

**STRATEGIES ADOPTED BY TOYOTA KENYA LTD TO COPE
WITH SOCIO CULTURAL DIVERSITY AMONG ITS EMPLOYEES**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT
OF THE REQUIREMENTS FOR THE AWARD OF THE MASTER
OF BUSINESS ADMINISTRATION DEGREE, SCHOOL OF
BUSINESS, UNIVERSITY OF NAIROBI**

NOVEMBER 2015

DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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D61/60508/2013

This research project has been submitted for examination with my approval as university supervisor.

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ACKNOWLEDGEMENT

The process of this master's project writing has been a wonderful learning experience which was coupled with both challenges and rewards. The completion of my study opens a new beginning and a step forward in my endeavors.

First and foremost I am indeed grateful to God for his faithfulness at every step of this study and my life. Special thanks to my supervisor Dr. Mary Kinoti and moderator Dr. Kitiabi for their invaluable guidance and advice throughout this project.

Sincere gratitude to my late dad Mr. Joseph Chege and my mum Mrs. Edith Chege, siblings Abel, Ann and Teresia for their continuous dedication and encouragement throughout my studies and their selfless commitment to ensuring I received the best possible education.

My most sincere and heartfelt gratitude to my wife Peninnah Njeri who prayed and stood by me during my studies. Your patience with me when I had to spend long hours at school are truly appreciated.

To my friends and work place colleagues for their inputs and feedback that made it possible that I attend and complete my MBA course successfully.

I register my appreciation to all those who in one way or another made a contribution to my life during this period.

DEDICATION

I dedicate this work to my loving family, who sacrificed a lot both morally and financially to ensure that I completed this programme, my late dad for his motivation to fully exploit my potential, my mum for her faith in God about my success in my education and my dear loving wife for supporting and having faith in me.

To all I say, thank you!

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today's world there are rapid dynamic changes, characterized by increased technological advancement. Many organizations demand a more flexible and competent adaptive workforce to remain competitive (Singh and Zollo, 2004). Successful companies operating in such changes are alert and always tend to thrive when having enablers which their non-agile competitors do not possess thus the workforce becomes a strategic objective in many organization. Organizations should have multi-skilled employees as a precondition for an organizational responsiveness. Therefore an organization's workforce diversity strategy is a key control in ensuring the knowledge, skills and attitudes required to achieve organizational goals and create competitive advantage. However for an organization to have a good diverse workforce it requires a good productive, flexible, quality and employee morale (Rogerson, 2009). The practices of Valuing and recognizing workforce diversity is essential to maintaining a competitive advantage and diversity management practices enhance productivity, effectiveness, and sustained competitiveness.

The study uses similarity/attraction theory and the resource based theory where the former suggests that diversity's effect on teams is negative, due to more difficulties in social processes (Stahl, Maznevski, Voight and Jonsen, 2010). The effect of information processing theory is positive in results to different contributions to the team and a diverse team, which covers a broader territory of information, taps into a broader range of networks and perspectives, and encounter problem-solving,

creativity, innovation, and adaptability. The theory is predicted on the notion that similarity in attributes, particularly demographic variables, increases interpersonal attraction and liking. Similarity allows people to have own values and ideas reinforced, whereas dissimilarity causes one to question his or her values and ideas. (Berman & Cassel, 2001) argued that in a situation where an individual has the opportunity to interact with a number of different people, he or she is most likely to select people who are similar to them.

The challenge of cultural diversity is affecting many multinational organizations today including Toyota Kenya. Firms operating in different language areas find difficulties in communicating with the local employees as local employees speak different language, increase in ambiguity, complexity and problem with management and employees over generalize organizational policies, strategies, practices and procedures (Ely and Thomas, 2006). The diversity is a demographic phenomenon playing upon to the local organizations, multinational corporations and institutions in other countries. Increasing competition and demographic changes have convinced many business leaders that diversity should be an essential part of their business strategy.

1.1.1 Concept of the Strategy

A company's strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures and to strengthen its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. Ansoff (1987) argued that a strategy is a framework by which an organization asserts its vital continuity whilst managing to adapt to the changing environment to gain

competitive advantage. White (2009) defined strategy as the pattern of major objectives, purposes or goals and essential policies or plans for achieving the goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be. Graen (2003) defines strategy as the way in which a corporation endeavors to differentiate itself positively from its competitors, using its relative strengths to better satisfy customer needs. Graen's definition highlights the competitive aspect of strategy and the strengths required to satisfy customer needs thus this definition aims at customer satisfaction as the driver of the strategy.

This definition of strategy emphasizes on purpose and the means by which goals will be achieved. It also emphasizes on the values and the cultures that the company stand for strategy determines the basic long-term goals and objectives of an enterprise, the adoption of courses of action and the allocation of resources necessary for carrying out these goals. The top management of an organization is concerned with the selection of a course of action from among different alternatives to meet the organizational objectives. The process by which objectives are formulated and achieved is known as strategic management and strategy acts as the means to achieve the objective (Ansoff, 1987). Strategy is the grand design or an overall 'plan' which an organization chooses in order to move or react towards the set of objectives by using its resources.

Strategies most often devote a general programme of action and an implied deployment of emphasis and resources to attain comprehensive objectives. An organization is considered efficient and operationally effective if it is characterized by coordination between objectives and strategies (Kundu and Turan, 2009). There has to be integration of the parts into a complete structure. Strategy helps the organization to meet its uncertain situations with due diligence. Without a strategy, the organization is

like a ship without a rudder. It is like a tramp, which has no particular destination to go to. Without an appropriate strategy effectively implemented, the future is always dark and hence, more are the chances of business failure.

A Firm's strategy is managements action plan for running the business, conducting operations and organization implementation should be directed towards building strengths and other key actors in the organizations 'external environment. A good strategy should fit the enterprise's external and internal situation, build sustainable competitive advantage and improve company performance (Thompson & Strickland, 2005). The strategy is a mediating force between the organization and its environment with consistent streams of organizational decisions developed to tackle with the environment.Strategic management is necessary if firms need to formulate strategies to take advantage of external opportunities and reduce the impact of external threats, it includes understanding the strategic position of the organization, strategic choices for the future and turning strategy into action (Johnson and Scholes, 2005).

1.1.2 Cultural Diversity

According to Cox (1991), since cultural group refers to an affiliation of people who collectively share certain norms, values, or traditions that are different from those of other groups, cultural diversity means the representation, in one social system, of people with distinctly different group affiliations of cultural significance. In addition, Cox assumes that the context of social systems are generally characterized by a majority group and a number of minority groups. Majority group means the largest group, while minority group means a group with fewer members represented in the social system compared to the majority group.

Diversity is a subjective phenomenon, created by group members themselves who on the basis of their different social identities categorize others as similar or dissimilar. A group is diverse if it is composed of individuals who differ on a characteristic on which they base their own social identity (Tsui & O'Reilly, 2009). Loden & Rosener (1991) define diversity as that which differentiates one group of people from another along primary and secondary dimensions. Primary dimensions of diversity, those exerting primary influences on our identities, are gender, ethnicity, race, sexual orientation, age and mental or physical abilities and characteristics. The primary dimensions shape our basic self-image as well as our fundamental world views. Additionally, they have the most impact on groups in the workplace and society. Secondary dimensions of diversity are less visible, exert a more variable influence on personal identity and add a more subtle richness to the primary dimensions of diversity. They include: educational background, geographic location, religion, first language, family status, work style, work experience, military experience, organizational role and level, income and communication style. The secondary dimensions impact our self-esteem and self-definition.

Today's workforce is diverse and multi-cultural. Ever since to the advent of globalization, the doors of the nations across the globe were opened for trade and investments. This led to greater development in the areas of finance, marketing, technological innovations, etc. It always laid an impact on people, i.e., human resources. As people in the organization are the first to experience when any change occurs, it was an immense impact of globalization on human resources all over the world (Milliken and Martins, 2006). This gave scope to the people to learn many new practices and techniques of completing the task. If we think bit more on this part, we can also assume that people come from various backgrounds, customs, beliefs,

languages. Thus, there comes the prominence for understanding what cross culture is for any manager as he has to deal with various people in the organization that come from different cultures, so it become to understand the multi-cultural environment and its pros and cons (Benschop , 2001).

