

Influence of Educational Diversity on Workforce Productivity of Co-Operative Bank of Kenya

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Abstract: *The world's increasing globalization requires more interaction among people from diverse cultures, beliefs, and backgrounds than ever before and the issue of educational diversity has been a challenge where only a few organization have come up with strategies that are practiced reducing their impacts on productivity and embrace individuals irrespective of their variety. Upon considering challenges faced by the workforce, this study aimed to determine the influence of educational diversity on Workforce productivity in the banking sector in Kenya with a case study of Co-operative Bank of Kenya. The study adopted a descriptive and correlation design where employees at different levels of the organization were considered and the population of the study was 825 employees in head office and a sample size was 83 purposively chosen and were deemed to be of good representation to all the departments in the organization, the tool used was Questionnaire and the model of the analysis was linear regression analysis, tool was SPSS version 24.0 the findings were deemed to be of great use to different group of people including scholars, policymakers among others. The results revealed that the organization does not ensure all age groups involved in the workplace. The organization delegates jobs to employees sharing the same generation; thus, employees are not motivated, and they don't work hard to improve their productivity at the workplace. The Organization feels better working with the younger generation since they are more creative, adapt faster to the new technology, and can innovate new things more quickly as opposed to older people. When asked if dissimilarity in gender leads to ineffectiveness among the employees within the organization. Educational background was seen as an element bringing diverse experience, and enhances productivity in the organization as each colleague possessed some educational qualifications.. The study recommends further studies on the influence of educational diversity on Workforce productivity in Non – Governmental Organizations and manufacturing firms where diversity has been experienced over the years for this will boost their productivity.*

Keywords: influence, educational diversity, Workforce productivity, Co-operative Bank, Kenya

1. Introduction

The world's increasing globalization requires more interaction among people from diverse cultures, beliefs, and backgrounds than ever before (Harvey & Allard, 2015). Globalization of business and unprecedented movement of labor across borders have created organizations that comprise a mixture of people from many different cultures making workplace diversity an essential issue for management today (Yang & Konrad, 2011). The strengthening of global competition and the relative success of economies that emphasize investing in the workforce have resulted in recognition of the importance of managing educational diversity in recent years (Holden, Linnerud, Banister, Schwanitz, & Wierling, 2017).

Educational diversity refers to organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background (Paludi, 2012). Today business workplace is changing at an increased speed, and the change in employees' demographics, increase of jobs in the economy, continuing growth of globalization and requirement for efficient and effective collaboration have surfaced as significant forces driving the importance of diversity in organizations. Griffin and Moorhead (2014), stated that having a diverse workforce requires managers to identify and manage the varied attribute that exists among the employees in the organization. Therefore, organizations are investigating ways to serve their constituents better to attract and retain the finest and most qualified employees (Gupta, 2013). The EU, as a whole, has developed a strong commitment to equality and affirmative action policies. Across Europe, there is a trend to strengthen legislation against

discrimination as indicated by directives on equal treatment of people irrespective of their race and ethnic backgrounds and on the equitable treatment of persons in the labor market, adopted by the EU Council of Ministers in 2004 (Kirton & Greene, 2015). Diversity management in the UK featured as a central tenet since the 1970s where a series of diversity policies were instituted; formalize standard procedures for recruitment, diversity awareness training, workplace diversity into the organization's strategic plan, and motivation of minority groups (Moreau, Osgood & Halsau, 2008; Kirton & Greene, 2015).

In Africa, diversity seems to have been embraced much more in South Africa due to its unique apartheid system where equity policies were laid down in the constitution in 1998. Despite the advent of a democratic order, the South African workplace is still characterized by discrimination and inequality (Nel, Van Dyk, Haasbroek, Sono & Werner, 2004). According to the Cross-Cultural Foundation of Uganda (2010), ethnic, political, and religious diversity is posing a threat to diversity management in public organizations in Uganda.

