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**INFLUENCE OF WORKFORCE DIVERSITY ON EMPLOYEE
RETENTION AMONG MANUFACTURING BASED INDUSTRIES IN
MULTINATIONAL CORPORATIONS (MNCs) IN KENYA**

BY

KERICH VERONICA

ADMISSION NUMBER. 150032



**RESEARCH THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF
MASTER OF COMMERCE**

STRATHMORE UNIVERSITY BUSINESS SCHOOL

MAY 2024

DECLARATION

I confirm that this work has not been previously submitted and approved for the award of a degree by this or any other university. To the best of my knowledge and belief, the research project contains no material previously published or authored by another person, except where appropriate references are made within the thesis itself.

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Date: 31st May 2024

Approval:

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Date: 31st May 2024

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I am thankful to God for granting me guidance and good health throughout this two-year journey. I wish to extend my sincere appreciation to my supervisor, Dr. Kuthea Nguti, for offering thorough critiques, guidance, and encouragement. My heartfelt gratitude goes to my husband, Mr. Moses Baya, for his unwavering support from the beginning to the end of this journey. Lastly, I would like to express my gratitude to my classmates and friends for their constant encouragement and immense support.



DEDICATION

To my husband Moses Baya, son Jeremy Tana and my daughter Mary Mbeyu, thank you for patience and support.



ABSTRACT

The global workplace is rapidly evolving due to technological advancements, economic expansion, and unprecedented events, leading to increased concerns about employee turnover in multinational corporations (MNCs).

This study examined the impact of age, gender, and ethnic diversity on employee retention intention within manufacturing-based MNCs in Kenya, aiming to address gaps in existing research and provide insights for enhancing retention strategies. The primary objectives included examining the age diversity's effects on staff retention intention within multinational corporations in Kenya, examining the impact of ethnic diversity on employee retention intention among multinational firms in Kenya, as well as the role of gender diversity on employee retention intention in these corporations. Sample survey research design was the type of research design used.

The study's population consisted of 38 manufacturing-based MNCs in Kenya. The research distributed questionnaires and the analysis used descriptive and multiple regression. This study was guided by the Reasoned Action Theory and the Social Identity Theory. One hundred and seventy workers were given questionnaires for the survey, and SPSS version 22 was used to do multiple regression analysis. The overall significance of the regression model was determined, as anticipated.

Findings revealed positive perceptions of age diversity, with significant correlations between age diversity and retention intention, emphasizing the importance of inclusive practices for retaining employees. Similarly, positive perceptions of gender diversity and its strong correlation with retention intention highlight the need for gender-inclusive policies and decision-making processes. Ethnic diversity also positively influences retention intention, despite challenges related to cultural conflicts and disparities in career opportunities based on ethnicity.

Effective diversity management is crucial for enhancing employee retention within multinational corporations in Kenya. Strategies such as ensuring balanced age distribution, promoting gender equality, and addressing cultural conflicts can strengthen retention efforts and contribute to organizational success. The study underscores the importance of fostering inclusive environments that value age, gender, and ethnic diversity for long-term growth and sustainability.

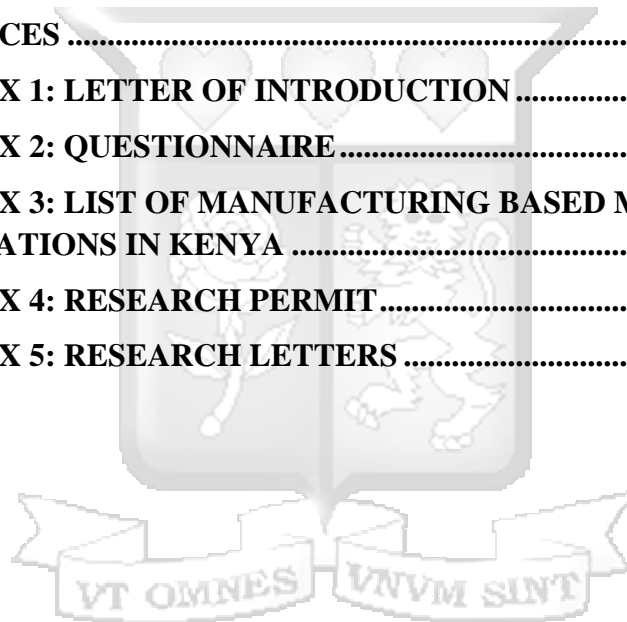
Policymakers should develop comprehensive diversity and inclusion programs addressing age and ethnicity disparities, while management should foster gender equality and communication to create inclusive cultures. Continued research on workplace diversity and employee retention is recommended to explore additional insights and strategies for enhancing organizational performance and employee satisfaction.

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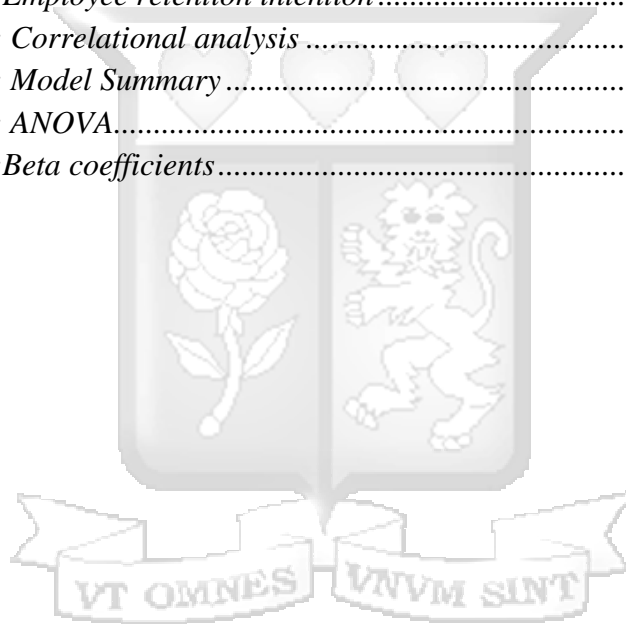
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DEFINITION OF TERMS

Age diversity: The term "age diversity" describes the existence of people from different age groups in a given environment, group, or community. It covers a wide range of age groups, including and not limited to the Baby Boomer, Generation X, Millennial, and Generation Z generations.

Ethnic diversity: The inclusion and depiction of people of diverse genders is referred to as gender diversity within a particular setting, organization, or community. It acknowledges and values the variety of gender identities beyond the traditional binary understanding of male and female. Gender diversity recognizes that individuals may identify as male, female, or non-binary, and it encompasses a spectrum of gender expressions and experiences.

Retention Intention: An employee's intention to be retained refers to their personal preference or tendency to stay with their current employer and continue their employment within the organization. It reflects the extent to which an employee is committed to remaining in their current job or company for the foreseeable future.

Gender Diversity: The existence of people of different genders inside a group or organization is referred to as gender diversity. It encompasses the recognition, acceptance, and inclusion of individuals who identify as male, female, or non-binary, among other gender identities.

Workforce Diversity: Diversity in the workforce pertains to the range of individual distinctions that exist within an organization. These differences can include, but are not limited to, characteristics like gender, race, ethnicity, age, sexual orientation, handicap status, socioeconomic level, religion, and cultural background. It includes appreciating, accepting, and integrating people with different backgrounds and traits into the workforce.

Multinational Corporations - A multinational corporation (MNC) is a company that operates in its home country, as well as in other countries around the world. It maintains a central office located in one country, which coordinates the management of all of its other offices, such as administrative branches or factories.

CHAPTER ONE

INTRODUCTION TO THE STUDY

1.1 Background to the Study

Workforce diversity has emerged as a focal point in contemporary organizational research, with a growing recognition of its profound impact on various aspects of employee experiences and organizational outcomes. This study aimed to add significant knowledge to the current conversation on human resource management by exploring the complex relationship between workforce diversity and employee retention intention. As organizations increasingly operate in multicultural and global environments, understanding the dynamics of how diversity within the workforce influences employees' intentions to stay becomes imperative for fostering inclusive and thriving workplaces.

Workforce diversity encompasses the range of employee similarities and differences, including cultural background, color, age, gender, sexual orientation, religion, and physical capabilities (Saxena, 2014).

Diversity ensures that the workforce is heterogeneous as people are different, especially with regards to age, gender and ethnicity, or race. The three variables were chosen because of their significant impact on workplace dynamics.

With the dramatic increase in diversity in the workplace, there has been a plethora of literature in the 21st Century that seeks to understand how a diverse workplace can result in sustained competitive advantage for organizations (Ehsan, 2021). However, the implications of workforce diversity extend beyond the realms of creativity and innovation, influencing crucial factors such as employee satisfaction, engagement, and retention.

This study drew upon a theoretical foundation that integrated concepts from organizational behavior, diversity management, and human resource management to unravel the complexities surrounding the influence of workforce diversity on employee retention intention.

As Branham (2005) aptly noted employees may consider various factors when contemplating their intent to stay within an organization. Acknowledging the nuanced interplay between diversity and retention intention is vital for organizations seeking to create environments that not only attract diverse talent but also retain and capitalize on the unique contributions of their employees. This study intended to shed light on the mechanisms that either support or impede employees' intentions to stay by investigating the complex web of relationships that exist within diverse workforces. In the end, this research hoped to aid in the development of successful retention strategies in the dynamic environment of modern workplaces.

Workforce diversity management has become essential for businesses due to the preference for teamwork over solo work in business globalization and shifting workforce demographics (Taylor, 2001). Businesses began to realize how important it is to have a varied staff and began to doubt the efficacy of programs designed for a homogeneous population (Human, 1996). Diversity has significant and intricate effects on organizational behavior (Aghazadeh, 2004). Therefore, disputes may arise and neither the company nor its employees will reach their full potential if an organization disregards the value and existence of workforce diversity.

The worldwide work environment is undergoing rapid evolution due to technological advancements and unprecedented events, such as the Covid-19 epidemic, which has had a substantial impact on the state of the labor market and the world economy (WEF, 2020). On the other hand, the prolonged economic expansion across the globe, especially in the late 1990s resulted in reduced rates of unemployment especially in the Global North due to the shrinking working opportunities as organizations sought to reduce costs associated with talent recruitment and retention. However, with the 2001 recession and the resulting economic slowdown that lasted for several years altered the expectations and outcomes of workers (D'Amico, 2011). As the years progressed, the developments with regards to the key workforce indicators including working age population, gender composition and the size of the workforce changed significantly in response to the arising demographic forces thus inviting scientific inquiry into the leading factors.

A publication by the International Labour Organization (ILO) indicated that 1 out of 4 people feel less valued at work and a mostly excluded from more active and senior

roles due to their age, gender, and ethnic background (Tomei, 2022). As a result, there is a tendency for low innovation, talent recruitment, retention as well as workforce well-being due to limited equality, diversity, and inclusion. Thus, the current study will investigate the effects of diversity in the workforce, particularly about internal diversity which includes age, gender, and ethnicity; external diversity which includes the educational background and the location of employees' work; organizational diversity which encompasses of work experience and management level and finally the worldview diversity which focuses on the cultural difference and the travel experiences of the employee and how it has an influence on employee retention within organizations.

Employee retention is regarded as a critical aspect of the competitive labor market as it ensures organizational success and sustainability as well as sustained competitive advantage across organizations (Xuecheng, Iqbal, & Saina, 2022). Approximately three decades ago, employee retention was not among the major concerns within organizations based on a longevity study conducted by the Stanford Center (Hayutin, Beals, & Borges, 2013). Moreover, younger employees exhibited a higher propensity to switch organizations compared to their more experienced counterparts. Consequently, over 3 million individuals in the U.S. change jobs within a month, and this number has seen a notable increase over the years, underscoring the significance of comprehending the potential factors influencing this phenomenon (Meister, 2012).

