

## **ABSTRACT**

Diversity is an increasingly important factor in organizational life as organizations worldwide become more diverse in terms of gender, race, ethnicity, age and other characteristics. There have been different findings as to whether Top Management Team (TMT) diversity affects the performance of organizations. Some researchers argue that diverse TMT have the potential to result in strategic decision making, greater creativity, more innovation and the ability to reach more and different types of customers. Others however argue that demographic variation signals variations in underlying and invisible cognitive processes which can be a source of strife. Effective human resources strategies recognize that organizations can benefit from Top Management Team diversity by creating an environment that attracts people from diverse background and recruits the best staff regardless of ethnicity, gender or age. As a result, this study sought to find out the effect of Diversity Management Strategies on the relationship between TMT diversity and the performance of commercial banks in Kenya. All the Heads of Human Resources in the 43 commercial banks operating as at December 2010 were targeted and 33 responded. The main tool of data collection was the questionnaire while the data was analyzed using regression analyses. The study found that diversity management strategies had a significant effect on the relationship between TMT diversity and organization performance. Diversity Management strategies create and maintain an environment that naturally allows all individuals to reach their full potential in pursuit of organizational objectives for competitive advantage. Diversity management strategies will ensure that the interests of the minorities in commercial banks in Kenya are well taken care of