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**Effect of Diversity Management on Organizational Performance of
Information, Communication and Technology Firms in Nairobi
County**

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Abstract

Purpose: The study sought to establish the effects of diversity management on organizational performance of ICT firms in Nairobi County. The study specifically sought to establish the effects of creativity and innovation, employee commitment, corporate image and human capital pool on organizational performance of ICT firms in Nairobi County.

Methodology: The study targeted ICT firms in Nairobi County categorized into networking, software development, hardware maintenance and distribution, communication and system security. The study adopted a purposive sampling technique to acquire a sample of 15 firms. The unit of observation comprised eight employees per each of the targeted firms thus making a total of 120 respondents. The study used a census survey since the population was small and adequate for study. Primary data was gathered through questionnaires. A pilot study was conducted to test the validity and reliability of the data collection instruments. The data was analyzed both qualitatively and quantitatively through SPSS, results presented in form of tables, and figures.

Findings: The findings show that creativity and innovation have a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.233$ and $\text{Sig} = 0.010 < 0.05$. Employee commitment likewise, has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.397$ and $\text{Sig} = 0.001 < 0.05$. The results further show that corporate image has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.121$ and $\text{Sig} = 0.012 < 0.05$. In addition, human capital tool has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.406$ and $\text{Sig} = 0.000 < 0.05$.

Unique contribution to theory, practice and policy: The study recommended that the management of ICT firms in Nairobi County should focus on enhancing elements that boost the levels of innovation amongst employees in the firm since the practice bears positive and significant effects on performance of the firm. The study also recommended that the management of ICT firms in Nairobi County should focus on advancing the factors that contribute to increased levels of employee commitment in the firm since the practice bears positive and significant effects on performance of the firm. The study further recommended that

the management of ICT firms in Nairobi County should focus on improving the corporate image since the practice bears positive and significant effects on performance of the firm. The study finally recommended that the management of ICT firms in Nairobi County should advance their human capital pool since the practice bears positive and significant effects on performance of the firm.

Key Words: *Creativity, Innovation, Employee Commitment, Corporate Image, Human Capital Pool, Organizational Performance.*

INTRODUCTION

Diversity management can be defined as a set of organizational policies and practices aimed at recruiting, retaining and managing employees of diverse backgrounds and identities and creating a culture in which everybody is equally enabled to perform and achieve organizational objectives and personal development (Siyed & Tariq, 2017). Diversity could be related to some factors including: age, gender, culture, education, employee status, physical appearance, family status, regional origin, national origin, thinking style, religion, race and more (Agrawal, 2012). A diverse workforce is a reflection of a changing world and market. A diverse work team brings high value to organizations. Respecting individual differences benefit the workplace by creating a competitive edge and increasing work productivity. Diversity management benefits associates by creating a fair and safe environment where everyone has access to opportunities and challenges. Mullins (2010) adds that organizations are aiming to become more diversified in order to gain competitive advantage by becoming more creative, innovative and open to useful change and diversity brings different perspectives, experience and skills, which can encourage innovative and creative approaches. Moore (2011), partner and head of London based Crowe Clar-Whithall contends that diversity is an indispensable tool in achieving competitive advantage and optimum organizational performance.

Statement of the Problem

Over the last three decades, the rapid rate of technology change, the shortened product life cycles, globalization and the blurring industry boundaries has made the business environments increasingly dynamic (Steven, 2017). Yi-Wen et al, (2015) observed that in recent years, ICT companies have faced fierce competition across dynamic environments. Further, time delays between ICT investment transfers and actual market performance make measuring the impact of ICT investment on market performance more complex. Shell (2010) as cited in Ogbo et al., (2014) defines organizational performance as the extent to which the organization is fulfilling the promises it has made to its shareholders. Adeyeyetolupe (2014) contends that success of any discerning organization in this world of deregulated economies and competitive market depends largely on its ability to strategically outwit her competitors. Outwitting competitors is informed by ability to deliver, offering better than competitors in the market and depend greatly on the ability to maintain quality of goods and services being offered.

Organizations in India are global today and incorporating diverse people has become a major concern for every organization. The repercussions for not managing diversity would lead to lack of skills, competencies and interests in employees, which ultimately increase employee turnover

and reduce individual and organizational performance greatly (Harold & Vincent, 2012). According to Deloitte (2014), workplace diversity has become a buzzword for modern corporations and a topic of high importance for organizations, analysis and scholars. It is more so important for firms that are endeavoring to position themselves aggressively for growth and to attain a competitive advantage. Following the enactment of the Kenya Constitution, 2010, organizations are required to ensure their employees reflect the diversity of the Kenyan population. Thus, in their recruitment and other HR policies, employee's diversity should be achieved (Government of Kenya, 2011).

Several studies on diversity influence on organizational performance have been done locally and internationally in varied areas including banking, insurance, public and private organizations. Most studies have concentrated on need for proper diversity management in organizations for growth and attaining a competitive advantage. However, despite the many research studies none of them focused on the growing and dynamic ICT sector that is the current force especially at developing countries in Africa and hence the studies interest on effect of employee diversity on organizational performance of ICT firms in Nairobi County.

Research Objectives

- i. To determine the effect of creativity and innovation on performance of ICT firms in Nairobi County.
- ii. To assess the effect of employee commitment on performance of ICT firms in Nairobi County.
- iii. To analyze the effect of corporate image on performance of ICT firms in Nairobi County.
- iv. To establish the effect of human capital pool on performance of ICT firms in Nairobi County.

LITERATURE REVIEW

Theoretical Review

The study was anchored on Innovation Theory, Employee Commitment Theory, Evolutionary Economic Theory and Human Capital Theory.