It is significant to remember that low retention rates lead to a variety of problems including the increasing costs of training and recruitment, disruption of firm operations and insufficiently skilled workforce. Due to these elements, organizations particularly multinational corporations (MNCs) perceive employee retention as a highly uncertain and complex issue. According to Nwokocha and Iheriohanma (2012), employee retention along with its complementary factors i.e., staff productivity and commitment present unique challenges to modern-day management as driven by concerns related to employee loyalty, aggressive competition for key talents, and the restructuring of corporate entities.

Based on the above context, it is evident that understanding the factors that affected employee retention intention within manufacturing-based multinational corporations was critical to ensuring organizational competitive advantage and superior

performance. To unlock the full potential of diverse employees, organizations should tailor their policies to foster diversity-friendly workplaces. This, in turn, enhances the organizational culture and establishes positive and fulfilling work environments (Acharya, 2020). In the modern economy, the need to retain skilled personnel has become more persistent as organizations strive to remain competitive and ensure sustainability (Chatzoudes & Chatzoglou, 2022).

Studies on the intention to leave emphasize the significant impact of effective leadership on employee motivation and morale. Hence, it is crucial to give due consideration to this aspect (Udechukwu & Mujtaba, 2007). Every firm should prioritize employee retention and work happiness, and one of management's main responsibilities should be developing proactive retention tactics. Disagreement with supervisors and coworkers and disillusionment drive out employees from an organization. In addition, inadequate compensation, a lack of opportunities for advancement, and a lack of desire push an employee to hunt for a change. Retaining workers who are productive contributors and genuinely important to the system is the organization's top objective. Human resources need to be managed appropriately in order to maximize business talent utilization and resource consumption. Workers who advance their careers and prove themselves to be valuable assets to the business and its clients are a unique resource.

In Africa, the case is still the same with employee turnover being a constant issue that needs to be addressed. The rate of employee turnover has changed gradually as employee retention is considered a critical aspect of organizational success due to the remedial impact it has on improving employee productivity and reducing turnover. Regional and local studies have indicated that workplace diversity offers a much-needed solution to turnover. In Kenya, it was observed that employee retention significantly influences organizational performance. Therefore, ensuring minimal turnover rates within local organizations is of paramount importance. According to Munjuri and Maina's (2018) findings, bank tactics including hiring a diverse pool of candidates, encouraging minority groups, and providing diversity training have a big impact on employee performance, which lowers employee turnover.

Despite literature especially in the global north showing that workforce diversity i.e. age, gender, and ethnicity impact the retention of highly skilled, innovative, and

knowledgeable workers, there seems to be limited literature in the context of multinational corporations in the global south particularly those that operate in Kenya (Odhiambo, Gachoka, & Rambo, 2018). There is no precise research about MNCs with a manufacturing basis, despite the anecdotal evidence showing that a diverse workforce improves employee retention. The study aims to focus the evidence on this particular group of multinational corporations. Therefore, this study's goal is to find out which variables have the biggest effects on Kenyan employees' intentions to stay with their current employers. Furthermore, the study attempts to provide new perspectives on how employee retention intentions in manufacturing-based multinational firms in Kenya are affected by workforce diversity.

1.1.1 Workforce Diversity

According to Saxena (2014), Workforce diversity encompasses both the commonalities and distinctions present among a group of employees concerning the aforementioned categories. Conversely, Otsudi (2017) characterized workforce diversity as the deviations that characterize employees within a given organization based on race, gender, religion, nationality, and physical ability. Workforce diversity is a people centered issue that focused on both the similarities and differences that bring people together within the organizational setting (Bedi, Lakra, & Ekanshi, 2015). The degree to which the workforce demonstrates diversity in terms of age, gender, and ethnicity can be summed up as the concept of workforce diversity in contemporary multicultural society. A growing body of research suggests that employee retention intention and workforce diversity are positively correlated. For instance, organizations with the most diverse workforce tend to experience lower turnover rates among employees 13 % lower than companies with the least diverse workforces. Moreover, individuals who perceived their work environments as more diverse were inclined to express job satisfaction and less inclined to harbor intentions of leaving their respective organizations.

Effective diversity management can boost organizational success by improving corporate image (Kandola 1995), opening doors to evolving markets through the multicultural backgrounds of the organization's employees (Cox and Blake 1991; Iles 1995; Gardenswartz and Rowe 1998), and optimizing the skills and potential of all

employees. Thus, valuing variety can be advantageous to the company in the long run, improve organizational life, and provide a competitive edge (Cassell 1996).

On the other hand, prior studies have demonstrated that a varied workforce, especially about race, encounters several difficulties, including poor communication, low cohesiveness, and high employee turnover (Milliken and Martins 1996; Williams and O'Reilly 1998; Australian Bureau of Statistics 2008). Additionally, diversity has been linked to detrimental effects on the effectiveness of organizations (Sacco and Schmitt 2003). To successfully execute diversity initiatives, Wentling (2004) highlighted obstacles in the work environment, people-related concerns, and initiative-related challenges. It is important to remember, though, that employees can differ not just in terms of age, race, and gender, but also in terms of preconceptions and viewpoints.

1.1.2 Age diversity

The term "age diversity" describes the existence of people from different age groups in a given environment, group, or community. It covers a wide range of age groups, including but not limited to the Baby Boomer, Generation X, Millennial, and Generation Z generations. Age diversity is the acceptance and appreciation of the many viewpoints, backgrounds, abilities, and work styles that members of various age groups can contribute to a team or work setting.

This research concentrated on age diversity as it relates to age disparities and subtypes such as young and elderly. Three different meanings of diversity are highlighted by Harrison and Klein (2007): discrepancy, variety, and separation. The effects of diversity on business performance may vary. In this perspective, it was clear that "age" is a key demographic element to consider when examining board diversity. As a crucial component of succession planning, Kang et al. (2007) stress the active promotion of age diversity on boards to encourage unique perspectives from various age groups.

Dagsson (2011) conducted a study on how age diversity affected performance and he found out that age diversity significantly affects firm performance. The magnitude of the impact varies based on the inclusion of different measurement years in the analysis and the duration of the time gap between measuring age diversity and assessing firm performance.

Florian (2021) states that demographic transitions are already occurring in almost all affluent countries and are expected to pick up speed in the coming years and decades (Kulik et al., 2014). Population aging and declines affect economies and organizations in addition to health and retirement systems (Peeters & Groot, 2012; Toossi, 2012). Businesses in particular are struggling with an increasingly diverse and aging workforce. In Germany, for example, between 1997 and 2014, the proportion of workers over 50 more than quadrupled, but the proportion of workers in younger age groups was largely unchanged (BMBF, 2016). Because of these changes, there is a greater age diversity in businesses than ever before. As such, businesses need to be informed and provided with timely assistance relating.

Therefore, age, gender, and ethnic diversity continue to be regarded trending issues in most organizational set-ups as equal representation aged and young people, and both men and women are overarching challenges that need to be addressed (Hapompwe et al., 2020). Pytlovany and Truxillo (2015) defined age diversity as the differences in the distribution age among employees. Age diversity has been incorporated by many organizations with the aim of achieving superior performance and competitive advantage. The degree to which a person or a group deviate from the socially prescribed norms for people of a particular sexual orientation in terms of gender identity, expression, and role is known as gender diversity (Kidkarndee, 2018). Conversely, ethnic diversity, as defined by Koopmans et al. (2018), involves the diversity present within a group of individuals based on their cultural or racial backgrounds.

Promoting age diversity is a key aspect of fostering an inclusive and dynamic work or social environment. A more vibrant and flexible community can result from embracing age diversity since different ages and viewpoints add to a more thorough awareness of opportunities and challenges as well as a deeper collective knowledge. Organizations that actively promote age diversity often benefit from enhanced creativity, improved problem-solving capabilities, and a positive impact on overall productivity and innovation.

These factors of diversity or heterogeneity within working groups have been identified as influencing both employee performance and retention. Eusebius and Chukwudi (2023) found that gender and ethnic diversity had a significant effect on staff retention in a survey among SMEs in Lagos State. However, their research indicated that age

had an insignificant effect on retaining employees. In a study conducted in India, Nasir, Ashraf, & Riaz (2019) observed that gender mainstreaming significantly affected employee retention, as an approach involving subjective salary allocation led to inequities, resulting in inefficiency and turnover. Furthermore, some studies have highlighted instances where ethnicity played a significant role in fostering negativity and influencing employee turnover (Ahmad & Rahman, 2019).

It is however critical to note that there are other forms of workforce diversity that have been investigated in terms of their influence on employee performance and retention. These forms include religious, social, and physical ability. According to Messarra and El-Kassar (2010), their study revealed that religious diversity was an insignificant issue within the workplace as most organizations did not discriminate against one based on their religious affiliation.

1.1.3 Gender Diversity

The inclusion and representation of people of diverse genders within a specific location, organization, or community is referred to as gender diversity. It acknowledges and values the variety of gender identities beyond the traditional binary understanding of male and female. Gender diversity recognizes that individuals may identify as male, female, or non-binary, and it encompasses a spectrum of gender expressions and experiences.

Gender diversity remains a persistent concern in many organizational settings, as achieving equal representation of both men and women poses a significant and overarching challenge. According to Krivkovich et al. (2022), despite modest improvements over the years in the representation of women in the workplace, there is still a notable underrepresentation of females. A 2018 study by McKinsey revealed that organizations characterized by high gender diversity tend to experience a 25% lower rate of employee turnover among both female and male staff. While men generally have slightly longer tenures, gender differences in employee retention have diminished over time. However, there is no way to overstate the significance of gender diversity in the workplace, as demonstrated by a wealth of data showing that teams with a greater gender variety typically outperform homogeneous ones (Hapompwe et al., 2020).

Promoting gender diversity involves creating an environment that embraces and respects the unique contributions, perspectives, and needs of people of all genders. This can include implementing policies and practices that ensure equal opportunities, fair treatment, and representation for individuals of all gender identities. Gender diversity is a crucial aspect of fostering inclusivity, equality, and a sense of belonging within various social, cultural, and professional contexts. Embracing gender diversity can lead to more innovative, dynamic, and equitable communities and organizations.

1.1.4 Ethnic Diversity

Workforce ethnic diversity is the level of heterogeneity of individuals within a given team or organization with regards to racial or ethnic background. Ethnic diversity constitutes the different heritages and intercultural backgrounds that define a group of employees. Intercultural relationships have been shown to catalyze several benefits within organizations including access to relatively new consumer markets, enhanced creativity, progressive corporate image, and improved employee performance. Verma (2020) conducted a thorough study of the literature in India to determine how workforce diversity—specifically, differences in gender, age, and ethnicity—affects an organization's ability to compete. Using a theoretical framework, the review came to the conclusion that diversity in terms of gender and ethnicity generally raises employee skill and talent levels, which in turn improves business performance.

1.1.4 Employee Retention Intention

Employee retention intention describes a worker's propensity or desire to stick with their current employer and carry on working for the company. It reflects the extent to which an employee is committed to remaining in their current job or company for the foreseeable future. A key component of workforce management is employee retention intention, which is frequently impacted by several variables such as job satisfaction, company culture, opportunities for professional growth, work-life balance, remuneration, and the general employee experience.

Empirical research has consistently shown that turnover intention reliably predicts actual turnover (Bothma & Roodt, 2013). Employers must comprehend and measure employee retention intention since it can shed light on the success of retention tactics, employee engagement programs, and the general state of the workplace. Employers may use surveys, interviews, and other feedback mechanisms to gauge employees'

intentions to stay with the company. Recognizing and addressing factors that influence retention intention can help organizations develop targeted strategies to retain valuable talent and create a more stable and committed workforce.

