consider the psychological processes that might underlie the positive and negative effects of diversity on performance.

It can be stated that there are potential benefits of diversity for performance implicitly or explicitly often conceptualize diversity as an informational resource (Tsui, 1989; O'Reilly, 1989). They also add that differences among people, whether demographic, job-related, or otherwise, may be associated with differences in task-relevant knowledge and experiences, and as a consequence, more diverse groups can draw a larger pool of task-relevant information. By engaging in a process that Van, et al. (2004) calls "group information elaboration" (the exchange, discussion, and integration of task-relevant information), diverse groups can mobilize their informational resources to achieve good outcomes, thus, building from a broader knowledge base, more diverse groups should be able to outperform groups that are less diverse.

Social categorization theories (for example, social identity theory, self-categorization theory), by Tajfel & Turner, 1986 and the similarity hypothesis (Byrne, 1971) which suggest that less diverse groups may enjoy an advantage over groups that are more diverse. Based on perceived similarities and differences, group members may distinguish between others similar to themselves (the in-group, or 'us') and others who are different from themselves (the out-group, or 'them'). A wealth of research on intergroup relations shows that such distinctions can engender intergroup biases, such as more favorable attitudes towards in-group members, more trust in in-group members, and a greater willingness to cooperate with in-group members (Tajfel, 1982; Van, 2003). They add that greater attraction to similar (in-group) others also produce more harmonious, smoother group processes, and as a result, less diverse groups should perform better than groups that are more diverse.

Performance means a degree that shows how fine firms can manage their operations and present value to stakeholders (Akroush, 2010). Akroush adds that recently researchers are faced with limitation of firm performance measures. Akroush (2010) proposed a scale of measuring performance. According to Akoroush, organizational performance can be measured in three ways that is: market, customer, and financial performances.

To measure performance based on the market of the firm's products, Akroush (2010) points out that factors like firm's financial properties (for example stock price), company's non-financial resources for example customer service, company's skill to progress new company services and company's status in the marketplace can act as indicators. Akroush also suggests customer satisfaction as a measure of performance. He says that improving customer satisfaction, customer loyalty and attracting new customers are the indicators of this dimension. Financial performance is the last dimension which is a major indicator of "well" business procedures. Return on investment, company's profitability and market share (all compared with competitors) are the indicators of this good financial performance (Akroush, 2010). He however crowns these three variables and points out that their achievement reflects both individual and organizational performance.

According to Milliken and Martin (1996), the relationship between performance and diversity is seen in the business case perspective on diversity which emerged with a surge of research focusing on the question whether diversity in work groups and organizations relates to positive outcomes (for example, competitive advantage, group and organizational performance, creativity). This question thrived after Milliken and Martin (1996) concluded in their narrative reviews that the available empirical evidence yielded inconclusive results.

In their view, conceptual and empirical studies followed that have greatly advanced our insights into the consequences of diversity for group and organizational processes and performance. However, whereas among practitioners the business case for diversity and the belief that diversity enhances business performance is upheld (Edelman, Fuller, and Mara-Drita, 2001), the empirical, scientific studies point more and more to the contingent nature of diversity's benefits (Kochan, et al, nd). The business case for diversity thus appears not as unequivocal as it sounds, and even diversity management practices aimed at enhancing diversity's positive effects have been found to occasionally cause more harm than good (Von, et al., 2002).

Inspired by this state of affairs, a major theme in this diversity research is to identify moderators of the positive and the negative effects of diversity on performance. A guiding principle in this search is the notion that these moderators will be found in factors related to information elaboration and social categorization processes (Van, 2007; Schippers, 2007). Many researchers have focused on the kinds of diversity found in a group, Thomson, (2003). Thomson found out that the rationale is that demographic diversity should lead to the social categorization processes that affect group performance negatively. In contrast, Van, et al 2007 point out that job-related diversity should lead to the information elaboration processes that affect group performance positively. He sums it up that these propositions have led to the claim that diversity cluster (demographic vs. job-related) moderates the relationship between diversity and performance.

1.1 Background of the study

In an article “Ugandan Parliamentary Committee on Defense and Internal Affairs” (Anon., 1997), it is said that during Uganda's colonial period, the British encouraged political and economic development in the south of the country, in particular among the Baganda. The article goes ahead to explain that in contrast, the Acholi and other northern ethnic groups supplied much of the national manual labor and came to comprise a majority of the military, creating what was called a "military ethnocracy". Due to a changing economy, after the 1950s, fewer Acholi were recruited to the armed forces, but continued to be associated with them in popular mythology and stereotypes. This clearly showed that particular tribe was considered than others when it came to recruitment.

In the 2000s, authors like James Ojent Latigo in his article,

“... Part of the structural causes of the conflict in Uganda has been explained as rooted in the diversity of ethnic groups which were at different levels of socio-economic development and political organization...”

Describe some of Uganda's social problems as based on the way the political elites have used ethnicities to divide the country. He noted that the emphasis on distinction among ethnic groups was even been part of the internal government dialogue. This shows that diversity in Uganda was majorly ethnic in nature. He has written further, "Since independence in 1962, Uganda has been plagued by ethnically driven, politically manipulated violence referred to by some as a history of ‘cycles of revenge and mistrust’. Deep-rooted divisions and polarization remain between different ethnic groups, and these have been greatly exacerbated by the way in which the country’s leadership has developed since independence. (Latigo, 2000).

In attempt to constitute fair treatment for all, Article 21 of the Ugandan Constitution, "Equality and freedom from discrimination", guarantees protection against discriminatory legislation for all citizens. On 22 December 2008, a Uganda High Court ruled that Articles 23 and 24 of the Uganda Constitution apply to all people, regardless of their sexual orientation or gender identity or expression. Article 23 states that "No person shall be deprived of personal liberty." Article 24 states that "No person shall be subjected to any form of torture, cruel, inhuman or degrading treatment.

However, Von and Hubbard, 2004 argue that there is growing recognition within the private sector that, while the legal mandates are in place, they are not sufficient for ensuring the effective management of diversity within organizations and to promote organizational cultures that would support more diverse workforces, many companies and consulting firms are beginning to offer training programs aimed at valuing diversity.

Practitioners, consultants and academicians have agreed that diversity within organizations can be exploited to the benefit of the organizational effectiveness (Mullins, 2002). In addition, studies on organizational effectiveness have found out that one central element for success is the importance of achieving through effective management of people (Mullins, 2002, p.27). Mullins also goes ahead to explain that organizational effectiveness therefore depends on effective management of diversity, which has become a significant challenge to managers. Despite decades of research and attention to discrimination in recruitment and selection, present-day it is still widespread (Agars, 2004; Davison, 2000; and Plaut, 2010). The causes of discrimination in the recruitment and selection process are often contingent on the specific circumstances and the type of job (for example, demographic characteristics of the recruiter, perceived fit between job type and demographic characteristics of the applicant).

One common denominator, however, is that when discrimination in recruitment and selection occurs, it generally has to do with stereotypes being held by the recruiter.

As has been substantially demonstrated for instance, the female gender stereotype is often at odds with stereotypes. Consequently, gender stereotypes have been shown to bias, among others, hiring and promotion decisions (Heilman et al, nd).

Gracious Palace Hotel (GPH), located in the middle of Lira town, Lira Main Street, was formed in 19989. The hotel deals in accommodation services as well as meals of all kinds. It was founded by a couple, Alfred Olet and his late wife Grace Akidi. At the beginning, the management of this hotel was composed of family members with Olet Alfred as the Managing Director (MD) and the wife as the Secretary. Other positions were occupied by close relatives like Ongom Patrick as the Purchasing Officer who was Olet's brother and Olum Bernard, the current finance officer also a brother to the MD. As a year passed by that is up to 1991 Olet realized that this management structure was not the best as relatives started absenting themselves from work without any reasonable excuses and they were performing as they wished. This was because they felt that their relationship with the top management was enough security for their jobs and expected no termination at any cause. Performance was poor as production was low due to absenteeism by the workers, financial performance was poor as the hotel incurred debts which accumulated up to two hundred millions including the loan that was acquired as the starting capital and the hotel failed to pay which led to the sale of one building at the hotel to cover up the debt. Individual performance was poor as relatives took most of the work time discussing about their family issues and teenage life.

In 1992, Olet Alfred employed a manager who was a white man from America and he remained the Director. This White man took on human resource management as part of his responsibilities.

On learning the condition at work, he advised the director to employ new people to take up the position which the relatives had occupied. Olet however did not terminate these relatives but lowered their positions as well as their salaries as other people took up their positions. Some of them left the organization as they felt they were being hated. These new employees were people of different races, for example the finance officer was a muganda by tribe, Migisha Elias. Production increased by 20% in 1992 and this encouraged the director to recruit more diverse employees. To date, GPH is one of the best performing hotels in northern Uganda with a wide variety of races in the management as well as customers.

1.2 Statement of the problem

Following the trend of diversity in Uganda since the colonial times, one can conclude that discrimination especially at work started sometimes back, for example during Uganda's colonial period, the British encouraged political and economic development in the south of the country, in particular among the Baganda, and the Acholi and other northern ethnic groups supplied much of the national manual labor and came to comprise a majority of the military, creating what was called a "military ethnocracy". Therefore, diversity has also been taken to be one of the causes of the tribal wars for example that in Acholi land as noted by Ojent Latigo in his article

“... Part of the structural causes of the conflict in Uganda has been explained as rooted in the diversity of ethnic groups which were at different levels of socio-economic development and political organization...”

Given the constitutional laws today, for example Article 21 of the Ugandan Constitution, "Equality and freedom from discrimination", which guarantees protection against discriminatory legislation for all citizens, and articles 23 and 24 of the Uganda constitution ruled by the High

Court on 22 December 2008, to apply to all people, regardless of their sexual orientation or gender identity or expression, where Article 23 states that "No person shall be deprived of personal liberty." Article 24 states that "No person shall be subjected to any form of torture, cruel, inhuman or degrading treatment, there is still strong evidence that ethnic diversity exist for example in leading positions in the country where most of the occupants in such positions are in some way ethnically belonging to Buganda kingdom compared to other ethnic groups. This has led to insufficient performance of the leaders as one feels secured to perform at his or her own will. This has however led to mismanagement of economic resources especially public funds as evidenced by the high level of embezzlement in the country. This practice is likely to be carried in to the future because as the young generation sees no serious action taken against such acts they will be tempted to practice it.

This has prompted the researcher to find out whether workers should be diverse in term of race or ethnic background, age, education level or even religion, if individual as well as organizational performance is to be improved.

1.3 Objectives of the study

1.3.1 Major objective of the study

To find out the impact of diversity on the performance of Gracious Palace Hotel

1.3.2 Specific objectives

- i. To determine the impact of racial diversity on performance.
- ii. To determine the impact of age diversity on performance.
- iii. To determine the impact of education level on performance.
- iv. To determine the impact of religious diversity on performance.

1.4 Research Questions and Hypothesis

1.4.1 Research Questions

What is the impact of racial diversity on performance?

What is the impact of age diversity on performance?

How does education diversity affect performance?

To what extent does religious diversity affect performance?

1.4.2 Research hypothesis

Effective management of diversity significantly impact on the performance in Gracious Palace Hotel. Good performance leads to increased production, increased profit, and organizational expansion.

1.5 Scope of the study

1.5.1 Geographical scope

The study was carried out in Gracious Palace Hotel (GPH), Lira District, Northern Uganda. GPH is geographically located in the Northern and Eastern part of Lira District, neighbored by many education institutions, schools and business entities. The choice of GPH as a case study was based on the fact that the Hotel is characterized by employees of different ethnic backgrounds. It is most place known for just recruitment criteria (that is most people in the locality believe recruitment at gracious palace is based on merit rather than other factors for example relationships).

Secondly, the geographical location of GPH is accessible in terms of direct route compared to other hotels in Lira which may be difficult to access within a specified period of the study.

1.5.2 Time scope

The period from 2011 to 2014 is significant for the study because it has witnessed increasing diversity among employees at GPH, especially with the recognition of diverse cultural foods served at the hotel.

1.5.3 Content Scope

The researcher looked in to the general relation that exists between diversity and performance, the elements of diversity and how each element affect performance. Establishing elements of diversity was aimed at understanding whether they are the immediate drivers to performance or whether there are other factors that affect performance of a business or an individual. The study not only looked at the positive impacts of diversity on performance but also how it can negatively impact on performance. It was obvious that the reactions to diversity and performance relationship took two sides. That is it is both positive and negative. The situation of these impacts helped the researcher in recommending interventions to different elements in the study. This will also foster means of reducing and managing future problems related to employee diversity in GPH, Lira District. Hence, the content analysis was basically limited on the above explanation and more emphasis was put on understanding the relationship between diversity and performance of employees and the entire organization.

1.6 Significance of the study

The significance of this study is to help managers recognize the advantages of recruiting diverse employees in their workforce. This is to enhance mixture of skills and knowledge for effective organizational performance.

To help managers recognize what type of diversity is best for improving performance given the diversity variables of age, education, religion and race. By this, the Human resource manager will know which variable should be the first priority when recruiting workers.

This report shall contributed valuable literature for researchers, Human Resource managers and all those interested in knowing more about diversity. Researchers will also be able to tell the gaps that need to be filled in further researches

To clearly point out the various positive impacts of employee diversity to organization's as well as individual performance so that employers can best utilize the benefits to the success of organizations.

1.7 Justification of the study

Employees are the most important asset to an organization such that without them no work is done. As per modern firms, almost all categories of people are employed, irrespective of age, education level or color. This calls for management to establish a management system that can enable effective management of the different categories of people. This has prompted the researcher to find out how management can best manage a diverse workforce

It is not realistic to employ any person to perform any job. This is because different jobs require different skills which are borne by different individuals. This research thus helps to find out the relevant education levels to fit relevant jobs for best performance in the organization.

Social categorization theory points out that, different individuals prefer to associate with people who are similar to them than the un-similar. This research helps find out the reason for this behavior and how true the theory is.

As people grow in age, their thinking capacity as well as experience expand. In relation to job performance, an older employee who has experience is likely to perform better than a young employee with no experience on the same job. The researcher therefore wants to find out whether it is important to employ people of different age brackets in the workforce if an organization is to perform better.

1.8 Definition of key terms

Diversity

In broad terms, diversity is any dimension that can be used to differentiate groups and people from one another.

Van (2007) and Schippers (2007) have both defined diversity as a group characteristic that reflects the degree to which there are objective or subjective differences among members. According to Van and Schippers, diversity may concern differences in demographic characteristics, such as age, gender, or ethnicity; job-related characteristics, such as functional background, educational level or organizational tenure; deeper psychological characteristics, such as personality, attitudes, and values; or other attributes.

