



**WORKFORCE DIVERSITY MANAGEMENT AND EMPLOYEE PERFORMANCE
IN STATE DEPARTMENT FOR INVESTMENT PROMOTION, KENYA**

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ABSTRACT

As workforce composition becomes increasingly diverse, organizations face significant challenges in managing diversity and ensuring employee performance. This study investigates these challenges within the State Department for Investment Promotion (SDIP) in Kenya, focusing on how workforce diversity management impacts employee performance. The study aimed to assess the effectiveness of diversity management practices and their influence on employee performance within SDIP. The research sought to analyze external workforce dimensions and their effects on employee performance and examine how specific elements of organizational culture affect performance in the context of managing a diverse workforce. Guided by Social Identity Theory and Organizational Support Theory, the study utilized a stratified sampling technique targeting a population of 620 employees from various levels (management, operational, and support) across four agencies within SDIP. Using the Yamane formula, a sample size of 244 was determined. A pilot study with 30 employees was conducted to test the validity and reliability of the research instruments. Data collection involved self-administered questionnaires, with a final response rate of 219 completed surveys. Cronbach's Alpha was employed to ensure instrument reliability, meeting the threshold of 0.7 or above. Factor analysis confirmed tool validity, with factors meeting the threshold of 0.5 or above. Data analysis was performed using statistical tools, with supplementary visualizations. Descriptive and inferential statistics were used for data analysis. Descriptive statistics provided insights through tables, figures, and graphs, while Multiple Regression analysis tested the research questions by examining the influence of independent variables on employee performance. The findings revealed that external workforce dimensions ($p = 0.000$), and elements of organizational culture dimensions ($p = 0.016$) had significant impacts on employee performance. The study concludes that external workforce dimensions and elements of organizational culture show measurable impacts. It is recommended that SDIP ensures diversity management policies are clearly communicated to align external workforce dimensions with organizational goals, develops metrics to track how education and experience influence performance, invests in training programs to enhance skills, fosters an inclusive culture through feedback and recognition systems, and reviews employment types to ensure they align with performance goals. Implementing these strategies can help SDIP better manage its diverse workforce and enhance overall employee performance.

Key Words: State Department for Investment Promotion (SDIP), Diversity Management Practices, Employee Performance, External Workforce Dimensions, Elements Of Organizational Culture

Background of Study

Diversity is a broad concept with a wide range of applications. Some organizations view it as a source of creativity and competitive benefits, whereas others perceive it as a barrier, a limitation, and prejudices. Diversity has historically been defined in terms of personality orientation, education, ethnicity, religion, language, age, and gender (Ng & Sears, 2020). The notion of diversity has expanded in the modern era to include strategic goals aimed at enhancing organizational efficacy and performance. Consequently, in order to improve organizational performance, organizations support workforce diversity. Nonetheless, a multitude of studies that diversity exists in different forms with different intensities (Hennekam, 2019). It can cause serious implications like communication issues, lower morale, and increase employee turnover if not handled properly. Organizational bias results from a lack of diversity education and awareness of diversity ideals, particularly in developing nations with strong social and cultural ties.

Companies should prioritize corporate governance, responsibility, ethics, trust, and diversity, according to (Roberson, 2019) in order to overcome these organizational biases. Additionally, diversity is essential for organizations to make logical decisions and to foster a welcoming atmosphere where people's ideas are valued, which encourages workers to consider the advantages of their work (Urbancová, Hudáková, & Fajčíková, 2020). Yet, poorly managed workforce diversity may result in power struggles, emotional confrontations, misunderstanding, perceived organizational politics, and increased staff turnover. Thus, a workforce diversity may hinder the advancement of the employees' career paths and professional growth due to potential biases and discrimination (Bizri, 2018). Previous research on diversity concentrated on culture and ethnicity, leaving out the organizational views and dimensions. Therefore, in order to comprehend diversity's applications and management consequences for long-term organizational success, it is necessary to look at many aspects of workforce diversity in various contexts (Mousa, Massoud, & Ayoubi, 2020). However, because diversity is subjective, many practitioners lack the skills necessary to properly manage diversity or identify the elements that contribute to diversity management and related problems (Tamunomiebi & John-Eke, 2020).

Statement of the problem

In Kenya's State Department for Investment Promotion (SDIP), workforce diversity management presents a range of challenges that significantly affect employee performance. Research by (Manuel & Karloff, 2020) indicates that diversity alone does not guarantee inclusion, requiring continuous adaptation and technological advancements to enhance employee satisfaction and prevent dissatisfaction. Similarly, the (Boston Consulting Group, 2018) found that only 26% of companies achieved above-average diversity, revealing the persistent challenge of fostering diversity in leadership teams.