Employee retention is central to the strategic objective of every organization. Turnover intention is the final step before an employee departs from a position. Work satisfaction is regarded as a predictor of employee turnover and has been positively correlated with employee turnover rates (Baernholdt & Mark, 2009). Meanwhile, Harrison, Newman, & Roth (2006) propose that the intent to leave acts both as a proxy and predictor of actual turnover. Another perspective suggests a more accurate estimate of turnover influences by closely examining unique facility characteristics, culture, and management strategies in addition to employee self-report (Cohen, Blake, & Goodman, 2015).

According to Boehm et al. (2015), changes in workforce demographic is a major trend that has impacted the current and future potential of organizations across the world. The process of encouraging staff members to remain with a company for a longer amount of time is known as employee retention. Any company's ability to keep its employees is a major factor in its long-term success. Losing an employee incurs both direct and indirect costs for organizations. Indirectly, organizations may witness diminished productivity and morale, coupled with the loss of institutional knowledge (Hapompwe et al., 2020).

From a theoretical standpoint, the intention of employee retention finds support in various theories, including the Theory of Reasoned Action. According to the Theory of Reasoned Action, intention and volition play a crucial role in predicting behavior. People may be more inclined to carry out a suggested conduct if they evaluate it favorably or with a certain attitude and believe that others anticipate them to do so (Mimiaga, Reisner, Reilly, Soroudi, & Safren, 2019). Therefore, the study will make use of the Theory of Reasoned Action in order to provide a more thorough understanding of the concept of employee retention intention.

1.1.5 Multinational Corporations (MNCs) in Kenya.

Multinational corporations refer to business organizations that have activities located in two or more countries thus defining the organizational concept of foreign direct

investment (Foley et al., 2021). These organizations are considered as the global goliaths as they represent a large proportion of the world's production, investment, trade, employment, research, and innovation. It is noteworthy that multinational corporations typically exhibit variations with respect to the range of activities they engage in and the number of nations in which they conduct business. In the modern-day conceptualization of MNCs, these entities ought to have one or more affiliates in which the parent firm has at least 10% ownership stake (Lazarus, 2018). Furthermore, multinational corporations (MNCs) are acknowledged as significant contributors to the host country's economy. They play a substantial role in key economic activities, encompassing employment, employee compensation, capital expenditures, industrial research and development, as well as trade, involving both exports and imports.

In Kenya, there are numerous multinational corporations since the country plays the role of a regional hub for both trade and finance with Nairobi being the host to most of the regional headquarters (Misati et al., 2022). In 2012, there were approximately 226 foreign multinational corporations in Kenya with the percentage in terms of ownership being 61% - foreign-owned, and 39% - locally-owned (Muthiani, 2012). However, the number has dropped significantly with several major MNCs terminating their operations in Kenya and closing their regional offices. As of 2022, there was a total of 140 multinational corporations in Kenya (Statista, 2022). These organizations are distributed across various industries including banking and finance, technology, food processing and manufacturing. Examples of these MNCs include Coca Cola, United Nations, Deloitte, IBM, Google, KPMG, and BAT. The focus will be in manufacturing based multinational corporations which as of 2023 there are 38 companies. With the growth of the Kenyan economy, there are numerous opportunities in the commercial, industrial, and agricultural sectors as they offer potential investment hubs for these MNCs to venture in and generate significant benefits for both the companies and the country. So, in the case of Kenyan economy, there are numerous opportunities they offer potentials in these MNC's to venture in and generate benefits for both Kenyans and companies and the country.

Furthermore, these entities offer the country with significant financial infrastructure and resources to spur social and economic development. As a result, MNCs have immense potential to impact host countries thus are considered as the main actors in the Bottom of the Pyramid (BoP). As mentioned earlier, MNCs are major contributors

of economic activity thus account to considerable share of private sector employment. According to Foley et al., (2021), job opportunities among multinational corporations tend to pay more, on average, than regional and local firms due to the industries they focus on or are active in which employ more workers and account for the largest share of the labor compensation compared to the percentage of workers.

However, studies have indicated a high turnover rate in multinational corporations (MNCs), especially in Asia, indicating a significant organizational issue that cannot be sufficiently resolved at the individual level alone (Zheng & Lamond, 2015). This issue of high employee turnover rates has also been experienced in the global banking sector with multinational financial corporations recording significant staff turnover due to the inefficiency of the organizational normal cycle. Since most employees especially from the parent country become unsatisfied within working conditions of the host nations, there is a tendency for most staff to terminate their employment (Wulansari, Meilita, & Ganesan, 2020). It is apparent that there exists a significant staff turnover within MNCs operating in Kenya. This underscores the need to identify potential factors and propose solutions to address this pervasive issue. Thus, this study aimed at presenting insights into how workforce diversity, considering age, gender, and ethnicity, can be viewed as crucial mitigating factors for addressing employee turnover and promoting staff retention.

1.2 Problem Statement

In today's globalized and increasingly diverse workplace, organizations face the challenge of retaining talented employees amidst a rapidly changing demographic landscape. Diversity in the workforce has been praised for its potential advantages, such as increased creativity, innovation, and competitiveness in the market, but it also brings special difficulties when it comes to employee retention. Despite efforts to promote diversity and inclusion, many organizations struggle to retain diverse talent, leading to increased turnover rates and potential losses in productivity, knowledge, and organizational effectiveness. Understanding the factors that influence employee retention intention in diverse work environments is critical for organizations seeking to create inclusive cultures that attract and retain diverse talent.

Ensuring consistent performance and maintaining a high standard of work quality are crucial aspects for businesses. Worker turnover poses a significant challenge for

organizations (Skiba et al., 2016). For more than fifty years, organizational psychologists have made the study of turnover their primary area of interest considering it as a voluntary decision by individuals to leave an organization. It's worth noting that human resources are essential for any organization, even in today's technology-driven landscape. While organizations are increasingly technology-oriented, human resources are necessary to operate and manage the technology effectively.

Retaining and managing these resources is one of the biggest problems that organizations face. Since the knowledge and abilities of talented workers are essential to the organization's competitiveness in the market, hiring and maintaining them is critical to its success. Memon et al.'s study from 2023 showed that staff turnover in the business sector is on the rise, which is a big problem for organizations (Holtom et al., 2008; Steel & Lounsbury, 2009).

A number of internal and external factors, both controllable and uncontrollable, may combine to influence an employee's decision to resign from their position at a company (Liu, 2014). Departures often result in the loss of important people and skills for employers. Attrition, absenteeism, low productivity, and a decline in staff morale toward their work and the organization are possible consequences of employee turnover (Li et al., 2017). The pressure to fulfill arbitrary deadlines, unclear and undemanding responsibilities, poor assistance, a lack of appreciation, and little prospects for professional advancement within the organization are further contributing causes to employee departures.

Turnover has negative effects on businesses since it leads to the loss of skilled individuals, knowledgeable workers, capital, and other experienced personnel (DiPietro & Condly, 2007). Numerous factors, both favorable and unfavorable, impact both voluntary and involuntary turnover. Examples include relationship quality, job satisfaction, expectations placed on the job, employee motivation, correctness of job information, and emotional tiredness (Choi, 2006; Babakus et al., 2008). Pay and benefits, job security, training and development, supervisor support, organizational culture, work environment, and organizational justice are just a few of the things that management needs to pay attention to.

Organizations have direct costs associated with employee turnover, which comprise of replacement costs like training and orientation charges as well as separation costs like severance pay and leave processes. Decreased employee motivation, tardiness, absenteeism, and customer discontent that ultimately results in customer defection are all considered indirect costs.

Given substantial costs tied to hiring and training new employees, companies facing challenges in retaining key staff encounter a significant uphill battle to remain competitive. (Eusebius & Chukwudi, 2023). With the need for high-performance teams, the adoption of modern employee management approaches has become inevitable as entities continue to adjust their strategies towards more diverse and productive workforces. An example is the increasing retirement age and the efforts toward reducing the duration in undertaking education thus achieve an increasingly age-diverse workforce in the coming years. Employees of advanced age typically exhibit extended durations of service with their employers (Odhiambo et al., 2018).

Regionally, there have been strong case examples that indicate the significance of achieving gender diversity as a factor for enhanced competitive advantage and ensuring talent retention. Nevertheless, there is a scarcity of studies that have specifically delved into the aspect of ethnicity, thus indicating a knowledge gap. The relationship between employee retention and workforce diversity in deposit-taking banks in Port Harcourt, the capital of Rivers State, was studied by Oguebulam et al. (2017). The study's conclusions showed a strong and favorable correlation between employee retention and workforce diversity. Workplace diversity as a strategic capability has been incorporated by many organizations to achieve superior performance and employee satisfaction (Hapompwe et al., 2020). Studies on the impact of age variety on employee performance have been conducted since age is the most diverse characteristic of employees or the workforce within an organization. Thus, the purpose of this study was to examine how workforce diversity affects employees' intentions to stay with their current employers, as well as to discover ways to improve retention efforts in varied.

1.3 Research Objectives

The overall goals and objectives guided the investigation.

1.3.1 General Objective

The primary aim was to investigate how workforce diversity influences employee retention intention within manufacturing-based multinational corporations in Kenya.

1.3.2 Specific Objectives

- i) To examine how age diversity influences the retention intention of employees in multinational corporations in Kenya.
- ii) To examine how gender diversity influences the retention intention of employees in multinational corporations in Kenya.
- iii) To analyze how ethnic diversity influences the retention intention of employees in multinational corporations in Kenya.

1.4 Research Questions

- i) To what extent does age diversity impact the aim of multinational firms in Kenya to retain their employees?
- ii) In what manner does gender diversity shape employee retention intention within multinational corporations in Kenya?
- iii) To what extent does ethnic diversity impact employee retention intention within multinational corporations in Kenya?

1.5 Scope of the Study

The purpose of the study was to find out how workplace diversity affects employees' intentions to stay with multinational companies in Kenya's manufacturing sector. The study specifically concentrated on key variables within age, gender, and ethnic diversity, including age variety, separation, and age disparity for age diversity, as well as gender ratio and gender-based headcount for gender diversity. Regarding ethnic diversity, the study examined distinctions in race, tribe, and culture. The empirical research sought to reveal how age, gender, and ethnic diversity components impact employee intention in multinational corporations in Kenya. The study was conducted in the county of Nairobi where the researcher drew respondents among junior, mid-level, and senior management and staff from the various manufacturing-based MNCs across Nairobi County. The research was scheduled to take place from July 2023 to May 2024.

1.6 Significance of the Study

The study's findings may have an impact on management teams, commercial sector policies and decision-making, and theories and results pertaining to multinational corporations in Kenya.

To the policy makers: By providing an understanding of how age, gender and ethnical diversity influences employee retention in multinational corporations, policy makers and key decision makers in commerce shall get a knowledge basis to make informed decisions that impact employee retention in corporations such as motivating factors like the good pay, clearly defined roles, realistic targets among others.

To the management teams: The management will help the investors and shareholders to gain necessary insights with regards to how to undertake effective strategic actions that improve employee performance, satisfaction, and retention. The study findings shall benefit management teams, especially human resources with practical approaches that would enable the achievement of desired outcomes.

To the researcher and scholars: A thorough understanding of the perceived effects of age, gender, and ethnic diversity on employee retention and overall organizational performance will be provided by the research. Researchers will gain a fresh theoretical understanding of the relationship between workplace diversity and employee retention thanks to the study's findings.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This part presented the study's conceptual framework and dived into an empirical and theoretical review.

2.1 Theoretical Review

Two theories on the variables of age, gender, and ethnicity diversity, as well as staff retention, served as the foundation for this investigation. Among these theories are the Reasoned Action Theory and the Social Identity Theory.

