



Policy Brief



Closing the Gap: Attaining Work Force Diversity and Pluralism in Kenya's Private Sector

1. Introduction

Diversity is any visible or invisible dimension that can be used to differentiate groups and people from one another. The existence of workplace diversity, within an organization, indicates that the workplace is heterogeneous in terms of gender, race, and ethnicity, hence employees possess distinct elements and qualities, differing from one person to another. Diversity is an important part that both employers and employees have to deal with in today's globalized world. Positive aspects of diversity in the workplace include: exchange of ideas because of the diverse cultures of employees, the development of friendships without discrimination, development of coping mechanisms by workers in light of the diverse environment, elimination of stereotypes, and the retention of employees due to healthy competition. The challenge, may however, include communication gaps due to language barriers and resistance to change.

Employers, whether in the public or the private sector, in any society, play a pivotal role in creating an inclusive society by embracing diversity, and the development and enforcement of policies that promote diversity and pluralism at the workplace. The private sector in Kenya, has over the years substantially contributed to the country's economic growth. As of December 2015, Kenya had 40,283 registered companies, out of which 40 were public local companies, 40,022 were private local companies and 221 were foreign companies (KNBS Statistical Abstract, 2016). Wage employment in Kenya's private sector increased by 3.3% between 2015 and 2016, while in the public sector wage employment increased by 2.6% over the same period.

Business activities by the private sector in Kenya generate jobs and build human capital with multiplier effects on the social and economic development of citizens. If supported, by responsible business practices and institutional policy innovations, players in the Kenya private sector can make major contributions to the realization of diversity and pluralism in workplaces and, by extension, contribute towards a more inclusive and pluralistic society, even as they pursue core business interests.

Of concern however, is that organizations and their management teams often define diversity too narrowly along the lines of tolerating rather than embracing Government guidelines about inclusion of gender and racial diversity in the workplace; focusing on the avoidance of legal risks, rather than the benefits of diversity; and doing the minimum necessary, rather than the maximum, to promote diversity (Otiye, Messah and Mwalekwah, 2009).

Organizational leadership and top management are, for the most part, responsible for the success of diversity policies and strategies and the promotion of pluralism in the workplace by developing diversity policies and initiatives and ensuring that policies developed are incorporated into each aspect of the organization's functions and mission. The top leadership and management in Kenya's private sector organizations therefore, have the responsibility of supporting employees in learning how to effectively appreciate, interact with and manage people in a diverse workplace. There is a need for greater awareness of the benefits of diverse and pluralistic workplaces, given the accruing benefits, not only to organizations in the sector but the nation at large.

2. Highlights of study findings

The objective of the study on Diversity Management and Pluralism in Kenya's Major Private Sector is to establish the status of pluralism in the private sector in Kenya by examining: efforts by players in the sector aimed at promoting pluralism; the nature of diversity management in the sector; the extent to which the sector has embraced or resisted efforts towards pluralism; and identification of trends, challenges and drivers of pluralism in the sector. The study aims at facilitating a common understanding of pluralism among all stakeholders in Kenya's private sector. The findings provide a resource list for private sector organizations' top leadership and management to learn more about diversity management and pluralism, with the goal of optimizing their organization's approach to diversity management, and the ultimate realization of pluralistic workplaces.

Successful management of diversity in organizations, results in greater understanding and appreciation of differences existing among individuals and groups which leads to: more diverse, inclusive and pluralistic workplaces; greater levels of employee satisfaction; increased productivity and profitability; and enhanced organizational competitiveness. These are important in the work environment and to any economy, as they contribute to the realization of pluralistic organizations and increased organization competitiveness, which ultimately impact on the society, as it is then more likely to attain, or at least genuinely pursue, inclusive social economic development as individuals and groups are able to secure jobs in organizations providing them with opportunities to advance in terms of career development and other aspects of social and economic growth.