Diffusion of innovation (DOI) Theory

Diffusion of Innovation (DOI) Theory, developed by Rogers (1962) explains how, over time, an idea or product gains momentum and diffuses through a specific population or social system. For adoption to take place, the person must perceive the idea, behaviour, or product as new or innovative. In this theory therefore adoption means the decision to fully use an innovation as the best alternative and thus the person does things differently from the way they did previously (Laban & Deya, 2019). Innovators are information seekers about new ideas. They are highly exposed to mass media and their interpersonal networks are extensive, usually reaching outside of their local system. Innovators are able to adapt to levels of uncertainty about an innovation than other adopter categories. As the first to adopt a new idea, in their system, they cannot depend on the evaluations of the innovation from other members of their system. Innovation makes an existing idea new again, adds more and removes out-dated issues hence making it up-

to-date. Varied skills and opinions create room for innovation and hence competitive advantage is achieved. This study therefore identifies innovation as an important aspect of organizational growth and productivity.

Organizational Commitment Theory

According to Meyer and Allen cited by Hoang (2012), organization commitment has three attitudinal components; affective, continuance and normative commitment. They represent three psychological states of employees with regard to an organization that influence their decision to maintain membership with it. Affective commitment refers to the emotional attachment of with the organization. Continuance commitment is employees' awareness of perceived cost of leaving the organization. Normative commitment is described as the obligatory feeling to remain with the organization. In summary, employees may remain with the organization because they want to (affective commitment), need to (continuance commitment) or ought to (normative commitment). A person's total commitment would reflect the net sum of the three psychological states. Employees have personal reasons for engaging in in organization. However, the organizations ability to identify and provide required necessities to the employees places the organization in a better place where the employee commit to the work given wholly, to the organizations mission and vision and works towards achieving them. Committed employees are valued assets to the organizations. They provide all to the organization and market it too. This eventually leads to high performance in the organization.

According to the theory, an employee's sense of loyalty and attachment defines the level of commitment in an organization. Commitment of employees in an organization is portrayed through existence of congruence between their personal goals and that of the organization. When the match exists, employees develop a sense of exerting efforts when executing their assigned duties in a bid to help the organization attain its set goals and at the same time cementing their connection with the organization. The theory further asserts that employees' level of commitment serves as a prerequisite of emergence of various behaviours and attitudes related to turnover and performance. Literature on advancement of the theory reveals that organizations with higher levels of employees' commitment attains more from the employees in terms of performance and lower levels of lateness and absenteeism. The theory contributes to the study by informing of the need for employee commitment as an aspect of diversity management that enhances performance of the firm. According to the theory, committed employees execute their assigned duties beyond the expectations which enhance the general performance of the firm.

Evolutionary Economic Theory

The theory views identity of corporations as a managerial tool that is used in achieving exemplary performance and competitive advantage. The theory postulates that there exists a natural tendency amongst firms in adapting to prevailing trends in environment for survival. According to the theory, firms need to come up with distinct ways of executing their activities in order to attain set performance goals. The role of a firm's management is to strategically manage firm's distinct characters especially by ways of offering explicit communication with the aim of achieving attractive image and reputation. The definition of corporate image according to the theorist focuses on more tangible characteristics of identity more so those that tend to be easy to

manage like corporate visual systems of identity (Olins 1995). The focus of the theorists revolves around corporate identity structure which is considered as a set of interrelated organizational characteristics that contributes to the organization's stability, specificity and coherence. According to Garbett (1988), maintenance of corporate image is an on-going process that requires communication with the organizational stakeholders. To successfully maintain an effective image, organizations must seek feedback from stakeholders and adjust their communication strategy accordingly. If an organization fails to monitor and adjust to the feedback provided by stakeholders, successful organizational image management is threatened. The theory further touch on restoration as a part of achieving and retaining image and usually occurs because the organization had previously experienced some sort of a crisis (Massey, 2003). The stakeholders' image on the organization influence their willingness to either provide or withhold support. The perception of the organization by external world through incorporating different values and talents is expected to attract many interested parties and hence improve on the image. The right image creates a bond of trust amongst the stakeholders and enables firms to achieve goals, attract varied talents and skills hence enjoy high performance and productivity. The theory contributes to the importance of retaining corporate image within a firm as an aspect of managerial diversity which enhances performance of firms.

Human Capital Theory

Human capital theorists have argued that organizations can increase their human capital by internally developing the knowledge and skills of their current employees and by attracting individuals with high knowledge and skill levels from the external labour market (Odhong' & Omolo, 2015). This theory argues that a person's formal education determine his/her earning power. Human capital theory states that it is the key competences, skills, knowledge and abilities of the workforce that contributes to organizations competitive advantage (Odhong' and Omolo, 2015). According to Odhong', Were & Omolo (2014) the human capital theory, education is an investment because it could potentially bring private and social benefits. Human capital theorists believe that education and earning power are correlated which means, theoretically, that the more education one has, the more one can earn and that the skills, knowledge and abilities that education can be transferred into the work in terms of productivity (Dae-bong, 2009; Odhong' et al., 2014).