2.1.1 Theory of Reasoned Action

Information integration theory gave rise to the Theory of Reasoned Action, which was first developed in the late 1970s by psychologists Martin Fishbein and Icek Ajzen. According to this idea, subjective norms and attitude toward engaging in the conduct both have an impact on behavioral intention (Fishbein & Ajzen, 1975). The components as explained are the attitude component where the employees may form attitudes based on their perceptions of how diversity is managed within the organization. Positive attitudes may arise if employees feel that diversity is valued, leading to a sense of inclusivity, varied perspectives, and opportunities for personal and professional growth. Negative attitudes may develop if diversity is poorly managed, leading to feelings of exclusion or unfair treatment. The other component is subjective norms component where the employees' perceptions of how their peers, supervisors, and the organizational culture view diversity play a crucial role. When there is a positive subjective norm related to diversity and inclusion, indicating active support and appreciation for diversity from colleagues and leaders, employees are more inclined to perceive remaining in the organization positively. Conversely, a negative subjective norm, such as witnessing discrimination or exclusion, may increase turnover intentions. The other component is the behavioral intention which stated that the behavioral intention to stay with the organization is influenced by attitudes and subjective norms related to diversity. When employees hold positive attitudes and perceive a favorable subjective norm regarding diversity, they are more inclined to

indicate an intention to remain. Conversely, negative attitudes or perceptions of a negative subjective norm may lead to intentions to leave.

Other components that involve the theory of reasoned action are external factors such as organizational policies, diversity initiatives, and leadership behaviors, contribute to shaping employees' attitudes and subjective norms. For example, an organization that actively promotes diversity through policies and practices may positively influence employees' attitudes and intentions to stay. Communication and awareness constitute an additional element supporting the theory, and organizations can utilize communication strategies to enhance awareness regarding the value of diversity. Highlighting successful diversity and inclusion initiatives and expressing a commitment to fairness through communication can positively impact employees' attitudes and subjective norms related to diversity. Consequently, this influence can affect retention intentions (Ajzen, 1991). The Theory of Reasoned Action has been used by a number of researchers to understand how workforce diversity affects employee retention. This idea states that a person's intention to act is the most important and immediate predictor of conduct. A person's intention conveys their reason for acting in a certain way and how much time and energy they are prepared to devote to making an action happen (Ajzen, 1991).

Empirical testing to verify this relationship entails looking at a particular behavior—like an activity aimed at a target—and analyzing it in each environment and at each moment (Ajzen & Fishbein, 2005). To put it another way, it is necessary to define the behavior of interest with respect to its target, action, context, and temporal elements (Ajzen, 2006). The single behavior examined in this study aligns with the compatibility principle by examining how workforce diversity affects employees' intentions to stay on the job.

Because of this, the study's hypotheses and direct measure items are designed to be exactly in line with the one unique behavior that is being studied (Ajzen, 2006). The cognitive theory, which is frequently applied to the Theory of Planned Behavior, assists in understanding human behavior in certain settings (Nisson et al., 2020). The theory of reasoned action and planned conduct has been acknowledged from its origin as one of the most significant methods or techniques for understanding and predicting deliberate human behavior.

According to Hagger (2019), the reasoned action theory, which is the more recent manifestation of the theoretical model is being applied across various behavioral elements, contextual settings, and populations. These outcomes emerge from the dimensional focus of the theory on individual beliefs that are based on the future performance of the said behavior as well as being rooted in the social cognitive tradition and the attitude theory.

Regarding the current investigation, the theory provided the foundation for understanding how individual and group beliefs, attitudes, and values toward retention within the workplace context are impacted by organizational behavioral performance with regards to age, gender, and ethnic diversity. Sweeny (2020) asserts that understanding the fundamental causes of problems and generating interventions to address the issues is critical to solving socioeconomic problems, particularly public health problems. Therefore, the reasoned action theory provides a tested model that posits both subjective norms and attitudes as highly important elements of behavior (Nickerson, 2023). This perspective was applied to the study, wherein workplace diversity concerning age, gender, and ethnic diversity was seen as positive behaviors. Individuals' attitudes are likely to influence them to perceive that others expect them to engage in these behaviors, consequently leading to a higher intention to retain employees.

2.1.2 Social Identity Theory

According to Tajfel & Turner's 1986 social identity theory, a group is defined as an assembly of people who identify as belonging to the same social category and hence internalize the characteristics that define that category in society (Leaper, 2011). The theory holds that to improve their positive self-image, people create a sense of belonging to organizations such as a gender, professional association, country, or football club (Tajfel and Turner 1979). Groups to which a person belongs and develops a sense of identity are known as in-groups, and groups to which a person does not belong are known as out-groups. A person's membership in groups is a sub-dimension of their social identity, which is a sub-dimension of the self. People can define themselves in.

When employees perceive themselves as part of an esteemed and respected group within their organization, their likelihood of remaining with the company increases.

These attributes usually define the social identity of the category where the employees categorize themselves and their colleagues based on various attributes. The nature of these social categorizations can influence how employees perceive their identity within the organization. It is imperative to note that social identities tend to differ in terms of content and strength. The component of strength is conceptualized in the context of social identification while content is determined by the features of the group as well as norms. The employees develop a social identity based on their inclusion in diverse groups within the organization. The nature and strength of these social identities can impact their connection to the organization. Additionally, the social density theory is used to determine the emotions of members of a group including depression after facing the loss of a loved one and behavior in terms of discrimination.

One of the fundamental tenets of the theory is that social categorization is the initial step toward managing the consequences of the resulting social identity (Scheepers & Ellemers, 2017). The study's theoretical underpinning is provided by this theory, which highlights the relationship between groups based on age, gender, and ethnicity. These groups are social groups that comprise a variety of shared identities. As outlined by Islam (2014), the social identity theory is built on the notion that individuals define their identities by the social groups they are part of, and these identifications operate to safeguard and reinforce self-identity. Therefore, age, gender, and ethnically diverse units can be equated to social groups that are used by individuals to define their social identity. The expected outcome is usually the depersonalized and collective identity that is founded on belonging to a certain group and participating in positive endeavors (Leaper, 2011). Hence, the diversity in age, gender, and ethnicity stemming from social identity offers a framework for comprehending how workforce diversity impacts employee retention intention. This involved exploring social categorization, identity formation, and the dynamics of in-groups and out-groups within the organization. Recognizing the importance of social identity in the workplace was essential to creating a welcoming atmosphere that enhances employee retention.

2.2 Empirical Review

The study used the theory of Reasoned Action and Social Exchange Theory. By integrating the two theories, researchers and organizations can examine how employees' attitudes, subjective norms, and social exchanges interact to shape their retention intentions. This integrated approach can inform strategies for enhancing

employee retention by addressing both individual perceptions and social dynamics within the workplace. For example, organizations may focus on improving job satisfaction, strengthening social support networks, and fostering a positive organizational culture to increase retention intention among employees.

2.2.1 Age Diversity and Employee Retention Intention

To ascertain the nature of the relationship between workforce age diversity and employee performance in Indian enterprises, Krishnan et al. (2017) looked into the correlation between the age diversity of workforces and the ensuing employee performance. Convenience sampling was used by the researchers to survey 120 participants in total using a descriptive study design. The study's use of both descriptive and inferential analysis showed that employee performance is significantly predicted by age diversity.

Research was done by Windeler et al. (2014) to investigate how the Gen Y population's degree of job satisfaction is affected by their workplace. The purpose of the study was to look at what aspects of internal marketing techniques influence a Generation Y employee's decision to remain with a hospitality company. The study's conclusions demonstrated that among Generation Y workers, the workplace has a significant impact on job satisfaction. Employee commitment and intention to stay in the hotel industry were also found to be influenced by connections with management, remuneration, and empowerment.

Umeh (2019) researched to ascertain the impact of various management approaches on staff retention in an insurance company located in Nigeria. The purpose of the study was to find out how talking to Nigeria Deposit Insurance Corporation employees on managing a diverse team affected their retention. The author concentrated on a population of 120 employees of the company using the survey study design. The personnel were surveyed using questionnaires as part of the study, and multi-nominal regression was used to evaluate the results. The results showed that the choice of particular workforce diversity management techniques significantly and favorably affects employee retention.

Windeler et al. (2014) looked into the effect of the work environment on the degree of job satisfaction among Gen Y employees, while Krishnan et al. (2017) investigated the

relationship between the age diversity of workforces and the resulting employee performance in the context of age diversity and employee retention. These international studies aimed to establish the link between age diversity and work environment with job performance and satisfaction, respectively. However, there was a limited focus on age diversity and its connection to employee retention, highlighting the need for further research. The present study aimed to ascertain the correlation between age diversity, along with gender and ethnicity, and employee retention, providing valuable insights into the perceived relationship.

2.2.2 Gender diversity and employee retention intention

In India, Nasir, Ashraf and Riaz (2019) conducted a study to understand the role played by gender in retention across private sector hospitals in Karachi, Pakistan. The purpose of the study was to investigate if private hospitals showed a preference for keeping male or female staff, as well as the impact of gender diversity on employee retention. Using a descriptive causal approach, the researchers employed purposive sampling to interview a total of 50 employees drawn from the sampled organizations. The study revealed that the healthcare organizations adopted the subjective approach when allocating positions and salaries among the male and female employees.

The impact of workplace diversity on employee retention in small and medium-sized firms (SMEs) in Lagos State, Nigeria was investigated by Eusebius and Chukwudi (2023). The study considered the variables of age, gender and ethnicity while adopting the quantitative approach and employing the descriptive survey design. The researchers sampled a total of 145 participants including managers, owners and operators drawn from the SMEs across the state. A systematic questionnaire was used to collect the study's data, which were then analyzed using both descriptive and inferential statistics. The results showed that within the investigated SMEs, staff retention was statistically significantly impacted by both gender and ethnic diversity. On the other hand, there was no statistically significant impact of age diversity on staff retention.

Eusebius and Chukwudi (2023) used a quantitative approach to study the impact of workplace diversity on employee retention in SMEs. Nasir, Ashraf, and Riaz (2019) conducted a study to understand the role played by gender in retention both in private and public hospitals, and it was skewed toward males and females. The results of the study showed that ethnic diversity and gender diversity both have statistically significant.

2.2.3 Ethnic diversity and employee retention intention

Based on participant opinions, a study by Frye et al. (2020) revealed a thorough framework for staff retention and highlighted important factors that managers should take into account. The results emphasized the importance of motivating variables and managerial competencies, including emotional intelligence, communication, and transformational leadership style, in maintaining a workforce. On the other hand, Hsiao, Ma, Lloyd, and Reid (2019) looked into how organizational ethnic diversity affected employee commitment, satisfaction, and desire to leave, with gender acting as a mediating factor. The study examined whether gender moderates the association between individual-level results and workplace ethnic diversity levels among Taiwanese hospitality workers.

Leonard and Levine (2010) evaluated longitudinal data from approximately 800 workplaces with similar characteristics thus examining how workplace diversity in terms of race, age, and gender influences employee isolation and turnover. The study examined how gender, ethnicity, and age diversity along with employee isolation affect different working groups among minority races including Asians, Hispanics, and African Americans. The study utilized the non-linearity of workplace diversity to differentiate the impact of the component from the main effects associated with demographic groups and isolation with regards to numerical minority.

Black, Hispanic, and White executive staff were the subject of a study on racial differences in employee retention carried out by McKay et al. (2007). The results of the study showed that minorities have higher turnover rates than White people, while there hasn't been much research done on the possible reasons. According to organizational literature, minorities' attitudes are negatively impacted by less favorable racial situations they encounter in businesses compared to White counterparts. As a result, for all ethnic groups combined, the diversity climate had a negative impact on turnover intentions. In conclusion, impressions of a varied workplace appear to be crucial for overall employee retention.