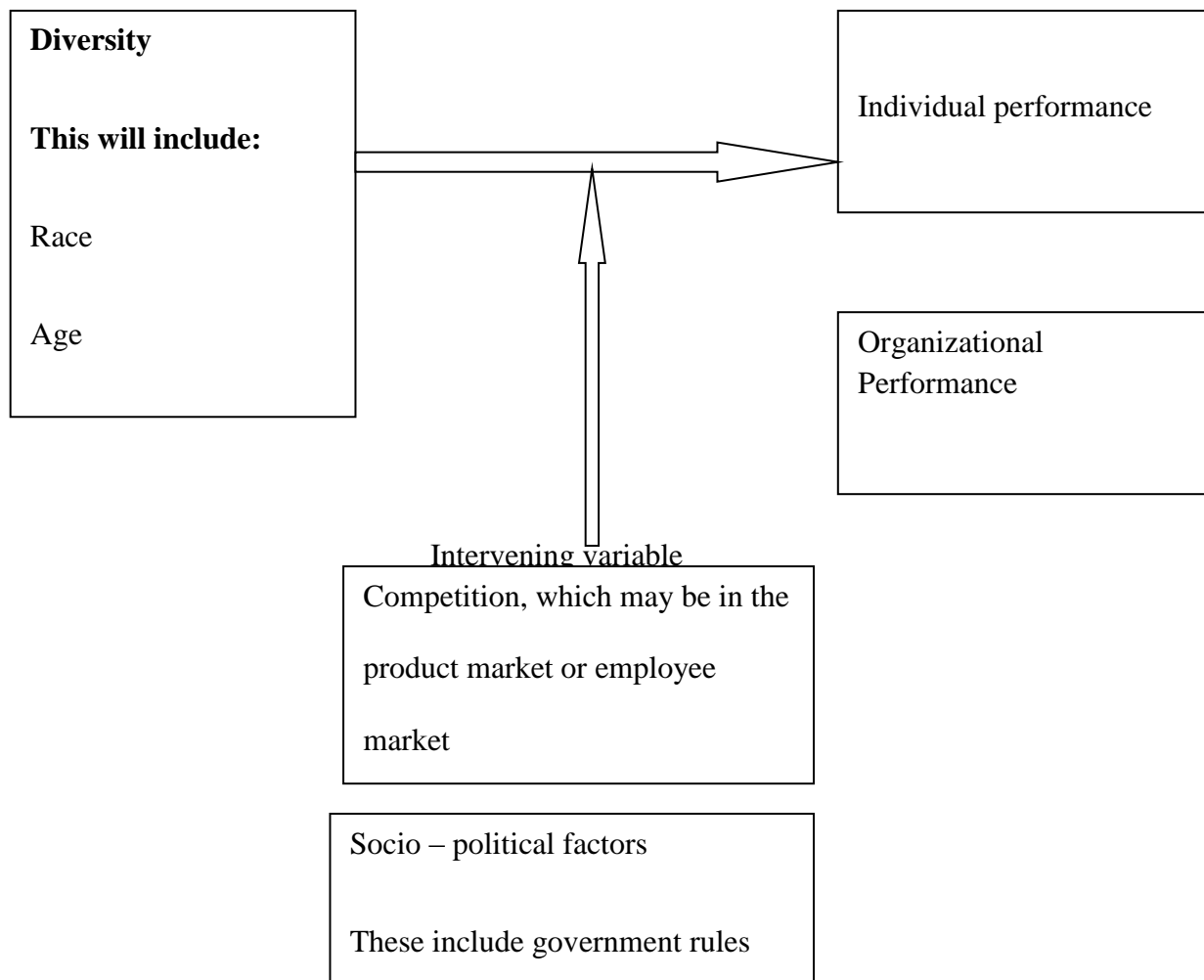
Performance

The accomplishment of a given task measured against preset known standards of accuracy, completeness, cost, and speed.

Performance means a degree that shows how fine firms can manage their operations and present value to stakeholders (Akroush, 2010). Akroush (2010) proposed a scale of measuring performance. According to Akroush, organizational performance can be measured in three ways that is: market, customer, and financial performances.

1.9 Conceptual framework

The conceptual framework shows the relationship between employee diversity, the independent variable and performance as the dependent variable. The conceptual framework also includes the intervening variables that affect performance alongside the independent and dependent variables and further shows the attributes of both independent and dependent variables as shown below:



Source: Van Knippenberg and Schippers, 2007

The independent variables such as race, age and education level greatly impact on the performance of an organization. However, there are also other factors that do impact on performance as mentioned in the intervening variables.

Conclusion

This chapter has given an insight in to this study which focuses on the relationship between diversity and performance. It also stated the problem of the study, the major and specific objectives, scope of the study and its significance as well justification in an attempt to analyze the impact of diversity on the performance of Gracious Palace Hotel, Lira District. The next chapter deals with literature review on the elements of diversity and the intervening factors that affect performance.

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction

This chapter reviews relevant literature on diversity and performance, elements of diversity and how each of the elements affects performance. The aim of reviewing literature was to help in averting general and premature conclusions and finding existing knowledge gaps which could assist in understanding the diversity dimensions in this study in relation to performance. While reviewing literature, the study specifically looked in to aspects of investigating, contrasting and comparison of other authors' views and assumptions about diversity and performance, more particularly on how each element affects performance.

2.1 The impact of employee diversity on performance

A diverse group of people may generally be expected to harbor a richer and more diverse set of knowledge, insights and perspectives than a more homogeneous group of people, there is at least theoretically a case to be made for the argument that diversity enhances performance (Van Knippenberg, De Dreu, and Homan, 2004). Indeed, in the 1990's this rationale for the positive consequences of diversity became well-known as the so-called 'business case for diversity' (Kochan, et al., 2003). Work groups are the smallest and therefore easiest unit of analysis to study the impact of diversity on performance, business case scholars generally study the extent to which there is value in diversity by examining the relationship between work group diversity and group performance.

Whereas equality scholars thus tend to focus on the position of (individual) minority members, business case scholars explore the extent to which diversity can be valuable for group and organizational-level outcomes.

Their different interests are reflected in the main processes and outcomes that are focused upon: Equality scholars typically study work place discrimination (Davison and Burke, 2000), prejudice (Eagly and Karau, 2002), bias (Hekman, et al., 2010; Stauffer and Buckley, 2005), stereotyping (Fiske, 2012), and (power) exclusion and inequality (Plaut, 2010; Zanoni et al., 2010).

In contrast, business case scholars generally focus on conflict (Jehn, et al., 1999) diversity beliefs for example Homan, et al., 2007, information elaboration (the sharing, discussion and integration of knowledge, ideas and perspectives; Van Knippenberg et al., 2004) and group performance (Bell, et al., 2011)

In relation to the above, it has become common for proponents of diversity to claim that diversity pays (Hubbard et al; 2004). Hubbard and his colleagues continue that for the most part, proponents of this view suggest that diversity in the corporate setting, for example, represents a compelling interest that will help meet customers' needs, enrich understanding of the pulse of the marketplace, and improve the quality of products and services offered and with respect to employees, diversity brings with it different perspectives. The greater the differences among employees are, the broader their perspectives, the stronger their teams, and the greater their resources for problem resolution (Cox, 2001).

Gurin, Nagda, and Lopez (2004) also argue that diversity provides creative conflict that leads to closer examination of assumptions that people from varied backgrounds can create complex learning environments that lead to better solutions to problems. Given the putative competitive advantages of diversity, companies increasingly have relied upon a heterogeneous workforce to increase their profits. Due to the positive outcomes of diversity such as providing fresh ideas, strong growth, positive company images, fewer discrimination lawsuits, and an enhanced ability

to hire qualified workers, businesses should be aggressive about workforce diversity (Williams, et al; nd). In short, the rhetoric of diversity in industry suggests that a diverse workforce is good for business and that diversity offers a direct return on investment that promises greater corporate profits and earnings (Ryan, Hawdon, and Branick, 2002).

In contrast, critics of the diversity model are more skeptical about the benefits of diversity for example Skerry (2002). Skerry says that proponents of the diversity model too often overlook the significant costs of diversity. Skerry (2002) also points out that research on inter-group relations consistently finds that racial and ethnic diversity are linked with conflict, especially emotional conflict among co-workers. Tsui, Egan, and Reilly (1992) found that diversity can reduce the cohesiveness of the group and result in increased employee absenteeism and turnover. Moreover, detractors of the diversity model suggest that the emphasis on diversity divides the workplace into separate groups on the basis of race, ethnicity, or gender and in so doing suggests that some social categories are more deserving of privileges than are others (Wood, 2003). There is also the argument that greater diversity is associated with lower quality because it places lower performing people in positions for which they are not suited (Rothman, Lipset, and Nevitte, 2003). Finally, Williams and Reilly (1998) suggest that the most empirical evidence suggests that diversity is most likely to hinder group functioning. In short, critics of the diversity model suggest that group differences result in conflict and its attendant costs and for these reasons, skeptics of diversity model have questioned the real impact of diversity programs on the bottom line of business organizations. Some research indicates that in heterogeneous work settings, members of one of the minorities are more likely to leave the organization and suffer from higher rates of absenteeism (Tsui et al. 1992). Members of minority racial and ethnic groups are less likely to receive a positive performance evaluation from supervisors (Meier et al. 2001).

2.2 Relationships between diversity and performance

Additionally, other studies temper the enthusiasm shown by the above research connecting diversity and performance. A series of studies found that diversity was unrelated to performance or was weakly related to performance in a negative direction (Pelled et al. 1997). For example a meta-analysis done by Bowers, Pharmed, and Salas (2000) showed that diversity was more helpful for performance on more complex tasks.

Another important implication of the informational resource where diversity was studied in relation to job complexity shows that diversity is more positively related to performance, the more performance depends on the in-depth processing and integration of task-relevant information (Van Knippenberg et al., 2004). This is more often the case for complex, knowledge-intensive tasks that require the generation of novel solutions to complex problems than it is for simple, routine tasks with lower information-processing requirements (Jehn et al., 1999). A meta-analysis of 13 studies by Bowers et al. (2000) confirmed this prediction – the results showed that diversity was positively related to group performance for complex tasks, but negatively related to performance for simple tasks. However, a similar hypothesis could not be confirmed by Horwitz and Horwitz (2007) in their meta-analysis of 35 studies, suggesting that the issue is more complicated than it seems. This is where the distinction between demographic diversity and job-related diversity may be important. Demographic and job-related diversity can both be associated with differences in task-relevant knowledge, yet they may differ in the kinds of knowledge they reflect. Demographic diversity is often associated with differences in knowledge and perspectives tied to group-specific experiences and cultural differences (Ely and Thomas, 2001).

According to Ely and Thomas (2001), job-related diversity tends to be associated with differences in knowledge and perspectives gained through formal education, training, or functional role-related experience. More complex, knowledge-intensive tasks such as balancing daily records of transactions in the business generally require more advanced levels of knowledge derived from education, training, and on-the-job experience. Ely and Thomas also gave an example in high-tech research and development teams where finding showed that it is more likely that a combination of engineers, technicians, and designers will be valuable than a combination of people from different countries. So, for more complex tasks, job-related attributes (as compared with demographic attributes) are more likely to involve task-relevant knowledge and they predict that task complexity moderates the relationship between diversity and performance for job-related diversity, but not for demographic diversity.

2.3 Racial diversity and performance

Gareth, and Jennifer, (2003) define racial diversity as the representation of different racial or ethnic groups. According these people, it is possible that racial diversity in the workforce has an impact on some outcomes and not others. Gareth and Jennifer (2003) provide an assessment of the diversity thesis that diversity is associated with tangible benefits such as higher sales revenue, larger customer base, more market share, and greater relative profitability. Researches on diversity are split as to whether ethnic diversity results in benefits or drawbacks to organizational performance (McLeod and Lobel, 1992). McLeod and Lobel (1992), in an experiment involving students, found that racially-heterogeneous groups produced higher-quality ideas in a brainstorming exercise than homogeneous groups.

Watson et al. (1993) found that racially-heterogeneous groups of workers performed better than homogeneous groups, but only after a sufficient amount of time had passed for those groups to work through process-oriented problems related to diversity. O'Reilly et al. (1997) conducted field research in an organization known for being a proponent of diversity, finding that creativity and implementation ability increased in groups with higher racial/ethnic heterogeneity.

Gareth, and Jennifer, (2003), marketing campaigns can be tailored to each ethnic groups if an organization has racially diverse workforce. From the research done by these authors in Union Bank, United States, they found out that customers became more excited when they walked in to the bank and were greeted in Latino, the language they understand best. According to the researcher, this shows that the social categorization theory holds true that people prefer associating with others with whom they have similar characteristics which for this case is same language of communication.

An exception to the above view includes a series of studies reported by Kochan et al., (2003). In their studies, Kochan (2003) and his colleagues found no significant direct effects of either racial or gender diversity on business performance. According to Kochan et al., (2003), gender diversity had positive effects on group processes while racial diversity had negative effects. Kochan and his colleagues also continue that the negative relationship between racial diversity and group processes was, however, largely absent in groups that had received high levels of training in career development and diversity management. However, this same research team also found that racial diversity was positively associated with growth in branches; business portfolios, higher overall performance in branches that enacted an integration-and-learning perspective on diversity. In addition, they found that employee participation in diversity education programs had a limited impact on performance.

Finally, this group found no support for the idea that diversity that matches a firm's client base increased sales by satisfying customers' desires to be served by those who physically resemble them.

2.4 Education level and performance

Educational level applies to progress completed in different formal education levels by an individual (Hunter, 1986). Hunter (1986) goes ahead to explain that such schools include graded public, private, and parochial elementary and high schools (both junior and senior high), colleges, universities, and professional schools, whether day schools or night schools. Research done by authors like Hunter, (1986), Ree, Earles and Teachout, (1994) found out that education equips employees with knowledge and ability. Ability has generally been discussed in terms of an individual's power, strength, or capacity to perform a task (Hunter, 1986; Ree, Earles, and Teachout, 1994). General mental ability has been the focus of many researchers, and the results suggest that individuals with higher levels of education have both greater fluid and crystallized intelligence (Ceci, 1991; Neisser et al., 1996). Ceci (1991) and Neisser (1996) define fluid intelligence as the capacity of working memory, abstract reasoning, attention, and processing complex information, whereas crystallized intelligence refers to general knowledge, extent of vocabulary, and verbal comprehension related to vocational and vocational topics and areas.

Intelligence and education level are positively and significantly correlated (Kaufman, 1990; Trusty and Niles, 2004). Individuals who have high fluid intelligence are more likely to get into office and stay in office, whereas those with less fluid intelligence are more likely to be weeded out along the way (Kaufman, 1990; Trusty and Niles, 2004).

In addition, Kaufman, Trusty and Niles agree that education stimulates the development of people's minds and promotes the growth of crystallized intelligence. For example, researchers such as Howard (1986) and Kuncel, Hezlett and ones (2004) have found that those who attended college scored higher on IQ tests than those who did not attend colleges, Howard, (1986) together with Kuncel, Hezlett, and Ones, (2004). Individuals with more education are also likely to have greater in-depth, analytical knowledge (crystallized intelligence) as well (Ceci, 1991) which improves individual as well as performance of an organization.

In research by Ceci (1991), Ceci found out that education also promotes core task performance by providing individuals with more declarative and procedural knowledge with which they can complete their tasks successfully. Ceci gives an example that more education in accounting helps students acquire the expertise needed to become CPAs and advance in the accounting profession. Ceci concludes that the underlying premise is that, employees who are well equipped with greater declarative and procedural knowledge develop deeper competence in their chosen vocations and move on organization faster and more efficiently. Taking these findings together, then, we expect that education will be positively related to organizational performance.

In studies by Hunter and Hunter (1984); Schmidt and Hunter (1998), results of their researches found that cognitive ability was strongly related to one's job performance as well as that of the organization at large and was an important contributor to success on virtually every job and organization. Further, Hunter (1986) suggests that cognitive ability facilitates the learning of job-relevant knowledge and thereby indirectly promotes stronger performance as well. The researcher agrees with this view because for one to perform a task like bookkeeping using a computerized system, one needs knowledge on using computers.