Within SDIP, employees report barriers to career advancement, with 30% feeling overlooked for promotions due to perceived biases related to gender, ethnicity, or age (Mwangi, 2022) This perception is consistent with (Roberson, 2019) who stresses the importance of fairness in creating an inclusive workplace—particularly relevant in Kenya's public sector.

Additionally, the entry of Generation Z into the workforce has introduced new dynamics, leading to intergenerational tensions. Gen Z employees value mentorship, social rewards, and meaningful responsibilities (Kapil & Roy, 2018) while older employees may view them as a threat due to differing work styles, further hindering teamwork and collaboration. Despite efforts to promote diversity, SDIP faces ongoing challenges in managing these issues, which negatively affect employee morale, motivation, and productivity. To build an inclusive workplace, SDIP must take proactive measures to address these barriers comprehensively.

While many studies have explored workforce diversity and employee performance, existing research has not fully examined how external workforce dimensions (such as education), and

elements of organizational culture together influence employee performance in SDIP. Most studies tend to focus on these factors individually, missing their combined impact on employee outcomes.

This gap has both conceptual and contextual dimensions. Conceptually, there is a need for research that integrates these factors, while contextually, the specific dynamics within SDIP are underexplored. This study aims to address these gaps by investigating how workforce diversity management affects employee performance in SDIP, offering insights to help the organization optimize its workforce strategies.

Objectives of the study

The general objective of the study was to assess workforce diversity management and employee performance in the State Department for Investment Promotion in Kenya. The study was guided by the following objectives:

- i. To assess the external workforce dimensions on employee performance in the State Department for Investment Promotion in Kenya.
- ii. To analyze how specific elements of organizational culture influence employee performance in the context of managing a diverse workforce at the State Department for Investment Promotion in Kenya.

LITERATURE REVIEW

Theoretical Review

Human Capital Theory

Human Capital Theory, first articulated by (Becker, 1964), posits that education and training are critical investments in human capabilities, directly influencing individual productivity and, by extension, organizational performance. This theory has evolved to emphasize the strategic role of human capital development in fostering competencies that support diversity, equity, and inclusion within the workplace. (Kaliannan, Darmalinggam, Dorasam, & Abraham, 2023) have provided insights into talent acquisition and retention strategies, underscoring the need for inclusive recruitment practices and talent management initiatives that attract and maintain a diverse workforce. This theory becomes particularly relevant when examining the external workforce dimensions of educational background, work experience, and marital status, and their impact on employee performance in the State Department for Investment Promotion (SDIP) in Kenya.

Assessing the educational background of employees as a dimension of human capital is crucial for understanding how diverse educational qualifications influence performance outcomes. Education equips individuals with the knowledge and skills necessary to perform effectively in their roles. In the context of SDIP, exploring the educational backgrounds of employees can reveal how different levels and fields of education contribute to overall organizational performance, particularly in terms of adaptability and creativity in investment promotion.

Work experience, as another key dimension of human capital, encompasses the practical skills and insights gained over time in various professional settings. (Li, Wang, M, & Chen, Z., 2021) argue that diverse work experiences enhance employees' ability to navigate complex challenges and contribute to a more dynamic and resilient organizational environment. In the SDIP, analyzing the impact of varied work experiences can provide a deeper understanding of how prior job roles and industry exposure shape employee effectiveness and performance. Inclusive leadership behaviors, as explored by (Smith & Brown, B., 2020) further amplify the benefits of diverse work experiences by fostering an environment where employees feel valued and supported, thus enhancing their contribution to the organization's goals.

Marital status, while often overlooked, is a significant external workforce dimension that can affect employee performance. (Chen, Zhao, Y., & Li, Q, 2024) discuss how inclusive leadership behaviors can mitigate the potential negative impacts of personal circumstances on

work performance. For instance, employees with familial responsibilities may benefit from flexible working arrangements and supportive policies that help balance work and personal life, ultimately leading to higher job satisfaction and productivity. In the SDIP, understanding the diverse marital statuses of employees can inform the development of policies and practices that support a healthy work-life balance, thereby improving overall performance.

By leveraging this theory, the State Department for Investment Promotion in Kenya can strategically develop and implement policies that enhance the contributions of a diverse workforce, fostering an inclusive and high-performing organizational culture. This alignment of human capital development with diversity management practices underscores the critical role of strategic human resource management in achieving organizational excellence.