Based on participant viewpoints, Frye et al. (2020) presented a thorough framework for staff retention, outlining critical elements that managers should take into account. The findings emphasized the importance of managerial skills, such as emotional intelligence, communication, and transformational leadership, and motivating features

as critical components for successfully keeping staff members. While Leonard and Levine (2010) evaluated longitudinal data from approximately 800 workplaces with similar characteristics thus examining how workplace diversity in terms of race, age, and gender influences employee isolation and turnover. The study examined how gender, ethnicity, and age diversity along with employee isolation affect different working groups among minority races including Asians, Hispanics, and African Americans. Black, Hispanic, and White executive staff were the subject of a study on racial differences in employee retention carried out by McKay et al. (2007). The results of the study showed that minorities had higher turnover rates than White people and not much research has been done to determine why this would be the case.



2.3 Research Gaps

Table 2.1: Summary and Research Gaps

Table 0.1: Overview and Gaps in Research

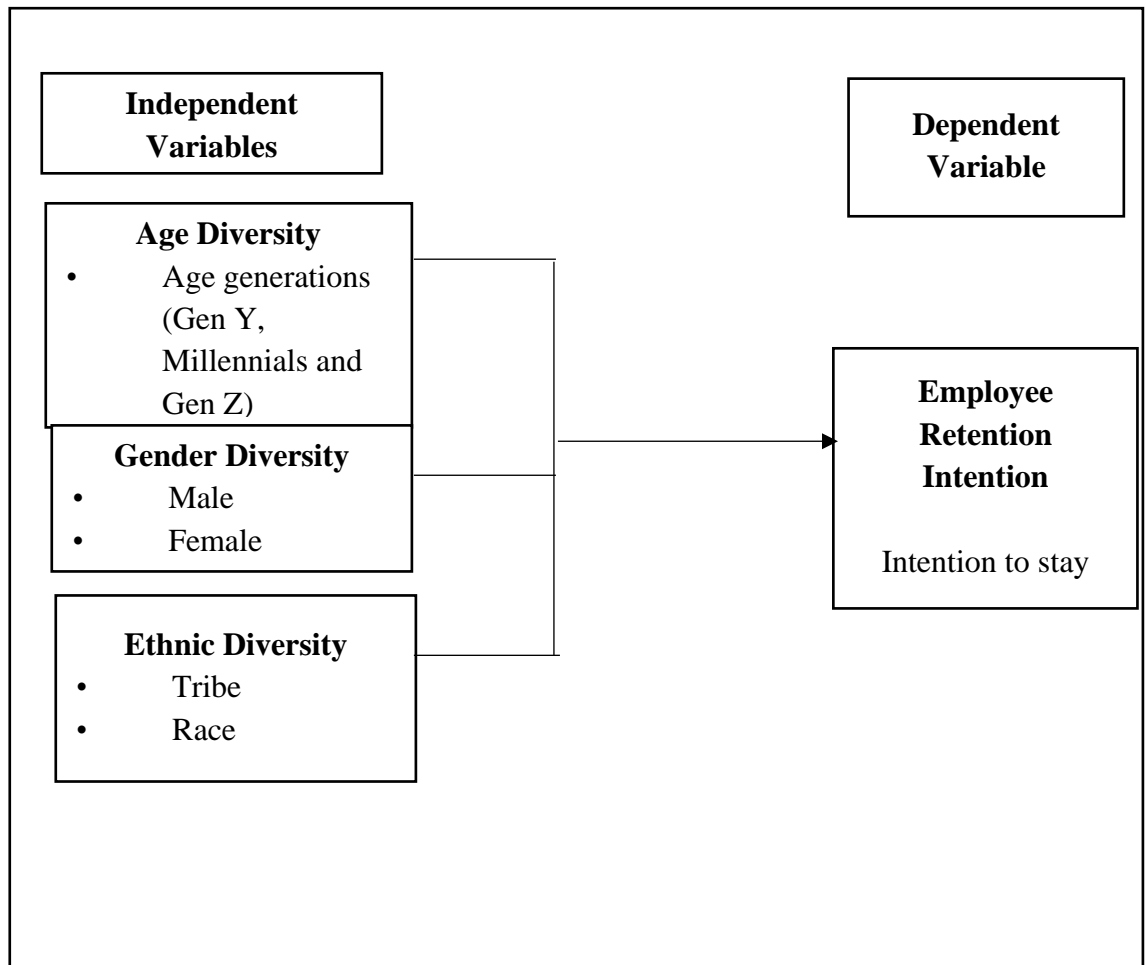
Scholars	Study objectives	Findings	Research Gaps
(Krishnan et al., 2017)	An analysis of the relationship between employee performance afterward and age diversity in the workforce.	By employing both descriptive and inferential methods, the research found that age diversity has a significant role in forecasting employee performance.	The research was constrained to a descriptive survey employing convenience sampling, which might not fully represent the entire population and pose a risk of observer bias. Additionally, the study concentrated on the Asian region, revealing a gap in evidence, particularly in the Kenyan context.
Windeler et al., (2014)	An exploration of the influence of the work environment on the degree of job satisfaction among the Generation Y demographic.	The findings of this study revealed that the work environment significantly influences the job satisfaction of Generation Y employees. This influence is followed by factors such as empowerment, pay, and relationships with managers, which, in turn, impact employee commitment and the intention to remain in the hospitality business.	The study was constrained to a descriptive survey and employed convenience sampling, raising concerns about the sample's representativeness of the population. This indicates a gap in population coverage and introduces the risk of observer bias.
Umeh (2019)	A study project that sought to ascertain how different management approaches affected personnel retention in	The findings indicated that the adoption of particular strategies for managing workforce diversity positively and	The study concentrated on a singular entity, thus failing to fully represent the intended population,

	an insurance company in Nigeria.	significantly affects employee retention.	suggesting a gap in population coverage.
Nasir, Ashraf and Riaz (2019)	A study to understand the role played by gender in retention across private sector hospitals in Karachi, Pakistan	The study revealed that the healthcare organizations adopted the subjective approach when allocating positions and salaries among the male and female employees.	The study focused on a specific population of private hospitals thus indicating an evidence gap.
Eusebius and Chukwudi (2023)	A study was conducted in Lagos State, Nigeria, with the purpose of investigating the impact of workplace diversity on employee retention in small and medium-sized enterprises (SMEs).	Age diversity did not show a statistically significant impact on staff retention, according to the research findings, while gender and ethnic diversity within the evaluated SMEs did considerably influence employee retention.	The research primarily concentrated on SMEs, highlighting a knowledge gap in the limited research on MNCs, particularly within regional and local contexts.
Hsiao, Ma, Lloyd, and Reid (2019)	An investigation on the effects of ethnic diversity within a business on employee commitment, satisfaction, and intention to leave, with a focus on the mediating role of gender.	Highlighted the importance of ethnic diversity and how it affects commitment, job satisfaction, and intention to leave.	The research was concentrated on the hospitality industry in Taiwan.
Leonard and Levine (2010)	To evaluate longitudinal data from approximately 800 workplaces with similar characteristics thus examine how workplace diversity in terms of races, age and gender influences employee isolation and turnover.	The study utilized the non-linearity of workplace diversity to differentiate the impact of the component from the main effects associated with demographic groups and isolation with regards to numerical minority.	The study focused on longitudinal data thus indicating an empirical gap that requires the evaluation and empirical verification of the research findings.

2.4 Conceptual Framework

Conceptual frameworks provide a logical and complete representation of the relationships between the study variables. The framework is typically depicted as a diagram elucidating the inherent connections among the concepts discovered in the literature review. The figure below (Fig. 2.1) highlights the conceptual framework that was adopted to describe the potential link between the study variables and theories.

Figure 0.1: Conceptual Framework



2.5 Operationalization of Variables

Table 0.2: Operationalization of Variables

Variable	Indicator	Definition	Measure	Literature Review
Independent Variable	Age Diversity	According to Pytlovany and Truxillo (2015), age diversity is the term used to describe differences in the age distribution of a group of employees, whether inside certain organizational workgroups or the company as a whole. It can be understood in the context of a more comprehensive diversity framework that includes disparity (differences in socially valued goods or resources), variety (differences in knowledge or experiences), and separation (differences in values, beliefs, or attitudes) (Harrison & Klein, 2007).	The study employed a categorization of the ages into: Generation Y Generation Z Millennials Baby Boomers	Pytlovany & Truxillo, (2015)
	Gender Diversity	Workplace gender diversity pertains to the proportional representation, compensation, and promotion rates of both men and women concerning the opposite gender.	The study employed the categorization of the employees in to male and female	
	Ethnic Diversity	The result of either ethnic heterogeneity because one's native background or recent immigration is referred to as ethnic diversity. Put simply, it describes the presence of individuals from different cultural and ethnic backgrounds in one space, such as a workplace.	The process of classifying employees entailed dividing them into discrete ethnic groupings, including Asian, Black or African American, Hispanic or	(Hsiao, Ma, Lloyd, & Reid, 2019)

			<p>Latino, White, Native American, and other relevant ones.</p> <p>-The research utilized a diversity index, such as Simpson's Diversity Index, to assess the distribution of various ethnic groups.</p> <p>--Retention metrics was analyzed and compared across diverse ethnic categories.</p>	
Employee Retention Intention	Retention Rate	<p>Employee retention refers to the situation where employees opt to remain with their present company and do not actively pursue alternative job opportunities (Basumallik, 2021).</p> <p>Retention is characterized as the process by which a company takes measures to ensure that its employees do not resign from their positions. Retention rates, which represent the proportion of workers that remained with the company for a given amount of time, vary amongst businesses and industries (Basumallik, 2021).</p>	<p>The study utilized a five-point Likert scale for evaluation, including the following rating choices: Together with open-ended questions, response options include: Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree.</p>	Basumallik (2021)

2.6 Chapter Summary

This chapter concentrated on the conceptual framework, the empirical review, and the literature and theory reviews. The Social Identity Theory and the Theory of Reasoned Action were the two theories covered in this chapter. The chapter also analyzed the empirical studies that were relevant to the research issue and identified a number of research gaps, such as the possibility of observer bias and a partial representation of the study population. The chapter concluded by outlining the conceptual framework's relationship to the variables and the measurement units for those variables.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section explored the study's methodological approach, covering topics like research rigor, data analysis, demographic and sampling, study design, data collection technologies, and ethical considerations.

3.1 Research Philosophy

Research philosophy is the framework of beliefs and assumptions that underpin the design and execution of a research study, guiding the researcher's understanding of the nature of reality, truth, and knowledge J. W. Creswell (2014). In research, positivism and interpretivism were the two main schools of thought. These two philosophies explain two essentially distinct ways that individuals interpret the world around them. Positivism maintains that reality exists apart from humans, enabling researchers to study reality with objectivity. Interpretivism views reality as highly subjective since it is shaped by our perceptions. The positivist methodology was used in the research. Positivistic thinkers employ quantification to increase the accuracy of parameter descriptions and connections and standardize the process of obtaining knowledge using scientific methods. According to Henning and Van Rensburg (2004), positivism is centered on using empirical methods to discover and communicate truth.

3.2 Research Design

Since the study would only include a single encounter with the respondents, a descriptive design was used. To shed light on a certain issue, descriptive research allows the researcher to collect, analyze, condense, and present data (Orodho, 2003). Descriptive research also emphasizes investigating practices, circumstances, contexts, connections or differences, views, and continuing processes. Researchers chose to use various descriptive research methods such as document analysis, correlational research, causal-comparative research, analytical method, case study, and ethnography (Manion & Morrison, 2011). The study intended to elucidate the characteristics of a specific phenomenon or population using this design i.e., age, ethnic, and gender diversity impact retention rate in multinational corporations. We used the cross-sectional strategy, which entails gathering data at one time from several sources. The study

specifically made use of the quantitative technique. Pawar (2020) asserts that quantitative research designs are thought to be the more analytical methods of researching because they gather data from both measures and actual observations. The correlational design, which makes use of correlational statistics to evaluate and clarify the degree of relationship between variables, was used by the researcher in this investigation.