According to Judge and Bretz (1992); Ravlin and Meglino (1987), education also plants values in individuals. Values are intrinsic, enduring perspectives on what is fundamentally right or wrong (Judge and Bretz, 1992; Ravlin and Meglino, 1987). It is in most cases through education that people, through classroom instruction and extracurricular activities, are trained to follow rules, respect discipline and tradition, maintain high moral standards, and exercise mature judgment after graduation (Bear, et al., 2003). Education also promotes self-confidence, self-motivation, carefulness, and the desire and ability to set personal goals for the future and to achieve these goals, an employee tends to work harder hence improving the performance of an organization (Di Vesta and Thompson, 1970; Howard, 1986). Furthermore, researchers like Lebiecki and Cortina (2006) have found that years of education were positively related to conscientiousness, even when controlling for other socio-demographic variables. In addition, Brenner (1982) compared individuals with different levels of education, 8 years or less, 9–11 years, 12 years, 1–3 years of college, 4 years of college, some graduate work, master degree, and PhD in terms of their achievement motivation. His study suggested that, as level of education increased, achievement orientation as well as organizational benefits increased as well.

Values acquired through education (such as responsibility and moral integrity) should be negatively related to counter-productive performance (Konovsky and Organ, 1996). According to Konovsky and Organ (1996), college-educated individuals tend to display a greater adherence to rules regarding attendance and protection of organizational property. Workers with more years of education are also less likely to impose danger on coworkers or customers by ignoring safety instructions (Oh and Shin, 2003). Thus, many organizations use educational attainment as a selection criterion not only because education level reflects higher levels of values associated

with good citizenship behaviors but also because education level reflects lower levels of values associated with counter-productive behaviors (Berry, et al., 2006).

However, Staw and Barsade, (1993) argue that the effect of education is moderate depending on the level and complexity of the different tasks performed in the organization, for example managerial jobs differ from other employees' jobs in that they are usually less structured and more ambiguous in nature. In this situation, managers' abilities, knowledge, and work values become even stronger determinants of performance of an organization (Staw and Barsade, 1993). Hunter (1986) supports this idea in his argument that although education facilitates performance in most organizations; its effects are likely to be more pronounced in the case of managers, for example, it is particularly critical for managers to be persistent in their efforts and to seek out more responsibility. He goes ahead to explain his argument that greater cognitive ability may be especially important on abstract managerial tasks like developing market strategy, whereas greater emotional intelligence may be especially important in managerial tasks like leading change. Although counterproductive behavior hurts organizational effectiveness, its effects are far more widespread when initiated by managers (Hunter, 1986). Consequently, Hunter predicts that the relationship between educational level and job performance will be stronger for managerial jobs than for non managerial jobs.

In the same reasoning, Hunter (1986) expects that the relationships between education and job performance will be stronger for individuals in high-complexity jobs. Avolio and Waldman (1990) define job complexity as the level of general intelligence, verbal ability, and numerical ability required to perform a job. Jobs of high complexity for example doctors, engineers, lawyers, scientists not only demand greater intellectual capacity and job knowledge, but also require incumbents to have strong motivation and persistence in order to excel (Klehe and

Anderson, 2007). In contrast, jobs of low complexity for example file clerks are unlikely to put the same demands on individuals' abilities, knowledge, and effort levels. As a result, the positive outcomes of education for example greater cognitive ability, greater job knowledge, and greater achievement motivation) are likely to accelerate performance on jobs with high complexity even further (Klehe and Anderson, 2007).

2.5 Age diversity and performance

Gareth, and Jennifer, (2003) argue that there is always stereotypical thinking by employers that older workers are slow to change or learn new things and thus try to diminish their numbers. They point out that this assumption does not hold true by giving an example of John Wyrwas, a 60-year old manager who recently participated in Ford's Six Sigma program to improve quality and attained a "black belt" status. Black belts are top performers in the program with leadership, math and statistical expertise. They also argue that there is no exact, commonly recognized age at which someone is considered an older worker. Studies have focused on people older than 55, while other studies examined those 45 years or older and research has found that a well-designed work place benefits everyone, and that workstations and job tasks that are matched to the needs of the individual employee are always best, thus, different conditions for different workers may be needed to meet the needs of any employee, not just one that is older (Gareth, and Jennifer, 2003).

Gareth and Jennifer (2003) add that older workers tend to have fewer accidents, but when an older worker does get injured, their injuries are often more severe, they also may take longer to get better; however, the types of injuries can be different.

Younger workers tend to get more eye or hand injuries, while older workers who have been working for many years report more back injuries, these workplace injuries are the result of doing the same things again and again (Gareth, and Jennifer, 2003). Their studies also found that older workers exhibit lower turnover, more dedication to the workplace, have more positive work values and absenteeism is less frequent, although it is longer when it is due to injury or chronic illness.

Studies by Gareth and Jennifer (2003) have not shown there is any consistent relationship between aging and performance at work. The results showed that the main reasons for poor work performance are: lack of recognition and feeling as if their work isn't valued; not getting along with supervisors; high job stress and lack of support, therefore it is important to remember that these situations which may lead to poor work performance can happen at any age. These authors also note that some of their studies found that older workers work slower and can't easily make quick decisions; however, this change is balanced because older workers often tend to be more accurate in their work and make more correct decisions than faster, younger co-workers.

Researchers like Avolio and Waldman (1990) have found that fluid intelligence (such as inductive reasoning, selective attention, 'dual-task' activities, and information processing) declines with age, while verbal tasks and vocabulary (talking and expressing themselves) remain constant or improve. These authors note that tasks that depend on short-term memory usually take longer. Older workers tend to use experience and expertise when working and may find it hard to work with complex or confusing stimuli. According to them, older employees might find it hard to do tasks in which they have to do (or think) a lot of different things quickly or at one time. They may also find it tricky to work in a busy environment where lots are going on (Avolio and Waldman 1990).

They add that aged people may be less able to focus attention only on information relevant to the task at hand, especially in new situations, which means there may be so much going on in new situations that they are not sure what to prioritize, what to pay attention to, and what to ignore.

Avolio and Waldman conclude that everyone, at every age, thinks and learns differently, and these cognitive functions how someone learns and thinks are very dependent on the individual, and the experiences they have had during their lifetime. They add that people who have had a lot of training or education over their lifetime, or who have had to carry out a variety of tasks, are experienced learners, and they are typically able to learn new skills well and improve the ones they have with ease. People who may be more resistant to learning as an older adult include those who have little formal training or who have carried out relatively simple or repetitive tasks for many years, because they are used to doing the same thing, the same way, and may find it hard to take in new information or ways of doing things (Avolio, Waldman, 1990).

2.6 Religion and performance

According to Gareth, and Jennifer, (2003), the key for managers when it comes to religious diversity is recognizing and being aware of different religions and their beliefs, with particular attention being paid to when religious holidays fall, for example critical meetings should not be scheduled on a holy day for members of a certain faith and managers should be flexible in allowing people to have time off for religious observance. These authors also quote Lobna Ismail's argument that when managers acknowledge, respect and make even small accommodations for religious diversity, employee loyalty is enhanced which also improves on their performance as well as that of the organization.

Lobna gave an example of allowing employees to leave work early on certain days instead of taking a lunch break or posting holidays for different religions on the company calendar which can go along way towards making individuals of diverse religions feel respected and valued as well as enable them fair faith for efficient running of he organization.

According to Iannaccone (1998), religious belief affects a wide range of behavioral outcomes, and religious activity can affect economic performance at the level of the individual, group, or nation through at least two channels: In “Wealth of Nations”, Adam Smith argued that participation in religious sects could potentially convey two economic advantages to adherents (Anderson 1988). The first could be as a reputational signal: while the poor might look alike to potential employers, lenders, and customers, membership in a “good” sect could convey a reduction in risk associated with the particular individual and ultimately improve the efficient allocation of resources (Anderson 1988). Second, sects could also provide for extra-legal means of establishing trust and sanctioning miscreants in intra-group transactions, again reducing uncertainty and improving efficiency, especially where civil remedies for failure to uphold contracts were weak (Anderson 1988).

A variant of this notion offered by modernization theorists such as Hoselitz (1960), McClelland (1961), and Hagen (1962) is that traditional societies resist change, and innovative groups can be important in the process of modernization. Hoselitz (1960) argued that socially marginalized groups might seize on economic enrichment as a mechanism for securing prosperity and security. Religious affiliation could serve as the base for group cohesion necessary to successfully challenge established institutions and practices. For example, according to Lal (1998), Buddhism and Jainism played just this sort of role in ancient India.

Weber argued that the Calvinist doctrine of predestination and the associated notion of the “calling” were essential for transforming attitudes toward economic activity and wealth accumulation. In John Calvin’s view, individuals were predestined to salvation or damnation, and “good works” were a means of self-assurance and demonstration to others of one’s fate. Each had a “calling,” and the successful completion of this religious mission on a daily basis was pleasing to God and a mark of His blessing. In contrast to Catholicism’s glorification of monasticism, this conception projected economic activity into the center of religious life and replaced the Catholic cycle of sin, repentance, atonement, and release, followed by more sin, with a cumulative notion of moral life. The result was a “this-worldly asceticism,” which focused adherents on diligent, efficient economic activity, thrift, and non-ostentatious accumulation of wealth, which he saw as the bedrock of modern capitalism. This development was not predetermined Weber was explicit that the development of ideas and institutions congenial to capitalism was endogenous, path-dependent, and not determined by any iron laws of history. Such an extraordinary thesis was sure to attract critics, and it did. Weber stands accused of mischaracterizing Protestant theology, misinterpreting Catholicism, ignoring nonreligious sources of intellectual ferment, misunderstanding the economic antecedents of industrial capitalism, thoroughly confusing the historical record with respect to the rise of capitalism in Catholic and Protestant communities in Western Europe, and even mishandling the statistical data he had at his disposal.

It is fair to say that today no one, with the possible exception of Landes, (1998) accepts Weber’s thesis at face value. Blum and Dudley (2001) provide the most sophisticated version of the Weber thesis, arguing that the Calvinist doctrine of predestination (in contradistinction to the Catholic practice of ritual penance), in game-theoretic terms, increased the cost of contractual

defection that is to say breaking contracts was a bigger deal for Protestants. This Protestant reluctance to break contracts contributed to greater trust and willingness to honor contracts with strangers and thereby contributed to the spread of more extensive information networks in the Protestant lands of Northern Europe, and it was these network externalities that promoted growth and the rise of industrial capitalism.

2.7 Competition and performance

Stucke, and Allen (2001) assert that it is unlikely that well-counseled firms will explicitly argue that they need to be saved from ‘ruinous’ or ‘cutthroat’ competition although under one name or another, this idea is likely to resurface. For example, two merging firms may well argue that ongoing competition will leave them with insufficient profits to make valuable and necessary investments to serve consumers. This is effectively a version of the ‘ruinous competition’ argument that should be treated skeptically (Stucke and Allen, 2001). Stucke and Allen continue that though the economic crisis has prompted some policymakers to reconsider basic assumptions, the virtues of competition are not among them. Nonetheless to effectively advocate competition, officials must understand when competition itself is the cause, not the remedy, of the problem (Stucke and Allen, 2001). Market competition, while harming some participants, often benefits society.

Stucke, and Allen, (2001) add that one could argue the problem is not economic competition, but poor regulatory controls and part of competition’s appeal is that no consensus exists on its meaning. Stucke and Allen (2001) say that competition does not exist abstractly, but is influenced by the existing legal and informal institutions, and that it is not always clear as to whether the problem is with competition itself or the legal and informal institutions that yielded

this type of competition. One's view depends in part on one's ideological reference point, namely the belief of competition existing outside a regulatory framework, necessitating governmental intervention in the marketplace versus the belief that regulatory forces help create and define competition in the market, necessitating improvements to the legal framework.

Among competition's many virtues, the Supreme Court observed, are its being 'the best method of allocating resources in a free market' and 'that all elements of a bargain-quality, service, safety, and durability-and not just the immediate cost, are favorably affected by the free opportunity to select among alternative offers'. Competition can yield: lower costs and prices for goods and services, better quality, more choices and variety, more innovation, greater efficiency and productivity, economic development and growth, greater wealth equality, a stronger democracy by dispersing economic power, and greater wellbeing by promoting individual initiative, liberty, and free association.

Competition authorities from around the world may disagree over substantive and procedural issues, but they all advocate competition and indeed the labels 'pro-competitive' and 'anti-competitive' are synonymous with socially beneficial and detrimental conduct (Khemani and Shapiro, 2013). Some policies that ostensibly restrict competition are justified for promoting competition for example intellectual property rights, which restricts competition along some dimensions such as the use of a trade name; however, the belief is that intellectual property and antitrust policies, rather than conflict, complement one another in promoting innovation and competition (Khemani and Shapiro, 2013). Likewise, contractual non-compete clauses are justified for their pro-competitive benefits (Khemani and Shapiro, 2013).

According to Max Huffman, in his article *'Marrying Neo-Chicago with Behavioral Antitrust'* (2012), given their faith in competition's healing powers, antitrust officials and courts typically distrust complaints about competition. Max Huffman adds that they are rightfully wary when industry groups or other government agencies decry competition as ruinous or destructive. Max continues that consumers can pay more for poorer quality products or services, and have fewer choices, governmental or private restraints can raise exit costs and inhibit innovation and, economic regulation can attract special interest groups to lobby for regulations that benefit them to society's detriment. In Max's view, competitors, challenged by new rivals or new forms of competition, may turn to regulators for help. Max also urges that competitors may ask governmental agencies under the guise of consumer protection to prohibit or restrict certain pro-competitive activity, such as discounts to their clients. They may enlist the government to increase trade barriers or for other protectionist measures. Such 'rent-seeking' behavior benefits lobbyists and lawyers, but can substantially waste scarce resources. Finally, impeding competition can cause significant anti-democratic outcomes, like concentrated economic and political power, political instability, and corruption.

Accordingly, Chang-Tai and Enrico (2003), in their article "*Can free entry be efficient*" argue that antitrust officials are justly suspicious when regulatory bodies decide that a company's entry would 'tend to a destructive competition in markets already adequately served and would not be in the public interest'. Such decisions are best left to consumers, not regulators (Chang-Tai and Enrico, 2003).

Chang-Tai and Enrico (2003) add that courts routinely reject the defense that every method of competing, such as passing one's goods off the brand of another, benefits society. Chang-Tai and Enrico (2003) urge that although competition is beneficial, not all forms of competition are

beneficial. Chang-Tai and Enrico back their view by giving an example that just as athletic contests distinguish between fair and foul play, the law distinguishes between fair and unfair methods of competition. By this they recognize that some methods of competition are socially undesirable and to pursue the analogy, it would be equally as unacceptable for the contestants in a prize-fight to agree privately to 'throw the fight' as it would be for one contestant to insert a horseshoe in his glove.

In condemning private and public anti-competitive restraints, economist Sheifer (2004) argues that competition officials and courts invariably prescribe competition as the cure. According to Sheifer (2004), increasing competition improves a country's performance, opens business opportunities to its citizens and reduces the cost of goods and services throughout the economy. However, Competition, economist Sheifer (2004) also discusses that competition can pressure companies to engage in unethical or criminal behavior, if doing so yields the firm a relative competitive advantage. Sheifer, Andrei further explains that other recent economic literature discusses how competition can encourage companies to: invest less in legal compliance and more likely violate the law, pay kickbacks to secure business, underreport profits to avoid taxes, and manipulate the ordering protocols on liver transplants. The studies' underlying theme is that as competition increases, and profit margins decrease, firms have greater incentive to engage in unethical behavior that improves their costs (relative to competitors) and that other firms, given the cost disadvantage, face competitive pressure to follow; such competition collectively leaves the firms and society worse off. This idea is supported by Fisher who argues that competition does not cure every market failure (such as from negative externalities or public goods). According to Fisher, fierce competition ultimately may yield oligopolies or monopolies.