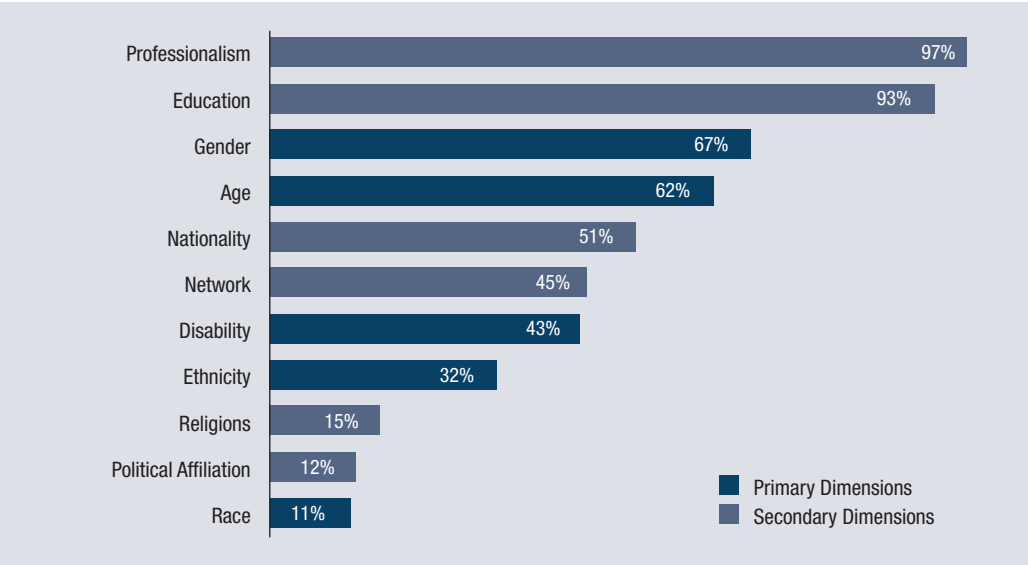
A failure to appreciate that diversity could be strength for firms, may be a missed opportunity to combine social objectives with competitive advantage or improved performance in Kenya. A few of the companies surveyed have embedded diversity as a major element of their human resources policies. The few that have done so, are however not able to connect it to firm performance.

Preliminary findings from the research are that: The understanding of pluralism and diversity among the companies in the private sector is heavily influenced by the politics and human rights rhetoric. There appears to be a significant reluctance by firms to discuss these issues openly because they have strong connections to the ethnic politics that are a major source of division among Kenyans. It

is evident that firms in the NSE do understand that, apart from the general requirement to “respect” the constitutional principle of equal treatment, diversity also has a value for enterprise. However, in general this understanding does not seem to translate into specific and consistent actions to support or improve diversity management within firms. It also emerged, from the study, that very few of the Human Resource Managers monitored and evaluated the level of diversity in their organizations. There also seem to be no incentives to enhance diversity as there is no tradition in the private sector of recognizing organizations that promote diversity.