In organization or firms, diversity is often considered to be positive since it creates a broader search space and make the firm more open towards new ideas and more creative. However diversity increases the organization knowledge base and increase the interaction between different types of competences and performance (Caldwell & Barnett, 2009). The diversity point out that as the cultural, educational and ethnic background of employees becomes more diverse so is the knowledge base of the firm, but it requires to foster interaction and communication within the firm (Tsui & O'Reilly, 2009).

The cultural impact on management is reflected by basic values, attitudes, beliefs and behavior of the people, it affect technology transfer, managerial attitudes, managerial ideology and government-business relationships. In some organization important decisions are made by few top managers, while in others, these decisions are diffused throughout the enterprise. However some organizations encourage cooperation between people while others encourage competition between people. Today, the workforce is more diverse in terms of gender, race, ethnicity, national origin and comprises people who are different and share different attitudes, needs, desires, values and work behaviors.

Graen (2003) stated sources of emergency of diversity as political favoritism, family connections, educational advantage, friendships, and Leader Member Exchange partnering skills including performance on team skills. Diversity is a conscious choice

and commitment by an organization to value the differences by using diversity as a source of strength to achieve organizational goals (Emiko and Eunmi, 2009). In organizations, proper diversity management can increase an employee's self-esteem and feeling of belongingness to the organization; good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance whereas diversity brings the value of different employee perspectives and varied types of contribution.

According to Tajfel & Turner (2006) people tend to like and trust in-group members more than out - group members and thus generally tend to favor in-groups over out-groups. This implies that work group members are more positively inclined toward their group and the people within it if fellow group members are similar rather than dissimilar to the self. Moreover, categorization processes may produce subgroups within the work group and give rise to problematic inter-subgroup relations. As a result, the more homogeneous the work group, the higher member commitment and group cohesion which will result in increased employee performance and consequently organizational performance.

1.1.3 Managing Socio - Cultural Diversity

The Socio cultural dimensions highlight the important cultural differences in organizations. To manage effectively in a global or a domestic multicultural environment, we need to recognize the differences and learn to use them to our advantage, rather than either attempting to ignore differences or simply allowing differences to cause problems (Adler, 2005). Rather managers should be taught how to respect the differences at work and how to work with them to maximize the contribution of each employee (Cascio, 1998).

The range to which management and employees recognize cultural diversity and its potential merits and demerits defines an organization's approach (strategy) to manage cultural diversity (Cox and Blake, 1991). The various strategies organizations adopt are; Organization managing growth in workforce diversity and increasing the number of gender in job opportunities and minorities is a critical workforce management strategy of recruitment and selection for most organizations. The management should give chances and promote employees whose values are similar to the decision makers or gatekeepers, while Human resource professionals and line managers who recruit and interview job seekers in multicultural workforce need knowledge of the interviewers' beliefs, attitudes, and stereotypes influence interview behaviour.

The second is training and development which is considerable attention for organizational management this is due to rapidly changing global market place, characterized by increased technological advancement, organizations demand a more flexible and competent workforce to be adaptive and to remain competitive. The organization need to realize the potential benefits afforded by employing diverse individuals and there need to have a pattern which the inputs of diverse individuals are systemically managed in an organization for the successful achievement of its strategic goals (D'Netto and Sohal, 1999).

Remuneration strategy is important in improving employee performance by rewarding those who have made contribution to the organization's performance. Good remuneration strategies ensure there is a direct relationship between effort and reward. Therefore a performance-based pay system is viewed as being effective in providing measurable rewards is linked to the individual group performance. Organization performance appraisal is also a strategy in evaluating the performance of an employee at a given period. The management of an organization should practice effective

performance appraisal strategy in diversity management in relevant to the job and the company, and fair treatment to all employees. During the process of conducting appraisals, the language of appraisal should focus on the individual's performance and make the appraisal as culturally neutral. Effective diversity management requires a culture of inclusion that creates a work environment nurturing teamwork, participation and cohesiveness (Richard, Dwyer and Chadwick, 2004).

1.1.4 Toyota Kenya Ltd

Toyota Kenya Limited is the sole distributor of Toyota, Yamaha, and Hino Brands in the country. The company began its operations in 1999 and is a wholly owned subsidiary of Toyota Tsusho Corporation of Japan which is the trading arm of Toyota Motor Corporation. The Toyota brand is ranked among the highest in the world and was featured in Super brand East Africa's top ten brands in the region. Toyota Kenya operates on a clear and well defined strategic plan which is well enlisted in its vision, core values and philosophy.

The vision is to be the company where customers love to visit, and people love to work and the values are Customer for Life, Self-Managed People and Challenge with a Passion. The company's Philosophies are continuously looking for ways to advance, grow, better the lives and impact positively on our working environment, our people and our products and services, through application of Kaizen: a strategy of "Continuous Improvement"! More to that Toyota strive in establishing long term networks with different institutions so as achieve competitive advantage (Toyota Kenya Homepage, 2013).

Toyota Kenya aims to be an innovative company that contributes to the creation of a prosperous society through wide ranging business as well as CSR activities. They

have therefore continuously sought avenues to partner with like-minded organizations towards promotion the welfare of our community. Toyota Kenya Foundation, a foundation that seeks to provide opportunities for Kenyan children from disadvantaged families pursue either basic and/or high school education and eligibility is limited to orphans and vulnerable children (OVC) college education in the fields of medicine, engineering, environmental management & agriculture – as well as Kenyan children from disadvantaged families who have passed the basic education and high school but are not able to raise fees for higher education (Toyota Kenya Homepage, 2013). This is in line with the corporate vision of contributing to the creation of prosperous societies around the world.

The company has established an excellent rapport with different institutions in the country and as such they are on most purchasing contracts with the government and other institutions. Toyota Kenya has long term business relationships with financial institutions that help them secure business with clients from different walks of life. Toyota Kenya also partners with different organizations in conducting corporate social responsibility activities (Toyota Kenya Homepage, 2013). The Core Values of Toyota Kenya are customer for life, self-managed people and challenge with a passion. Toyota Kenya always does its best to empower the staff to ensure that customers' experience maximum satisfaction in all services they get thus ensuring a permanent relationship with the customers. Toyota Kenya works hand in hand alongside other sister companies that are in the Toyota Tsusho Corporation of Japan. These companies are Tsusho Capital that is vital for financing purposes, and Toyotsu Automart Kenya Limited that deals with second hand vehicles.

1.2 Research Problem

Diversity strategy should address organizational culture change to create work environment that nurtures teamwork, participation and cohesiveness characteristics of a 'collective' (versus individualistic) organizational culture (Richard, Dwyer and Chadwick, 2004). Managing diversity should be a concern of every organization and to survive, a company needs to be able to manage and utilize its diverse workplace effectively. A diverse leader with skills from a cross-section of functions should be charged with creating a workforce management diversity strategy and serve as a resource. Since work-group diversity may have positive as well as negative effects on group performance, the questions of which processes underlie these effects of diversity and how to manage these processes pose major challenges to organizational theory and practice. Understanding the impacts of diversity on organizational outcomes, such as organizational performance, employee satisfaction, and turnover, has therefore become essential (Milliken and Martins, 2006). Managing cultural diversity in the workplace should be the concern of every organization. In order to survive, an organization needs to be able to manage and utilize its diverse workplace effectively. Valuing and recognizing cultural diversity is imperative in order to maintain competitive advantage. Diversity management practices enhance productivity, effectiveness, and sustained competitiveness. Organizations that promote and achieve a diverse cultural workplace will attract and retain quality employees and increase customer loyalty.

With intense competition from both domestic and international players, rapid innovation and changing consumer needs, the way in which automotive companies conducts business and reaches out to its customers has significantly changed (Toyota

Tsusho Africa Kawaraban, 2012). Hence, in order to survive and adapt to the changing environment, Toyota Kenya should put more input on understanding the drivers of success, like better utilization of its resources, process of delivering quality service to its customers by recruiting a culturally diverse workforce that can measure to the challenge. The company managers have considered culturally diverse workforce as an opportunity to serve the needs of customers better and to penetrate new markets. By valuing and managing culturally diverse workforce, it is possible to enhance creativity, flexibility, and rapid response to change thus the managers needs to utilize the potential of culturally diverse workforce.