Conceptual Framework

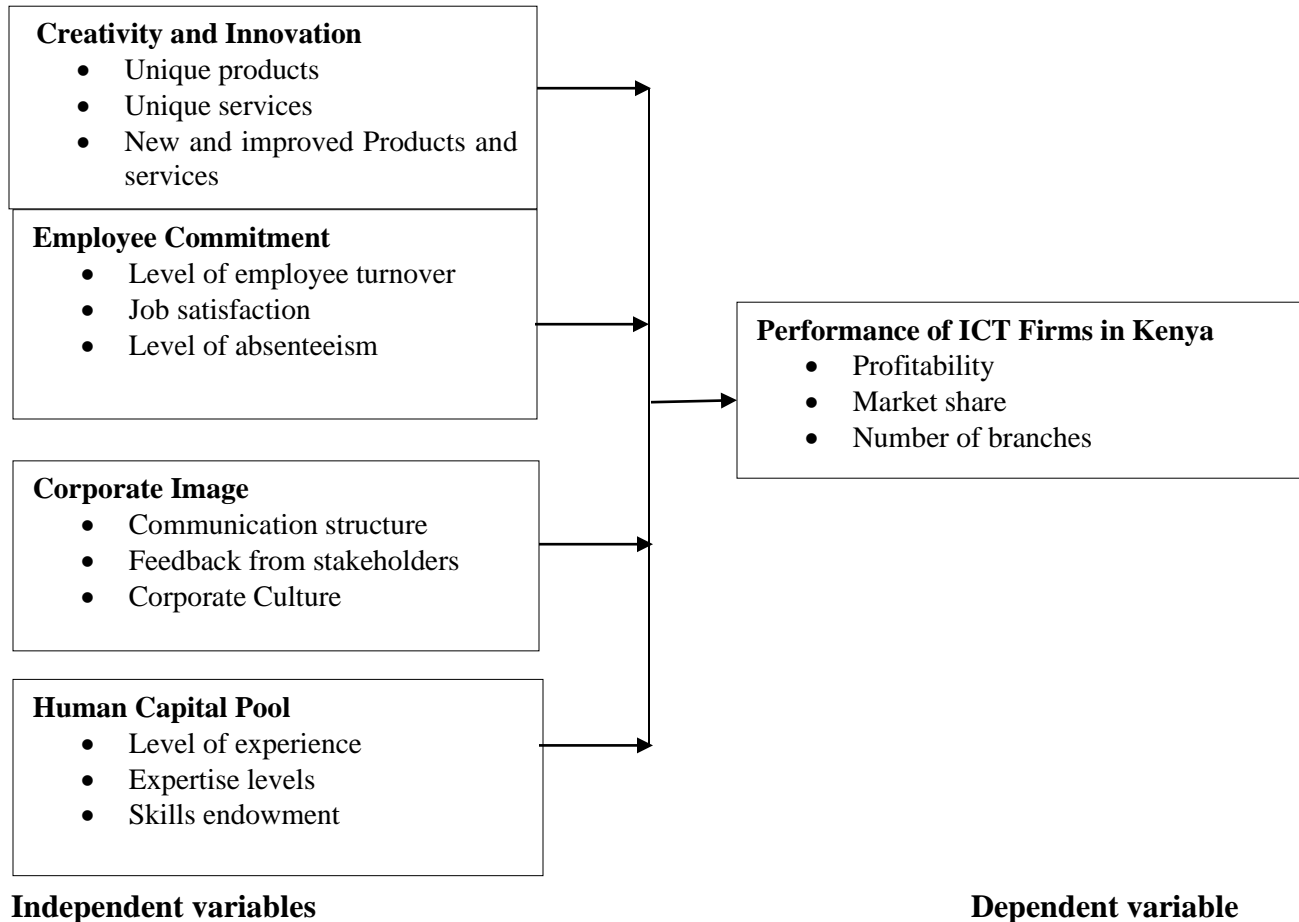


Figure 1: Conceptual Framework

Empirical review

Creativity and Innovation

Sternberg (2011) defined creativity as the tendency to generate or recognize ideas, alternatives or possibilities that may be useful in solving problems, communicating with others and entertaining ourselves and others while innovation is adding newness into an existing product or process. Okpara (2007) observes that creativity and innovation have distinct meaning though used interchangeably. Basically, creativity is the ability to make or bring into existence something new whether a solution to a problem, a new method or a new artistic item. Rogers (2003) defines innovation as an idea, practice or an object that is perceived as new by an individual or other unit of adoption. It matters little so far as human behaviour is concerned whether or not an idea is objectively new as measured by the lapse of time since its first use or discovery. The perceived newness of the idea for the individual determined his or her reaction to it. If the idea seems new to the individual, it is an innovation. According to Sahim (2006), innovation and creativity in organizations have always been perceived as a sure route towards realizing set successes.

According to the scholar, innovation and creativity aims at exploring and stimulating new and completely unknown ventures that significantly contributes to the achievement of set objectives such as production which enhances performance.

Employee Commitment

Organizational and employee commitment are defined in various ways as put forward by various authors. Mayor and Allen (1997) defined organizational commitment as a strong belief and acceptance of organizations goals and values and a strong desire to remain with the organization. Armstrong (2012) emphasizes that employee commitment is the loyalty and attachment that employees have in an organization and it is associated with their feelings about the institution. Commitment amongst employees serves as a crucial factor towards realizing successes in organizations. Low levels of commitment hinder employees from putting their hearts on organizational vision and mission that acts as a barrier towards realizing set objectives. Additionally, employees with low commitment levels focus on personal success rather than the organizations. Such employees lose focus and divert their efforts to other activities that are away from the defined set within the organization. This renders the organization from attaining set objectives thus reducing the level of performance. By contrast, employees with high commitment to an organization see themselves as an integral part of the organization. Anything that threatens the organization is an imminent danger to them as well. Such employees become creatively involved in the organizations mission and values, and constantly think about ways to do their jobs better. In essence, committed employees work for the organization as if the organization belongs to them. Khan, (2010) revealed that there exists a positive relationship between employee commitment and organizational performance in that high commitment levels motivates employees in discharging their duties that enhances general output. It is therefore advisable for managers to focus on antecedents that contribute to high commitment levels in order to realize organizational performance goals (Khan, 2010).