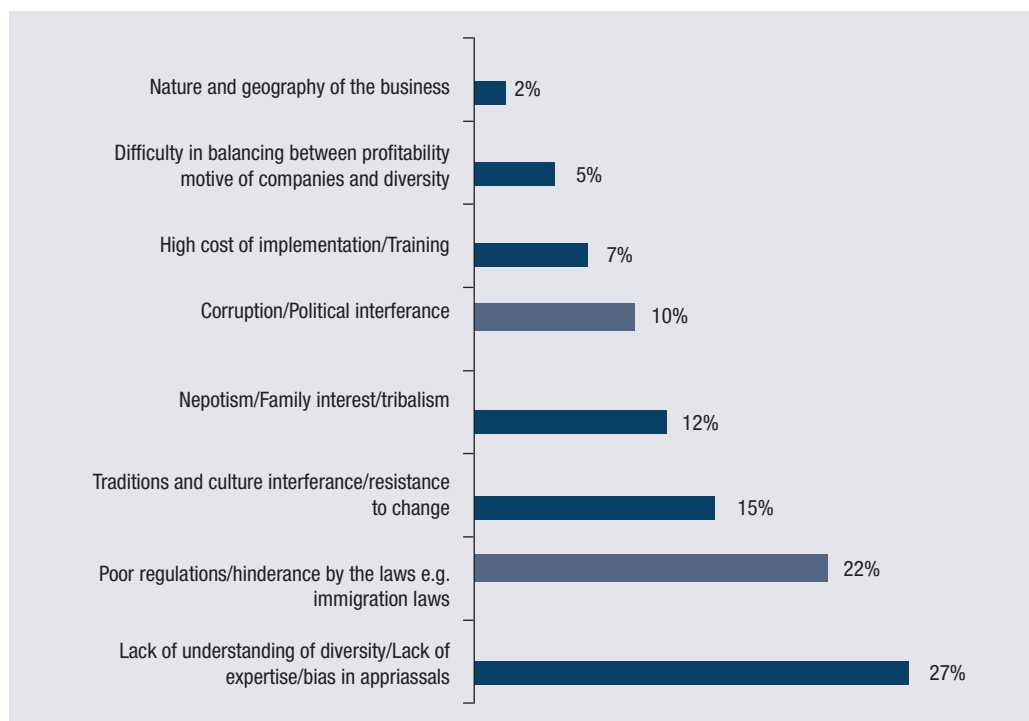
Companies in the private sector are also placing more emphasis on charitable giving and Corporate Social Responsibility (CSR), than internal diversity within corporate boards, executives and the general employee talent pool. At the board level, it appears that there is a deliberate attempt to incorporate women. However, the numbers are still below half the requirement and there is little professional diversity among these women with most being lawyers and bankers. Almost no firms involved in the initial research phase, connected their diversity management efforts to their experiences during the conflict after elections in 2008.

Diagram 1: Dimensions of diversity considered when recruiting for board and top management positions



Challenges in managing diversity and attaining pluralism at organizations’ board, management and staffing levels, identified by stakeholders in the sector include: stakeholder unfamiliarity with the concept of pluralism and the economic benefits of diversity; the high cost of initiatives aimed at addressing diversity concerns; the prioritization of other factors, for instance, individuals qualifications over diversity during recruitment; majority of applications for jobs are received and reviewed based on ethnic linings; the influence of networks during recruitment; the influence of politicians and shareholders in some organizations during appointments; lack of commitment to ensuring diverse work places by leadership in some organizations; a weak regulatory framework and enforcement of law; lack of implementation of policies promoting pluralism and diversity; the persistence of stereotypes; semi-transparent recruitment processes based on board members’ preferences, biased and bureaucratic leadership and poor communication channels.

Diagram 2: Main challenges faced by organizations while implementing diversity initiatives in Kenya



Some of the practices by private sector organizations identified by stakeholders surveyed in the study as enabling the realization of diversity in the workplace include: availability of policies promoting diversity, open work spaces that encourage interaction among employees, and organizational structures that enable employees to rise through the ranks.

Conclusion

The changing demographics in workforce composition in Kenya, not only increases the amount of diversity that organizations need to manage, but also affects business operations, productivity, balance sheets and, inevitably, the overall economic well-being of the country. Players in the sector should move beyond merely creating diverse workplaces, to ensuring pluralism. Pluralism, which is a positive response to diversity embedded within policies, practices and norms, goes beyond viewing diversity as mere numerical representation of certain groups, to deeper interaction and genuine engagement between diverse groups. .