Not surprisingly the business literature currently argues for a more sophisticated form of capitalism, one imbued with a social purpose. In the past, the concepts of sustainability, fairness, and profitability generally were seen as conflicting. But under a shared value worldview, these concepts are reinforcing. Profits can be attained, not through a competitive race to the bottom, but in better helping address societal needs.

2.8 The impact of socio-political factors on performance

According to Henisz, 2003, social factors relates to the cultural aspects, attitudes, beliefs, that will affect the demand for a company's products and how the business operates. Henisz adds that these factors may include: Demographics, Media views of the industry or Work ethic. Henisz also defines political factors as factors that relate to the pressures and opportunities brought by political institutions and to what degree the government policies impact the business.

Firms are dependent on the political units because these units by their legitimate position in society can support firms or act against them (Henisz, 2003) and can create trust/distrust. At the same time, political units are dependent on firms because they have resources and commit investments that, in turn, affect groups like the media and the public at large, on which the political actors are dependent (Hadjikhani, 2000; Jacobson et al., 1993). This calls forth the explanation that firms and political units are interdependent and their interplay is contingent upon a set of actors from business and political systems (Hadjikhani, 2000; Jacobson et al., 1993).

Political units use their legitimate position to affect the market and they decide and implement market rules that can affect groups of firms homogeneously (Rehbein and Lenway, 1994).

Rehbein and Lenway add that the aim of business firms, for their part, is to undertake strategic actions towards governments to gain specific support and improve their competitive position; and to gain further resources from political actors, the struggle is to strengthen market legitimacy and ultimately the competitiveness of the enterprise. The firms' competitive position, therefore, is seen from the point of firm's market legitimacy combined with commitment and trust (Rehbein and Lenway, 1994). Market legitimacy is defined here to be constructed on the surrounding rules (Henisz, 2003) on how a firm's performance preserves the rule of mutuality and maintains its own interest and that of others. It is constructed on the strength and type of ties between a focal unit and others in the idiosyncratic environment.

Development, securing or maintenance of firms' legitimacy is emphasized by means of resource commitment and the trust developed in the interrelated ties and in this vein, the management of competition in international markets is connected to these three behavioral concepts and these are: legitimacy, commitment and trust (Henisz, 2003). Henisz continues that the higher the size of appropriate business and political commitments, the higher can be the trust and the stronger will be the legitimate position of the firm in the market. Finally, the management of these three determines the strength of the firms' competitive position in the market (Henisz, 2003). Dividing the market into business and political units, though, forces firms to act in two different types of connections with two different bases for legitimacy. While business legitimacy is built up by evaluation of connected suppliers, customers, etc., having business exchange, the political legitimacy relies on interaction with political actors for example by paying taxes (Henisz, 2003). According to Henisz (2003), both firms and political units struggle to devote resources and commit activities that ultimately develop political legitimacy and benefit the involved parties,

ultimately the customers. In gaining legitimacy in order to strengthen competitive position, firms can reach their customers in two ways.

One, as Henisz (2003) asserts has advantage for firms, is through the size of their business market and business exchange. The other is through interaction with political actors. In the latter, the relationship is indirect and occurs via firms' commitment and trust when handling rules established by political actors. Resource commitment and trust development affect the relationship between firms and their customers and ultimately the competitive position of the firm. Following the above discussion, and in place of the strategic view in studies like those of Henisz (2003) and Scott (2001), the theoretical framework of the researcher in this study therefore discusses the concept of competitive position engaging legitimacy, trust and resource commitment.

According to Henisz (2003), investments that are made in the firms in order to elaborate an understanding of the political organization will increase the trust between the business firm and political organization. Knowledge about political values is necessary because, as Henisz (2003) and Brunson (1986) noted, political actors are expected to satisfy different actors with conflicting demands. Political organizations themselves are embedded with actors like media, voters, unions, people (customers), all of whom drive their actions in different directions.

The researcher agrees with these ideas because for a business to operate peacefully, it must be in good terms with the political bodies in the country, that is it must first be generally accepted as a legal business by the governing laws in place and this will make it easy for the business to carry out activities like advertisements on the different media to attract customers. Once the business is illegal, all its operations tend to be done illegally hence reducing its publicity as few people get to know about it hence very small market and poor performance in general.

Political units directly and indirectly can commit activities to support the business firms or act to force them to behave in a specific manner (Henisz, 2003). He thus urge that to gain legitimacy, business actors' political behavior is seen as being governed by activities intended to overcome changes in the behavior of political actors, which can have direct and indirect natures. Henisz concludes that for a firm to be successful, it has to abide by the rules put up by political bodies for example the government so as to gain legitimacy in the market and attain necessary support where necessary.

Conclusion

On reviewing the literature on diversity and performance, the chapter systematically relates performance to the elements of diversity. The chapter contrasts and compares other authors' views; establish disparity of knowledge on understanding diversity from a wider perspective to the context of performance in GPH.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter the methodology to the study compatible with a qualitative research design coherently to the aim and objectives of the study. The methodology choices in this study include research design, area of study, population under investigation, sample size and sampling techniques, data collection methods and instruments for data collection, data analysis as well as ethical considerations. Research methodology as in this chapter refers to the comprehensive set of approaches designed to gather evidences or information in order to explore the impact of employee diversity on performance in GPH.

3.1 Research Design

The design proposed for the study was qualitative in nature with a single case study. According to Creswell; research designs as procedures help to limit the scope of the study from broad assumptions to detailed (specific) methods of data collection and analysis (Creswell, p.3). That was the objective of adopting the qualitative single case study design. Also, it is a strategic inquiry in which the study explores in depth programs, event, and activity in one or more processes to gather empirical data. Hence, the case study research design was used to get in-depth information about the relationship between diversity and performance of GPH. A single case study is an intensive, holistic, more comprehensive examination of a phenomenon through field research, a means of collecting data in a natural manner in the context of real life situation (Gerring, 2007).

The rationale for choosing a research design with a single case study is that qualitative research focuses on studying the perception of individuals' social constructions. Meanwhile, 'Case study'

seeks to engage with and report the complexity of social activity in order to present the meanings or evidence that individual social actors bring to their social realities. (Somekh, and Lewin, 2005, p.32). Therefore it was prudent to use a single case study for this study in order to profoundly analyze the data on the impact of diversity on performance of GPH. The methods for collecting data were both closed and open-ended questions. This was to reduce on the time taken by employees as well as give the respondents time to fully express their opinions respectively.

3.2 Area of study

The study was carried in Gracious Palace Hotel (GPH) in Lira District, lying in the North- East part of the Northern region of Uganda. The hotel is surrounded by other business units such as schools that provide it with customers. The area is characterized by green grasses, flat landscape though with some valleys on the sides of the gardens. Hence, the study looked in to these features from the perspective of their influence on Hotel performance.

3.3 The Study Population

The population of GPH is 51 employees, people mainly from the northern region. While GPH population according to the researcher's finding composed of 35 males and 16 female employees, making a total of 51 employees.

The population of the study constitutes the ethnic communities in Lira District purposely sampled for the study. In this study, the approach for determining the population for the study was in line with the principle of heterogeneity and homogeneity of each ethnic community different and diverse in race, education level, age and religious believes.

The study population included Directors, youth, men and women drawn equally from the different departments in the hotel.

3.4 Sampling techniques and Sample size

The target sample size of 45 participants was proportionately set for the study. None-the-less the study managed to obtain a sample size of 42 participants sufficient to provide reliable and relevant data. The respondents were drawn from all departments in the hotel. The respondents were structured in to four categories of race, age, education level, and religion. For the purpose of equal representation of all ethnic communities, the selection of respondents was done from all ethnic categories in the organization.

The sampling techniques used in this study were purposive sampling technique. It was aimed at giving each respondent from different categories an equal chance to participate in the study. On the other hand, the heterogeneity of the population under study conditioned the researcher to choose a sample from each category for example based on their ethnic identity with the aim of getting a representative sample and diverse views. (Kothari, 2004). On the other hand, the purposive sampling techniques were used in accordance with the researcher's prior knowledge of the potential respondents included in the study.

To obtain the sample size above, a formula given by Amin was used and is illustrated as below:

$$N = \frac{N}{1 + N(e^2)}$$

Where n- sample size

N- Total population and

e- Error = 0.05 or 0.01

$$n = 51/1+51(0.05^2)$$

$$n = 51/1+51(0.0025)$$

$$n=51/1.13$$

n = 45 people.

3.5 Research procedure

A visit was taken to GPH in October 2011. During this visit, the researcher together with some of the friends was offset by the poor performance of GPH which was seen for being fully equipped. Some of the problems included poor meals on some days, high turn-off rate, and numerous cases of rumors in the organization. These problems helped the researcher to identify GPH as an appropriate area of study. Before going to the field to collect data, an introductory letter was formally obtained from the Faculty of Business Administration and Management, which was later presented to the Management of GPH explaining the purpose of the study. The introductory letter helped the researcher to gain access to the area of study and interacted freely with the participants for two weeks. The respondents were cooperative and understanding.

3.6 Quality control measures

The significance of ensuring control over research processes and collection of data is vital for the production of a credible research. Ensuring controls as a measure for reliability and validity of the information obtained for the study was strictly taken in to concern. According to Kothari, validity refers to the extent to which test measures what we actually want to measure, while reliability has to do with the accuracy precision of a measurement and procedure. (Kothari, 2004,pp.69-70).

Using qualitative research methodology with a single case study design ensured an exhaustive study as a measure of reliability of data collected. On the other hand, purposive sampling techniques was used to guarantee external validity through the selection of respondents who always experience diversity impacts i.e. lower level employees and who had taken some reasonable time in the Hotel. While internal validity was ensured through piloting of instruments prior to the actual field research and coded in a sample size proportionate to the total population under investigation. (Bordens and Abbot, 2011).

3.7 Data Management and Processing

The process of managing data involves structuring the tools for data collection according to the themes of the study. This was to show the relationship between the objectives and findings of the study. In the process of collecting primary data, effective note-taking was employed during conversations. Effective note-taking aided in recording verbatim information during conversations and discussions. Hence, for the purpose of content, and clarity, recording device was also used in some cases, while talking with full consent and permission of the respondent since some respondents refused verbal or audio recordings. This was to protect their identity considering the sensitivity of the issue an nature of diversity under study. This indeed helped in the process of writing, transcription of content, word meanings, correct spellings, interpretation and analysis of the data obtained.

3.8 Data collection methods and instruments

In order to achieve effective and efficient information, the researcher carried out field research in the organization where both primary and secondary sources of information were used to collect relevant ideas concerning the study topic.

3.8.1 The primary sources

i. A set of questionnaires

According to Kakooza (2005), a questionnaire is asset of questions which respondents answer in writing. It can also be defined as a collection of items to which a respondent is expected is to react in writing. Two sets of questionnaires were addressed that is, to the top management and to the employees at different departments. These were designed in standardised wordings to get some uniformity in the answers. It was the main procedure used for information gathering since the employees could complete the questionnaires out office. The advantages of using questionnaires were that, the researcher collected a lot of data in a short period of time, questionnaires were cheaper to administer to respondents a chattered over a wide area, the respondents felt free to answer sensitive questions and these questions were both structure and unstructured.

ii. Observation

Observation is a method by which an individual or individuals gather first hand information on programs, process or behaviour being studied. It involves systematically selecting, watching and recording behaviour and characteristics of living beings, objects or phenomenon. Therefore, the researcher used face to face contact with the whole environment as a relevant way of collecting data which involved moving from one department to the other. This methodology enabled the

researcher gain report through direct interaction, that is, the researcher was able to get first hand information and to correct data as being collected.

3.8.2 Secondary sources

Library research

The researcher also used existing resources to complete the study. This was done by assembling the existing information of different authors, using text books, magazines, journals and the internet. This method enabled the researcher get access to the different works of different authors and be able to compare personal ideas with that of other authors in the same area of study. This provided more detailed information for decision making.

3.9 Data analysis

Data analysis is the process of bringing structure and meaning to the collected data. Most of the data collected was qualitative though some quantitative data was also collected for statistical purposes of statistical information. Raw data from the field was organized in to a meaningful form according to the research objectives. For the qualitative data from open-ended questions in the questionnaires, field notes, observations, the emerging ideas, opinions and beliefs were critically analyzed and synthesized with what other authors say in the literature review in order to make or derive conclusions more comprehensively. This was done to fill the literature gaps between what the quoted authors in the literature review had said and what the researcher has come out with. In addition, the researcher checked the information gathered, for example information gathered using questionnaires so some mistakes were corrected or even removed or deleted. The researcher then organized, interpreted and presented the data collected.

Data analysis enabled the researcher describe and summarize data, identify the relationship between the variables, identify the difference between the variables and forecast the outcome of the study. However, data was analyzed basing on the type of data; that is, quantitative data was analyzed through descriptive (measure of central tendency such as arithmetic mean, medium and mode, and the measure of dispersion which included the range, quartile, deviation, standard deviation and variance), while qualitative data was analyzed using nominal categories, for example, gender.

3.10 Ethical consideration

The information gathered from different respondents were used only and only for the purpose of the study, and not any other purpose. Confidentiality and privacy was highly observed, that is , the respondents were well protected by keeping the information gathered confident and not revealing the names of the respondents (anonymity).

3.11 Limitations

Not all the questionnaires were filled, as not every employee was interested and did not attempt to fill the questionnaire at all. In trying to solve this, the researcher had to tell the importance of this study, that is, its significance to both the employees as well as their employers, such as how it would help employers apportion equal opportunities to both male and female gender in the organized, so they got convinced.

Some respondents did not understand the topic, most seemed not to know what diversity is about, so they were not able to answer the questions.

Therefore, as a remedy to this, thorough explanations were done to ensure all the respondents understood the topic so as to answer correctly.

Some respondents hesitated to bring full information for fear of their performance being under investigation. To avoid this misunderstanding, the researcher had to introduce herself to the satisfaction of the respondents that she was a student who was just doing a research so needed information for study purpose only.

Use of data collection methods like observation required a lot of time which delayed the researcher from doing other things like analyzing the data. To guard against this, the researcher scheduled the right time for every activity to ensure no activity delayed the other.

It was a bit hard ensuring reliability especially where methods like test- re- test, since some respondents were not willing to answer the same questions for the second time. As a solution to this, the researcher had to wait for the time when all the employees were free, especially recreation times so that they will be having no work and all they could do was to fill the questionnaires. Therefore, different method were used to collect data and the researcher tried her best to ensure that all information gathered were truthful and reliable to be used by other users.

Conclusion

This chapter was about the methodology employed and adopted for the study. The chapter stated the research design and approaches employed, Area of the study, the characteristics of the population under study, sampling techniques, sample size, data collection methods as well as instruments and how data was gathered and analyzed after the field research work. The subsequent chapter will deal with the presentation, analysis and discussions of the findings from the field in the context of the elements of diversity in relation to performance.