Corporate Image

Bouchet (2014) defines corporate image as the state of mind that customers, employees and stakeholders have about an organization. The image is however dynamic in respect to the way the organization performs and the new relationships it creates with other outside stakeholders. Additionally, the image of an organization is further determined by the ways the media reports and gives opinions on issues surrounding the organization. According to Bouchet (2014), the perception people have on an organization greatly determines the successful nature of the organization. Harsh (2016) asserts that corporate image is one of the most important asset an organization can own. It acts as a comfort factor for customers and assures them that they are buying from the best. Corporate is fragile and every action by organization, its leaders and employees matter in terms of creating people's sentiments. If sentiments are positive people do positive word of mouth about the company that helps in lowering customers' acquisition and retention cost, better margins, employee loyalty shareholder value and positive media attention.

Human Capital Pool

Human capital comprises of intangible assets within a firm's disposal that contributes to proper execution of activities leading to realization of set goals and objectives (Backman, 2013). In another perspective, human capital is viewed as economic value of employee's skills and experience. The assets comprise of level of education, intelligence, level of training and values of employees such as punctuality and loyalty. Human capital concept recognizes that there exist inequalities in labor but this can be improved by employers through intensive investment on employees in areas of education and experience. According to Backman (2013), human capital plays a key role in the organization as it is perceived to increase level of production and profitability which then determines the level of performance. This means that when a firm invests more on employees or it possesses well human capitalized employees, its level of performance is bound to be high. Baptista, Lima and Mendonça (2012) points out that a strong relationship exists between human capital and performance of firms. Within a firm, different employees bring in different sets of knowledge and skills which significantly contributes to execution of activities to levels that exceed the expectations. When there is a diverse set of skills, experience and knowledge amongst employees in a firm, there is sharing of activities in respect to one's competence which positively contributes to production of good results. Additionally, there is consultation amongst employees on certain issues that affects execution of activities. All these activities create a conducive working environment that enables employees carry out their activities to the betterment of the firm.

Organizational Performance

Performance entails achievement of the set targets and goals within a set time period in an efficient and effective manner. The end results of a performing company are high profit margins, satisfied customers, production of quality products and increased market share (Rainey, 2009). It is consequently a reflection of the employee's productivity captured through financial and non-financial measures (García-Morales, Jiménez-Barrionuevo & Gutiérrez-Gutiérrez, 2012). Richard et al., (2009) state that organizational performance encompasses three specific areas of firm outcomes. One, financial performance (profits, return on assets, return on investment) two, product market performance (sales, market share) and three shareholder return (total shareholder return, economic value added). Executives are mostly concerned about performance because the conditions of operations are always changing. To maintain a high performance, firms are required to have strategies in place one of which is employing procurement outsourcing. It has been argued that through outsourcing of key practices, a firm is able to manage its costs, improve efficiency and ensure competitive advantage through focusing on its core competencies thus enhancing its overall performance (Hancox & Hackney, 2012).

RESEARCH METHODOLOGY

The study adopted a descriptive research design and targeted 120 employees of different ICT firm categories in Kenya which include networking, software development, hardware maintenance and distribution, communication and system security. The study used a census survey since the population was small and adequate for study. The study relied on both primary and secondary data. Primary data was collected through use of questionnaires. Inferential and descriptive statistics was used to analyse data. Results of the analysis were presented by use of tables and figures. Inferential statistics was used to establish the association between independent variables and dependent variable. The study used the following regression model:

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

Where, Y = Performance of ICT Firms, β_0 = Constant (coefficient or intercept), X_1 = Creativity and Innovations, X_2 = Employee Commitment, X_3 = Corporate Image, X_4 = Human Capital Tool, ϵ = Error term and $\beta_1 \dots \beta_4$ = regression coefficient of four variables.

FINDINGS AND PRESENTATION

A total of 99 questionnaires were fully filled and returned. This represented a response rate of 82.5%. The response rate was appropriate for analysis and for making conclusions as advocated by Creswell (2014) who pointed out that a response rate of above 50% is justifiable for analysis.

Descriptive Statistics and Analysis

Descriptive Results

Descriptive statistics according to Mugenda (2008) enables usage of statistics by the researcher in describing measures of scores in the distribution. The responses of the study were rated on a scale of 1-5 where 5= strongly agree, 4= agree, 3=Neutral, 2= Disagree and 1= Strongly Disagree. The researcher presented the mean score and mean standard deviation on each of the statements in all the variables.

Creativity and Innovation

Respondents were first requested to indicate what makes them creative and innovative in the firms they worked in terms of Personality, Working Environment, Team work and Personal goals. The results show that majority of respondents, 30.1%, indicate that work environment makes them innovative, 25.6% indicated work environment, 25.4% indicated personal goals while 18.9% indicated personality. The results indicate that majority of respondents were motivated by work environment to become innovative and creative.