Kenya has a population of 39 million, and a total of 42 ethnic groups each with its different self-cultural understanding and this poses a real challenge to diversity management (GOK, 2010; Nyamu, 2012). The large ethnic groups have dominated the smaller tribes, an issue which has infiltrated organizations, especially the public sector, causing inequality and discrimination. Although the challenge of diversity in the public sector and especially non-commercial government agencies is mostly perceived through ethnicity, gender, age, social status, levels of education, religion, and disability, personal morality is also

coming into full play as far as diversity challenge is concerned (Balogum & Hailey, 2008).

The Co-operative Bank of Kenya Limited is incorporated in Kenya under the Company's Act and is also licensed under the Banking Act. The Bank was initially registered under the Co-operative Societies Act at the point of founding in 1965. This status was retained up to and until June 27th, 2008 when the Bank's Special General Meeting resolved to incorporate under the Companies Act with a view to complying with the requirements for listing on the Nairobi Stock Exchange (NSE). The Bank went public and was listed on December 22, 2008. Shares previously held by the 3,805 co-operatives societies and unions were ring-fenced under Coop Holdings Co- 6 operative Society Limited which became the strategic investor in the Bank with a 64.56% stake. The Bank runs three subsidiary companies, namely: Kingdom Securities Limited, a stockbroking firm with the bank holding a controlling 60% stake; Co-op Trust Investment Services Limited, the fund management subsidiary wholly-owned by the bank; and Co-op Consultancy & Insurance Agency Limited (CCIA), the corporate finance, financial advisory and capacity-building subsidiary wholly-owned by the bank (Co-operative Bank, 2018)

2. Statement the problem

Educational diversity management strategies have broadened beyond affirmative action and equal employment opportunity staffing efforts. Additional best practices include establishing a visible diversity advisory committee, conducting mandatory training, and targeting communications to different affinity group members (Kossek, Lobel & Brown, 2006). Many studies, some discussed in this document do not clearly show the link between educational diversity and workforce productivity, more so; in gaging productivity in the banking sector. This is an area where diversity is needed most since they operate in line with the strategy of teamwork which is not achievable without focusing on diversity. Gupta (2013), observes studies on the same are mostly inconclusive on the nature of the relationship. Mwikali and Kyalo (2015) find that very little scholarly attention has been paid to the research problem in Kenya. And this is what prompted the researcher to seek the audience attention on bridging a knowledge gap thus necessitated the proposed study. This research, therefore, found to examine the influence of educational diversity on workforce productivity in the banking sector with a case of Co-operative Banks of Kenya.

General objective of the Study

To establish the influence of educational diversity on Workforce productivity of Co-operative Bank of Kenya.

Specific objectives of the Study

- To establish the influence of Level of education on Workforce productivity of Co-operative Bank of Kenya.
- To establish the influence of Education on related tasks on Workforce productivity of Co-operative Bank of Kenya.
- To establish the influence of Skills and Competency on Workforce productivity of Co-operative Bank of Kenya.

- To establish the influence of Knowledge and talent on Workforce productivity of Co-operative Bank of Kenya.

3. Theoretical Framework

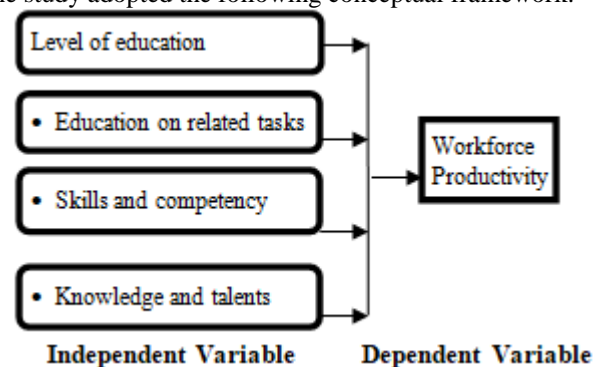
McDonald Theory

The theory was developed by McDonald (2010) when the term diversity management had become established in academic and popular management literature. It is a relatively new concept, and its roots go back to Equal Employment Opportunities (EEO) and Affirmative Action (AA), which was followed by the notion of valuing differences. The evolving concepts emerged from broader social and historical developments. This evolution is very critical to the current study, to address any existing challenge; its historical background is of the essence. Therefore, in his research on the influence of workforce diversity, McDonald has built a framework from the literature to trace the development of diversity management in the USA. The structure articulated the linkages between broader social context and managerial response initiatives and motives. There was a split between concepts based on grounded experiences and those directed towards change or "should be" proposition. He concluded by acknowledging that diversity management has undergone a process of evolution and change.