Locally, studies that have been undertaken on cultural diversity include Muhura (2012) who researched on the influence of workforce diversity on Strategy implementation among Manufacturing Firms Listed at Nairobi Securities Exchange. The study established that workforce diversity leads to improved decision making, enhanced implementation of customer related strategies and result in the achievement of strategic targets. Ikama (2010) undertook a study on the benefits and challenges of workplace diversity management at Consultative Group on International Agricultural Research (CGIAR) Centers in Kenya and established that high performance is exhibited where teams include diverse age, ethnicity, nationality, gender and other differences.

From the above studies that have been done, there is no study that has been undertaken on the effect of cultural diversity on performance. The current research will seek to fill this gap by answering the question: What are the strategies adopted by Toyota Kenya Ltd to cope with socio-cultural diversity among its employees?

1.3 Research Objectives

- i. To determine forms of cultural diversity among employees of Toyota Kenya Ltd.
- ii. To establish the strategies adopted by Toyota Kenya Ltd to cope with cultural diversity among its employees.
- iii. To determine the challenges of socio-cultural diversity among Toyota Kenya Ltd employees.

1.4 Value of the Study

This study will be important to the management of Toyota Kenya and other firms in Kenya as they will gain on strategies adoptable to the challenge of cultural diversity, thus improve on productivity and influence achievement of the organization. The organizations benefits in formulating culture diversity programs that incorporate the diverseness of each individual, which would induce more commitment and productivity in their respective roles.

The study will benefit the policy makers in terms of formulating policies that will influence effective formulation and implementation of workforce diversity management strategy in firms to increase employee's productivity. The study will be significant to scholars and academicians and will form a background foundation where the scholars will gain knowledge on strategies adopted to overcome cultural diversity and a more room for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the literature review of the study. The chapter covers the theoretical foundation of the study, forms of cultural diversity, management strategies to cope cultural diversity and effect of cultural diversity on organization.

2.2 The Theoretical Foundation of the Study

The foundation of this study is based on two theories mainly the Similarity/attraction theory and the Resource based theory.

2.2.1 Similarity/Attraction Theory

The similarity/attraction theory posits that people like and are attracted to others who are similar, rather than dissimilar, to themselves. People are most attracted to others who share similar attitudes and are more likely to be attracted to each other than those who share less important attitudes (Byrne, 1994). The theory provides a parsimonious explanatory and predictive framework for examining how and why people are attracted to and influenced by others in their social worlds. There are several reasons why people prefer the company of others who espouse attitudes, especially important attitudes, which are similar to their own (Byrne 1971). Most importantly perhaps, sharing similar attitudes provides corroboration that a person is not alone in his or her belief they might even be correct to hold the attitude in question.

The similarity/attraction stream of research is predicted on the notion that similarity in attributes, particularly demographic variables, increases interpersonal attraction and

liking. Individuals with similar backgrounds may find they have more in common with each other than with others from different backgrounds, making it so comfortable for them to work together and collaborate towards producing a product or solving a problem. Similarity allows one to have his or her values and ideas reinforced, whereas dissimilarity causes one to question his or her values and ideas, a process that is likely to be unsettling. Research has shown that in a situation where the individual has the opportunity to interact with one of a number of different people, he or she is most likely to select a person who is similar (Berman and Cassel, 2001).

2.2.2 Resource Based Theory

The resource-based theory stipulates that the fundamental sources and drivers to firms' competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly-to-copy (Emiko and Eunmi, 2009). Building on the assumptions that strategic resources are heterogeneously distributed across firms and that these differences are stable overtime. The resource-based theory argues that any firm essentially has a pool of resources and capabilities which determine the strategy and performance of the firm; and if all firms in the market have the same pool of resources and capabilities then all firms will create the same value and thus no competitive advantage is available in the industry (Timmermans, Ostergaard, and Kristinsson, 2011).

The resource based theory suggests that competitive advantage and performance results are a consequence of firm-specific resources and capabilities that are costly to copy by other competitors (Benschop, 2001). These resources and capabilities can be important factors of sustainable competitive advantage and superior firm performance if they possess certain special characteristics. They should be valuable, increase

efficiency and effectiveness, rare, imperfectly imitable and non-substitutable. According to resource-based theory, organizations wish to maintain a distinctive product (competitive advantage) and will plug gaps in resources and capabilities in the most cost-effective manner (Zgourides, Johnson and Watson, 2002). This theory emphasizes that resources internal to the firm are the principal drivers of a firm's profitability and strategic advantage.

2.3 Forms of Socio - Cultural Diversity

Cultural diversity has an impact on organizations and this varies with the type of environment and the firm's overall strategy. Many firms grow from domestic, multi-domestic, multinational strategies to operating as a global firm, the importance and influence of cultural diversity increase markedly (Adler, 2005). Diversity includes cultural factors such as race, gender, age, color, physical ability and ethnicity, and affects all people in the company (Kundu and Turan, 2009). The main sources of diversity include age, race, gender, and ethnicity (culture) and education although there are other sources of diversity like personal demographics; knowledge, skills, and abilities; values, beliefs, and attitudes; personality and cognitive and behavioral style; and organizational demographics.

2.3.1 Gender Diversity

Gender-based inequities in organizations are reinforced and justified by stereotypes and biases that describe positive characteristics and therefore a higher status to the males (Thomas, 2001). This shows organizations prefer to hire males workers compared to women because they are perceived to have better performance and ability to manage their jobs. These societal mandates eliminated formal policies that discriminated against certain classes of workers and raised the costs to organizations

that failed to implement fair employment practices. Discrimination on hiring workers based on gender has resulted in firm's hiring workers who are paid higher wages than alternative workers, but are no more productive.

Research on gender diversity prior to the 1990s focused largely on discrimination and bias resulting from being different from the majority. Research reporting negative effects for women regarding performance ratings and pay discrimination built on the similarity-attraction paradigm (Byrne, 1994), who posited that women experienced isolation and stereotyping. Gender diversity has also been found to have more negative effects on men than women in regards to outcomes, such as attachment to the organization (Tsui, Egan, & O'Reilly, 2009).

Gender diversity does not necessarily bring positive outcomes such as increased motivation, improving talents, building commitment, and reduce conflict, but it benefits certain aspects such as the organization strategy, culture, environment as well as people and the organization. Whereas giving more adequate training to build commitment among employees is necessary in the surface level (Starlene & Kimberly, 2011). The management should be aware that there might be gender differences regarding the relative importance assigned to distributions and communication.

2.3.2 Race and Ethnic Diversity

The growth of a multicultural workforce was the focus of the 90s and is gaining more momentum into the new era (Zgourides, Johnson & Watson, 2002). The increase in diversity leads to increase in the use of work teams, with intention of utilizing greater participation and synergy to improve and increase both employee satisfaction and business performance. However, the nature of workforce composition is rapidly

becoming more mixed in terms of ethnicity and parallel interests have been increasing on the impact of such diversity in our organizations. The multicultural increase in businesses is because of multicultural increase of our society and, thus, also pervades familiar, educational, and religious circles.

Within the literature on race and ethnic diversity, there are some theories that focus on positive predictions or possible positive outcomes of racial/ethnic diversity. This comes from a “value in diversity” perspective (Cox, 1991) which argues that diversity creates value and benefit for team outcomes. The general assumption that underlies these theories is that an increase in racial/ethnic diversity means that a work group will experience possible positive outcomes such as: increased information, enhanced problem solving ability, constructive conflict and debate, increased creativity, higher quality decisions, and increased understanding of different ethnicities/cultures. Another underlying assumption is that surface-level diversity such as race is indicative of deeper-level differences, such as cognitive processes/schemas, differential knowledge base, different sets of experiences, and different views of the world.