3. Policy recommendations

Bringing about the changes required to build and maintain diversity and promote pluralism in the private sector requires strategy, commitment, communication, and concrete changes in organizational procedures. Private sector organizations should, through policies and deliberate action, ensure good management of diversity and promote pluralism. Private sector organizations should:

(a) Establish platform for organization transformation

Private sector firms should view diversity as an opportunity and not a problem. The top leadership including the board of an organization as well as its top management, are responsible for the realization of diversity in the workplace and the promotion of pluralism. Players in the sector should continuously challenge themselves to guide the ever expanding scope and needs of diversity at the workplace. Besides managing diversity, organizations in the Kenyan private sector should emphasize transformation towards pluralism in the work place. This can be attained through:

- Communicating company imperatives for the culture change towards embracing diversity.
- Sensitizing players in the sector on diversity, pluralism and the benefits of pluralism and impact of diversity management on the workforce and businesses.
- Holding regular dialogue platforms on diversity and pluralism with stakeholders in the sector including the regulators.
- Dismantling barriers established by networks in the recruitment process.

(b) Establish competencies to guide and manage a diverse workforce

The ability of private sector organization's management and staff to appreciate workplace diversity and pluralistic environments, can be enhanced through imparting knowledge on these areas. Top management and staff in private sector organizations in Kenya should understand multiple cultures, values, and norms, demonstrate an ability to embrace and coexist with different dimensions of diversity in order to be effective across cultural contexts, understand the dynamics of inclusion-related conflicts, tensions, misunderstandings, recognize and address biases and effectively manage group dynamics, know and apply best practices in diversity and inclusion initiatives, strategies and policies. Players in the sector should develop and cultivate skills that will promote diversity and pluralism at the work place. Organizations in the sector should:

- Train Human Resource Managers on diversity management, pluralism and monitoring the results of interventions.
- Raise awareness and train staff on dimensions of diversity, and pluralism.
- Establish organization leadership and management practices that model inclusive behaviour practices and leveraging diversity.
- Ensure that strategies for recruitment balance meritocracy and attainment of diversity.

(c) Enabling policies and strategies

Companies in the private sector should develop policies that support the strategy towards realization of diversity at the work place. They should set up several initiatives to improve the representation of diverse groups in the organization by influencing organizational policies and practices. These initiatives may include, for instance, equal opportunity policies and affirmative action policies that aim at increasing the representation of diverse groups in different levels of employment. Equal opportunity policies focus on removing barriers to the equal treatment of groups while affirmative action policies focus on the effects of equal treatment and equal results for diverse groups. Companies should:

- Ensure work spaces including office buildings are accessible to people with disabilities.
- Put in place support networks for new recruits to minimize isolation.

- Develop, adopt and enforce clear strategies and formal policies that promote diversity and pluralism in the organization.
- Budget for implementation of diversity and monitoring diversity initiatives put in place by the organization.

(c) Intervene to leverage a diverse workforce

Besides putting in place diversity initiatives, organizations in the private sector should take specific steps to benefit from a diverse workforce. It is important that employees understand the business case for diversity. Organizations should therefore link diversity initiatives to the desired outcomes for the organization. Organizations in the sector should:

- Ensure top organization leadership and management show commitment and accountability to ensuring diversity.
- Conduct needs assessment of the employees, jobs and the organization to ensure that diversity issues are well identified for appropriate interventions.
- Establish metrics and evaluate the effectiveness of diversity initiatives put in place by the organization.
- Have diversity management at the core of human resource practices and policies.

(d) Adhere to legislation and regulations on diversity

Stakeholders in the private sector should ensure strict compliance with laid down regulations and legislative provisions on diversity and diversity management. These should be embedded into regulations and policies developed by organizations in the sector. Players in the sector should also come together for common interpretation of legal provisions touching on diversity and diversity management as they work towards ensuring uniform understanding and full implementation of the same. They should:

- Strengthen sector regulator's capacity to effectively supervise and coordinate diversity management in the sector.
- Comply with the good corporate governance principles like separation between board membership composition and company ownership.
- Strengthen the International Organization of Standardization (ISO) certification process in the country by including diversity and pluralism principles.
- Put in place standardized monitoring and reporting mechanisms on diversity by players in the sector.

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