Organizational Support Theory

Organizational Support Theory, proposed by (Eisenberger, 1986) focuses on employees' perceptions of support from their organization, drawing from Blau's (1964) Social Exchange Theory (SET). This theory contends that employees are more likely to reciprocate organizational support with equivalent or greater input, provided they believe management is supportive (Rhoades Shanock, 2020). During challenging times, effective management and assurance of supportive behavior are vital, with both verbal and nonverbal cues being significant indicators of support.

Applying Organizational Support Theory to the objective of determining a practical organizational culture for creating and managing a diverse workforce in the State Department for Investment Promotion in Kenya involves focusing on the implementation of policies, the level of inclusion, and recognition and rewards. By fostering a supportive organizational environment, the department can enhance employee performance and engagement. Implementing inclusive policies that recognize and reward employee contributions ensures that all employees feel valued and supported. This supportive culture is essential for managing a diverse workforce effectively, leading to a more inclusive and productive workplace.

Empirical Review

External workforce dimensions and employee performance

External workforce dimensions encompass various factors that influence the composition and dynamics of the workforce outside of traditional employment arrangements. This empirical review focuses on three significant dimensions: educational background, work experience, and marital status. The educational background of the external workforce has been a focal point in recent literature, reflecting the increasing emphasis on skills and qualifications in the contemporary labor market. By incorporating quantitative analysis, (Smith J. , 2024) and Johnson (2021) highlight a notable trend towards higher educational attainment among external workers. This trend is attributed to the growing demand for specialized skills in knowledge-based industries and the proliferation of online learning platforms facilitating upskilling and reskilling.

Furthermore, research by (Lee, J & Chen, 2022) suggests a shift towards non-traditional educational pathways, such as boot camps and vocational training programs, particularly among younger segments of the external workforce. These findings point out the importance of adaptability and continuous learning in the gig economy era. Work experience also remains a crucial determinant of employability and earning potential for workers, (Smith J. , 2024). Recent study by (Park, 2020) underscore the significance of prior work experience in securing higher-paying gigs and career advancement opportunities within the gig economy. However, disparities in work experience persist among different demographic groups. For instance, (Patel & Tewari, 2024) highlight significant differences in the accumulation of work experience between genders within the gig economy, with male workers often having more extensive experience than their female counterparts. Such findings emphasize the need for targeted

interventions to address disparities and promote equitable access to opportunities for all workers.

Research by (Wang & Li, X, 2019) suggests that married workers are more likely to prioritize flexible work arrangements and autonomy over traditional employment benefits such as healthcare and retirement plans. The qualitative insights from open-ended survey questions shed light on the experiences of external workers based on their marital status, highlighting the interplay between work and personal life in external work arrangements. Additionally, studies by (Liu, Tian, & Zhang, 2023) highlight the influence of marital status on income stability and risk aversion among workers, with married individuals exhibiting a greater propensity to seek stable income streams. Moreover, the intersectionality of marital status with other demographic factors, such as parenthood and caregiving responsibilities, further shapes the experiences and preferences of external workers.

Elements of organizational culture and employee performance

Organizational culture plays a pivotal role in shaping the workplace environment and influencing employee behavior, attitudes, and performance. In this empirical review, we examine literature focusing on three key aspects of elements of organizational culture: the implementation of policies, the level of inclusion, and recognition and rewards. The implementation of policies reflects an organization's commitment to its values, ethics, and compliance standards. Recent studies by Brown et al. (2019) and Jackson and Smith (2021) by utilizing quantitative analysis emphasize on the importance of transparent and consistent policy implementation in fostering trust and accountability within the workplace. These studies utilized a longitudinal research design to highlight the impact of effective policy implementation on employee morale, organizational commitment, and overall performance. Additionally, the research suggests that organizations with well-defined policies and procedures experience lower rates of turnover and conflict, indicating the role of policy implementation in promoting stability and cohesion. However, challenges such as resistance to change and inadequate communication strategies can hinder the successful implementation of policies, as noted by Roberts and Johnson (2023) in their study on organizational change management.

The level of inclusion within an organization reflects its commitment to diversity, equity, and belongingness. Recent literature has emphasized the importance of fostering an inclusive culture to harness the full potential of a diverse workforce. Studies by Gupta et al. (2020) and Hernandez and Martinez (2024) highlight the positive correlation between inclusive organizational cultures and employee engagement, innovation, and retention. Moreover, looking into the role of leadership in promoting inclusivity and creating a sense of psychological safety among employees. Effective diversity and inclusion initiatives, such as unconscious bias training and affinity groups, have been shown to enhance organizational culture and mitigate barriers to inclusion, as evidenced by the findings of (Patel & Tewari, 2024) and Nguyen et al. (2023).