Timmermans, Ostergaard, and Kristinsson (2011) discovered that innovation is an interactive process that involves communication and interaction among employees in a firm and draws on their different qualities from all levels of the organization. Diversity in impute characteristics, such as ethnic background, nationality, gender, and age can have negative affective consequences for the firm. Members of the minority group can experience less job satisfaction, lack of commitment, problems with identity and perceived discrimination, but later some of the problems disappear

as minority group grows. Ethnicity can be used as a proxy for cultural background and diversity; however ethnicity can be expected to influence positive innovative performance, since it broadens the view points and perspectives in the firm (Zgourides, Johnson & Watson, 2002)

2.3.3 Age Diversity

Age diversity has become part of many organizations. Individuals are suggested to classify themselves into certain groups on the basis of dimensions that are personally relevant to them (Kunze, Boehm & Bruch, 2009). Most individuals tend to associate with members of their own age group at the expenses of the other groups and thus discriminating others. Benschop (2001) summarized that age heterogeneity can negatively affect productivity concerns differences in the values in and preferences of distinct age groups. Hence, the benefits of age heterogeneity are based on additional productivity effects that arise due to interaction among individuals of different ages with differing skill profiles, differing perspectives and perhaps also different personality traits.

An underlying theme in most studies is that age discrimination or at least unfair treatment is likely to occur for older workers. The inherent assumption seems to be that when decisions are made about individuals (e.g., performance ratings, hiring decisions and salary decisions), young employees are preferred over middle-aged or older employees. These effects are especially likely when employees are relatively older than other employees in their group, organizational level, or manager. An important issue in the age diversity literature is the role of stereotypes. Stereotypes about older workers have been primarily negative, including such views as older people are less productive, flexible, creative, and harder to train, more rigid and

resistant to change and less comfortable with technology (Ellis and Sonnenfeld , 1994). However, more recent research suggests that some of these stereotypes may no longer be as strong or impactful (Weiss & Maurer, 2004).

Related to the issue of stereotypes, assumptions about age-related declines may influence treatment of older workers relative to younger workers. However, Shore and Goldberg (2004) concluded that most age-related declines in skills and capacities that might substantially affect performance did not occur during normal working ages. Inmyxai and Takahashi (2008), youngsters who are at their learning stage are more willing to learn new things and accept new ideas. Older people who have more life experiences are more mature and possess better problem solving skills. As an addition, the researcher also stated that the westerns findings suggested that the older and younger employees must come together to form coherent and viable corporate culture.

These values possessed by different age groups can complement each other in companies and it tends to achieve better firm performance. The studies found that westerns old and young employees must come together to form coherent and viable corporate culture. The study showed that different age groups provide different values for companies and they can complement each other to improve companies' performance. Moreover, in the case of routine tasks, there are no substantial gains from age heterogeneity that could offset the increasing costs resulting from greater age heterogeneity (Tajfel & Turner, 2006).

2.3.4 People Living With Disability

Theories related to disability in the workplace include medical, moral, social, and post-modernist perspectives (Inmyxai and Takahashi, 2008). In particular, social psychology theories (e.g., social identity and self-categorization, Tajfel, 2006) have served as a foundation for work on disability. Several theories do not explicitly portray disability as positive or negative, but rather propose variability in how people with disabilities deal with workplace situations and how coworkers respond. For instance Kundu and Turan, (2009) seminal theoretical model discusses the role of organization, environment, and person factors in contributing to how people with disabilities are treated in the workplace. As another example, response amplification theory indicates that individuals' feelings of aversion or hostility clash with feelings of sympathy or compassion, and this conflict is resolved by defending one and denying the other, which results in extreme behavior toward the target, in this case the person with a disability (Zgourides, Johnson and Watson, 2002).

Theories involving prejudice, stereotyping, discrimination, and stigma typically portray disability as negative or problematic. Nevertheless, some have identified differences among types of disability. Richard, Dwyer and Chadwick (2011) work related to attribution theory found physical stigmas to be perceived as onset-uncontrollable and stable, which elicited pity and desire to help. Mental-behavioral stigmas, however, were perceived as onset-controllable and unstable, which elicited anger and desire to neglect. Similarly, Jones and Stone (1995) found that different disabilities evoked different attributions or stereotypes, which may also apply to organizational treatment and outcomes .

According to the just world hypothesis (White, 2009) a person is blamed for having a disability and viewed as deserving the disability. Thus, an observer does not feel obligated to help with or accommodate the disability, since it is the fault of that person. Leader - member exchange theory would predict that if a leader does not have a disability, then a subordinate with a disability would likely experience a poorer exchange than a subordinate without a disability. The similarity-attraction paradigm (Byrne, 1994) would also predict negative treatment and outcomes for people who have disabilities compared to coworkers who do not.

2.3.5 Nationality Diversity

National diversity in organizations can be seen from a pessimistic view or an optimistic view (Mannix & Neale, 2005). The pessimistic view is derived from social identity (Tajfel, 2006) and similarity-attraction (Byrne, 1994) paradigms, which postulate that individuals have a preference for their own group. Cultural diversity generates in-group allegiance and distractions that are detrimental to group performance. An alternative optimistic view contends that cultural diversity facilitates information processing, learning, and problem solving capacity and reduces Groupthink (Ely & Thomas, 2001).

Under this optimistic view, cultural diversity is conceived to be beneficial to group performance. While the logic for the positive and negative effects of cultural diversity is clear, the definition, measurement, and empirical examination of the effects of cultural diversity in organizations have been a real challenge (White, 2009). Unlike many other facets of diversity (e.g., age, race, and gender), developing the definition of national diversity and creating coherency in this literature has been and continues to be a challenge. As greater numbers of global organizations utilize multinational or

global teams to manage their international projects, researchers need to shed more light on how people with different nationalities work together to achieve their collective goals.

The need to increase our understanding of the effect of nationality on team performance has been magnified due to a heightened level of international mergers and acquisitions over the past decade (Singh and Zollo, 2004). The number of foreign companies that set up their operations globally has been increasing in the past decade, which creates a much higher probability for many workers to work with colleagues with different nationalities.

Diversity based on nationality potentially poses greater challenges when compared with ethnicity because cultural differences (e.g., language, degree of acculturation, values, and norms) among team or organizational members tend to be larger.

While assumed to be potentially beneficial, the cultural differences associated with National diversity can also be fraught with barriers to effective team functioning such as negative stereotyping and social categorization and different expectations for communication practices (Graen, 2003). Research, for example, shows that nationally diverse teams may have problems unless leaders facilitate communication

2.4 Management of Cultural Diversity

Globalization and migration are increasing; managing diversity in organizations is becoming important. Diversity can have varying effects on team outcomes. An organization operating from the integration and learning perspective aim to create an environment which minimizes the negative effects and capitalizes on the positive outcomes of diversity in workforce (Caldwell and Barnett, 2009). The diversity

management focuses on the integration of new members, as women, multiethnic, multicultural minorities, and disabled persons into a traditional homogeneous workforce, made up of white men (Benschop, 2001). On other hand management of relations and communication among employees from various cultures and more nations and employees of host country to support a productive and efficient workgroup.

The process of building diversity through the hiring process is an important component of a strategic management plan. Firms/company's hiring policy should incorporate Federal Equal Employment Opportunity guidelines which ensures that hiring procedures are effectively encourage a diverse applicant pool (Ely and Thomas, 2001). Ellis and Sonnenfeld (1994) argues that the challenge of meeting the needs of a culturally diverse workforce and sensitizing workers and managers to differences associated with gender, race, age and nationality in an attempt to maximize the potential productivity of all employees, has made effective management of diversity to become a prerequisite in human resource management.

White (2009) noted means of achieving a diverse workforce requires a company to expand its recruitment efforts through involving the process of attracting a supply of qualified, diverse applicants for employment. To manage diversity during recruitment process, one needs to specify the need for skills to work effectively in a diverse environment in the job. Organizations should develop good strategies that will assist to retain the diverse talent by empowering them. In addition, managing growth in workforce diversity and increasing the representation of women and minorities is a critical workforce management strategy of recruitment and selection for most

organizations. Human resource managers usually tend to bring people into the organization and promote employees who fit or have values similar to the decision makers or gatekeepers.