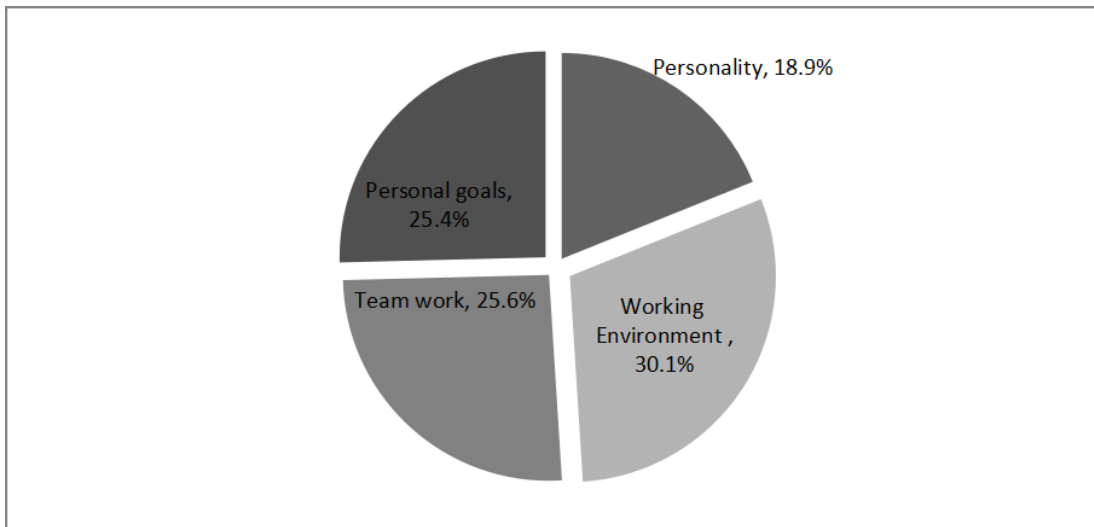


Figure 2: Drivers of Creativity and Innovation

The study further requested the respondents to indicate their agreement levels with statements pertaining to creativity and innovation. The results presented in table 1 shows that respondents were in agreement with the statements that their firms use creativity to produce unique products and to offer unique services as shown by (mean = 3.89 and Standard Deviation = 0.73) and (mean = 4.12 and standard deviation=0.62) respectively. Respondents further agreed that their firm's innovation to produce unique products and to offer unique services as shown by (mean = 4.11 and standard deviation=0.66) and (mean = 4 and standard deviation=0.70) respectively. Respondents further agreed on the statements that their firms sets goals for innovation (mean = 3.89 and standard deviation=0.73), that the firm supports freedom to express ideas (mean = 3.61 and standard deviation=1.01), that creativity and innovation is used to increase productivity (mean = 4.08 and standard deviation=0.68), The firm's (internal and external) network trigger creativity and innovation at work(mean = 3.99 and standard deviation=0.96), that creativity and innovation is used to improve quality of good produced (mean = 3.73 and standard deviation=0.86) and that creativity and innovation is used to improve quality of services offered (mean = 3.73 and standard deviation=0.86). All respondents on average agreed with statements on creativity and innovation as shown by average response mean of 3.92 and average standard deviation of 0.78. The results concur with Sahim (2006), who pointed out that innovation and creativity aim at exploring and stimulating new and completely unknown ventures that significantly contributes to the achievement of set objectives such as production which enhances performance.

Table 1: Descriptive Statistics on Creativity and Innovation

Statement	Mean	Standard Deviation
My firm uses creativity to produce unique products	3.89	0.73
My firm uses creativity to offer unique services	4.12	0.62
My firm uses innovation to produce unique products	4.11	0.66
My firm uses innovation to offer unique services	4.00	0.70
My firm support freedom to express ideas	3.61	1.01
My firm sets goals for innovation (new ideas for products, services, processes	3.89	0.73
Creativity and innovation are used to increase productivity	4.08	0.68
My organization's (internal and external) network trigger creativity and innovation at work	3.99	0.96
Creativity and innovation are used to improve quality of good produced	3.73	0.86
Creativity and innovation are used to improve quality of services offered	3.73	0.86
Average	3.92	0.78

Employee Commitment

The study requested the respondents to indicate their agreement levels with statements on employee commitment. The results as shown in table 2 shows that respondents agreed with statements that most of them were willing to stay in the firm for a long time (mean=3.52 and standard deviation=1.09), that they were satisfied with the job opportunities they have been offered (mean=3.99 and standard deviation=0.96), and that their firm experience low levels of absenteeism (mean=4.12 and standard deviation=0.68). Additionally, further agreed that their managers are willing to listen to their job related problems (mean=4.94 and standard deviation=0.24), that they have considerable opportunity for independence and freedom in working (mean=4.24 and standard deviation=0.81), and that they are satisfied with the opportunities given to them for their promotion (mean=4.12 and standard deviation=0.93). Consequently, there was an agreement amongst respondents on the statements that they are willing to put more effort beyond the normally expected to help this company succeed (mean=4.13 and standard deviation=0.94), that they are satisfied with the compensation package (pay, bonus, incentives and profit sharing) (mean=4.12 and standard deviation=0.68) and that the position held in the firm influences the levels of commitment (mean=4.94 and standard deviation=0.24). On average, respondents were in agreement with the statements pertaining to employee commitment as shown by average mean of 4.23 and average standard deviation of 0.75. The results are consistent with Khan (2010) who revealed that there exists a positive relationship between employee commitment and organizational performance in that high commitment levels motivates employees in discharging their duties that enhances general output.