Recognition and rewards are instrumental in reinforcing desired behaviors and motivating employees to achieve organizational objectives. Recent studies by Chen et al. (2020) and Wang and Li (2021) emphasize the importance of timely and meaningful recognition in driving employee engagement and performance. These studies highlight the effectiveness of various recognition strategies, including monetary incentives, public praise, and opportunities for career advancement. Furthermore, research by Taylor and Brown (2022) suggests that organizations that prioritize employee recognition and rewards experience higher levels of job satisfaction and loyalty. However, disparities in the distribution of rewards can undermine morale and perceptions of fairness, as noted by Garcia and Martinez (2023) in their examination of pay equity within organizations.

In conclusion, the empirical review elucidates the complex interplay of demographic aspects, cultural backgrounds, and generational differences within the internal workforce. By

recognizing the significance of educational background, work experience, and marital status in shaping individual performance and organizational dynamics, organizations can cultivate inclusive and high-performing work environments. Moving forward, businesses must prioritize diversity, equity, and inclusion efforts to harness the full potential of their internal workforce and drive sustainable growth. Also, the review underscores the multidimensional nature of the external workforce, with educational background, work experience, and marital status playing pivotal roles in shaping employment outcomes and preferences. Understanding these dimensions is essential for policymakers, employers, and practitioners seeking to address the evolving needs and challenges of the contemporary labor market. Moving forward, businesses must prioritize talent development, foster inclusive cultures, and embrace flexible work practices to navigate uncertainties and capitalize on emerging opportunities in the global marketplace. The empirical evidence presented in this review underscores the significance of organizational culture in shaping employee experiences and organizational outcomes. The implementation of policies, level of inclusion, and recognition and rewards are integral components of a thriving organizational culture that fosters trust, engagement, and performance.

Employee performance

The study conducted by (Njeri, 2021) explored the impact of organizational culture on employee performance within the Kenya Revenue Authority (KRA). It reveals that a positive organizational culture significantly enhances employee performance and job satisfaction, emphasizing factors like leadership style and communication practices. (Muthoni, 2020) investigated the relationship between employee motivation and performance in manufacturing firms in Nairobi County, identifying rewards and working conditions as key drivers of improved performance. Similarly, (Alabi, 2021) examined how employee performance management influences organizational success in Nigeria, finding that aligning performance with strategic goals and conducting regular appraisals enhance accountability and productivity. (Kahn, 2020) conducted a systematic review that highlights the positive link between employee engagement and job performance, showing that higher engagement leads to improved organizational commitment and performance outcomes. Each study highlights different factors that influence employee performance, including organizational culture, motivation, performance management, and engagement. Together, they provide valuable insights into employee performance from both local and international perspectives.

Conceptual framework

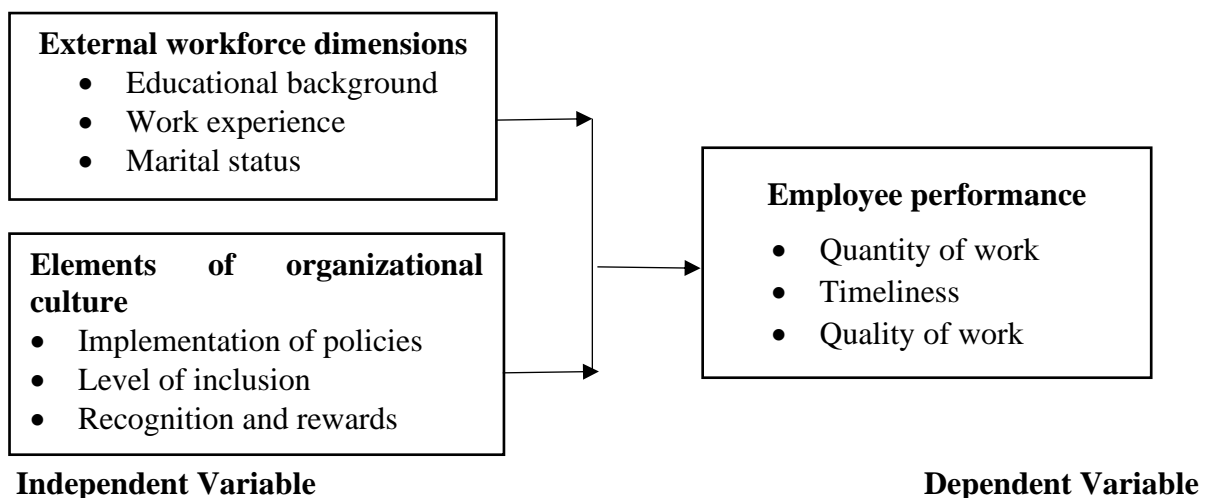


Figure 2.1: Conceptual Framework

RESEARCH METHODOLOGY

The study adopted a descriptive survey research design. The target population was 620 employees at the Management, Operational and Support level in the four Agencies that fall under SDIP.