The diversity training and development is receiving considerable attention from organizational management. In a rapidly changing global market place, characterized by increased technological advancement, organizations demand a more flexible and competent workforce to be adaptive and to remain competitive (Porter, 1985). The firm/organization to realize the potential benefits that can be afforded by employing diverse individuals, there needs to be a paradigm shift in which the inputs of diverse individuals are systemically managed within an organization to enable the successful accomplishment of its strategic goals.

Training of individuals is a tool to facilitate the organization in achieving its goals. Leadership and administrative heritage influence the nature and form of careers offered to both men and women, for effective diversity management requires a culture of inclusion that creates a work environment nurturing teamwork, participation and cohesiveness (Richard, Dwyer and Chadwick, 2011). The formation of a diversity culture requires a significant commitment of resources and leadership.

2.5 Strategies Adopted to Deal With Socio - Cultural Diversity

The workplace diversity strategy aims to build a relationship between the organization and its employees by supporting an inclusive environment which looks beyond perceived differences. Good performance appraisal strategy help to enhance employee performance by evaluating how employees are doing on the job and giving them the chance to correct their mistakes and acquire new skills. White (2009) argued that

good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance. This is because managing diversity involves leveraging and using the cultural differences in people's skills, ideas and creativity to contribute to a common goal, and doing it in a way that gives the organization a competitive edge

Singh and Zollo (2004) discovered that training and development strategies are important to improve the employees' productivity which ultimately affects the organization performance and effectiveness. The recruitment and selection strategy determines the decisions to which diverse candidates will get employment offers and improve the fit between employees, the organization, teams, and work requirements, and thus, to create a better work environment. Diversity training programs are generally intended to provide an avenue for increasing awareness and examining stereotypes and biases thus provides a structured environment where these controversial issues can be dealt with (Graen, 2003).

Thomas (2001) information and decision-making theories suggest that diversity improves performance by contributing to higher-quality decisions and by taking advantage of a broader range of alternatives and new ideas. Firms with proper management of culturally diverse workforce may have access to diaspora networks. Firms with diverse cultural connections may have better access to international markets; national governments have increasingly used high-skill diaspora communities in development strategies, so that the wide membership is constituted by identity and governmental action.

Richard, Dwyer and Chadwick (2004) noted that a well-designed workforce diversity policy strategy specifically for minority groups assists employees in understanding the

culture of the organization and acquire essential skills; policy implementation policy strategies, particularly focusing on selection, appraisal, development and coaching , awareness training and training to identify cultural diversity and manage different cultures and across different cultures.

All the possible ways of working with harnessing socio-cultural diversity have the common thread of communication running through them. The effective application of communication skills is a useful goal to set oneself when arriving at work every day. With an experimental attitude, open mind and a desire to be creative, any individual can quickly learn what styles of communication work best, with which people and in which situations (Caldwell & Barnett, 2009). As a basic starting point one should aim to avoid active and passive aggression, avoid passivity, and make sure their style of assertiveness is respectful. Building rapport and learning from others through open questioning will help reduce potential conflict and harness the strengths of others.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used to carry out the study. The research methodology is the systematic, theoretical analysis of the procedures applied to a field of study (Kothari, 2004). It involves procedures of describing, explaining and predicting phenomena so as to solve a problem; it is the how's the process or techniques of conducting research. The chapter describes the proposed research design, data collection and data analysis.

3.2 Research Design

The research design was a case study. A case study allows in-depth investigation of an individual, institution or phenomena. This study was adopted since not all target population at Toyota Kenya was knowledgeable of the strategies adopted to cope with socio - cultural diversity. In light of this therefore, a case study design was deemed appropriate and target a few respondents in the organization that are versed with the research subject area. It is through an interview with some selected persons concerned with formulating strategies that the researcher can be able to identify the strategies adopted. As a result of this, a case study research design was an appropriate design.

3.3 Data Collection

The study made use of primary data which was collected through a face to face interview with the researcher. An interview guide was prepared that contained a set of questions that the interviewer asked when interviewing. The respondents interviewed were those involved with formulation and implementation of organization's strategies.

The interviewees were the top managers and functional heads in charge of human resources, business development and strategic department. These heads of departments were considered to be key informants for this research and also the departments in which the respondents work in are the key of strategic adoption in the organization.

3.4 Data Analysis

The data obtained from the interview guide was qualitative and was analyzed using content analysis. Content data analysis makes general statements of how categories or themes of data are related. This mode of analysis was adopted in this study because the researcher was able to describe, interpret and at the same time criticize the subject matter of the research since it will be difficult to do so numerically. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study. It involves observation and detailed description of objects, items or things that comprise the object of study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to find out the forms of cultural diversity among employees of Toyota Kenya Ltd, the strategies adopted by Toyota Kenya Ltd to cope with cultural diversity among its employees and to determine the challenges of socio-cultural diversity among Toyota Kenya Ltd employees. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

4.2 Respondent Profile

This section covers the demographic information which was to establish the respondents' educational and professional background, respondents' current position in the organization, and the duration the respondents have been holding the position. The respondents comprised the head of human resource and general affairs and the head of business development and strategic department. The researcher had a face to face interview with the entire respondents. All the respondents had university degrees with one of the respondent having masters as well. This implies that all the respondents were well educated to understand the concept of cultural diversity, the strategies adopted and the challenges faced.

The duration working in current position for the respondents was eight years for the human resource manager and ten years for the business development and strategic manager. With their background in the affairs of the organization and the industry, the respondents were found to be knowledgeable on the subject matter of the research and thus help in the realization of the research objectives.

4.3 Forms of Socio - Cultural Diversity

This section of the interview was to establish the forms of socio cultural diversity that exist in the company.

4.3.1 Gender of the Toyota Kenya Employees

The respondents were asked to provide the composition of staff for the whole company in terms of gender. The result was 248 males and 172 females which represented a percentage of 59% and 41% respectively. The result indicated that the gender was evenly spread and it was a good representation of how culture is diverse in the organization.

4.3.2 Age Bracket of the Toyota Kenya Employees

The respondents were asked to indicate the age bracket of the employees and this was important for the study in order to establish how culture was diverse in terms of age at Toyota Kenya Ltd. The results are presented in Table 4.1.

Table 4.1: Age Bracket of the Employees

Age Bracket	Number of Employees	Percentage
0 - 20 Years	8	2%
20 - 30 Years	113	27%
30 - 40 Years	148	35%
40 - 50 Years	88	21%
50 - 60 Years	47	11%
Over 60 Years	16	4%
Total	420	100%

The result on the composition of employees' age bracket as shown on table 4.1 indicated that age was diverse in the organization especially since over 4% of the employees were past the retirement age which is 60 years.

4.3.3 Religion Background of the Toyota Kenya Employees

The respondents were requested to provide the religion background of the employees at Toyota Kenya Ltd. This was important since religion is an important cultural attribute and also it would be key to see the strategies adopted to deal with this form of Socio culture diversity. The results were presented in Table 4.2.

Table 4.2: Religion Background of Employees

Religion	Number of Employees	Percentage
Christians	324	77%
Muslims	62	15%
Hindus	3	1%
Others	31	7%
Total	420	100%

The results show that majority of the religions have been represented in the organization and this forms a good basis for the research.

4.3.4 Level of Education of the Toyota Kenya Employees

The respondents were asked to indicate the education level of the employees and this was important in order to ascertain how diverse education has been in the company. The results were presented in Table 4.3.

Table 4.3: Education Level of the Employees

Education Level	Number of Employees	Percentage
Primary	2	0%
High School	22	5%
Diploma	233	55%
University Degree	114	27%
Postgraduate Degree	49	12%
Total	420	100%

The results indicated that all levels of education were represented in the organization and therefore culture diversity was well represented.

4.3.5 Nationality of Toyota Kenya Employees

The respondents were requested to indicate the nationality of the employees in the company as this is also a good indicator of how culture is diverse. The results were presented in Table 4.4.