CHAPTER FOUR: PRESENTATION AND INTERPRETATION OF FINDINGS

4.0 Introduction

The main objective of this chapter was to present and discuss findings from the field study. The following information was therefore to present in this chapter, the effects of diversity on performance in business organizations with Gracious Palace Hotel (GPH), Lira as the case study. The specific objectives were to find out how racial, age, education and religious diversities among employees affect the performance of an employees as an individual and the general performance of the organization, to assess how other factor like competition and socio political factors affect performance (both individual and organizational), to establish the relationship between diversity and performance, and to find out whether a well managed diverse workforce can improve organizational performance. The findings in this chapter were analyzed, interpreted and presented inform of frequency tables, pie charts and bar graphs in relation to the objectives and research questions set in chapter one.

4.1 Demographics of respondents

4.1.1 Respondents' background

This study initially set a sample size target of forty five respondents to answer the questionnaires. The total of 20 was placed in to three categories namely: management level, experience and age. Meanwhile, a total of 22 were set basing on religion, race and period taken at the organization. This purposive selection of respondents for the study was based on the subjective knowledge and characteristics of the two groups. To establish a clearer understanding of the respondents that were involved in the study and the researcher looked at attributes such as respondent's level of management, sex, duration taken at the hotel, education level and, marital status so as to be able to know exactly what type of respondents provided the information in this study.

4.2 Racial diversity and performance

Tables 1 and 2 below, show respective perception levels on how the respondents feel about racial difference among employees affects individual and organization performance while table 3 presents correlation between racial diversity and performance.

Table 1: How Racial Differences affect Individual Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	14	33.3	33.3	33.3
disagree	14	33.3	33.3	66.7
partially agree	5	11.9	11.9	78.6
Agree	5	11.9	11.9	90.5
strongly agree	4	9.5	9.5	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to table 1 above, 33.3% (14) of the respondents strongly disagreed that racial diversity affect individual performance, 33.3% (14) disagreed. These people argued that an employee of any ethnic group can perform any job perfectly well as long as the person has the skills and knowledge required for the job. This was in accordance with an exception to the view that diversity may improve performance Kochan et al., (2003). In their studies, Kochan (2003) and his colleagues found no significant direct effects of either racial or gender diversity on business performance.

However, 9.5% (4) strongly agreed, 11.9% (5) agreed and 11.9% (5) partially agreed that racial diversity can affect employee performance. The group that agreed argued that racial diversity has always affected their performance as one of the employees in the kitchen section asserted that

working with races like the Bakiga has always forced them to work faster and do more heavy jobs like carrying logs of firewood which they felt was too heavy for them. This is supported by O'Reilly et al. (1997) in his field research on diversity in an organization which became known for being a reason for increase in creativity and implementation ability in groups with higher racial/ethnic heterogeneity.

The respondent said that they realized that the Bakiga race are stronger people that if you are working with them then you have to cope up with their ways of doing things otherwise you will be taken for being lazy at work. They added that this has helped them always work faster though they feel extremely tired at the end of the day.

Table 2: Racial Diversity and Organization Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	11	26.2	26.2	26.2
Disagree	12	28.6	28.6	54.8
partially agree	10	23.8	23.8	78.6
Agree	4	9.5	9.5	88.1
strongly agree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to the table 2 above, 26.2% (11) strongly disagreed that racial diversity can not affect performance of an organization, 28.6% (12) disagreed while 23.8% (10) partially agreed. This therefore shows that the study found no significant direct effects of racial diversity on business performance. According to the respondents, racial diversity had negative effects on group processes.

They continued that differences in races has sometimes made communication difficult as some employees asserted that some instructions can only be understood better when explained in local language for example how to prepare some local dishes, but due to diverse languages with different languages this has been impossible.

The respondents also argued that racial diversity at GPH has led to discrimination among employees as each race prefers associating mostly with people of the same race. A wealth of research on intergroup relations shows that such distinctions can engender intergroup biases, such as more favorable attitudes towards in-group members, more trust in in-group members, and a greater willingness to cooperate with in-group members (Tajfel, 1982; Van, 2003). However, the group that partially agreed that race can improve an organization's performance said that racial diversity can help the organization discover more market opportunities and can establish their branches in different places. This group, just like Kochan (2003) found no support for the idea that diversity that matches a firm's client base increased sales by satisfying customers' desires to be served by those who physically resemble them. This was backed up an assertion made by one customer that she buys not because the person selling the product speaks her language but rather because she needs the product.

However, a smaller proportion that is 11.9% (5) strongly agreed and 9.5% (4) agreed that racial diversity positively affect the performance of GPH. According to their argument, some people feel more welcomed when they are welcomed in their own languages and also feel at ease bargaining with a seller that speaks his or her language. Therefore, by having a variety of races at the hotel the hotel is able to attract a larger market compared to other competing firms in the same business hence improved performance.

The study further established the relationship between racial diversity and individual as well as organization's performance. The research drew findings to answer Objective 1. The said objective was, *To establish the relationship between the racial diversity and performance.*

Table 3: Relationship between Racial Diversity and Individual and Organization Performance

		how race affects individual performance	how racial diversity among employees affect organization performance
how race affects individual performance	Pearson Correlation	1	.370**
	Sig. (1-tailed)		.008
	N	42	42
how racial diversity among employees affect organization performance	Pearson Correlation	.370**	1
	Sig. (1-tailed)	.008	
	N	42	42

** . Correlation is significant at the 0.01 level (1-tailed).

From table 3 above, a Spearman's Rank Order correlation was run to determine the relationship between racial diversity and performance. There was a weak positive correlation which was not statistically significant ($r_s = 0.370$, $P = .008$). The possible reasons for this weak relationship is that as long as an employee has acquired enough education and skills required for a given job, the skin color or racial background may not be a serious matter. The free movement by employees to different places of work has also made people used to interacting with others of different races, therefore the issue of segregating against other races is limited which could affect performance of the minority races.

In addition to these, there exist intermarriages where any tribe or race is able to marry or get married to anybody of any race. This has made people more familiar with other races such that people see nothing so new or attractive about other races to influence their decision for example when buying a product.

4.5 Age and performance

Tables 4 and 5 below show respective perception levels on how the respondents feel about how employees’ religious beliefs affect individual and organization performance, while table 6 shows the correlation between age and performance.

Table 4: Impact of Age on Individual Performance

Age	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	5	11.9	11.9	11.9
Disagree	6	14.3	14.3	26.2
partially agree	10	23.8	23.8	50.0
Agree	11	26.2	26.2	76.2
strongly agree	10	23.8	23.8	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

From the table 4 above, 23.8% (10) strongly agreed, 26.2% (11) agreed and 23.8% (10) partially agreed that age impacts on individual performance. Older workers argued that their older ages have helped them to have fewer accidents, as they are always critical in whatever they do. They added that their older ages on their particular jobs have given them enough experience which makes their work more appreciative than those of younger employees.

However, they argued that working for many years have made them develop more back injuries, and that these workplace injuries are the result of doing the same things again and again. They also said that their ages are becoming disadvantageous to their job performance as they feel they forget things faster and it is always hard to remember instructions from supervisors and this has most times made them mess up with some works.

On the other hand, younger workers appreciated their ages that it helps them work faster than the older workers. They argued that their brains are still sharp enough to take every instruction given to them for better performance. They however argued that being new in the field, they lack enough experience in doing their works which has always made them work under instruction from others thus reducing on their production as they can not work faster under instructions. Being young, the younger employees said that they feel their ideas are always considered last which have always made them feel under-minded when it comes to making decisions. However, 11.9% (5) strongly disagreed and 14.3% (6) disagreed that their age can not affect their performance as they claimed that an employee's ability to perform does not depend on a person's age but the skills attained by the person as some people are intelligent at both young age as well as old age. This is supported a number of researchers like Avolio and Waldman (1990) found that fluid intelligence (such as inductive reasoning, selective attention, 'dual-task' activities, and information processing) declines with age, while verbal tasks and vocabulary (talking and expressing themselves) remain constant or improve. Avolio and Waldman (1990) note that tasks that depend on short-term memory usually take longer and that older workers tend to use experience and expertise when working and may find it hard to work with complex or confusing stimuli. According to them, older employees might find it hard to do tasks in which they have to do (or think) a lot of different things quickly or at one time.

Table 5: Age Diversity among employees and Organizational Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	9	21.4	21.4	21.4
Disagree	10	23.8	23.8	45.2
partially agree	12	28.6	28.6	73.8
Agree	6	14.3	14.3	88.1
strongly agree	5	11.9	11.9	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to table 5 above, 11.9% (5) strongly agreed, 14.3% (6) agreed and 28.6% (12) partially agreed that age diversity among employees impact on performance of GPH. These people argued that age differences among employees positively affect organizational performance in such a way that young employees tend to be stronger people thus work faster and are highly productive in their jobs thus improving organizational performance. In addition to this, younger employees are flexible enough to learn new ways of doing things, thus it is always easy to adjust on the job procedures or even change the technology being used in the organization for better performance. This same group also argued that older employees are more experienced people with deeper knowledge about their jobs hence improve organizational effectiveness. Some older employees have high intelligent thinking capacity which helps in decision making and fair management which in turn leads to improved performance of the organization.

These ideas are supported by Gareth and Jennifer (2003) who argue that older workers tend to have fewer accidents. Gareth and Jennifer also found that older workers exhibit lower turnover, more dedication to the workplace, have more positive work values and absenteeism is less frequent, although it is longer when it is due to injury or chronic illness.

However, 21.4% (9) of the respondents strongly disagreed and 23.8% (10) disagreed that age cannot affect organization's performance. They argued that age does not matter as far as performance of GPH is concerned. They argued that everyone, at every age, thinks and learns differently, and these cognitive functions how someone learns and thinks are very dependent on the individual, and the experiences they have had during their lifetime. Therefore, it does not matter whether the workforce is occupied with young or very old employees.

The research also established the correlation relationship between age diversity and performance of individuals and an organization as a whole. This was done to help the researcher answer the section objective of the study which was stated as “*To establish the impact of age diversity on performance, and the results are presented in the table below.*”

Table 6: Relationship between Age and Performance

		how age affects individual performance	how employees' age diversities affect organization performance
how age affects individual performance	Pearson Correlation	1	.136
	Sig. (1-tailed)		.195
	N	42	42
how employees' age diversities affect organization performance	Pearson Correlation	.136	1
	Sig. (1-tailed)	.195	
	N	42	42

Source: Primary data March 2014

In table 6 above, a Spearman’s Rank Order correlation was run to determine the relationship between age diversity and performance. There was a weak positive correlation between age and individual as well as organization’s performance, which was not statistically significant ($r_s = 0.136, P = .195$).

The reason for this is that at any age, a person can still perform his or her work well provided he or she has the skills necessary for the job. This is also because as an employee is still new on the job, he is such a young person with very good memory ability as well as capable of learning new

things faster for better performance. On other hand, older employees have enough experience due to the time they have taken doing the same job and are believed to have better reasoning capacity when it comes to things like decision making which in turn improve performance.

4.3 Education levels and performance

Tables 7 and 8 below show respective perception levels on how the respondents feel about how education level of an employee affect individual and organization performance respectively, and table 9 presents the correlation relationship between education levels and performance.

Table 7: Education level and performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	11	26.2	26.2	26.2
disagree	4	9.5	9.5	35.7
partially agree	8	19.0	19.0	54.8
Agree	8	19.0	19.0	73.8
strongly agree	11	26.2	26.2	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to the table 7 above, 26.2% (11) of the respondents strongly agreed that education really impact on their performance, 19% (8) agreed, while 19% (8) partially agreed. They argue that education equips them with knowledge and ability to perform their jobs. This is I accordance with the research done by authors like Hunter, (1986), Ree, Earles and Teachout, (1994) which found out that education equips employees with knowledge and ability, as discussed in terms of

an individual's power, strength, or capacity to perform a task (Hunter, 1986; Ree, Earles, and Teachout, 1994). The respondents also said that education has made them able reasoning things in a better way than the uneducated and have better memories.

This is supported by Ceci, (1991) and Neisser et al., (1996) who argue that individuals with higher levels of education have both greater fluid intelligence (the capacity of working memory, abstract reasoning, attention, and processing complex information), and crystallized intelligence, which refers to general knowledge, extent of vocabulary, and verbal comprehension related to vocational and vocational topics and areas. Ceci and Neisser add that education equipped them with greater in-depth, analytical knowledge which in turn improves on their performance.

The study also found out that education plants intrinsic values in individuals which makes them endure on what is fundamentally right or wrong. They continued that it is mostly through education that they got trained through instruction and extracurricular activities, to follow rules, respect discipline and tradition, maintain high moral standards, and exercise mature judgment after graduation. Education also promotes self-confidence, self-motivation, carefulness, and the desire and ability to set personal goals for the future which encourage them to work harder.

However, 26.2% (11) strongly disagreed, and 9.5% (4) disagreed that education can affect an individual's performance. They argued that the effect of education is moderate depending on the level and complexity of the different tasks performed in the organization, for example managerial jobs differ from other employees' jobs in that they are usually less structured and more ambiguous in nature. In this situation, managers' abilities, knowledge, and work values become even stronger determinants of performance of an organization. They support this idea in the argument that although education facilitates performance in most organizations; its effects are likely to be more pronounced in the case of higher management positions, for example, it is

particularly critical for managers to be persistent in their efforts and to seek out more responsibility. This group goes ahead to explain their argument that greater cognitive ability may be especially important on abstract managerial tasks like developing market strategy, whereas greater emotional intelligence may be especially important in managerial tasks like leading change. Although counterproductive behavior hurts organizational effectiveness, its effects are far more widespread when initiated by managers. Consequently, they predict that the relationship between educational level and job performance will be stronger for managerial jobs than for non managerial jobs.

Table 8: Different Employees’ Education levels and Performance of an Organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	6	14.3	14.3	14.3
disagree	6	14.3	14.3	28.6
partially agree	11	26.2	26.2	54.8
Agree	13	31.0	31.0	85.7
strongly agree	6	14.3	14.3	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

As presented in the table 8 above, 14.3% (6) strongly agreed, 31% (13) agreed, while 26.2% (11) partially agreed that education levels of employees influence organization performance. These people argued that individuals with more education are likely to have greater in-depth, analytical knowledge which improves individual as well as performance of an organization.

They also argued that education also promotes core task performance by providing individuals with more declarative and procedural knowledge with which they can complete their tasks successfully. Completion of tasks in time means the organization's performance is efficient.

They added that employees who are well equipped with greater declarative and procedural knowledge develop deeper competence in their chosen vocations and move on organization faster and more efficiently. Given these findings, one can clearly see that education is positively related to organizational performance.

On the other hand, 26.2% (11) of the respondents said that education may not be the major factor that affect the performance of GPH as it is only and majorly necessary in tasks that prove complex like in higher level managerial positions. In the same reasoning, Hunter (1986) expects that the relationships between education and job performance will be stronger for individuals in high-complexity jobs .The respondents continued that there are certain jobs in this organization that does not necessarily need someone to be educated for example jobs like cleaning the compound, peeling, or even cooking some common dishes like beans and cassava. They argued that these jobs can be performed perfectly well using informal knowledge or even a person's experience in life. This group however agreed that education can also influence organization performance as it equips people with cognitive ability which is strongly related to one's job performance as well as that of the organization at large and is an important contributor to success on virtually every job and organization. Further, they suggested that cognitive ability facilitates the learning of job-relevant knowledge and thereby indirectly promotes stronger performance of the organization. The respondents also argued that the values instilled in people through education helps them separate good from bad things.

This enhances to organizational rules and regulations, respect and high moral standards in the organization hence good performance of the organization.