Agencies in SDIP	Target Population	Percentage (%)
EPZA	250	40
SEZA	70	12
KDC	150	24
KenInvest	150	24
Total	620	100

Table 0.1: Target Population

The study employed a stratified sampling technique followed by purposive sampling. This study determined the sample size for the study, using the Yamane formula. The sample size was 244 employees as per the technique indicated. To achieve the objectives of the study, both primary and secondary data were used. Data were collected through the administration of questionnaires using drop and pick technique. Using a proportional sampling method, 30 employees from the SDIP provided pilot data, representing 12% of the overall sample size of 244. Data were analyzed using descriptive and inferential statistics. In order to allow data to be entered into the software, the questionnaires were referenced and the data coded. Descriptive statistics included mean, standard deviations, percentages, and frequencies. Analyzed data were presented using frequency tables, charts, and graphs to determine the percentage of responses for each category in the variable, including the response rate to questions. Data were processed and analyzed with the aid of the Statistical Package for Social Sciences (SPSS version 26), which had incredible capabilities for executing high-level analysis, including multiple regression analysis.

RESEARCH FINDINGS AND DISCUSSION

The study targeted 244 respondents and 219 questionnaires were returned, yielding a response rate of 89.8%. As explained by (Groves, et al., 2020) a response rate of 50% and above is adequate for analysis, 60% and above is good while that of 70% and above is excellent. Therefore, the response rate of 89.8% was excellent for further analysis and reporting and enhances the credibility of the study's findings.

Descriptive Analysis

This section presents the descriptive statistics for each of the study variables. A 5-point Likert scale was used where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree. The mean and standard deviation values are provided to interpret the findings. A mean value of 1.0-1.4 indicates Strongly Disagree, 1.5-2.4 indicates Disagree, 2.5-3.4 indicates Neutral, 3.5-4.4 indicates Agree, and 4.5-5.0 indicates Strongly Agree.

External workforce dimensions and employee performance

The first objective was to assess the external workforce dimensions on employee performance in the State Department for Investment Promotion in Kenya. Respondents therefore gave their level of agreement with various statements on external workforce dimensions.

Descriptive Analysis for external workforce dimensions and employee performance

Statements	1	2	3	4	5	Mean	Std. Dev
	%	%	%	%	%		
Educational background							
Educational background is a key consideration in the recruitment process	15	15	2	36	32	3.557	1.446
Employees with diverse educational backgrounds contribute positively to performance	16	15	5	31	34	3.511	1.478
The organization encourages continuous education and learning	7	13	14	26	40	3.785	1.280
Work experience							
Diverse work experiences within the team enhance problem-solving and innovation	12	13	8	31	37	3.667	1.389
The organization values employees with diverse work experiences	14	15	9	30	32	3.525	1.422
Mentorship programs leverage the work experience of senior employees	13	11	8	36	32	3.616	1.378
Marital status							
The organization respects the diversity of marital statuses among its employees.	16	15	6	31	33	3.516	1.463
Employees' marital status does not affect their opportunities for career advancement.	15	16	5	32	32	3.500	1.444
Work-life balance initiatives are in place to support employees with different marital statuses	12	14	4	34	36	3.676	1.388
Aggregate Mean						3.594	1.41

Table 1: Descriptive analysis for External Workforce Dimensions

The results show that 36% of respondents agreed that educational background is considered in the recruitment process ($M = 3.557$, $SD = 1.446$), suggesting a moderate consensus on the importance of educational qualifications in hiring practices; 34% of respondents strongly agree that employees with diverse educational backgrounds positively influence performance ($M = 3.511$, $SD = 1.478$), demonstrating value and positive impact of educational diversity on performance; 40% of respondents strongly agree that the organization promotes continuous education and learning, with a ($M = 3.785$, $SD = 1.280$), encouraging employees to continuously learn new skills and knowledge. On work experience 37% of respondents strongly believe that having a variety of work experiences within a team improves problem-solving and fosters innovation, supported by a ($M = 3.667$, $SD = 1.389$), which reflects an in depth volume of experiences; 32% of respondents strongly agree that the organization values employees with diverse work experiences, with a ($M = 3.525$, $SD = 1.422$), indicating a clear agreement on the importance placed on diverse work backgrounds; 36% of respondents agree that mentorship programs effectively leverage the work experience of senior employees, with a ($M = 3.616$, $SD = 1.378$) indicating that these programs are valued for utilizing the expertise of experienced staff to benefit the organization. On marital status, 33% of respondents strongly agree that the organization respects the diversity of marital statuses among its employees, as indicated by a ($M = 3.516$, $SD = 1.463$), highlighting a strong acknowledgment of the organization's respect for varied marital backgrounds; 32% of respondents strongly agree and another 32% agree that employees' marital status does not impact their opportunities for career advancement, with a ($M = 3.500$, $SD = 1.444$), demonstrating a general belief in equal career advancement opportunities regardless of marital status and 36% of respondents strongly agree that work-