Table 4.4: Nationality of the Employees

Nationality	Number of Employees	Percentage
Kenyans	385	92%
East Africa	14	3%
African	11	3%
Rest of world	10	2%
Total	420	100%

The results indicated that the company had employees from different countries in the world an indicator of how cultural diversity is represented.

4.3.6 People With Disability of Toyota Kenya Employees

The respondents were asked to indicate the number of People with disabilities in the company. The result was 6 people had disabilities in the company. This represented a 1.4% of all employees in the company and an important aspect of how culture is diverse.

4.4 Strategies Adopted to Cope With Socio - Cultural Diversity

This section of the interview guide was to establish the strategies that have been adopted to cope with the socio cultural diversity in the organization. The respondents were in agreement that the organization has adopted various strategies to accommodate all employees who come from different cultures. The respondents agreed that these strategies were achieved through cross functional team discussions, employee performance appraisal, research on cultural attributes from other cultures, channel apprenticeship forums, executive and operational committee workshops, decentralized leadership, empowering employees to make own comfortable decisions, innovation, effective customer service, people centric, sharing responsibilities, manpower development of talent maturing, reward and recognition program monthly and place them as team leaders, and manpower development and talent nurturing.

The respondents agreed that all managers and the employees at Toyota Kenya gradually had to understand the dimensions and differences and it is the duty of both managers and the employees to adopt the strategies to keep the diversity at bay. The strategies adopted were :-

4.4.1 Across Borders Exchange Programme

The respondents provided this as a strategy where the organization looks for highly committed, cosmopolitan and motivated employees who can communicate and who know international structures where they are sent to work in other countries for a period of six months. The organization strengthens and expands the international and intercultural competencies of its employees through an internal international exchange program between all Toyota entities. The benefits of this programme are upgrade of professional skills on an international level, experience abroad, International networking and improvement of intercultural competence and language skills

Good knowledge of foreign culture is a means of enforcing this strategy where employees acknowledge and agree the existence of differences between cultures especially because Toyota Kenya is a Japanese owned organization. Toyota a leader in the car motor industry has imported a lot of culture from Japan and to achieve this the exchange programmes are mainly between employees from Kenya and Japan. The respondents noted that this has helped a lot in synchronizing the cultures and eliminating differences that would exist. This mainly includes differences in perceptions, interpretations and evaluations of social situations and people who create them and act within them.

The respondents pointed that these differences have to be named, described, explained and understood. Recognition of an employee's culture is considered to be the first condition of mutual understanding and good cooperation. This step is definitely neither common nor easy. This helps the employee from a different culture to feel appreciated and welcomed in the company.

Respect of a foreign culture another strategy means most of all accepting their differences without any judgment. It is not possible to claim that a certain culture is more perfect, "better" than another culture. Cultures are different and for their members they represent optimum to manage life situations in conditions they have been living in for a long time. The respondents pointed that management always expects high respect of its employees as this key for the company to maintain its top positions in the market. Once employees are able to respect the cultural background of other employees it will be easy to pass the same respects to customer and other third parties working together with the company.

The respondents noted the organization to find common solution, mutual understanding and simplification of the complicated and demanding process of behaving in different cultural conditions. These helpful steps in no case mean that the participating partners should give up their cultural background, but it suggests that they should use their knowledge of own culture to gain knowledge about the employees' culture, which can be quite easy after all. Very often it is enough to sacrifice something that is not too important for us, but it means a lot for another culture. The main condition is a very good knowledge of employees and their cultural environment, though. The respondents emphasized on trust as it's gained and given in different ways within different cultures.

4.4.2 Training and Apprenticeship

The respondents mentioned training and apprenticeship as a key strategy that has been adopted over a long period of time and has been beneficial to management of Toyota Kenya. Training delivered by role models is an excellent way to ensure the desired values, beliefs and practices that define the company "ethos", or culture, have any

chance of being adopted by every single employee. Furthermore, training is ideal for helping employees to become self-aware of those elements of their own behavior that may need to change. They pointed out that some employees will benefit from specific assertiveness training and others from leadership training. All will benefit from learning effective teamwork, problem-solving and decision-making. Key thing is to look at both the content and the manner in which the training is delivered and facilitated which is useful when training employees to work with cultural diversity.

A great benefit of training is that it can be integrated into all types of professional and workplace training – induction, qualification, refresher, recurrent etc. The respondents noted that Toyota been a market leader they have taken the training strategy to a higher level. Recently the company built one of the biggest training facilities in Africa the Toyota Kenya Academy for its employees and other stakeholders. All new employees during induction have to undertake a one week course on the culture and history of Toyota Motor industry and the Japanese culture of Kaizen development. Existing employees also undergo refresher courses at the academy to learn any changes where certificates are issued at the end.

Human resource is the greatest asset an organization can have and there was unanimous agreement among the respondents that the company has been nurturing and developing its human resource in order to have the necessary skills which will enable them to undertake their duties satisfactorily. There is no alternative to a well-trained and knowledgeable man power in the business news and current affairs. The respondents observed that Toyota Kenya has a highly skilled and specialized staff which ensures a unique competitive advantage for the company. Training is tailored to suit staff at all levels of employment.

4.4.3 Competitive Recruitment and Job Appraisal Methods

The respondents further noted that what differentiates them with other companies is the existence of structured recruitment program which is very rigorous and a good effort is done in development, induction program existence to pick the strength in candidate, objective setting and continuous appraisal of performance, coaching and mentorship to uphold good performance, and cross referencing and checking track record by contacting referees and previous employers.

The respondents mentioned that staff capabilities have been developed through e-learning in liaison with net dimension and Harvard business school, bullet proof for managers, job rotation, job secondment and group exposure, continuous education on cultural practices and services to staff and partners and through exchange programs within the group. An open and effective reporting system should provide useful feedback to amend the training program and methods, and the application of lessons learnt will be visible in how employees communicate with each other. Communications being the skill through which people with different cultural values and beliefs try to understand each other and ensure that, despite any personal differences, safety goals take priority.

One of the respondents mentioned that it is important for employees to maintain a good rapport with others from different cultures. A large part of working successfully with others always involves a degree of socializing, and in particular socializing with people who wouldn't normally (outside work) have much in common, nor have much natural affinity. This requires employees to develop rapport-building skills and the capability to establish a professional working atmosphere. They mentioned that when considering socio-cultural diversity, the key to building rapport and a professional

environment is the ability to respect others and their differences. Whatever, one's own prejudices, assumptions and beliefs about other cultures, people from different backgrounds, sexes, and professions etc. one has to respect every person equally. Otherwise, people will be liable to make errors of judgment, poor decisions, and will risk losing team/crew cohesion and synergy. The respondent mentioned that however this is not always easy to achieve as most employees when faced by behavior that they do not understand, they often interpret the other person involved as "abnormal", "weird" or "wrong".

4.4.4 Good Working Environment

The respondents mentioned this strategy has to do with creating and maintaining a workplace that attracts, retains and nourishes good people. This covered a host of issues, ranging from developing a corporate mission, culture and value system to insisting on a safe working environment and creating clear, logical and consistent operating policies and procedures. The issues addressed in this were good ethics and values foundation upon which the organization rests; the policies that interpret those values and translate them into day-to-day actions, and the physical environment in which people work. The overall goal was to make Toyota Kenya a company where people want to go and work. More than ever, employees want a culture of openness and shared information and they want to know where the company is going and what it will look like in the future. How is the company doing financially? Where does it stand in the marketplace?

The respondents mentioned employees at Toyota Kenya always insist on knowing how their specific jobs fit into the grand scheme of things and what they can do to help the organization get to where it wants to go. If you operate in an open

environment where managers share information, you can expect reduced turnover rates. The company also organizes competitions between employees where the best are taken to Japan to compete worldwide and offered a chance to work in Japan. The management of Toyota is assisting employees and recently they partnered with the Japanese Embassy in Kenya where young employees from Toyota Kenya are given scholarships to go and pursue their postgraduate degrees in Japan and come back work in the company for a duration of time.