The research went ahead to establish the relationship between education level of employees and performance (individual and organizational). This helped to answer the third objective of the study which was “*To find out the impact of education level on performance* and the results are as below:

Table 9: Relationship between education level of employees and performance

	how education level of employees affect organization performance	impact of education on an individual's performance
how education level of employees affect organization performance	1	.387**
Pearson Correlation		.006
Sig. (1-tailed)		
N	42	42
impact of education on an individual's performance	.387**	1
Pearson Correlation		.006
Sig. (1-tailed)		
N	42	42

** . Correlation is significant at the 0.01 level (1-tailed).

As shown in the table 9 above, Spearman’s Rank Order correlation that was run to determine the relationship between education and performance of individuals as well as that of the organization showed there was a weak positive correlation ($r_s = 0.387$, $P = .006$).

The reason for this may be that given the nature of education say in Uganda where most of the things are taught in theory form, people tend to get out just with theoretical knowledge yet lacking the ability and skills to apply their knowledge. This has always forced many workers to resort to using in-borne skills most jobs or learning from friends rather than the education level they attained. Another reason for this is that there is continuous change in technology being used at work today that have rendered some employees' skills useless, therefore making education weakly related to performance.

4.4 Religion and performance

Tables 10 and 11 below show respective perception levels on how the respondents feel about how employees' religious beliefs affect individual and organization performance respectively, while table 12 shows the correlation relationship between religion and performance.

Table 10: How Religion affects Individual Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	5	11.9	11.9	11.9
disagree	10	23.8	23.8	35.7
partially agree	7	16.7	16.7	52.4
Agree	8	19.0	19.0	71.4
strongly agree	12	28.6	28.6	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to table 10 above, 28.6% (12) of the respondents strongly agreed that their religions do affect their performance, 19% (8) agreed, and 16.7% (7) partially agreed.

These respondents argued that their beliefs affect their performance both positively and sometimes negatively. They said religious beliefs especially Christianity teaches them to be faithful in whatever one does or say, and this has often made them feel guilty when trying to lie about something. The manager of GPH also stated “... *religious belief teaches me to be fair to everyone and this encourages me to foster fair treatment to all employees including customers irrespective of status*”.

The manager added that in so doing, employees and their customers have remained loyal to the hotel and are encouraged to work harder as they feel a sense of belonging to the organization.

This relates to Lobna Ismail’s argument that when managers acknowledge, respect and make even small accommodations for religious diversity, employee loyalty is enhanced which also improves on their performance as well as that of the organization

As asserted by one of the employees at GPH, “... *the story of Adam and Eve in the Old Testament teaches him to be obedient to his master; that is the employer as disobedience to the master’s rule made them receive punishments*”. For this case, he is always obedient to whatever he his told to do and this has always helped him to be peaceful with the management as well as fellow employees.

However, 11.9% (5) strongly disagreed, and 23.85 (10) disagreed to the view that religion instills in people a spirit of togetherness as some of these respondents said that their religious beliefs have always made them be discriminated against by management, for example a Muslim man asserted

“...*during parties where the major dishes are always pork, I, as a Muslim feel not catered for as I am referred to dishes which to me seem of less value than pork (for example greens, beans and others) and this has made them feel being cheated on by others*”.

Some respondents also said that religious differences have led to formation of small groups where people of the same religion tend to form their own groups. This has left out people of different religions who either have very few people of the same religion or even none in the organization. Such people tend to lack company and sometimes feel bored leading to poor performance.

Table 11: Religious differences among employees and Organizational Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	19	45.2	45.2	45.2
disagree	11	26.2	26.2	71.4
partially agree	9	21.4	21.4	92.9
Agree	2	4.8	4.8	97.6
strongly agree	1	2.4	2.4	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to the table 11 above, 2.4% (1) strongly agreed, 4.8% (2) agreed while 21.4% (9) partially agreed that religious beliefs of employees can impact on organization performance. They argued this in the sense that christianity teaches the ten commandments which christians are expected to follow. Some of the contents of these commandments is “ *do not steal*”, which reduces on theft in the organization. The commandment of “*love one another as you love yourself*” reduces conflicts among employees and also teaches christians to leave in peace with others irrespective of their status.

These has always promoted team work leading to improved production. According to the researcher, these views make Anderson(1988) stands true in his view that religion could be as a reputational signal, where he puts that

“...while the poor might look alike to potential employers, lenders, and customers, membership in a “good” sect could convey a reduction in risk associated with the particular individual and ultimately improve the efficient allocation of resources, and that sects could also provide for extra-legal means of establishing trust and sanctioning miscreants in intra-group transactions, again reducing uncertainty and improving efficiency, especially where civil remedies for failure to uphold contracts were weak” (Anderson 1988).

On the otherhand, 45.2% (19) strongly disagreed, and 26.2% (11) disagreed that employees' religious beliefs cannot improve organization's performance. The respondents agreed that though these teachings encourage good works, not everyone who listens to these teaching follow or practise them. This is evidenced in a way that diferent religious scets in GPH tend to segregate basing on their religious beliefs which has led to formation of small groups of people of same reliogion. This has also caused reduction in team work as each person feels like helping only those of his or her religious sect thus poor performance of the organization. In addition to segregation basing on religoin, some religious sects worship on week days for example the muslims who worship on Fridays. This has always reduced on the time worked by muslim employees in a week hence decrease on production.

This research also established the general relationship between religion and performance (individual and organizational) to answer the fourth objective which was stated as “*To establish the impact of religion on performance*”, and the finding was as shown in the table below

Table 12: Relationship between religion and performance

		how religion affects individual performance	How religion affects organization’s performance
how religion affects individual performance	Pearson Correlation	1	.201
	Sig. (1-tailed)		.101
	N	42	42
Religion	Pearson Correlation	.201	1
	Sig. (1-tailed)	.101	
	N	42	42

Form the Spearman’s Rank Order correlation run to determine the relationship between religion and performance, a weak positive correlation was realized ($r_s = .201$, $P = .101$). The reason for this could be that although religion for example Christian faith teaches people good acts, not all employees do exercise these teachings when performing their jobs. In addition, the time taken by employees to recite their religious faiths off work may not be a major reason for decrease in performance. In other words, there are other factors which lead to poor performance such as lack of employee motivation, or poor management. Another reason could be that employees are stressed up with either too much work other off- job issues which lead to lack of concentration.

4.6 Conceptual framework

4.6.1 Diversity and Performance

As per the general objective of this research, which was stated as “ To establish the impact of diversity on performance, the general perception level of the respondents was as shown in the table below

Table 13: Impact of diversity on performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly related	6	14.3	14.3	14.3
Related	18	42.9	42.9	57.1
Neutral	10	23.8	23.8	81.0
weakly related	7	16.7	16.7	97.6
not related	1	2.4	2.4	100.0
Total	42	100.0	100.0	

Source: primary data March 2014

According to table 13 above, we can see that 14.3% (6) of the respondents strongly agreed that diversity do affect individual and organization performance, 42.9% (18) agreed that diversity affect performance just to some level, 23.8% said the impact is partial, 16.75 (7) said the impact of employee diversity on performance is so weak while 2.4% (1) said diversity has no impact on performance at all. One can therefore see that a bigger population agreed that diversity affects their performance as individuals and the general performance of the organization. They argued that a diverse workforce, relative to a homogeneous one that was in place has helped the organization produce better business results such as greater corporate profits and earnings.

The respondents also added that by working together with people from different races, they have learnt new ways of doing things for example how to cook local foods of different tribes and this has increased on the number of their customers as everyone is able to get any dish one wants and nicely prepared. The manager GPH also asserted that accommodating employees of higher education level has improved on their decision making as well as innovation as these people have intelligent thoughts and are always eager to find out new things. He added that racial diversity is associated with increased sales revenue, more customers, greater market share, and greater relative profits.

However, 23.8% (10) of the respondents who took two sides argued that although diversity is advantageous to performance, it also introduces conflict and other problems that detract from an organization's ability to be effective and profitable. They explained their views further that the existence of people of different education levels have always delayed decision making as there is always conflict of views as everyone wants his or view considered. Presence of people of different religious sects have also increased on organizational expenditure for example in case of a party as they have special menus, that is they have to be provided with different dishes like chicken and sodas incase people are eating pork and beers at the party. This same group argued that racial and ethnic diversity are linked with conflict, especially emotional conflict among co-workers and can reduce the cohesiveness of the group and result in increased employee absenteeism and turnover.

16.7% (7) who said the impact of diversity on performance is relatively low argued that other factors have greater influence on performance rather than diversity and that these factors include government rules in place, the market size of the business and people's attitudes towards the business. 2.4% (1) completely refused that diversity has no impact on performance.

This was a customer who said that she always come to buy from the hotel not because of the diverse employees in the organization, but because of her need for food. Following the above results we can observe that relationship between diversity and performance of the organization is both positive, negative and sometimes there exists no relationship at all.

Table 14: Proper management of diverse workforce and Performance of an Organization?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	8	19.0	19.0	19.0
Disagree	3	7.1	7.1	26.2
partially agree	7	16.7	16.7	42.9
Agree	10	23.8	23.8	66.7
strongly agree	14	33.3	33.3	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

As shown in table 14 above, majority of the respondents, that is, 33.3% (14) strongly agreed that proper management of a diverse workforce improves an organization’s performance, 23.3% (10) agreed, 16.7% (7) of the respondents took two stands, that is, they agreed that proper management of diverse workforce improves performance while on the other side disagreed to this view. 7.1% (3) disagreed, and 19 % (8) strongly disagreed that proper management of diverse workforce cannot lead to improved performance in any way.

The research however went ahead and establishes the correlation relationship between the general objective stated above and the research hypothesis “whether proper management of diverse workforce can improve performance” and the result is presented in the table below:

Table 15: Proper management of diverse work force can improve Performance

		impact of diversity on performance	does proper management of diverse workforce improve organizational performance
impact of diversity on performance	Pearson Correlation	1	-.024
	Sig. (1-tailed)		.440
	N	42	42
does proper management of diverse workforce improve organizational performance	Pearson Correlation	-.024	1
	Sig. (1-tailed)	.440	
	N	42	42

As in table 15 above, Spearman’s Rank Order correlation was run to determine the relationship between diversity and management of diversity on performance of individuals as well as that of the organization. There was a negative positive correlation ($r_s = -0.24$, $P = .440$).

This means that the more diverse is the workforce, the lower the performance or the higher the performance, the less diverse the workforce. Therefore, management should always carefully balance the workforce basing on the activity or task at hand if they are to achieve the best performance.

4.6.2 Competition and performance

Tables 16 and 17 below, show respective perception levels on how the respondents feel about how competition affects individual and organization performance

Table 16: Competition affects Individual Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid very high	19	45.2	45.2	45.2
High	23	54.8	54.8	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

As shown in table 16 above, 45.2% (19) of the respondents argue that competition has very high influence on an individual performance. As stated by the respondents, GPH is facing stiff competition from other hotels in the same industry. Given this condition, the hotel (GPH) has become stricter on the kind of people they employ to work in the Hotel, and this has led to serious supervision during time for work. This has often led to high turnover of workers who were unserious in their jobs. The respondents thus asserted that this has prompted them to put extra effort in whatever they do and has made them to produce quality work so as to sustain their jobs.

However, the respondents also said that high level of competition in the market has made the organization put too much pressure on them such that sometimes they do not get enough time to relax that has always made most workers work under stress and this in turn leads to poor performance.

54.8% (23) said competition affects individual to a high extend as there are other factor such as personal needs that encourages employees to perform their tasks well so that at the end they get

paid to meet these needs. One of the respondents also asserted that he just feels good when he sees their organization prospering than the competitors and this has always made him work harder. There were responses to other options like very low, low or moderate effects of competition on performance as respondents concluded that competition really influence their performance especially due to fear of losing their jobs.

Table 17: How Competition affects Organizational Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	6	14.3	14.3	14.3
partially agree	1	2.4	2.4	16.7
Agree	7	16.7	16.7	33.3
strongly agree	28	66.7	66.7	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to table 17 above, one can see that the majority of the respondents strongly agreed that competition do affect organizational performance so much that is 66.7% (28) out of 42 respondents. However these people argued the effects of competition on organization performance are majorly negative as it reduces on the profits of the company which leads to stunted growth or expansion of the business due to inadequate capital for investment. This is supported by Stucke and Allen (2001) who argues that stiff competition in the market forces firms to charge lower prices for their products so as to make more sales which sometimes leads to very little profits or even losses.

These respondents also argued that competition sometimes leads to development of evil ways of competition for example where other firms in the same industry preaches ill messages against the other and this has always led to bad images against the organization to the general thus leading to reduced market for the products. Additionally, a competition, economist Sheifer, A (2004) also discusses that competition can pressure companies to engage in unethical or criminal behavior, if doing so yields the firm a relative competitive advantage.

On the other hand, the respondents also argued that competition also improves on efficiency in the organization. This is because it causes the organization to institute better ways of production so as to produce more at the shortest time possible. According to the respondents, competition also led to improved technologies in GPH, for example the showers that bring warm water, lifts to the bed rooms and others which has made gracious palace hotel more preferable to customers. This is also supported by to Sheifer, A (2004), who says that increasing competition improves a country's performance, opens business opportunities to its citizens and reduces the cost of goods and services throughout the economy.

2.4% (1) of the respondents took two sides as he argued that completion do affect organization performance to a smaller extend since there are other factors that impact on organization performance, and he gave examples of political factor like the stability of the country, government rules and regulations in place, and demography of the place. Some group of the respondents that is 14.3% (6) totally disagreed that competition does not affect organization performance in any way. Their view was that an organization performs basing on the objective set earlier and the goals the organization wants to achieve.

Others argued that profit maximization motive being the major reason for establishing a business entity is always the driving force to the performance of an organization, other than competition in the industry or market.

The research went ahead to establish the relationship between competition as one of the intervening variables in relation to individual and organizational performance and the finding is presented in the table below:

Table 18: The Relationship between Competition and Performance

	how competition affects individual performance	how competition affects organizational performance
how competition affects individual performance	1	.035
Pearson Correlation		
Sig. (1-tailed)		.412
N	42	42
how competition affects organizational performance	.035	1
Pearson Correlation		
Sig. (1-tailed)	.412	
N	42	42

From the table 18 above, a Spearman’s Rank Order correlation which was run showed that the relationship between competition and performance is positive weak ($r_s = 0.035$, $P = .412$). This means that besides the existing competition especially in the market, there are other factors that tend to cause more influence on performance of both an individual and the organization. These factors would include things like individual interest in the job in that if the person is not interested in the job he or she is doing, competition may not be his or her concern for improving

on performance. An organization's improved performance may also be related to other thing like the aim of achieving the objectives in place rather than out-competing other competitors.

On the other hand, poor performance of an organization may be related to low level of technology or even poor management other than stiff competition.

4.6.3 Socio-political factors and performance

Tables 19 and 20 below present the different perception levels of respondents on how socio political factors affect performance, while table 21 shows the correlation between socio political factors and performance.

Table 19: Socio-Political factors affect Individual Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	3	7.1	7.1	7.1
strongly disagree	7	16.7	16.7	23.8
partially agree	11	26.2	26.2	50.0
Agree	12	28.6	28.6	78.6
strongly agree	9	21.4	21.4	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to table 19 above, 21.4% (9) strongly agreed that the same socio-political factors that affect the organization's performance do affect their individual performance for example the high tax rates forces the organization managers to get their best out of the workers and this has always led to heavy duties for a day, and the positive attitudes of the people in the locality

towards their organization has always encouraged them to work harder so as to maintain their good image and remain competitive in the market.