life balance initiatives are implemented to support employees with varying marital statuses, as reflected by a ($M=3.676$, $SD=1.388$), indicating strong support for the organization's efforts to accommodate diverse marital backgrounds.

With an aggregate ($M= 3.594$, $SD = 1.41$), the respondents express a solid agreement on the positive impact of external workforce dimensions on employee performance. The findings of this study align with existing literature on external workforce dimensions, particularly in the areas of educational background, work experience, and marital status. Consistent with (Smith J. , 2024) , the study highlights the importance of educational qualifications in recruitment and strong support for continuous learning initiatives. The positive impact of diverse work experiences on problem-solving and innovation aligns with research by (Park, 2020) and (Patel & Tewari, 2024). The respect for diverse marital statuses and support for work-life balance initiatives (Wang Y. L., 2023) are also reflected in the study findings. The alignment between these findings and the literature underscores the significance of external workforce dimensions in shaping employee performance and highlights the need for organizations to foster diversity and continuous learning for sustained success.

Elements of organizational culture and employee performance

The second objective was to analyze how specific elements of organizational culture influence employee performance in the context of managing a diverse workforce at the State Department for Investment Promotion in Kenya. Respondents therefore gave their level of agreement with various statements on elements of organizational culture.

Descriptive Analysis for elements of organizational culture and employee performance

Statements	1	2	3	4	5	Mean	Standard deviation
	%	%	%	%	%		
Implementation of policies							
Organizational policies are regularly communicated clearly to me.	11	9	5	34	41	3.840	1.350
Policies are enforced consistently across the organization	12	16	11	28	33	3.534	1.402
There is awareness of the diversity policies and initiatives implemented	22	18	5	26	29	3.205	1.564
Level of inclusion							
I feel included and valued as a vital part of this organization's diverse workforce.	31	32	8	15	16	2.530	1.444
Leadership is inclusive in decision-making processes	12	15	6	37	30	3.571	1.368
Opportunities for growth are equally accessible to every employee.	21	22	14	22	21	3.000	1.446
Recognition and rewards							
Employees from diverse backgrounds are acknowledged and rewarded for their contributions.	16	21	6	26	31	3.356	1.487
Performance-based rewards reflect my contributions to the organization	26	21	14	19	21	2.900	1.505
There are mechanisms in place to ensure fairness in the recognition and reward process.	24	22	12	22	19	2.895	1.472
Aggregate mean						3.203	1.449

Table 2: Descriptive analysis for Elements of Organizational Culture

The findings on implementation of policies show 41% of respondents strongly agreed that organizational policies are regularly communicated clearly to them ($M= 3.840$, $SD= 1.350$) indicating a high level of perceived clarity in communication but also some variability in responses; 33% of respondents strongly agreed that policies are enforced consistently across the organization ($M= 3.534$, $SD= 1.402$) indicating moderate agreement and some variability in perceptions of enforcement consistency ; 29% of respondents strongly agreed that there is awareness of the diversity policies and initiatives implemented ($M=3.205$, $SD= 1.564$) reflecting a moderate level of awareness and some variability in perceptions.

On level of inclusion, 32% of respondents disagreed that they feel included and valued as a vital part of this organization's diverse workforce ($M=2.530$, $SD=1.444$) indicating a significant level of dissatisfaction regarding feelings of inclusion and value within the organization; 37% of respondents agreed that leadership is inclusive in decision-making processes ($M=,3.571$ $SD=1.365$) suggesting a moderate level of agreement that leadership practices are inclusive, although there is some variability in perceptions; 22% of respondents disagreed, while 22% agreed that opportunities for growth are equally accessible to every employee ($M=3.000$, $SD=1.446$) indicating mixed perceptions about the equity of growth opportunities. On recognition and rewards, 31% of respondents strongly agreed that employees from diverse backgrounds are acknowledged and rewarded for their contributions ($M= 3.356$, $SD=1.487$) indicating a moderate level of agreement and some variability in perceptions of recognition and rewards for diverse contributions ; 26% of respondents strongly disagreed that performance-based rewards reflect their contributions to the organization ($M= 2.900$, $SD=1.505$) indicating a significant level of dissatisfaction with the alignment of rewards with individual contributions; 24% of respondents strongly disagreed that there are mechanisms in place to ensure fairness in the recognition and reward process ($M= 2.895$, $SD=1.472$) indicating that many employees feel the recognition and reward process is not fair. Overall, the average score suggests a somewhat positive but not overwhelmingly strong view of how organizational culture influences employee performance.