The motives and actions of the people and movements in society and management agendas have played a significant role in this evolution. The concept of diversity management has broadened to most countries around the world. Any attempt to understand the idea of diversity management must be well-grounded in the broader social contexts, particular to each state and at a more micro level, each company and even groups in the organization (McDonald, 2010).

4. Conceptual Framework

The study adopted the following conceptual framework:



Source: Author 2019

4.1 Educational Background and Workforce productivity

Skills and informational diversity are the results of difference in employees' education and experiences. Skills diversity contributes positively to employees productivity and hence, the overall organizational productivity. Skills diversity leads to innovation and therefore, overall improved quality of programs, products, and services that the organization offers. Skills diversity creates a large pool of

experiences, ideas, and education that creates new products (Cox, 2001). A study by Feldman (2009) looked at the effects of education level on job performance in two ways. First, it provides a meta-analysis on the relationships between education level and dimensions of job behaviors representing the task, citizenship, and counterproductive performance. It was deduced that education stimulates the production of the core workplace task by equipping individuals with more scholarly and technical expertise with which they can complete their responsibilities.

Moretti (2004), conducted a study to assess how workers' education, spillovers, affects performance in Plant-Level Production Functions. The study will find out that performance of plants in cities that experience significant increases in the share of college graduates rises more than the performance of similar plants in cities that experience small increases in the percentage of college graduates. (Amin et al., 2013) Also conducted a study on the impact of employees training on job performance in the education sector of Pakistan. The practice was found to have a positive and strong correlation with organizational policies, and job performance and that both on the job and off the job training has a positive and healthy relationship with job performance. They concluded that exercise leads to substantial benefits for individuals and teams, organizations; these benefits range from individual and team performance. Elsaid (2012), examined the effects of cross-cultural workforce diversity on employee performance in Egyptian pharmaceutical organizations. The study explored the impact of gender, age, and education background on employee performance in the Egyptian pharmaceutical industry, which is renowned for employing highly diversified workforce. The results indicated that only two variables, gender, and education background, were significant in explaining the variance in employee performance when different workforce work together, while surprisingly, age diversity does not.

4.2 Research Methodology

A Research design refers to how data collection and analysis are structured in order to meet the research objectives through empirical evidence economically (Chandran, 2008). The study used both descriptive and correlational research designs. The major purpose of descriptive research is description of the state of affairs as it exists. The research designs are appropriate to this study since it seeks to establish the relationship between educational diversity and workforce productivity. The population for this study was drawn from target population consisted of 825 employees from five departments in the Cooperative Bank of Kenya, head office. (Cooperative Bank of Kenya, 2018).The sample size of this study was, therefore, 83 employees. The instrument for data collection was a questionnaire which was administered to sampled respondents. The structure of the instrument included both closed-ended and open-ended questions. Data processing and analysis were done based on qualitative and quantitative methods. The qualitative data gathered by use of questionnaires and interviews were analyzed by means of comparison with documented information about legal framework. Quantitative data was analyzed by use of the Statistical Package for Social Science (SPSS version 21). Descriptive results were presented from findings. This involved the generation of quantitative reports in the form of tables, percentages, and measures of central tendency. Multiple regression analysis was conducted to establish the relationship between educational diversity and workforce productivity

5. Results and Discussions of the Findings

Educational Diversity and Workforce Productivity

To explore more on educational background diversity several statements were made, and respondents reacted differently to the statement as indicated in table 4.5