This is in accordance with Rehbein and Lenway’s views (1994) that the aim of business firms, for their part, is to undertake strategic actions towards governments to gain specific support and improve their competitive position; and to gain further resources from political actors, the struggle is to strengthen market legitimacy and ultimately the competitiveness of the enterprise. 28.6% (12) agreed that their performance is always affected by these factors, 26.2% (11) partially agreed as they said these socio-political factors are not the only factors that affect their performance, also factors like management systems and others, 16.7 % (7) of the respondents strongly disagreed that their performance are never affected by socio-political factors, while 7.1% (3) disagreed that socio-political factors can affect their performance.

Table 20: Social Political factors affect Organizational Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	6	14.3	14.3	14.3
strongly disagree	1	2.4	2.4	16.7
partially agree	8	19.0	19.0	35.7
Agree	19	45.2	45.2	81.0
strongly agree	8	19.0	19.0	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

As shown in table 20 above, 19% (8) of the respondents strongly agreed, and 45.2% (19) agreed that socio political factors have great impact on the performance of an organization.

These respondents gave examples like people's attitudes towards the organization, status of the people in that locality as social factors. To them, the positive attitudes that people have towards GPH has improved the name of the hotel, thus there is increased market for the organizations products. According to these respondents, the positive attitudes that has been built towards GPH is due to its nature of inclusion, that is GPH employs all categories of people basing on merits rather than status. As asserted by these people, people neighboring GPH are more of well-off families, and this has increased the market of the organization's products. This is because most of these people are working classes who always lack time to prepare food, so most of them resort to buying ready food from the hotel.

This same group also argued that political factors like high taxes charged on the profits of organizations also affect the performance of GPH. This effect is mostly negative as it reduces on the earnings of the organization which in turn leads to hardship in expansion, making new investments and sometimes leads to delayed payments to workers which lead to lack of motivation at work hence low performance. 19% (8) partially agreed, and 16.7% (7) disagreed that socio-political factors affect organization's performance.

The research went ahead to establish the relationship between socio political factors as one of the intervening variable and performance (individual and organizational) and the result were as shown in the table below:

Table 21: Relationship between Socio Political factors and Performance

		how socio political factors affect organizational performance	how socio political factors affect individual performance
how socio political factors affect organizational performance	Pearson Correlation Sig. (1-tailed) N	1 42	.066 42
how socio political factors affect individual performance	Pearson Correlation Sig. (1-tailed) N	.066 42	1 42

From table 21 above, a Spearman's Rank order correlation run showed that the relationship between socio political factors and performance is positive weak ($r_s = 0.066$, $P = .339$). The reason for this could be that though the success of a business may relay on the laws in place and the attitudes of the society towards the business, there are other factors that a business has to consider if it is to operate efficiently and effectively. These factors may include; technological advancement in the country, price of other competitors and or the packaging of their products compared to that of competitors.

4.7 Relevance of social categorization theory

Table 22 below presents people's perceptions on the relevance of social categorization theory

Table 22: The level to which people like associating with similar others

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	10	23.8	23.8	23.8
Disagree	5	11.9	11.9	35.7
partially agree	5	11.9	11.9	47.6
Agree	13	31.0	31.0	78.6
strongly agree	9	21.4	21.4	100.0
Total	42	100.0	100.0	

Source: Primary data March 2014

According to table 22 above, 21.4% (9) of the respondents strongly agree that people like associating with people of their kind, 31% (13) agreed, 11.9% (5) partially agreed that people like associating with others of their kind as they said other people are naturally social and do not consider similarities or differences when associating, 11.9% (5) disagreed while 23.8% (10) strongly disagreed that people like associating with others of their kind.

Conclusion

The above chapter presented and discussed the findings from the field research on the elements of diversity and how each element impacts on individual and organization's performance, other intervening factors that impact on performance, the social categorization theory and whether

proper management of diversity can improve on performance. The discussion was based on respondents' views and interpretation of the situation surrounding GPH, Lira District.

However from the analysis above, one can see that although diversity is used by most business organizations to boost performance, it should not be solely relied on as the relation is found to be positive weak. But, the organization should equally consider other factors that do influence performance like the laws and regulations governing a particular industry, technology being used in the organization, political factors and the level of motivation of employees in the organization.

The next chapter presents the summary of the findings, general conclusions and recommendations deduced from the discussions presented in this chapter.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECCOMENDATIONS

5.0 Introduction

This chapter summarizes the findings of the study on diversity and performance. The findings were thematically presented, analyzed and discussed in the preceding chapter. The study mainly explored the elements of diversity, how these elements impact on performance and how other factors outside diversity elements impact on performance, and finally drew a deductive conclusion based on respondents' views and interpretation of diversity impact on performance.

Thus, in this chapter based on the findings, the study draws a general conclusion precede with viable recommendations for human resource managers both at governmental and non private entities with other stakeholders such as institutional investors, financial institutions involved in successful business operations.

5.1 Summary of the findings

The study found out that majority of employees at GPH was single employees. As per the findings from GPH, single employees just like the majority of the male employees tend to be more committed in their jobs as they have fewer responsibilities at home compared to married employees. The study also found that to get more information, it is the people who are directly involved in daily operations to be approached. This is because they are the ones who are always affected by the system in the organization, and these employees should have taken some reasonable duration in the organization as shown in table 5, where most of the respondents had taken at least 2–5 years working in GPH. This is because these people are believed to have known better the organizations system as well as how it operates.

The study explored that racial diversity was significantly responsibly for improved organizational and individual performance in multicultural organizations like in Gracious Palace Hotel (GPH)Lira District, but that similarity attraction element have to be blamed for the isolation and discrimination of some employees in the organization. The study found that core elements of diversity as means of achieved performance include age, as older employees were found to be more experienced employees in their jobs due to the time period they have taken in their jobs, while younger employees were found to be more energetic people to be involved in tasks that require human fitness for better performance. Older employees were also found to be better decision makers while younger employees are known for good memory keeping. Thus, all age groups were found to be necessary for good performance to be achieved.

The study also found that education level of employees as one of the elements of diversity facilitated performance of individual employees as well as that of the organization. And that the knowledge gained by employees through formal education was responsible for their good behaviors at work. That alone called for considerations to be taken on the levels of education acquired by each employee and the relevant of the acquired skills to a particular job.

Findings from the impact of religion on individual performance showed that the majority of the respondents strongly agreed that their religious believes improve on their performance. According to these people, the good works taught to them in their different religious denominations influence their actions in whatever they do as they tend to obey their faiths hence improving on their performance.

The study also found out that Competition had high impact on individual performance as well as on organization's performance. And that competition is responsible for improved performance as a business or an organization always strives to be on top of other organizations in the same

industry just like employees are encouraged to work hard to sustain their positions as well as to be promoted in their jobs.

Socio-political factors were found to have a strong influence on organization's performance as well as on individual performance. This was based on the findings that people would want to associate more with a business that is law abiding and known for good acts by the community other than illegal and businesses known for bad acts in the community.

The study found out that majority of people like associating with people of their kind, and that proper management was believed to have strong impact on the performance of a diverse workforce. Thus, Diversity was found to have impact on performance on so many ways as explained the previous chapters.

Conclusion

It is only through the employees that an organization can achieve its intensions, but to be able to achieve these intents, it has to maintain proper human resource system in the organization and well established recruitment procedures. Though employees are seen as a means of getting work done, the composition of the workforce matters, which is how the workforce is mixed in terms of race, age, education levels or even religious differences. Therefore, the human resource manager should be critical enough in analyzing these differences in race, education levels, religion and age if good results are to be realized at the end of the financial year of an organization.

However, other factors that may be out of human attribute such as competition in the industry or market as well as socio-political factors should also be considered when analyzing the organization's environment for better performance.

Management being overall drivers to an organization should be well established so as to facilitate employees as they perform their jobs. The management should also be able to determine the kind of relationship that exist within the workforce so as to know how best to perform job placements and locations of employees in an organization.

The correlation results found that the discussed diversity elements are weakly related the performance, and the general correlation relationship between diversity and performance was found to be negative, implying that though diversity is advantageous to an organization's performance, increase in diversity among the workforce may lead to decrease in performance, while increase in performance may portray decrease in diversity in the organization's workforce.

5.3 Recommendations

From the findings in the previous chapter we saw that different diversity variables affected performance in different ways. Human resource managers should therefore be careful enough when recruiting employees so as to pick on variable that will enhance performance rather than diminishing performance of the organization.

Given the relationship between diversity and performance, human resource managers should therefore value diversity in their workforce so as to benefit from the different variables entailed in diversity. As the findings showed that people surely like associating with others of their kind, management should establish arrangements where employees with similar background or even language are located separately from people of their very kind. This would help to reduces on the time wasted by such employees discussing their personal issues other than doing their jobs.

Proper management system should be put in place so as to enable easy communication both horizontally and vertically.

The management in place should also be able to make employees feel incorporated, that is, feel a sense of belonging in the organization. This in turn promotes team work as everyone aims at achieving the organization's goals and objectives.

On the idea that customers feel more comfortable being welcomed in their own language, Human resource managers should consider languages as an item in qualifications of employees.

Managers should emphasize ethical behaviors in the organization especially on issues of discrimination so as to ensure everyone is treated well irrespective of race, education level, religion or age so as to create a conducive working environment for all workers and customers to the organization.

To reduce on the problem of different religious reducing on the working days, managers should put up a policy where employees who pray on working days are given either extra hours of work or even a weekend so that they compensate on the day lost before. This will in turn reduce on the problem of low production.

Management should place employees in accordance to their capabilities both in reasoning and strength, for example older employees should be given jobs that suit their energy and memory ability while young ones take on heavier jobs (jobs that require physical fitness) and jobs that require good memory ability. This will reduce on accidents and mistakes due to lack of fitness and forgetfulness respectively.

5.4 Suggestions for future research

How diverse workforce can be managed for improved performance.

How women in the workforce has impacted on performance.

References/ Bibliography

AGARS, M., 2004. Reconsidering the impact of gender stereotypes on the advancement of women in organizations. *Psychology of Women Quarterly* [online] 28. Available at: <http://onlinelibrary.wiley.com/doi/10.1111/j.1471-6402.2004.00127.x/full> [Accessed: 12 May 2013].

ANDERSON, GARY M, 1988. Mr. Smith and the Preachers: The Economics of Religion in the Wealth of Nations. *Journal of Political Economy* [online] 96. Available at: <http://ideas.repec.org/a/ucp/jpolec/v96y1988i5p1066-88.html> [Accessed: 23 October 2012]

Ann, H 1986. College experiences and managerial performance. *Journal of Applied Psychology*, 71(3), pp530-552. Viewed 21 August 2013.<psynet.apa.org/index.cfm?fa=buy.opyionToBuy&id=1986-31458-001>

ARMSTRONG, J. S., BRODIE, R. J., and PARSONS, A. G. 2001. *Hypotheses in marketing science: Literature review and publication audit* [online] 12. Available at: http://repository.upenn.edu/cgi/viewcontent.cgi?article=1026&context=marketing_papers [Accessed: 12 May 2012]

AVOLIO BJ, WALDMAN DA. 1990. An examination of age and cognitive test performance across job complexity and occupational types. *Journal of Applied Psychology* [online] 75. Available at: <http://www.ncbi.nlm.nih.gov/pubmed/2307633> [Accesses 27 February 2013].

BEAR G.G, MANNING M.A, and IZARD C.E. 2003. Responsible behavior: The importance of social cognition and emotion. *School Psychology Quarterly* [online] 18. Available at: eric.ed.gov/?id=EJ672634 [Accessed 21 December 2013].

BELL, S. T et al., 2011. Getting specific: A meta-analysis of the team demographic diversity and performance relationships. *Journal of Management* [online] 37. Available at: jon.sagepub.com/content/37/8/709.abstract [Accessed 20 May 2012]

BERRY C.M, GRUYS M.L, and SACKETT P.R. 2006. Educational attainment as a proxy for cognitive ability in selection: Effects of levels of cognitive ability and adverse impact. *Journal of Applied Psychology* [online] 91. Available at: psycnet.apa.org/index.cfm?fa=buy.optionToBuy&id=2006-07101 [Accessed 5 April 2014].

BLUM, U and DUDLEY, L. 2001. Religion and Economic Growth: Was Weber Right? *Journal of evolutionary economics* [online] 11. Available at: download.springer.com/static/pdf/429/art%252fpL00003862.pdf?auth66=1397910255-604605089c10b8aefcc9f52279f529c4&ext=.pdf

BORDENS, K.S. and ABBOT ,B.B., 2011. *Internal and external validity, a process Approach: Research design and methods*, 8th Edition, New York: McGraw-Hill International.

BRENNER, O.C. 1982. Relationship of education to sex, managerial status, and the managerial stereotype. *Journal of Applied Psychology*, 67. Pp. 380–383. Viewed 14 April 2013. <psycnet.apa.org/index.cfm?fa=buy.optionToBuy&id=1982-26840-001>

BRUNSSON, N, 1986. *Industrial Policy as Implementation or Legitimacy*. Berlin: De Gryyter press.

BYRNE, D., 1971. *The attraction paradigm*. New York: Academic Press.

CECI S.J. 1991. How much does schooling influence general intelligence and its cognitive components? A reassessment of the evidence. *Developmental Psychology*, 27. Pp. 703–722.

Viewed 23 May 2013. < pyscnet.apa.org/index.cfm?fa=buy.optionToBuy&id=1992-12228-001>

COX, T., 1993. *Cultural diversity in organizations, theory, research and practice*. San Francisco, CA: Berrett-Koehler Publishing. Viewed 15 January 2012. < www.bertelsmann-stiftung-de/bst/en/media/xcms-bst,dms-23946-23996-2.pdf

CRESWELL, J., 2009. *Research design: Qualitative, Quantitative and Mixed Methods Approaches*. 3rd Edition. USA: SAGE Publications, Inc.

DI VESTA F.J, THOMPSON G.G. 1970. *Educational psychology: Instruction and behavioral change*. New York: Appleton-Century-Crofts.

EDELMAN, L. B., FULLER, S. R., and MARA-DRITA, I., 2001. Diversity rhetoric and the managerialization of law. *The American Journal of Sociology* [online] 106. Available at: www.jstor.org/stable/10.1086/321303 [Accesses 20 March 2013]

ELY, R. J., and THOMAS, D. A., 2001. Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly* [online]

46 Available at: <http://links.jstor.org/sici?sici=0001-8392%28200106%2946%3A2%33C229%3ACDAWTE%3E2.0.CO%3B2-F> [Accessed 17 February 2012].

ERON, V, ANN M. 1995. Ways to Assess Diversity Success. *HR Magazine* (August):Pp 51-60.

FORD A.D, OLMI D.J, EDWARDS R.P, and TINGSTORM D.H. 2001. The sequential introduction of compliance training components with elementary-aged children in general education classroom settings. *Social Psychology Quarterly*, 16 pp. 142–157. Viewed 14 April 2013 <psynet.apa.org/journals/spq/16/2/142/>

FRINK, et al., 2003. Gender demography and organizational performance: A two-study investigation with convergence. *Group and Organization Management* [online] Available at: gom.sagepub.com/com/content/28/1/127.short [Accessed 11 March 2012].

GARETH, R.J and JENNIFER, M.G, 2003. *Contemporary management*, 3rd Edition. New York, McGraw-Hill

GERRING, E., 2007. *Case study Research: Principles and Practices*. USA: Cambridge University press.