The study findings concur with research emphasizing the importance of organizational culture. Clear and consistent policy implementation is vital for trust and accountability (Brown, 2019) though perceptions vary. Inclusion is critical for engagement and retention (Gupta & Sharma, P., 2022), yet many employees feel excluded despite some belief in inclusive leadership. Concerns about recognition and rewards persist, with some feeling their contributions are not fully acknowledged and fairness issues remaining (Garcia & Rodriguez, P, 2023).

Employee performance

This subsection is concerned with investigation of employee performance in the State Department for Investment Promotion.

Statements	1	2	3	4	5	Mean	Standard Deviation
Quantity of work							
I consistently meet the expected amount of work assigned to me	11%	10%	6%	36%	37%	3.790	1.328
The organization provides sufficient resources to help me meet my work quantity targets	11%	13%	11%	31%	35%	3.662	1.346
Timeliness							
I consistently meet deadlines for my tasks and projects	15%	13%	7%	32%	34%	3.564	1.434
I am able to prioritize my work effectively to ensure timely completion	14%	11%	9%	30%	36%	3.612	1.424
Quality of work							
The work I produce is of high quality and meets organizational standards	11%	16%	7%	31%	34%	3.603	1.392
I pay attention to detail to ensure the accuracy of my work	11%	16%	6%	32%	35%	3.644	1.382
The organization provides training and resources to help me improve the quality of my work	11%	14%	6%	33%	37%	3.712	1.356
Aggregate mean						3.655	1.380

Table 3: Descriptive analysis for Employee Performance in the SDIP

The findings on quantity of work show that 37% of respondents strongly agreed that they consistently meet the expected amount of work assigned to them (M=3.790, SD=1.328); 35% of the respondent strongly agreed that the organization provides sufficient resources to help them meet their work quantity targets (M=3.662, SD= 1.346); On timeliness, 34% of respondents strongly agreed that they consistently meet deadlines for their tasks and projects (M=3.564, SD= 1.434); 36% of respondents strongly agreed that they are able to prioritize my work effectively to ensure timely completion (M=3.612, SD= 1.424); 34% of respondents strongly agreed that the work they produce is of high quality and meets organizational standards (M=3.603, SD= 1.392); 35% of respondents strongly agreed that they pay attention to detail to ensure the accuracy of their work (M=3.644, SD= 1.382); and 37% of respondents strongly agreed that the organization provides training and resources to help them improve the quality of their work (M=3.712, SD= 1.356). With an aggregate mean of 3.655 and a standard deviation of 0.043, employee performance is generally high and consistent, showing minimal variation around the average performance level.

The study findings align with (Njeri, 2021), who emphasize that a positive organizational culture improves performance, similar to employees in your study recognizing the support provided to enhance work quality. (Muthoni, 2020) highlight motivation through rewards, which matches your findings on sufficient resources helping employees meet targets. (Alabi, 2021) show that performance management boosts standards, while (Kahn, 2020) link engagement to timely task completion, reflecting similar patterns in your results. These factors collectively influence work quantity, timeliness, and quality.

Correlation Analysis

Correlation analysis is a statistical method used to evaluate the strength and direction of the linear relationship between two quantitative variables. In this study the correlation analysis was conducted to determine the strength and direction of the relationship between the dependent variable (employee performance) and the independent variables (External workforce

dimensions and Elements of organizational culture). The Pearson correlation coefficients for these relationships are presented in Table 4.9 below. The relationship was considered to be small if $\pm 0.1 < r < \pm 0.29$; medium if $\pm 0.3 < r < \pm 0.49$; and strong if $r > \pm 0.5$. The significance level was set at 0.05.

Pearson correlation matrix

	External workforce dimensions	elements of organizational culture	Employee performance
External workforce dimensions	1		
elements of organizational culture	.752	1	
Employee performance	.691	.635	1

Table 0: Pearson correlation matrix

The Pearson correlation coefficient of $r = 0.691$ with a p-value of 0.000, indicates a strong positive correlation between external workforce dimensions and employee performance and a statistically significant relationship. This means that external factors, such as educational background, work experience or marital status, have a significant influence on employee performance in State Department for Investment Promotion.