3.3 Population of the Study

According to Cox (2013), the entire collection of units for which study data will be used to make conclusions is referred to as the target population in a study. In research, the population of interest consisted of the subjects and people that the study was trying to learn more about as well as the particular group that the results were applied to broadly. As outlined by Casteel and Bridier (2021), the study population involved the potential respondents who shared several attributes relevant to the researcher. Consequently, the study concentrated on employees selected from manufacturing-based multinational corporations (MNCs) operating in Kenya. The organizations encompassed all the 38-manufacturing based MNCs including both foreign-owned and locally-owned entities which formed the unit of analysis.

3.4 Sampling Design

Sampling is a methodological approach for selecting the target population that shall participate in the study (Taherdoost, 2018). The study adopted the stratified sampling that enabled the categorization of the targeted population into sub-groups i.e., junior, mid, and senior-level employees from all the manufacturing-based MNCs where the random sample size was obtained from. This approach allowed the researcher to draw a representative number of organizations from each sub-group thus shall constitute the entire study sample. The researcher targeted at least 5 employees per organization with each level, i.e. junior, mid, and senior levels being equally represented. The unit of analysis was 38 companies, and the unit of observations was 170.

3.5 Data Collection Methods

Data collection involves systematically gathering and measuring data associated with the study variables to establish connections between these variables and address the research questions effectively. The goal is to collect high-quality information that facilitates in-depth analysis and the formulation of convincing and credible responses

to the study's inquiries (Gatama & Kavindah, 2022). The researcher integrated the quantitative approach of collecting data with particular focus on primary data. As per Kabir (2016), quantitative data collection entails gathering numerical data that can be analyzed using mathematical formulas to draw inferences about the study variables. The research utilized primary which was obtained from employees of selected MNCs. The study focused on the employees of the three levels i.e. junior, mid and senior level because they are the major people working in the organization and they can determine whether to leave or to stay depending on the various reasons for employee turnover. Employees of the sampled organizations were given questionnaires to complete, and the primary data was gathered through the use of web links supplied via respondent emails. The primary data source is a questionnaire, which is perceived as an observational strategy. It consists of a series of statements that are given to respondents in writing, and they must mark the relevant options to select appropriate items (Ajayi, 2017).

3.6 Piloting

Prior to actual data gathering, a pilot phase was used to test the tool. To evaluate the tool's consistency, the researcher administered the tool to five (5) employees drawn from one of the manufacturing-based MNCs. The MNC were selected using a convenience approach where the organization were closest to the researcher and easiest in negotiating entry.

3.7 Research Quality

The quality of the research was determined using the reliability and validity tests that were administered on the research instruments.

3.7.1 Validity

Confirming the reliability of the tools used to collect data, as described by Drost (2018), involves confirming whether the research tools measure the intended aspects. To guarantee that the instruments accurately measure the degree of correlation between age and gender diversity and employee performance, the study assessed the instruments in this regard. Construct content validity was employed to validate the accuracy of the data collection instruments. Construct validity assesses how well the research translates underlying concepts into practical realities, while content validity focuses on the precision of the data collection tools in measuring and representing the research domains.

3.7.2 Reliability

When used repeatedly, a dependable device produces consistent results. The respondents' information was gathered via a standardized questionnaire. Therefore, reliability of study tools focuses capability of the instruments to generate similar results when administered to a different group of participants (Gatama & Kavindah, 2022). A study by Kumar (2018) also states that the outcomes should be consistent therefore, the level of consistency and stability of an instrument is referred to as reliability. Hence, the study adopted Cronbach Alpha Coefficient technique to measure reliability.

3.8 Data Analysis

To quantify the link between the study variables, quantitative methods were used in the investigation. To understand a specific phenomenon or across groups of people, quantitative research aims to gather numerical data and generalize it (Labaree, 2004). The researcher confirmed the data, coded the material, and then entered it into the Statistical Package for Social Sciences (SPSS) v.23 for data analysis before beginning the analysis. The study suggested using SPSS to evaluate quantitative data using descriptive and inferential statistical methods. The population's traits as well as the age, gender, and ethnic diversity scores among the sampled MNCs were presented through descriptive analysis. There were independent and dependent variables in the investigation. The independent variables were comprised of age variety, age disparity, gender ratio, gender headcount, diversity index, and ethnic proportions, while the dependent variables were the rate of retention. These variables were utilized to calculate mean, standard deviation, and median values.

Inferential statistics are methods that allow the researcher to assess whether differences observed in samples are likely to exist in a broader population of interest (Thompson & Panacek, 2006). In this case, the study employed the technique to derive valuable insights and generalize based on the sampled population. Therefore, the study conducted hypothesis testing and multiple regression analysis including correlation analysis, computation of P-value, and determination of coefficients. The research utilized the subsequent linear model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

Y= Retention intention

X_1 = Age diversity

X_2 = Gender diversity

X_3 = Ethnic diversity

β_0 = Constant Term; β_1 , β_2 , β_3 ,

ε = Error.

3.9 Diagnostic tests

To ensure the results are homogeneous, the data was subjected to diagnostic tests to determine whether the laid assumptions were satisfied or violated. For normality tests, it is assumed that data should be normally distributed in a linear regression (Schmidt and Finan, 2018). The error term shows the factors that should be considered in the study but have been assumed by the researcher in developing the model. In panel data, there has to be a normal distribution of the error.

Multi-collinearity makes the coefficient of regression to be indeterminate (Adepoju and Ojo, 2018). Multi-collinearity also makes the standard errors to be infinite. To check for the presence of multi-collinearity, the Pearson correlation test was used. The degree of the linear link between two variables is gauged by the Pearson correlation. Its value ranges from -1 to 1, where a value of -1 indicates a completely negative linear correlation, a value of 0 indicates no correlation and a value of + 1 indicates a fully positive correlation.

3.10 Ethical Issues

Since the study was expected to meet the highest standards of output, the researcher integrated relevant ethical considerations and practices throughout the research study. The Strathmore University Institutional Ethics Committee was consulted on the study's ethical approval. Secondly, a research permit was obtained from NACOSTI before engaging the MNCs. The researcher was solely responsible for ensuring that the study met the ethical requirements thus conforming to the set guidelines of conducting research studies that involved human subjects. Therefore, the study adhered to the code of conduct that guides the collection of informational data from individuals of various organizations. Moreover, the study addressed various ethical considerations, including ensuring voluntary participation, obtaining informed consent before administering any tools, and maintaining the anonymity and confidentiality of respondents. Confidentiality and anonymity of participant information were upheld throughout the

investigation. Contributors were informed that the responses they gave was be used for no other purposes than the study. This ensured that they gave honest and truthful responses. Also, the study presented the results to relevant stakeholders for purposes of validation and communication of the research findings.



CHAPTER FOUR

RESEARCH FINDINGS AND INTERPRETATIONS

4.0 Introduction

This chapter provides a detailed examination of the data collected from the survey. It offers a comprehensive overview of the responses obtained from participants, highlighting key trends, patterns, and relationships between variables related to workforce diversity and employee retention intention. Through clear and concise presentation of findings, accompanied by insightful interpretations, this chapter aims to shed light on the complex dynamics at play within multinational corporations (MNCs) in Kenya's manufacturing sector. The research employed both descriptive and inferential statistics to interpret the collected data and present the findings.

4.1 Response Rate

The study selected a sample of 170 respondents: employees of multinational corporations (MNCs) operating in the manufacturing sector in Kenya. All respondents selected for the study were issued questionnaires, and the researcher received back 118 questionnaires that were duly filled. This resulted in a response rate of 62%. According to Casteel & Bridier (2021), a response rate of 50% and above is considered adequate for analysis and reporting, while a rate of 60% and above is deemed good, and that of 70% and above is considered excellent. Therefore, this study achieved a good response rate and was thus used for analysis and reporting.

Table 0.1: Response rate

Questionnaires	Frequency	Percentage
Completed and returned	118	69%
Un-returned	72	31%
Total	190	100%

Source: (Primary data, 2024)

4.2 Reliability Test

The reliability analysis aimed to evaluate the internal consistency of the questionnaire across different aspects of workforce diversity and employee retention. As per Drost (2018), a Cronbach's alpha value of 0.7 or higher is considered acceptable. The

summarized results in Table 4.2 present the Cronbach's alpha coefficients for each factor along with the number of items in each factor. All factors yielded Cronbach's values exceeding 0.9, indicating strong internal consistency among variables (Drost, 2018)

Table 0.2: Reliability analysis

Scale	Cronbach's Alpha	Number of Items
Age Diversity	0.900	4
Gender Diversity	0.912	4
Ethnic Diversity	0.936	4
Retention Intention	0.947	5

Source: (Primary data, 2024)

These results imply that the questionnaire effectively captured the intended variables with robust internal consistency. Consequently, these findings instill confidence in the reliability of the questionnaire for measuring and supporting the validity of the study's outcomes.

4.3 Demographic Information

4.3.1 Gender of Respondents

The study surveyed a total of 118 respondents from Multinational Corporations (MNCs) in Kenya's manufacturing sector. The gender distribution among the respondents was relatively balanced, with 57.6% identifying as male and 42.4% as female. This indicates a slight overrepresentation of male respondents in the sample compared to females. The survey results were as summarized in Table 4.3.

Table 0.3: Gender Distribution

	Frequency	Percent
Male	68	57.6%
Female	50	42.4%
Total	118	100.0%

Source: (Primary data, 2024)

4.3.2 Age of the Respondents

The majority of the respondents, as shown in table 4.4, belonged to the age range of 35-44 years, accounting for 36.4% of the sample. This was followed by respondents aged 25-34 years, making up 22.9% of the sample, and those aged 45-54 years, representing 26.3%. Smaller proportions were observed for respondents aged 18-24 years (7.6%) and those over 55 years (6.8%). The data, as indicated in table 4.4, suggest a diverse age representation, with a notable concentration in the middle-aged demographic.

Table 0.4: Age of the respondents

Age	Frequency	Percent
18-24 years	9	7.6%
25-34 years	27	22.9%
35-44 years	43	36.4%
45-54 years	31	26.3%
Over 55 years	8	6.8%
Total	118	100.0%

Source: (Primary data, 2024)

4.3.3 Ethnicity of the Respondents

Ethnicity data revealed a varied composition among the respondents. The majority identified as African, constituting 50.8% of the sample. Following closely, Asian respondents stood out, comprising a significant 28.8%, with **Arab respondents** at 15.3%. European ethnicity was the least represented, accounting for only 5.1% of the sample. This distribution underscores the multicultural nature of the workforce within MNCs in Kenya's manufacturing sector, with individuals from diverse ethnic backgrounds contributing to the sample. Table 4.5 highlights the ethnicity of the respondents.

Table 0.5: Ethnic distribution

	Frequency	Percent
African	60	50.8%
Asian	34	28.8%
European	6	5.1%

Arab	18	15.3%
Total	118	100.0%

Source: (Primary data, 2024)

4.4 Company profile

This research sought to establish the operational duration and size of the organizations where the respondents worked at. These insights provide valuable context for understanding the organizational dynamics within which the respondents operate. The duration of operation and size of an organization can influence various aspects of workplace culture, policies, and practices, which may in turn impact employee retention intention. Further analysis will explore the relationship between these organizational characteristics and retention intention within multinational corporations in Kenya's manufacturing sector.