Educational diversity and workforce productivity

| Statements | 1 | 2 | 3 | 4 | 5 |
|--|-----|-----|----|-----|-----|
| In my organization employees possesses differences levels of educational qualification leading to increased quality of work by employees and reduction of conflict | 30% | 24% | 4% | 24% | 18% |
| In my organization, employees suffer a lack of confidence due to educational diversity | 35% | 27% | 2% | 20% | 16% |
| Working with colleagues with low educational levels affects our problem solving and decision-making ability. | 24% | 38% | 1% | 19% | 18% |
| My organization encourages the training of the employees hence the quality of work increases | 29% | 30% | 7% | 12% | 22% |
| The skilled employees pay more attention to details in my organization than the unskilled | 29% | 36% | 2% | 16% | 17% |
| Different educational background brings diverse experience leading to poor performance | 33% | 26% | 6% | 24% | 11% |
| Having employees of the same educational levels and background leads to high effectiveness | 30% | 22% | 4% | 20% | 24% |

About employees possessing differences in educational and qualification levels leading to increased quality of work and reduction of conflict within the organization, 54% of those who responded disagreed with the statement saying that differences in the educational background don't increase the quality of work by employees and reduction of conflict within the organization. 4% neither agreed nor disagreed to the statement.42% agreed to the report saying that the difference in education background has led to increased quality work by employees and reduced conflict within the organization.

Confidence is not like a set of rules that you will wake up and learn them it is a state of mind, and it should be in build, the researcher wanted to explore if, in the organization, employees experience lack of confidence due to educational background. 62% of those who responded agreed to the statement and said that lack of confidence due to education background is common as those with higher education level will boost some degree of certainty as compared with those with lower education level. 2% neither agreed nor disagreed to the statement while 36% disagreed and said that the employees do not experience lack of confidence and the level of education doesn't contribute to employees lacking confidence within the organization.

Working with colleagues with different educational background affect our problem solving and decision-making ability. Knowledge is power, and the more one is educated, the more he will be knowledgeable and full of ideas. Education background within an organization affects problem-solving and decision-making ability. 62% disagreed with the statement saying that educational background does not affect problem-solving and the decision-making ability within the organization. 1% neither agreed nor disagreed with the statement. 37% agreed with the statement saying that the education background affects problem-solving and decision-making ability within the organization. My organization encourages the training of the employees; hence, the quality of work increases as trained employees will be highly experienced, and they would know what they are doing. We had those who responded to the researcher, and 59% disagreed with the statement saying that the organization does not encourage the training of employees; hence, the quality of work is reducing. 7% neither agreed nor disagreed to the statement on whether the organization encourages training. 34% of those who responded agreed to the statement and said that the organization fosters the training of the employees; hence, the quality of work is always increasing within the organization.

The researcher wanted to explore and know if the skilled employees tend to pay more attention to details in the organization than the unskilled and 65% of those who responded disagreed with the statement saying that the employees whether skilled or unskilled pay more attention to their work details. 2% neither agreed nor disagreed to the statement while 33% agreed and said that indeed it is true the skilled employees pay more attention to details as compared to the unskilled employees of the organization. Different educational background brings diverse experience, and it enhances performance in my organization as every colleague will have a different level of expertise. 59% of those who responded to the statement disagreed to the statement citing that the educational background does not bring diverse experience, and it does not enhance performance in the organization. 6% neither agreed nor disagreed to the statement while 35% agreed to the statement and said that different educational background brings background bring diverse experience, and it enhances performances.

Having employees of the same educational levels and background lead to high effectiveness within the organization. 52% of those who responded disagreed with the statement and said that having employees of the same educational level and background does not lead to high effectiveness within the organization. 4% neither agreed nor disagreed to the statement. 44% of those who responded agreed to the statement that the same education levels and background lead to high effectiveness within the organization.

On other ways that the bank has used educational background diversity is that they have organized for both in-job training and out of job training where learning takes place, employees are also encouraged to advance their education through scholarship and sponsorship by the organization.