The Pearson correlation coefficient of $r = 0.635$, with a p-value of 0.02, indicates a strong correlation between elements of organizational culture and employee performance and statistically significant relationship. This suggests that cultural aspects such as inclusivity, recognition and rewards, and implementation of policies play a significant role in enhancing employee performance in State Department for Investment Promotion when well managed.

Multiple Regression Analysis

The coefficients table provides detailed insights into the specific impact of each independent variable on employee performance. It shows the unstandardized coefficients, which indicate the expected change in the dependent variable for a one-unit change in the independent variable, holding all other variables constant.

Beta Coefficients of the Study Variables

Model	Unstandardized Coefficients (B)	Standard Error	Standardized Coefficients	t	Sig.
(Constant)	1.181	0.254		4.636	0.000
External workforce dimensions	0.279	0.056	0.285	4.949	0.000
Elements of organizational culture	0.209	0.086	0.220	2.416	0.016

Table 5: Beta Coefficients of the Study Variables

The coefficient for external workforce dimensions is $B = 0.279$ with a p-value of 0.000, suggesting that a one-unit increase in external workforce dimensions is associated with a 0.279-unit increase in employee performance, assuming other variables remain constant. The statistical significance ($p < 0.05$) confirms that external workforce dimensions, such as education and work experience, likely play a role in influencing employee performance. This finding aligns with previous studies by (Smith J. , 2024), who highlighted the increasing importance of educational attainment and work experience in enhancing employee success. Additionally, (Lee, J & Chen, 2022) emphasized the need for specialized skills and continuous learning in a rapidly evolving labor market, while (Patel & Tewari, 2024) stressed the disparities in work experience across demographic groups, highlighting the importance of equitable access to growth opportunities.

The coefficient for elements of organizational culture is $B = 0.209$ with a p-value of 0.016, suggesting that a one-unit improvement in these elements is associated with a 0.209-unit increase in employee performance. This statistically significant relationship indicates a positive influence of organizational culture on employee performance. This finding is consistent with the research by (Chen, Zhao, Y., & Li, Q, 2024), who found that implementing meaningful recognition strategies, such as monetary incentives and public praise, effectively enhances employee engagement and performance. Similarly, (Smith J. , 2024) emphasized the importance of transparent policy implementation in fostering trust and accountability, which in turn improves employee performance.

Employee performance in SDIP=1.181 + 0.279 (External workforce dimensions) + 0.209 (Elements of organizational culture)

CONCLUSIONS

The analysis reveals that educational background, work experience, and marital status are pivotal external factors influencing employee performance. According to Human Capital Theory, the diversity of skills and adaptable policies, especially for employees with familial responsibilities, are crucial. These factors contribute to enhanced job satisfaction and productivity, thereby positively impacting overall employee performance. This underscores the importance of recognizing and accommodating diverse external factors to optimize employee performance in the workplace.

Organizational Support Theory emphasizes that supportive policies, recognition, and rewards drive employee engagement. SDIP's ability to build an inclusive and supportive culture directly impacts performance, demonstrating that effective diversity management results in a more engaged and high-performing workforce.

RECOMMENDATIONS

External workforce dimensions, such as educational background and work experience, showed a significant positive impact on employee performance. To leverage this, SDIP should offer flexible employment options (part-time or contract roles) to accommodate diverse workforce needs, boosting job satisfaction and performance. Additionally, investing in regular training and development programs will help employees continuously improve their skills, directly enhancing productivity and performance. Ensuring that both permanent and temporary employees are treated fairly and equally supported can also enhance job satisfaction and performance, addressing the diverse needs of the workforce.

The elements of organizational culture showed a significant impact on employee performance. SDIP should clearly communicate and consistently apply workplace policies to ensure employees understand what is expected of them. A more inclusive work environment that makes all employees, regardless of background, feel welcome and valued will improve teamwork and motivation. Additionally, creating a culture of regular recognition and rewards for achievements will motivate employees to perform better, helping them develop a sense of belonging and pride in their contributions.

SUGGESTIONS FOR FURTHER STUDIES

Future research could explore longitudinal research tracking the impact of diversity metrics over time could provide insights into the long-term benefits of diversity initiatives. Comparative studies between public and private sectors might reveal differences in how diversity management affects performance. Examining work-life balance as a mediator and the influence of diverse leadership on employee outcomes could further enrich understanding. Finally, cross-cultural studies could offer a broader perspective on global trends in managing diverse workforces.

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