4.4.1 Years of Operation of the Organization

The respondents were asked about the duration of operation of the organizations they work for. The majority of respondents, (78.8%) indicated that their organizations have been in operation for over 10 years. A smaller proportion of respondents reported organizations with varying operational durations: 11.0% reported organizations operating for 7-10 years, while 5.1% reported organizations operating for 3-7 years each. This distribution suggests that a significant portion of the respondents work for well-established organizations with a long history of operation. Feedback on the company's years of operation was as presented in table 4.6.

Table 0.6: Years of operation

Number of years	Frequency	Percent
3-5 years	6	5.1%
5-7 years	6	5.1%
7-10 years	13	11.0%
Over 10 years	93	78.8%
Total	118	100.0%

Source: (Primary data, 2024)

4.4.2 Size of the Organization

In terms of organization size, respondents were requested to provide insights into the workforce scale of their respective organizations. The data indicates a varied distribution across different size categories. The majority of respondents (50.0%) reported working in organizations with 101-450 employees, followed by 25.4% in organizations with 451-650 employees, and 21.2% in organizations with over 651 employees. A smaller proportion (3.4%) reported working in organizations with 50-100 employees. This distribution highlights the diverse organizational structures represented among the respondents, ranging from smaller-scale enterprises to larger corporations. Data on the size of the surveyed organization is shown in Table 4.7.

Table 0.7: Size of the organization

	Frequency	Percent
50-100 employees	4	3.4%
101- 450 employees	59	50.0%
451-650 employees	30	25.4%
Over 651 employees	25	21.2%
Total	118	100.0%

Source: (Primary data, 2024)

4.5 Descriptive Statistics

This study evaluated the extent to which customers agreed or disagreed with the statements on workforce diversity and employment retention. Responses were recorded using a 5-five-point Likert scale where; 1= Strongly agree, 2 =agree, 3= neither agree nor disagree, 4= disagree, 5= strongly disagree. Mean (M) values of 1.0-1.49 were interpreted as strongly agree, 1.5- 2.49 as agree, 2.5-3.49 neither agree nor disagree, 3.5 to 4.49 as disagree and 4.5- 5 as strongly disagree. A standard deviation (SD) of less than two was considered as low variability hence similarity in opinions, while an SD value greater than two was considered as high variability, thus divergent opinions.

4.5.1 Perceptions of Age Diversity Within Surveyed Organizations

Respondents were asked to rate the extent to which all age groups are represented in their organizations, whether they have experienced challenges/ conflicts with colleagues /supervisors due to age differences, how fairly the opportunities for career development are provided at their organization, and whether they experience age diversity when getting promotions at work. Their feedback is summarized in Table 4.8.

Table 0.8: Age diversity

Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	Standard deviation
All age groups are equally represented in our organization.	N	42	60	5	8	3	1.90	0.946
	%	35.6	50.8	4.2	6.8	2.5		
I have never experienced challenges/ conflicts in my interactions with colleagues /supervisors due to age differences.	N	59	37	7	10	5	1.86	1.127
	%	50.0	31.4	5.9	8.5	4.2		
Opportunities for career development are provided fairly regardless of age.	N	34	51	5	19	9	2.31	1.258
	%	28.8	43.2	4.2	16.1	7.6		
We are given promotions regardless of our age groups.	N	45	53	4	11	5	1.97	1.086
	%	38.1	44.9	3.4	9.3	4.2		

Source: (Primary data, 2024)

The findings indicate that respondents generally perceive age diversity positively within the surveyed organizations. Specifically, regarding the statement 'All age groups are equally represented in the organization,' respondents strongly agreed, as evidenced by a mean (M) of 1.90 and a standard deviation (SD) of 0.946. Approximately 35.6% strongly agreed, while 50.8% agreed, indicating strong overall agreement.

Similarly, respondents reported minimal challenges or conflicts due to age differences in interactions with colleagues/supervisors, reflected by a mean of 1.86 (SD=1.127). Around 50.0% strongly agreed, while 31.4% agreed, indicating a high level of agreement with this statement.

However, there was a slightly lower level of agreement concerning opportunities for career development being provided fairly regardless of age, with a mean of 2.31 and a higher standard deviation of 1.258, indicating more variability in responses. Despite this, approximately 28.8% agreed, while 43.2% strongly agreed, indicating a majority agreement.

Regarding promotions, respondents strongly agreed that they are given regardless of age groups ($M=1.97$, $SD=1.086$), reflecting a positive perception of promotion practices within the organizations. Around 38.1% strongly agreed, while 44.9% agreed, indicating a strong overall agreement with this statement.

The mean of all responses fell within the 'agree' range (M between 1.0-2.49), and the standard deviations were less than two, indicating a consensus among respondents. While there was a moderate level of agreement regarding career development opportunities, variability in responses suggests some divergence of opinion compared to other aspects of age diversity.

4.5.2 Perceptions of Gender Diversity Within Surveyed Organizations

An analysis of respondents' perceptions regarding gender diversity within the surveyed organizations is presented in Table 4.9. The table outlines respondents' agreement levels with statements related to gender diversity, along with the mean and standard deviation for each statement. A five-point Likert scale was used for responses, ranging from "Strongly Agree" to "Strongly Disagree." Mean values between 1.0 and 2.49 indicate agreement, while standard deviation values less than two suggest a consensus in opinions among respondents. The findings presented in this section offer insights into the current state of gender diversity in MNCs, providing a foundation for further analysis and discussion on strategies to enhance inclusivity and equality in the workplace.

Table 0.9: Gender diversity

Statement		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	SD
There is a balanced number of men and women in our organization.	N	4	16		43	55	4.09	1.147
	%	3.4	13.6		36.4	46.6		
I have never experienced gender-based discrimination or bias in my workplace.	N	62	37	6	9	4	1.78	1.071
	%	52.5	31.4	5.1	7.6	3.4		
When it comes to decision making everyone is involved	N	12	23	4	46	33	3.55	1.350
	%	10.2	19.5	3.4	39.0	28.0		
I am satisfied with the support and resources provided by the company for balancing work and personal life responsibilities, considering gender-related factors.	N	32	54	3	21	8	2.31	1.238
	%	27.1	45.8	2.5	17.8	6.8		

Source: (Primary data, 2024)

The data from Table 4.9 indicates that respondents generally agreed with the statements on gender diversity within their organizations. The mean values for the majority of the statements were less than 3.5, suggesting agreement among respondents. Additionally, the standard deviation values were less than two, indicating a small standard deviation and implying that respondents had similar opinions.

Specifically, a majority of respondents reported that they have never experienced gender-based discrimination or bias in their workplace, reflected by a mean of 1.78 with a standard deviation of 1.071. This suggests a generally positive perception of inclusivity and fairness regarding gender-related issues. Approximately 52.5% strongly agreed, while 31.4% agreed with this statement.

Regarding involvement in decision-making processes, respondents expressed a moderate level of agreement (10.2% strongly agreed, 19.5% agreed), with a mean of 3.55 and a standard deviation of 1.350. This suggests that while there is some level of inclusivity in decision-making, there may be room for improvement in ensuring broader participation.

In terms of satisfaction with the support and resources provided by the company for balancing work and personal life responsibilities, considering gender-related factors,

respondents reported a mean of 2.31 with a standard deviation of 1.238. This suggests a relatively neutral perception, with variability in responses indicating differing levels of satisfaction among respondents. Approximately 27.1% agreed, while 45.8% strongly agreed with this statement.

The results indicate generally positive perceptions of gender diversity and inclusivity within the surveyed organizations but also suggest areas where improvements could be made to further promote gender equality and inclusivity in the workplace.

4.5.3 Perceptions of Ethnic Diversity Within Surveyed Organizations

Ethnic diversity within organizations plays a crucial role in fostering an inclusive and harmonious workplace environment. The findings presented in Table 4.10 offer insights into how employees perceive ethnic diversity within their workplace and the extent to which they feel valued, respected, and free from cultural misunderstandings or conflicts. Furthermore, the analysis sheds light on whether respondents perceive equal opportunities for promotions and training regardless of ethnic background. These insights serve as a foundation for understanding the current state of ethnic diversity within the surveyed organizations and provide valuable information for initiatives aimed at promoting inclusivity and equality in the workplace.

Table 0.10: Ethnic diversity

Statement	N	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	SD
There is equal representation of all ethnic backgrounds (Race & Tribe in our organization).	N	35	49	4	24	6	2.30	1.236
	%	29.7	41.5	3.4	20.3	5.1		
I feel valued and respected regardless of my cultural background in the workplace.	N	64.0	29.0	2	14.0	9.0	1.94	1.316
	%	54.2	24.6	1.7	11.9	7.6		
I have never experienced instances of cultural misunderstandings or conflicts with colleagues due to different ethnic backgrounds.	N	33	56	4	15	10	2.26	1.236
	%	28.0	47.5	3.4	12.7	8.5		
	N	33	42	8	24	11		

No ethnic group is prioritized during promotions and training opportunities.	%	28.0	35.6	6.8	20.3	9.3		
							2.47	1.338

Source: (Primary data, 2024)

Results in Table 4.10 depict respondents' perceptions of ethnic diversity within the surveyed organizations. The mean values for the majority of statements fall between 2.26 and 2.47, indicating agreement with various aspects of ethnic diversity. Additionally, the standard deviation values for all statements were less than two, suggesting a relatively small variability in respondents' opinions.

Respondents generally agree that there is equal representation of all ethnic backgrounds in their organization ($M = 2.30$, $SD = 1.236$). Approximately 71.2% of respondents agreed or strongly agreed with this statement. This suggests a perception of inclusivity regarding ethnic diversity within the workplace. Moreover, respondents feel valued and respected regardless of their cultural background ($M = 1.94$, $SD = 1.316$), with approximately 78.8% of respondents agreeing or strongly agreeing. This indicates a positive sentiment toward cultural inclusivity in the workplace.

Respondents reported having never experienced instances of cultural misunderstandings or conflicts with colleagues due to different ethnic backgrounds, ($M = 2.26$, $SD = 1.236$). Approximately 75.5% of respondents agreed or strongly agreed with this statement. This suggests that while overall perceptions of ethnic diversity are positive, there are still areas where improvements can be made to foster better intercultural understanding and communication.

Furthermore, respondents expressed some reservations regarding the prioritization of ethnic groups during promotions and training opportunities with only 63.6% agreeing there is no ethnic disparity when being offered training and promotional opportunities ($M = 2.47$, $SD = 1.338$). This indicates a perceived disparity in opportunities based on ethnic background, highlighting a potential area for organizational improvement in promoting equal access to career advancement opportunities for all employees, irrespective of ethnicity.

The findings suggest a generally positive perception of ethnic diversity within the surveyed organizations, with room for improvement in addressing cultural conflicts

and ensuring equitable opportunities for career advancement. These insights can inform diversity and inclusion initiatives aimed at creating more inclusive and supportive workplace environments.

4.5.4 Perceptions of Employee Retention Intention

Employee retention is a critical aspect of organizational success, directly influencing productivity, performance, and overall workforce stability. Understanding employees' intentions to stay or leave their current organization is vital for human resource management and strategic planning. In this section, the research delves into the perceptions of employee retention intention among the surveyed organizations. The table below provides insights into employees' attitudes and inclinations towards remaining with their current employer within the next 12 months, as well as their engagement in job-seeking activities and feelings of attachment to their current role. These findings shed light on the factors influencing retention within the organizations and offer valuable insights for devising effective retention strategies and enhancing employee satisfaction and commitment.