Table 2: Descriptive Statistics on Employee Commitment

Statement	Mean	Standard Deviation
I am willing to stay in the firm for a long time	3.52	1.29
I am satisfied with the job opportunity I have been offered	3.99	0.96
My firm has low levels of employee absenteeism	4.12	0.68
My manager is willing to listen to my job-related problems	4.94	0.24
I have considerable opportunity for independence and freedom in working.	4.24	0.81
I am satisfied with the opportunities given to me for my promotion	4.12	0.93
I am willing to put more effort beyond the normally expected to help this company succeed	4.13	0.94
I am satisfied with my compensation package (pay, bonus, incentives and profit sharing)	4.12	0.68
The position I hold in the organization influences my commitment	4.94	0.24
Average	4.23	0.75

Corporate image

The study further requested the respondents to indicate their agreement levels with statements pertaining to corporate image. The results presented in Table 3 shows that there was an agreement amongst respondents on the statements that their respective firms have established a clear means of communication with all stakeholders (mean= 4.01 and standard deviation=0.62), that their firms considers opinions and feedbacks from stakeholders and interest groups (mean= 3.82 and standard deviation=0.7), that their respective firms have established a culture that accommodates both internal and external forces for improved performance (mean= 4.01 and standard deviation=0.62) and that their firms responds to media appropriately on issues of concerns regarding the firm (mean= 3.99 and standard deviation=0.89).

Table 3: Descriptive Statistics on Corporate Image

Statement	Mean	Std. Dev
The firm have established a clear means of communication with all stakeholders	4.01	0.62
The firm considers opinions and feedbacks from stakeholders and interest groups	3.82	0.7
The firm have established a culture that accommodates both internal and external forces for improved performance	4.01	0.62
The firm responds to media appropriately on issues of concerns regarding the firm	3.99	0.89
The firm has created enough awareness of its product.	4.24	0.81
Publicity of this firm's products has a major influence on general impression about its service quality.	3.92	0.91
The firm has programmes and retention schemes that create loyalty among the employees and the customers	4.14	0.89
The set firm's policies influence employees at the workplace to upgrade their service delivery and general professionalism.	4.17	0.86
Average	4.04	0.79

Additionally, respondents agreed with the statements that the firm has created enough awareness of its product (mean= 4.24 and standard deviation=0.81), that publicity of this firm's products has a major influence on general impression about its service quality (mean= 3.92 and standard deviation=0.91), that the firm has programmes and retention schemes that create loyalty among the employees and the customers (mean= 4.14 and standard deviation=0.89) and that the set firm's policies influence employees at the workplace to upgrade their service delivery and general professionalism (mean= 4.17 and standard deviation=0.79). All respondents on average agreed with the statements on corporate image as shown by average response mean of 4.04 and average standard deviation of 0.79. This concurs with sentiments by Harsh (2016) who pointed out that corporate image is one of the most important assets an organization can own as it acts as a comfort factor for customers and assures them that they are buying from the best.

Human Capital Pool

Respondents were also requested to indicate their levels of agreement with statements on human capital pool. The results presented in table 4.6 shows that respondents were in agreement with statements that their respective firms recruits skilled IT employees (mean= 4.10 and standard deviation=0.87), that the staffs within the firm are well endowed with ICT related skills (mean= 4.01 and standard deviation=0.89), that majority of employees in the firm are well experienced in ICT related activities (mean= 4.00 and standard deviation=0.89) and that their respective firms conducts personality traits interview and does background checks (mean= 3.87 and standard deviation=1.06). Consequently, respondents agreed with the statements that firm provides avenues for developing IT related skills (mean= 4.19 and standard deviation=0.83), that talent development employees are paid well, trusted and given opportunity for development (mean= 3.99 and standard deviation=0.96), and that the firm assigns activities in respect to individuals level of skills (mean= 3.89 and standard deviation=1.05).

Table 4: Descriptive Statistics on Human Capital Pool

Statement	Mean	Standard Deviation
Our firm recruits skilled IT employees	4.10	0.87
Our staffs are well endowed with ICT related skills	4.01	0.89
Majority of employees are well experienced in ICT related activities	4.00	0.89
Our firm conducts personality traits interview and does background checks	3.87	1.06
The firm provides avenues for developing IT related skills	4.19	0.83
Talent development employees are paid well, trusted and given opportunity for development	3.99	0.96
The firm assigns activities in respect to individual level of skills	3.89	1.05
The firm offers training to employees on areas of interests	4.09	0.82
The firm offers job opportunities to employees in respect to the areas trained.	3.76	1.11
Average	3.99	0.94

The respondents also agreed with the statements that the firm offers training to employees on areas of interests (mean= 4.09 and standard deviation=0.82), and that the firm offers job opportunities to employees in respect to the areas trained (mean= 3.76 and standard deviation=1.11). On average, the results show that respondents agreed with the statements on human capital pool as shown by average response mean of 3.99 and average standard deviation of 0.94. The results concur with Backman (2013) who noted that human capital plays a key role in the organization as it is perceived to increase level of production and profitability which then determines the level of performance.

Organizational Performance of ICT Firms

The study sought to establish the level of performance on ICT firms as a result of practicing diversity management. The study presented respondents with statements pertaining to the levels of performance and requested them to indicate their agreement levels. The results presented in table 5 shows that respondents agreed with the statements that the profits of their respective firms have been increasing in the last five years (mean=4.06 and standard deviation=0.89), that their respective firms have a competitive edge in the market (mean=4.06 and standard deviation=0.89), that their respective firms have widened its market share in the last five years (mean=3.51 and standard deviation=1.29) and that their firm have increased the number of branches in the last few years (mean=3.67 and standard deviation=1.21).