GURIN, et al. 2004. The Benefits of Diversity in Education for Democratic Citizenship. *Journal of Social Issues* [online] 60. Available at: www-personal.umich.edu/pgurin/benefits.html [Accessed 10 August 2013]

HADJIKHANI, A., 2000. The Political Behavior of Business Actors, *International Studies of Management and Organization*, 30(2), 95–119.

HAGEN, EVERETT, E 1962. *On the Theory of Social Change*. Homewood, IL: Dorsey Press.

HEILMAN, M. E., WALLEN, A. S., FUCHS, D., and TAMKINS, M. M., 2004. Penalties for success: Reactions to women who succeed at male gender-typed tasks. *Journal of Applied Psychology*, 89(3) pp 416- 427

HENISZ, W.J., 2003. The Power of the Buckley and Casson Thesis: The ability to manage institutional idiosyncrasies, *Journal of International Business Studies* [online] Available at: <http://www.palgrave-journals.com/jibs/journal/v34/n2/full/8400015a.html>, [Accessed 14 April 2012].

HOSELITZ, Bert F. 1960. *Sociological Aspects of Economic Growth*. Glencoe, IL: Free Press

HSIEH, CT and ENRICO, M, 2003. Can Free Entry Be Inefficient? Fixed Commissions and Social Waste in the Real Estate Industry. *Journal of Political Economy*. [online] 1076. Available at: [faculty.chicagobooth.edu/chang-tai.hsieh/research/jpe real estate.pdf](http://faculty.chicagobooth.edu/chang-tai.hsieh/research/jpe_real_estate.pdf) [Accessed: 17 August 2013]

HUBBARD, EDWARD E. 1997. *Measuring Diversity Results*. Petaluma, CA: Global Insights.

HUBBARD, EDWARD E. 1999. *How to Calculate Diversity Return on Investment*. Petaluma, CA: Global Insights.

HUBBARD, EDWARD E., 2004. *The Diversity Scorecard: Evaluating the Impact of Diversity on organizational Performance*. Burlington, MA: Elsevier Butterworth-Heinemann.

HUNTER J.E, HUNTER R.F. 1984. Validity and utility of alternative predictors of job performance. *Psychological Bulletin*, 96. Pp. 72–98. Viewed 21 June 2013<psynet.apa.org/journals/bul/96/1/72/>

HUNTER J.E. 1986. Cognitive ability, cognitive aptitudes, job knowledge, and job performance. *Journal of Vocational Behavior*, 29. Pp. 340–362 [online] Available at: apps.opm.gov/adt/content.aspx?page=3-04&AspxAutoDetectCookieSupport=1&Jscript=1 [Accessed 21 April 2012].

IANNACCONE, LR. 1998. Introduction to the Economics of Religion, *Journal of Economic Literature*, 36(1),pp.1465- 1496.

JACKSON, S. E., JOSHI, A., and ERHARDT, N. L., 2003. Recent research on team and organizational diversity: SWOT analysis and implications. *Journal of Management*, [online] available at: jom.sagepub.com/content/29/6/801.abstract [Accessed 29 July 2013].

JACKSON, S. E., JOSHI, A., and ERHARDT, N. L. 2003. Recent research on team and organizational diversity: SWOT analysis and Implications. *Journal of Management*, 29. Pp. 801-830.

JACOBSON, C.K., LENWAY, S.L. and RING, P.S., 1993. The Political Embeddedness of Private Economic Transactions, *Journal of Management Studies*, [online] Available at: onlinelibrary.wiley.com/doi/10.1111/j.1467-6486.1993.tb00313.x/abstract [Accessed 12 October 2013].

JEHN, K., NORTHCRAFT, G. B., and NEALE, M. A. 1999. Why differences make a difference: A field study of diversity, conflict, and performance in workgroups. *Administrative Science Quarterly*, 44. Pp.741-763.

JEHN, KA et al., 1999. Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Workgroups. *Administrative Science Quarterly*. 37.pp.23-43

JUDGE T.A, BRETZ R.D. 1992. Effects of work values on job choice decisions. *Journal of Applied Psychology*, 77. Pp. 261–271. Viewed 21 November 2013<psycnet.apa.org/index.cfm?fa=buy.optionToBuy&id=1992-37205-001>

KAUFMAN H.G. 1990. *Assessing adolescent and adult intelligence*. Needham Heights, MA: Allyn and Bacon.

KLEHE U, ANDERSON N. 2007. Working hard and work smart: Motivation and ability during typical and maximum performance. *Journal of Applied Psychology*, 92. Pp. 978–992.

KOCHAN, T, et al., 2003. The effects of diversity on business performance: Report of the diversity research network. *Human Resource Management*, 42. Pp. 3-21.

KONOVSKY M.A, Organ D.W. 1996. Dispositional and contextual dimensions of organizational citizenship behavior. *Journal of Organizational Behavior*, 17. Pp. 253–266.

KOTHARI, C.r., 2004. *Research Methodology: Methods and techniques*. New Delhi: New age Intern (Ltd)

LAL, D. 1998. *Unintended Consequences: The Impact of Factor Endowments, Culture, and Politics on long run economic performance*. USA. MT Press.

LANDES, DAVID S. 1998. *The Wealth and Poverty of Nations*. New York: W.W. Norton and Company.

LENWAY, A. and MURTHA, T., 1994. Country Capabilities and the Strategic State: How National Political Institutions Affect Multinational Corporations' Strategies, *Strategic Management Journal*, 15. Pp. 113-129.

MAURICE E. S and ALLEN P. G. 2011. *Why More Antitrust Immunity for the Media is a Bad Idea*. 1399. Pp.1401–1402

MAX, H. 2012. *Marrying Neo-Chicago with Behavioral Antitrust*. 78 Antitrust LJ 105, 134

- MCCLELLAND, DAVID C. 1961. *The Achieving Society*. New York: The Free Press
- MCLEOD, POPPY and STEPHEN, L., 1992. The Effects of Ethnic Diversity on Idea Generation in Small Groups. *Annual report 1992-1993*. Las Vegas, Nevada.
- MEIER, et al., 2001. Managerial Strategies and Behavior in Networks: A Model with Evidence. *Journal of Public Administration Research & Theory*. 11(3).pp. 271-293.
- MILLIKEN, F. J, and MARTINS, L. L., 1996. Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of Management Review*, 21. pp.402-433.
- MILLIKEN, FRANCES and LUIS, M., 1996. Searching for Common Threads: Understanding the Multiple Effects of Diversity in Organizational Groups. *Academy of Management Review*. 21(2).pp.402-433.
- O' REILLY, CHARLES A., D. E. CALDWELL, and BARNETT W.P 1989. Work Group Demography, Social Integration, and Turnover. *Administrative Science Quarterly*34. Pp. 21-37.
- OH, J, SHIN, E.H. 2003. Inequalities in nonfatal work injury: The significance of race, human capital, and occupations. *Social Science and Medicine*, 57. Pp. 2173–2182.
- ORBACH, B 2008. *Antitrust Vertical Myopia: The Allure of High Prices* [online] 50. Available at: papers.ssrn.com/so13/papers.cfm?abstract-id=1033440 [Accessed: 30 June 2013].
- PELLED, L. H., 1996. Demographic diversity, conflict, and work group outcomes: An intervention process theory. *Organization Science*, 7. pp. 615-631.
- PETER, W. 2003. Diversity in America. *Society*, 40. Pp. 60-67.

- RAVLIN E.C, MEGLINO B.M. 1987. Effects of values on perception and decision making: A study of alternative work values measures. *Journal of Applied Psychology*, 72. Pp. 666–673.
- REE M.J, EARLES J.A, and TEACHOUT M.S. 1994. Predicting job performance. *Journal of Applied Psychology*, 79. Pp. 518–524.
- RICHARD, O. C., KOCHAN, T. A., and MCMILLAN-CAPEHART, A. 2002. The impact of visible diversity on organizational effectiveness: Disclosing the contents in Pandora's black box. *Journal of Business and Management*, 8. Pp. 265-291.
- Rosenberg, M. 1968. *The logic of survey analysis*. New York: Basic Books.
- ROTHMAN, et al., 2003a. Does Enrollment Diversity Improve University Education? *International Journal of Public Opinion Research*. 15.pp.8-26.
- ROTHMAN, et al., 2003b. Racial Diversity Reconsidered. *The Public Interest*. 151.pp.25-38.
- RYAN, et al., 2002. The Political Economy of Diversity: Diversity Programs in Fortune 500 Companies. *Sociological Research Online* (Feb, 25, 2014)
- SCHIPPERS, M. C., HARTOG, D. N., KOOPMAN, P. L., and WIENK, J. A., 2003. Diversity and team outcomes: The moderating effects of outcome interdependence and group longevity and the mediating effect of reflexivity. *Journal of Organizational Behavior*, 24. pp. 779-882.
- SCHMIDT F.L, Hunter J.E. 1998. The validity and utility of selection methods in personnel psychology: Practical and theoretical implications of 85 years of research findings. *Psychological Bulletin*, 124. Pp. 262–274.
- SCOTT, R.W., 2001. *Institutions and Organizations*, 2nd Edition. Sage : Thousand Oaks, CA

SHEIFER, A 2004. Does Competition Destroy Ethical Behavior: *American Economic Review*
[online]94. Available at: <https://www.aeaweb.org/articles.php?doi=10.1257/0002828041301498>

[Accessed: 29 May 2012]

SKERRY, 2002. Beyond Sushiology: Does Diversity Work?" *Brookings Review*. 20.pp 20-23.

SOMEKH, B., and LEWIN, C., 2005. *Research Methods in Social Sciences*. (ed.) London, Thousand Oaks, New Delhi: SAGE Publications.

STAW B.M, BARSADE S.G. 1993. Affect and managerial performance: A test of the sadder-but-wiser vs. happier-and-smarter hypotheses. *Administrative Science Quarterly*, 38. Pp. 304–331.

SWENSON-LEPPER T. 2005. Ethical sensitivity for organizational communication issues: Examining individual and organizational differences. *Journal of Business Ethics*, 59. Pp. 205–231.

TAJFEL, H. 1978. *Social categorization, social identity and social comparison*. Differentiation between social groups: Studies in the social psychology of intergroup relations. London: Academic Press.

TAJFEL, H., and Turner, J. C. 1986. *The social identity theory of intergroup behavior*. *Psychology of intergroup relations*, 2nd Edition,. Chicago: Nelson-Hall Publishers.

Thompson, (2002). *Organizational behavior*. McGraw-Hill. New York.

TSUI, A. S., and O'REILLY, C. A., 1989. Beyond simple demographic effects: The importance of relational demography in superior-subordinate dyads. *Academy of Management Journal*, 32. Pp.402-423.

TSUI, et al., 1992. Being Different: Relational Demography and Organizational Attachment. *Administrative Science Quarterly* 37, pp. 549-579.

VAN KNIPPENBERG, D., 2003. *Intergroup relations in organizations. International handbook of organizational teamwork and cooperative working*. Chichester, UK: Wiley.

VAN KNIPPENBERG, D., and SCHIPPERS, M. C. 2007. Work group diversity. *Annual Review of Psychology*, 58. Pp. 515-541.

VAN KNIPPENBERG, D., DE DREU, C. K. W., and HOMAN, A. C. 2004. Work group diversity and group performance: An integrative model and research agenda. *Journal of Applied Psychology*, 89. Pp. 1008-1022.

VON BERGEN, C. W., SOPER, B., and FOSTER, T. 2002. Unintended negative effects of diversity management. *Public Personnel Management*, 31, 239-251.

Appendix 1: QUESTIONNAIRES FOR IMPACT OF DIVERSITY ON PERFORMANCE

I am Akello Joyce, a student of Uganda Martyrs University, pursuing a degree in Business Administration and Management. I am conducting a study to find out how diversity among employees impact on the performance of an organization. Kindly answer these questions as honestly as possible. There is no need to disclose your name. All the information will be treated with highest degree of confidentiality and used only for the purpose of this study. Thank you in advance for your cooperation.

Please tick in the box to show the management level in which you fall

Qn1. What level of management do you belong in Gracious Palace Hotel (GPH)?

Senior level

Middle management

Other employee

Customer

Other (specify)

Qn2. What gender are you?

Male

Female

Qn3. For how long have you been working at GPH?

1 yr 2yrs 3- 5yrs 6-10yrs 10 and above

Qn4. What is your education level?

Secondary College University Others (specify)

Qn5. What is your marital status?

Married

Single

Divorced

Widow

Widower

Qn6 (a). Given the range 1-5 as percentages, to what extent do you agree these diversity attributes affect your individual performance? (**Tick in the boxes below the figure**)

	(1)	(2)	(3)	(4)	(5)
Race					
Age					
Education level					
Religion					

(b) Give reasons for your choice in the table above basing on:

Race

.....

.....

.....

.....

Age

.....

.....

Education level

.....

.....

.....

.....

Religion

.....

.....

.....

7 (a) On the scale 1-5, do you think the above diversity variables affect organizational performance?

	(1)	(2)	(3)	(4)	(5)
Race					
Age					
Education level					
Religion					

Give reasons

Race

.....

.....

.....

.....

Age

.....

.....

.....

.....

Education level

.....

.....

.....

.....

Religion

.....

.....

Qn8 (a). As an employee at GPH, to what extent do you agree that diversity has any impact on organizational and individual performance? (**Circle the letter of your choice**)

- A. Strongly agree
- B. Agree
- C. Partially agree
- D. Strongly disagree
- E. Disagree

(b) Depending on the alternative chosen above, explain what you those impacts are on both organization and individual performance.

.....

.....

Qn9 (a) To what extend does competition affect individual performance in an organization?

(Tick in the box)

Very high

High

Very low

Low

No effect

(b) Give reasons to defend your alternative above

.....

.....

.....

.....

Qn10 (a) To what extent do you agree that competition affect organizational performance?

(Tick in the box)

Strongly agree

Agree

Partially agree

Strongly disagree

Disagree

(b) Give reasons for your choice above

.....

.....

.....

.....

Qn11 (a) Indicate the level to which you agree that socio-political factors affect the performance of Gracious Palace Hotel? (**Tick in the box**)

Strongly agree

Agree

Partially agree

Strongly disagree

Disagree

(a) With examples, explain your choice above

.....

.....

Qn12 (a) To what extent do you agree or disagree that socio-political factors affect individual's performance? (**Tick in the boxes below the statement**)

	Strongly agree	Agree	Partially agree	Strongly disagree	Disagree
Socio-political factors					

(b) Giving examples, explain how these factors affect the performance of an individual in an organization.

.....

.....

.....

.....

Qn13 (a) Given the range of 1-5, to what level do you think people at work prefer associating with people with whom they have same characteristics than others? (**Tick below the letters**)

	(1)	(2)	(3)	(4)	(5)
People will like to associate with people of their kind					

(b) Give reasons

.....

.....

.....

.....

Qn14. On a scale 1-5, do you think a properly managed diverse workforce improve on organizational performance?

	Organizational performance				
Proper management of diverse workforce	(1)	(2)	(3)	(4)	(5)

Give reasons

.....

.....

.....

Thank you very much for your input.

Appendix 2: Research budget

Particulars	Quantity	Cost per unit	Amount
Stationery	1 Ream of papers	12000	12000
Transport	5 Routes	300000	300000
Air Time	For 4 months	60000	60000

Appendix 3: Work plan

Activity	By who?	Place	Time frame	Remark
Designing questionnaires	Researcher	Uganda Martyrs University Library	1 month	So tedious
Data collection	Researcher	UMU library and the field	Two and Half years	Hard
Data Analysis	Researcher	Residence	2 weeks	Hectic