4.4.5 Gender Equality and High Ethical Standards

The respondents all agreed that the management has given equal opportunity to both genders at the workplace. Toyota been a market leader trains and encourages women to perform jobs that are considered to be a preserve for the men. For example the company recently has women trainees at the Toyota Kenya Academy undergoing training to become mechanics. This field of profession has previously been male dominated and this new strategy shows that gender equality is been supported by the company. The company doesn't discriminate any gender when applications are received for openings and equal opportunity is accorded to both parties. Most of the departments at Toyota Kenya are led by women and this is after a competitive recruitment where women emerge the top.

The respondents said that the company is in the process of completing a baby care center where parents can come with their young ones at work. This goes a long way in ensuring the parents are concentrating at work since they know their children are safe and incase young mother want to breastfeed they can do so without difficulties. Toyota Kenya been a multinational requires team members to trust each other, and

management and employees to trust each other, need to understand the cultural differences in building trust.

Mistrust between team members and employees can be a hazard and as a result great emphasis is placed on employees' as training and team building sessions are held often to build trust. The respondents noted that some colleagues are happy to work effectively side-by-side immediately, but trust needs to be demonstrated by deed sometimes through consistent performance over a long period. In other instances trust can be built entirely on a professional relationship level in other colleagues might prefer to gain trust first before working side-by-side; yet this trust is gained through strengthening social bonds rather than professional ability. This means some employees may seek and offer increasing levels of personal disclosure when building trust. Therefore, for some people, buying-in to the concept of honest self-reporting of human errors will take considerable time; and, for other people, attempts to gain personal information may seem like "one step too far".

4.5 Challenges of Socio - Cultural Diversity

This section of the questions in the interview guide was to establish the challenges that Toyota Kenya has faced as a result of the diverse culture. The respondents were in agreement that indeed Toyota Kenya has been faced with a lot of challenges as a result of cultural diversity but a lot has been done to reduce the challenges. Workplace diversity exists when companies hire employees from various backgrounds and experiences. Toyota Kenya Ltd sees workplace diversity as an investment toward building a better business. Although workplace diversity provides many benefits, it also poses many challenges to employees and managers. To reap the benefits of

workplace diversity, employees and managers must understand the challenges and know how to effectively deal with them.

4.5.1 Communication

The respondents noted that communication was a major challenge in the organization. When Toyota Kenya hires employees of other cultures whose first language is not English, employees and managers may experience difficulties communicating with one another. This happens more often since the company is Japanese owned and most senior managers don't speak and understand English as their first language. This can lead to misunderstandings and a decrease in productivity. For example, if a manager gives instructions about completing a certain task to an employee who fails to fully comprehend the instructions, the employee may make mistakes if he tries to complete the task without receiving clarity. Sometimes Toyota is forced to hire bilingual employees who can mediate and reduce language and communication barriers.

The respondents noted that Japanese classes where employees were taught the language and culture had been introduced in the company so that non-Japanese speaking employees would be taught. Another challenge brought by communication was between the disabled and other employees. Toyota Kenya has employed staffs who are deaf and thus communication is a challenge. The company introduced sign language classes where employees would learn and communicate better with the deaf employees.

4.5.2 Resistance to Change

Although workplace diversity benefits Toyota Kenya as a whole, some employees and managers may not react positively to changes made. The respondents gave this as

another challenge and employees who oppose workforce diversity usually reject new ideas and make work environments more difficult. They go on and point out that if the company doesn't handle opposition properly, workplace diversity initiatives may not provide the intended benefits to the company. To deal with opposition, Toyota Kenya managers always explain the reasons for diversity and what benefits changes in diversity bring to the company and employees. Alleviating fears some people possess about workplace diversity always reduce much of the opposition.

The respondents pointed that although on paper workplace diversity may seem like a good idea, the company experience challenges when attempting to implement changes. Toyota Kenya develops strategies for implementation, analyze results and make necessary changes if results do not meet the established goals. The implementation process may present challenges to everyone involved, and frustrations may arise because implementation is not as smooth as expected. To help with implementation, the respondents pointed that the company at times decide to hire experienced professionals who specialize in workplace diversity. This is done because experienced professionals understand the challenges and know how to handle them.

Once workplace diversity is implemented, Toyota Kenya must effectively manage the changes in policies. This presents a challenge which stems from several reasons, such as taking the wrong approach to solving diversity issues. For example, one of the respondents mentioned the company adopted affirmative action policy in an attempt to solve diversity problems. Affirmative action is about giving opportunity to previously disadvantaged workers. The company faced challenges when new employees from diverse backgrounds interacted with long-standing employees.

Managers were offered training programs to help them effectively manage their newly diverse departments.

4.5.3 Conflict Resolution and Employee Retention

Another challenge the respondents pointed out was conflict among employees on different issues in the company. They pointed that differences at Toyota Kenya produced more potential for conflict among employees. People that come from different cultural backgrounds have different perspectives on how to handle issues or concerns that arise. An inability to see where the other person is coming from can prohibit effective resolution of conflicts. When employees feel like they cannot reach a point of agreement in conflict they may give up and simply let the ill feelings fester and create a negative tone. The significant bottom line effect of this conflict was a high turnover of employees at Toyota Kenya. Dissatisfied employees that feel like the work environment is unsafe will leave. Constantly replacing employees lost to ill will or a general feeling of discontent will be costly as the company has to pay to hire and train replacements which were a great challenge. The business risks losing top talent to competitors if the workplace does not provide a safe and motivating culture where employees from diverse backgrounds are welcomed and treated fairly.

The respondent noted that because of this turnover for the business purpose, the benefits of diversity must outweigh the time and expenses involved in managing it. Providing diversity training and creating a cooperative culture takes ongoing effort for time and management. Toyota Kenya thus hires trainers to come in and give background on differences and to teach the importance of accepting others and valuing their opinions. The time and expenses invested may not have value if the company sees limited benefits of having a diverse workplace

4.5.4 Gender and Age Challenges

The respondents mentioned that one of the challenges they face from women is when they come back from maternity leave. This is because the mother has to undertake her work duty so as to be competitive with the men at the same time thinking about newborn child back at home. To counter this challenge management is coming up with a baby care center where women will come with their young infants to work.

The respondent noted that there is a big challenge especially when dealing with young employees called the generation “X” and “Y”. At this age the employees want to work for flexible hours and they want the recent technology adopted by the company whereas the older employees are resistant to technological advancements made by the company.

4.6 Discussion of the Findings

Workplace diversity exists when companies hire employees from various backgrounds and experiences. Toyota Kenya Ltd sees workplace diversity as an investment toward building a better business. Although workplace diversity provides many benefits, it also poses many challenges to employees and managers. To reap the benefits of workplace diversity, employees and managers must understand the challenges and know how to effectively deal with them .

The study found out that the organization has adopted various strategies to accommodate all employees who come from different cultures. This strategies were achieved through cross functional team discussions, employee performance appraisal, research on cultural attributes from other cultures, channel apprenticeship forums, executive and operational committee workshops, decentralized leadership,

empowering employees to make own comfortable decisions, innovation, effective customer service, people centric, sharing responsibilities, manpower development of talent maturing, reward and recognition program monthly and place them as team leaders, and manpower development and talent nurturing.

The cross border exchange programme have been beneficial to the company as employees are able to gain knowledge of different cultures and later come back and share the same with the other employees. The study also found that all managers and the employees at Toyota Kenya gradually had to understand the dimensions and differences and it is the duty of both managers and the employees to adopt the strategies to keep the diversity at bay. Whatever, one's own prejudices, assumptions and beliefs about other cultures, people from different backgrounds, sexes, and professions etc. one has to respect every person equally. Otherwise, people will be liable to make errors of judgment, poor decisions, and will risk losing team/crew cohesion and synergy. The findings however were that this is not always easy to achieve as most employees when faced by behavior that they do not understand, they often interpret the other person involved as abnormal, weird or wrong.