Table 5: Descriptive Statistics on Performance of ICT Firms

Statement	Mean	Std.Dev
The profit of the firm has been increasing in the last five years	4.06	0.89
The firm have a competitive edge in the market	4.06	0.89
The firm have widened its market share in the last five years	3.51	1.29
The firm have increased the number of branches in the last few years	3.67	1.21
The firm have a high level of employee retention	3.92	0.96
The firm have managed to diversify its activities	4.17	0.84
There has been an increase in the number of customers in the firm	4.32	0.79
Average	3.94	0.98

Remarkably, respondents further agreed with the statements that their respective firms have a high level of employee retention (mean=3.92 and standard deviation=0.96), that there have been diversification of activities in the firms (mean=4.17 and standard deviation=0.84) and that there has been an increase in the number of customers in the firm (mean=4.32 and standard deviation=0.79). On average, respondents were in agreement with statements on performance of ICT firms in Nairobi County as shown by average response mean of 3.94 and average standard deviation of 0.98. The results agree with Rainey (2009) pointed that the end result of a performed company are high profits margins, satisfied customers, production of quality products and increased market share.

Inferential Statistics

Correlation Results

The study sought to establish how independent variables (creativity and innovation, employee commitment, corporate image and human capital pool) influence dependent variable (organizational performance of ICT firms). Table 6 presents the correlation analysis results. The correlation results show that creativity and innovation and performance of ICT firm correlates as shown by a correlation value of 0.476 and a p-value of 0.000. This shows a positive and significant correlation implying that improving on the factors that contribute to employee commitment increases performance of ICT firms. The findings are consistent with Sahim (2006), who pointed out that innovation and creativity aim at exploring and stimulating new and completely unknown ventures that significantly contributes to the achievement of set objectives such as production which enhances performance. The correlation results also show that employee commitment and performance of ICT firm correlates as shown by a correlation value of 0.336 and a p-value of 0.009. This shows a positive and significant correlation implying that enhancing innovation and creativity increases performance of ICT firms. The findings are consistent with Khan (2010) who revealed that there exists a positive relationship between employee commitment and organizational performance in that high commitment levels motivates employees in discharging their duties that enhances general output.

The correlation results further show that, corporate image and performance of ICT firms correlate as shown by a correlation value of 0.201 and a p-value of 0.042. This shows a positive and significant correlation implying that focusing on elements that enhance corporate image

increases performance of ICT firms. The findings concur with Harsh (2016) who pointed out that corporate image is one of the most important assets an organization can own as it acts as a comfort factor for customers and assures them that they are buying from the best. The correlation results finally show that human capital pool and performance of ICT firm correlates as shown by a correlation value of 0.569 and a p-value of 0.000. This shows a positive and significant correlation implying that increasing human capital pool increases performance of ICT firms. The findings concur with Backman (2013) who noted that human capital plays a key role in the organization as it is perceived to increase level of production and profitability which then determines the level of performance.

Table 6: Correlation Analysis

Correlations		Organization Performance	Human Capital Pool	Corporate Image	Employee Commitment	Creativity and Innovation
Organization Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Human Capital Pool	Pearson Correlation	.569**	1			
	Sig. (2-tailed)	0.000				
Corporate Image	Pearson Correlation	.201*	0.054	1		
	Sig. (2-tailed)	0.042	0.736			
Employee Commitment	Pearson Correlation	.336**	-0.147	0.145	1	
	Sig. (2-tailed)	0.000	0.701	0.221		
Creativity and Innovation	Pearson Correlation	.476**	0.082	0.122	0.246	1
	Sig. (2-tailed)	0.009	0.524	0.067	0.054	
	N	99	99	99	99	99

Multiple regression analysis

The study adopted a regression model to assess the statistical relationship between independent variables (creativity and innovation, employee commitment, corporate image and human capital pool) and dependent variable (performance of ICT firms). The results in table 7 shows that there exists a strong joint relationship between the study variables as shown by $R = .723$. The coefficient of determination (R-square) was found to be .643 implying that 64.3% of variation in the performance of ICT firms in Nairobi County can be accounted by creativity and innovation, employee commitment, corporate image and human capital pool.

Table 7: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.723	0.643	0.591	0.1337

The F statistic that shows the statistical significance of the overall was significant at 5% (Sig < 0.000) implying that the model was significant. The statistical significance of the model was further confirmed by comparing the F calculated value of 40.03 > F (4, 94) value of 2.45. The statistical significance of the model implies that the four independent variables (Creativity and Innovation, Employee Commitment, Corporate Image, Human Capital Pool) were significant in predicting the level of performance of ICT firms in Nairobi County.

Table 8: ANOVA (Model Significance)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	10.727	4	2.682	40.03	.000
Residual	6.294	94	0.067		
Total	17.021	98			

The results of the coefficients of the model of the study shown in table 9 shows that creativity and innovation have a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.233$ and Sig = 0.010 < 0.05. This implies that a unit change in the levels of creativity and innovation results to an increase of 0.233 units in the performance of ICT firms in Nairobi County. The findings are consistent with Sethibe and Steyn (2016) who established that organizations that practice innovative and creative behavior generally exhibit superior organizational performance relative to organizations with less innovative behavior. The results of the coefficients of the model further shows that employee commitment has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.397$ and Sig = 0.001 < 0.05. This implies that a unit change in the levels of employee commitment results to an increase of 0.397 units in the performance of ICT firms in Nairobi County. The findings are consistent with findings by Raja *et al.*, (2015) who sought to establish the impact of employee commitment on organizational performance and revealed that employee commitment has a positive effect on organizational performance. The results of the coefficients of the model further shows that corporate image has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.121$ and Sig = 0.012 < 0.05. This implies that a unit change in corporate results to an increase of 0.121 units in the performance of ICT firms in Nairobi County. The findings concur with Namubiru *et al.*, (2014) who established that corporate image was indeed an important ingredient in the performance of an entity. The regression results finally show that human capital tool has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.406$ and Sig = 0.000 < 0.05. This implies that a unit change in human capital pool leads to an increase of 0.406 units in the performance of ICT firms in Nairobi County. The findings agree with Ukenna *et al.*, (2010) findings which established existence of a strong relationship between human capital effectiveness and performance of firms.