Correlation for Educational diversity and workforce productivity

Pearson correlation coefficient was used to determine the relationship between Educational diversity and workforce productivity. The results indicated that educational diversity had a positive relationship with workforce productivity. The table below shows that the precision under consideration was at $p=0.000$, and this meets the threshold since $p>0.05$. A correlation coefficient of 0.739 represented the positive relationship, and the number of respondents considered was 78 employees.

Correlation Results for Educational Diversity

| | | Educational Diversity | Workforce Productivity |
|------------------------|---------------------|-----------------------|------------------------|
| Workforce Productivity | Pearson Correlation | 1 | .000** |
| | Sig. (2-tailed) | | .739 |
| | N | 78 | 78 |
| Educational Diversity | Pearson Correlation | .000** | 1 |
| | Sig. (2-tailed) | .739 | |
| | N | 78 | 78 |

** . Correlation is significant at the 0.05 level (2-tailed).

6. Summary

Educational diversity

Seeking to know whether employees possess differences in the educational background leading to increased quality of work and reduced conflict within the organization, majority of those who responded claimed that differences in the educational background don't improve quality of work nor lead to a reduction of friction within the organization. The researcher wanted to explore if the employees experience a lack of confidence due to educational background. Majority of the respondents agreed that lack of confidence due to education background is common as those with higher education level are more confident as compared with those with lower education level. On whether working with colleagues with different educational experience affects problem-solving and decision-making ability. Knowledge is power, and the more one is educated, the more knowledgeable he/she is and full of ideas. Education background within an organization will affect problem-solving and decision-making ability to some extent. Among those who responded, the majority disagreed with the statement saying that educational experience does not affect problem-solving and the decision-making ability within the organization. "My organization encourages the training of the employees; hence, the quality of work increases as trained employees will be highly experienced and knowledgeable. The majority disagreed with the statement saying that the organization does not encourage the training of employees hence reduced quality of work. The minority respondents agreed to the report t that the organization that fosters the training of the employees increases the quality of work.

The researcher explored if the skilled employees pay more attention to details in their work compared to the unskilled and majority of those who responded disagreed with the statement asserting that the employees whether skilled or unskilled pay more attention to their work details. Minority agreed and said that indeed it is true the qualified employees

pay more attention to more information as compared to the unskilled employees of the organization.

On the statement that different educational background brings diverse experience in organization as each colleague has a different level of expertise. The majority disagreed with the statement citing that, the educational background does not bring varied experience, and it does not enhance performance in the organization. Having employees of the same educational levels and background leads to high effectiveness within the organization. The majority disagreed that having employees of the same educational level and knowledge does not lead to high efficiency within the organization. On other ways that the bank has used educational background diversity, they have organized for both in-job training, and out of job training where learning takes place, employees are also encouraged to advance their education through scholarship and sponsorship by the organization.

7. Conclusions

The study concluded that Employees possess differences in the educational background, leading to increased quality of work and reduction in conflict within the organization. The differences in the educational background don't improve the quality of work and reduction of friction within the organization. Employees usually experience a lack of confidence due to educational background and working with colleagues with different educational background affects an organization in problem-solving and decision-making ability. The study also concluded that Knowledge is power, and the more one is educated, the more he/she will be knowledgeable and full of ideas. Education background within an organization affects problem-solving and decision-making ability to some degree. The respondents also pointed out that the Organization encourages the training of the employees hence increased quality of work. The study also revealed that skilled employees tend to pay more attention to details in an organization than the unskilled ones. Educational background also was seen as an element bringing diverse experience, and it enhances performance in an organization as every colleague plays their part. Having employees of the same educational levels and background was seen as a factor leading to high effectiveness within the organization. On other ways that the bank has used educational background diversity, they have organized for both in-job training and out of job training where learning takes place, employees are also encouraged to advance their education through scholarship and sponsorship by the organization.

8. Recommendations

The study recommends that organization should employ workers with different educational levels since this leads to increased quality of work by employees and reduction of conflict within the organization hence higher workforce productivity. The Organization should encourage working with colleagues with different educational background since it will enable problem-solving and decision-making ability at all levels. The Organization should promote the training of the employees hence the quality of work will increase.

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