The study also found that training and human resource are the greatest asset that the organization has and that the company has been nurturing and developing its human resource in order to have the necessary skills which will enable them to undertake their duties satisfactorily. There is no alternative to a well-trained and knowledgeable man power in the business news and current affairs. Toyota Kenya been a multinational requires team members to trust each other, and management and employees to trust each other, need to understand the cultural differences in building trust. Mistrust between team members and employees can be a hazard and as a result

great emphasis is placed on employees' as training and team building sessions are held often to build trust. The team building activities that happens twice a year have been beneficial to the company as employees are able to interact, build trust and understand one another outside the work environment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives the summary, conclusion and recommendations of the study. The recommendation for further research was also highlighted.

5.2 Summary of the Findings

The study established that the respondents have been holding their current position for over eight years and thus they had the knowledge of the strategies and challenges which the company adopts and faces when dealing with cultural diversity. The results of the finding showed that Toyota Kenya Ltd had adopted strategies to cope with cultural diversity among its employees. These strategies adopted ranged from strong human resource pool that is well trained, good knowledge of foreign culture and mutual understanding and simplification of complex processes. The company achieved this strategies through various techniques which ranged from its employees, technology, market research, innovation and manpower development and talent nurturing.

The focus of the workforce diversity issue has changed from equal employment opportunity to effectively managing workforce diversity as an organizational imperative. As the globalization is increasing, workforce diversity is here going to stay. Those recognize the globalization of labor as a positive trend and facilitate the flow of workforce will benefit most. Keeping this in mind the strategy should be aimed at creating change in organizations. To be successful in such type of new environment, managers must learn to value and respect cultural styles and ways of

behaving those differ from our styles. Managers must be able to tie the issues of managing cultural differences to the needs of the business and be well versed in business issues, goals and results. Managing workforce diversity should be considered by managers as an opportunity to serve the needs of customers better and to penetrate new markets.

The study also found that by valuing and managing diverse workforce, it is possible to enhance creativity, flexibility, and rapid response to change. Managers, to utilize the potential of diverse workforce, must link diversity to every business function or strategy i.e. recruitment, selection, placement, development, succession planning, performance appraisal and rewards. The strategies that currently exist in the organization need to change and adapt to the changing business environment. The operating business environment has continuously changed partly from the globalization effect and the changing technological world. In addition towards the maintaining of the same strategies , the organization has maintained employee participation and encourages their willingness to participate in all the exercises of developing and maintain effective strategies that will ensure that all cultures are maintained and to the benefit of the organization.

The study also found the technological advancement as an area of strategic capability that needs to be updated continuously. Failure to adopt new technology especially from different cultures would leave the organization vulnerable to delivering programs of poor quality to its employees throughout the world. This also means that, the organization is continually looking for new technology to meet this demand. Thus the organization has a matter of policy earmarked annually adequate funds of putting in place necessary technological needs to avail the necessary technology.

5.3 Conclusion

As the globalization is increasing, cultural differences are bound to be found in workforce. It becomes very important for a manager to deal with complex issues arising out of the cultural differences and mold the differences into benefits. The managers and employees in an organization should respect the other cultures prevailing in the workforce. This will enable them to eradicate the differences and unite them which further leads to attain the organizational objectives smoothly. The resources and potentials of the organization could be utilized optimum when there are no such differences. The managers could deal with their employees with sound coordination and delegation becomes easy as well.

The cultural differences at Toyota Kenya and multinational companies are taken as positive factor and helps in building synergies. This shapes the organization to equip the best to fight against the rivals and get more competitive advantage of it. Once the cultural differences are managed in proper way by the managers, it becomes easy for the organization to flourish in all cultures across the globe. To remain competitive, organizations must develop long-term intervention strategies rather than short-term solutions or strategies. Managers have to remove the barriers which prevent the organizations from developing and utilizing fully equitable systems that allow workforce to achieve its full potential.

Adopting a diversity strategy for a company whose culture and history are different and not suitable for diversity strategy reduces the viability and utility of the strategy. Managers must understand their firm's culture first and then implement diversity strategies according to that culture. With intense competition from both domestic and international players, rapid innovation and introduction of new models of vehicles,

changing consumer demands and explosive growth in information technology, the way in which motor vehicle dealers and manufacturers conducts business and reach out to its customers has significantly changed.

In an organization, employee diversity is often considered to be positive since it might create a broader search space and make the firm more open towards new ideas and more creative. Ideally, diversity should increase a firm's knowledge base and increase the interaction between different types of competences and performance. As the cultural, educational and ethnic background of employees becomes more diverse so does the knowledge base of the firm but for this to happen, there is need to foster interaction and communication within the firm.

5.4 Recommendations for Policy and Practice

The study recommends that in order to create working environment that is based on respect, appreciation and acceptance, staff and management at Toyota Kenya Ltd should do more than just tolerating people from different background. The management needs to let everyone know they are valued. Since managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals and affirmative action focuses on specific groups because of historical discrimination, further research should be conducted to correlate the two.

The findings of the study was that the company's human resource was found to be the biggest cultural resource the company has had hence it is recommended that the company should ensure that they develop the cultural diversity and put in place mechanisms which will ensure that all employees are comfortable so as to have minimal turnover and if so then have ways of managing the diversity which all the employees have.

The organizational structure and culture need to be geared towards an effective identification and harnessing of its strategic capabilities. This therefore requires that an organization constructs an innovation-oriented organizational structure and an innovation friendly organizational culture to support and enhance their strategic capabilities. In developing a new business segment, an organization should transfer its cultural diversity via personnel from its existing core business to the new business unit and also by recruiting new personnel from various cultures where they will all converge and add a new dimension to the organization. All these efforts should be focused on cultivating, enhancing or reconfiguring the firm's organizational culture, human resources and organizational structure.

5.5 Limitations of the Study

Some limitations or potential weaknesses in this study must be addressed. First, the study involves the motor industry sector which comprises of various multinational companies thus, it is quite difficult to maintain the same findings within the motor industry as different organization tend to face different types of cultural diversity challenges. There are many other cultural diversity factors which may influence strategies adopted at Toyota Kenya but due to time constraint other factors were not taken for research.

The researcher used interview guide to collect data. Getting complete information from the respondents was one of the major challenges since when conducting the interview the respondents were in a hurry as they had other meetings to attend. The staffs who were interviewed were top managers at Toyota Kenya and thus finding them required a lot of patience and time. The challenge was overcome by requesting for the interview early enough. Some may criticize the respondents used were very little but this is so because they are the major people who would give the accurate information needed.

5.6 Recommendations for Further Research

The study researched on the strategies adopted to cope with socio cultural diversity among employees at Toyota Kenya limited. This research therefore should be replicated in all the other multinational motor industry companies and the results be compared to establish the organizational capabilities of each and how they use them to achieve competitive advantage. Also further research should be conducted on the impact of other forms of culture diversity on employees in the motor industry organizations.

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APPENDIX I : QUESTIONNAIRE

Section A: Socio - Cultural Diversity

Kindly provide a summary of the below forms of socio - cultural diversity at Toyota Kenya Ltd

A. Gender - What is the composition of employees in terms of Gender

Male { } Female { }

B. Age - What is the composition of employees in terms of Age

0 - 20 Years { }

20 - 30 Years { }

30 - 40 Years { }

40 - 50 Years { }

50 - 60 Years { }

Over 60 years { }

C. Religion - What is the religion background of the employees

Christians { }

Muslims { }

Hindus { }

Others { }

D. Education - What is the level of education attained by your employees

Primary School { }

High school { }

Diploma { }

University degree { }

Post graduate degree { }

E. What is the number of employees with disability { }

F. Nationality - What is the composition of employees in terms of their Nationality

Kenyans { }

East Africans { }

Africans { }

Rest of the world { }

Section B: Strategies Adopted to Cope with Socio - Cultural Diversity

Kindly explain the strategies that have been adopted by Toyota Kenya to cope with the following forms of cultural diversity

A. Age

.....

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B. Gender

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C. Religion

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D. Education

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E. Nationality

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F. People with disabilities

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Section C: Challenges of Socio - Cultural Diversity

Please explain some of the Challenges experienced at Toyota Kenya in regards to the following forms of cultural diversity

A. Age

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B. Gender

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C. Religion

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D. Education

.....

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E. Nationality

.....

.....

F. People with disabilities

.....

.....

THANK YOU FOR YOUR TIME