Table 9: Model Coefficients

Model coefficients	Unstandardized Coefficients		Standardized Coefficients		
	β	Std. Error	Beta	t	Sig.
(Constant)	3.033	0.532		5.701	0.000
Creativity and Innovation	0.233	0.179	0.211	1.302	0.010
Employee Commitment	0.397	0.124	0.297	3.202	0.001
Corporate Image	0.121	0.146	0.101	0.829	0.012
Human Capital Pool	0.406	0.074	0.376	5.486	0.000

The optimal regression model becomes:

Performance of ICT Firms = 3.033 + 0.406 (Human Capital Pool) + 0.397 (Employee Commitment) + 0.233 (Innovation and Creativity) + 0.121 (Corporate Image)

The results of the model show that human capital pool was the most significant variable followed by employee commitment, then innovation and creativity and lastly corporate image.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary of the findings

The findings show that creativity and innovation have a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.233$ and $\text{Sig} = 0.010 < 0.05$. Employee commitment likewise, has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.397$ and $\text{Sig} = 0.001 < 0.05$. The results further show that corporate image has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.121$ and $\text{Sig} = 0.012 < 0.05$. In addition, human capital tool has a positive and significant effects on the performance of ICT firms as shown by $\beta = 0.406$ and $\text{Sig} = 0.000 < 0.05$.

Conclusion

The findings of the study led to conclusion that innovation and creativity have a positive and significant effect on performance of ICT firms in Nairobi County. The study further established that activities such as using creativity and innovation to produce unique products and to offer unique service, supporting freedom to express ideas, setting goals for innovation (new ideas for products, services, processes), and using creativity and innovation in improving quality of good produced and services offered bears a positive and significant effects on performance of ICT firms in Nairobi County. The findings of the study further led to conclusion that employee commitment has a positive and significant effect on performance of ICT firms in Nairobi County. The study further established that activities such as creating a working environment where employee have the will to stay in the firm for a long time, are satisfied with the job opportunity offered, having managers willing to listen to employees' job-related problems, where employees have considerable opportunity for independence and freedom in working, where employees feel satisfied with the opportunities given to them, and where employees have the will to put more effort beyond the normally expected to help the company succeed bears a positive and significant effects on performance of ICT firms in Nairobi County.

The findings of the study also led to conclusion that corporate image have a positive and significant effect on performance of ICT firms in Nairobi County. The study further established that activities such as establishing a clear means of communication with all stakeholders, considering opinions and feedbacks from stakeholders and interest groups, establishing a culture that accommodates both internal and external forces for improved performance, responding to media appropriately on issues of concerns regarding the firm, creating enough awareness of product, having program's and retention schemes that create loyalty among the employees and the customers and having policies that influence employees at the workplace to upgrade their service delivery and general professionalism bears a positive and significant effects on performance of ICT firms in Nairobi County. The findings of the study finally led to conclusion that human capital pool has a positive and significant effect on performance of ICT firms in Nairobi County. The study further established that activities such as recruiting skilled IT employees, having staffs endowed with ICT related skills, having well experienced employees in ICT related activities, conducting personality traits interview and background checks on employees, providing avenues for developing IT related skills, assigning activities in respect to individuals level of skills, offering training to employees on areas of interests and offering job opportunities to employees in respect to the areas trained bears a positive and significant effects on performance of ICT firms in Nairobi County.

Recommendations for The Study

The study recommends that the management of ICT firms in Nairobi County should focus on enhancing elements that boost the levels of creativity and innovation amongst employees in the firm since the practice bears a positive and significant effect on performance of the firm. This can be achieved through using creativity and innovation to produce unique products and to offer unique service, supporting freedom to express ideas, setting goals for innovation (new ideas for products, services, processes), and using creativity and innovation in improving quality of good produced and services offered. The study also recommends that the management of ICT firms in Nairobi County should focus on advancing the factors that contribute to increased levels of employee commitment in the firm since the practice bears a positive and significant effect on performance of the firm. This can be achieved through creating a working environment where employee have the will to stay in the firm for a long time, are satisfied with the job opportunity offered, having managers willing to listen to employees' job-related problems, where employees have considerable opportunity for independence and freedom in working, where employees feel satisfied with the opportunities given to them, and where employees have the will to put more effort beyond the normally expected to help the company succeed.

The study further recommends that the management of ICT firms in Nairobi County should focus on improving the corporate image since the practice bears a positive and significant effect on performance of the firm. This can be achieved through establishing a clear means of communication with all stakeholders, considering opinions and feedbacks from stakeholders and interest groups, establishing a culture that accommodates both internal and external forces for improved performance, responding to media appropriately on issues of concerns regarding the firm, creating enough awareness of product, having programmes and retention schemes that create loyalty among the employees and the customers and having policies that influence

employees at the workplace to upgrade their service delivery and general professionalism. The study finally recommends that the management of ICT firms in Nairobi County should advance their human capital pool since the practice bears a positive and significant effect on performance of the firm. This can be achieved through recruiting skilled IT employees, having staffs endowed with ICT related skills, having well experienced employees in ICT related activities, conducting personality traits interview and background checks on employees, providing avenues for developing IT related skills, assigning activities in respect to individuals level of skills, offering training to employees on areas of interests and offering job opportunities to employees in respect to the areas trained.

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