Table 0.11: Employee retention intention

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean	SD
I am likely to remain in the organization within the next 12 months.	N	42	39	12	17	8	2.24	1.265
	%	35.6	33.1	10.2	14.4	6.8		
I have never actively sought other job opportunities within the past year.	N	13.0	29.0	3.0	46.0	27.0	3.38	1.365
	%	11.0	24.6	2.5	39.0	22.9		
I feel positively attached to my job regardless of challenges.	N	32.0	52.0	7	19.0	8.0	2.31	1.224
	%	27.1	44.1	5.9	16.1	6.8		
Should the chance arise for me to submit another application for my position, I would readily seize it without hesitation.	N	34.0	50.0	10.0	16.0	8.0	2.27	1.210
	%	28.8	42.4	8.5	13.6	6.8		
My friends and family talks positively about my current job and encourages me to remain in my organization.	N	41	53.0	8	13	3	2.02	1.046
	%	34.7	44.9	6.8	11.0	2.5		

Source: (Primary data, 2024)

Results in Table 4.11 presents the perceptions of employee retention intention within the surveyed organizations. The mean values for each statement range from 2.02 to 3.38, indicating varying degrees of agreement or disagreement with different aspects of retention intention. Additionally, the standard deviation values suggest a moderate level of variability in respondents' opinions.

Respondents generally express a moderate level of intention to remain in their organization within the next 12 months ($M = 2.24$, $SD = 1.265$), with approximately 68.7% of respondents agreeing or strongly agreeing. This suggests that while there is a significant proportion of employees considering staying, there is also a notable portion who may be uncertain or considering leaving. Moreover, a substantial number of respondents failed to agree that they did not actively seek for other job opportunities within the past year ($M = 3.38$, $SD = 1.365$), with only 35.6% of respondents agreeing or strongly agreeing that they did not hunt for jobs. This indicates a relatively high level of job search activity among employees, posing a potential challenge in retaining talent within the organization.

Respondents generally feel positively attached to their job regardless of challenges ($M = 2.31$, $SD = 1.224$), with approximately 71.2% of respondents agreeing or strongly agreeing, and express willingness to seize another opportunity to apply for their position ($M = 2.27$, $SD = 1.210$), with approximately 71.2% of respondents agreeing or strongly agreeing. This indicates a level of commitment and engagement among employees, despite potential job-seeking activities. Furthermore, respondents report receiving positive encouragement from friends and family about their current job and encouragement to remain in their organization ($M = 2.02$, $SD = 1.046$), with approximately 79.6% of respondents agreeing or strongly agreeing. This external validation may contribute positively to employee morale and retention efforts.

The findings suggest a mixed perception of retention intention among employees, with some indicating intentions to stay while others are actively exploring alternative opportunities. These insights can inform retention strategies aimed at addressing potential turnover risks and fostering a more supportive and engaging work environment to encourage employee loyalty and commitment.

4.6 Inferential Statistics

Correlation and multiple regression analyses were used to evaluate the relationship between workforce diversity and employee retention intention among MNCs in Kenya.

4.6.1 Correlation Analysis

The Pearson correlation coefficient (r) was employed to assess the linear association between workforce diversity and employee retention intention. As explained by Kabir (2016) and Wyk (2019), this coefficient ranges from -1 to +1. A value of -1 indicates a perfect negative relationship, 0 indicates no connection, and +1 indicates a perfect positive relationship. A coefficient below ± 0.4 indicates a low correlation, while values between ± 0.4 and ± 0.6 suggest a moderate correlation, and those above ± 0.6 indicate a high correlation.

Before interpreting the results, the researcher ensured the data met the assumptions required for correlation analysis, as outlined by Obilor and Amadi (2018). These assumptions include using interval data, having a presumed linear relationship between variables, minimal outliers, and normally distributed data. The results for the normality of data were as presented in Table 4.12.

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	Df	Sig.
Retention Intention	.313	118	.000	.805	118	.000

a. Lilliefors Significance Correction

Table 0.12: Correlational analysis

Correlations					
		Age Diversity	Gender Diversity	Ethnic diversity	Retention Intention
Age diversity	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	118			
Gender Diversity	Pearson Correlation	.078	1		
	Sig. (2-tailed)	.399			
	N	118	118		

Ethnic diversity	Pearson Correlation	.860**	-.258**	1	
	Sig. (2-tailed)	.000	.005		
	N	118	118	118	
Retention Intention	Pearson Correlation	.638**	.665**	.450**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	118	118	118	118
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: (Primary data, 2024)

From the results presented in Table 4.12, this survey established significant correlations between diversity factors and retention intention among employees within multinational corporations in Kenya. The analysis revealed a strong positive correlation between age diversity and retention intention ($r = 0.638$, $p < 0.01$); a strong positive correlation between gender diversity and retention intention ($r = 0.665$, $p < 0.01$), and a moderate positive correlation between ethnic diversity and retention intention ($r = 0.450$, $p < 0.01$).

These findings underscore the importance of diversity, including age, gender, and ethnic diversity, in shaping employees' retention intentions within multinational corporations in Kenya.

4.7 Multiple Regression

This study aimed to assess the impact of workforce diversity on employee retention intention. The regression model applied a significance level of five percent (5%), which aligns with the recommended standard for social studies (Asenahabi, 2019). The primary findings from this analysis are detailed across three distinct tables, as discussed below.

4.7.1 Model Summary

The Model Summary is used to show the extent to which changes in the independent variables can lead to changes in the dependent variable. The R-value indicates the correlation coefficient between the predicted values and the actual values of the dependent variable. The R Square value represents the proportion of variance in the dependent variable that can be explained by the independent variables. The Adjusted R Square adjusts the R Square value based on the number of predictors in the model.

The Std. Error of the Estimate reflects the standard deviation of the residuals, providing a measure of the accuracy of the model's predictions.

The Model Summary is used to show the extent to which changes in the independent variables can lead to changes in the dependent variable. In this research, the Model summary was utilized to indicate the degree of variation in employee retention intention attributed to changes in age, gender, and ethnic diversity. The results were as presented in Table 4.17.

Table 0.13: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.948 ^a	.899	.896	.20919

a. Predictors: (Constant), Ethnic Diversity, Gender Diversity, Age Diversity

Source: (Primary data, 2024)

The Model Summary results reveal that the predictors (Age, Gender, and Ethnic diversity) collectively account for 89.9% of the variance in employee retention intention (R Square = 0.899). The Adjusted R Square value (0.896) indicates that approximately 89.6% of the variance in employee retention intention is accurately predicted by the model, taking into account both the number of predictors and the sample size. Additionally, the model demonstrates a strong positive association between workforce diversity and employee retention intention (R = 0.948).

4.7.2 Analysis of Variance

Analysis of Variance (ANOVA) is a statistical tool used to assess the significance of a model in explaining variations in the dependent variable. In this study, the significance of the model was tested at a significance level of 5%. The outcomes of this analysis are summarized in Table 4.18.

Table 0.14: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.258	3	14.753	337.114	.000 ^b
	Residual	4.989	114	.044		
	Total	49.246	117			
a. Dependent Variable: Employee Retention Intention						
b. Predictors: (Constant), Ethnic Diversity, Gender Diversity, Age Diversity						

Source: Primary Data (2024)

The ANOVA analysis revealed a p-value of 0.00 for the population parameters, indicating that the model was significant. This suggests that the regression model effectively explains a substantial amount of variance in the dependent variable, employee retention intention. This assertion is corroborated by a notably high F-statistic of 337.114, surpassing the critical F-value of 2.68 at a 0.05 significance level. Consequently, diversity in age, gender, and ethnicity significantly influences employee retention intention in MNCs operating in Kenya.

4.7.3 Beta Coefficient of variables

Beta coefficients, also known as standardized coefficients, provide valuable insights into the relative importance of each independent variable in predicting the dependent variable while controlling for other variables in the model. These coefficients allow for a comparison of the strength of the relationships between the predictor variables and the outcome variable on a standardized scale. Table 4.14 presents the beta coefficients of the study variables, namely Age diversity, gender diversity, and ethnic diversity in predicting employee retention intention.

The regression model was as follows; $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$

where **Y** was the dependent variable (ERI),

where **β_0** was the regression constant (coefficient of intercept),

where β_1 , β_2 , β_3 , β_4 , and β_5 were coefficients of the independent variables namely age diversity, gender diversity, and ethnic diversity.

where X_1 , X_2 , and X_3 , represented the independent variables (age diversity, gender diversity, and ethnic diversity.)

ϵ represented the error term.

Table 0.15: Beta coefficients

		Coefficients				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.320	.057		23.254	.000
	Age Diversity	.288	.079	.559	3.673	.000
	Gender Diversity	.148	.026	.308	5.599	.000
	Ethnic diversity	.332	.073	.633	4.571	.000
a. Dependent Variable: Employee Retention Intention						

Source: Primary Data (2024)

The regression model was fitted as follows.

$$Y = 1.320 + 0.288X_1 + 0.148X_2 + 0.332X_3 + \epsilon$$

The interpretation drawn from the model suggests that when age, gender, and ethnic diversity are held constant at zero, the employee retention intention would remain at a constant value of 1.320. Each beta coefficient represents the change in the dependent variable (employee retention intention) associated with a one standard deviation increase in the predictor variable while holding all other variables constant. The findings revealed that age, gender, and ethnic diversity had statistically significant p-values, all of which were less than the selected significance level of 0.05 (Sig. < 0.05). This indicates that all predictor variables (independent) had a significant positive influence on the dependent variable, employee retention intention. In other words, the relationship between the independent variables and the dependent variable is unlikely to be attributed to chance.

The study findings revealed that age, gender, and ethnic diversity exerted significant and positive influences on Employee Retention Intention (ERI). The beta coefficients (β) offered valuable insights into the relative importance of each predictor variable. Specifically, the research established that ethnic diversity had the highest β value of 0.633, suggesting that a shift in ethnic diversity would result in a change in employee retention intention by 0.633 units. Age diversity also demonstrated a significant coefficient of $\beta = 0.559$, indicating that a change in age diversity would alter employee retention intention by 0.559 units. Similarly, gender diversity exhibited a moderate coefficient of $\beta = 0.308$, suggesting that a unit change in gender composition would shift employee retention intention by 0.308 units. Each coefficient provides insights into the impact of individual diversity factors on employee retention intention while considering other variables in the model. The t-value indicates the significance of each coefficient in the model, with higher absolute t-values indicating a more substantial relationship between the independent variable and the dependent variable.

The research sought to answer the following research questions: How much does age diversity impact the aim of multinational firms in Kenya to retain their employees? In what manner does gender diversity shape employee retention intention within multinational corporations in Kenya? How does ethnic diversity impact employee retention intention within multinational corporations in Kenya?



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION & RECOMMENDATION

5.0 Introduction

This chapter offers a synopsis of the study's findings, discussions, conclusions, and recommendations about the research objectives.

5.1 Summary of Findings

The findings of the study are discussed about the specific objectives. This research sought to examine how age diversity influences the retention intention of employees in multinational corporations in Kenya; assess how gender diversity influences the retention intention of employees in multinational corporations in Kenya and analyze how ethnic diversity influences the retention intention of employees in multinational corporations in Kenya.

5.1.1 Influence of Age Diversity on Employee Retention Intention

The research extensively investigated respondents' perceptions of age diversity within the surveyed organizations, examining various dimensions such as representation, challenges encountered during interactions, fairness in career development opportunities, and promotion practices. Notably, respondents strongly agreed that all age groups are equally represented in their respective organizations. This resounding agreement underscores the commitment to inclusivity and suggests a positive organizational culture that values diversity. Moreover, respondents overwhelmingly reported minimal challenges arising from age differences during interactions with colleagues and supervisors. This notable lack of friction indicates a harmonious workplace environment characterized by mutual respect and effective communication across generational lines. However, the study revealed a synthesized perspective regarding the fairness of career development opportunities irrespective of age. While respondents generally perceived their organizations favorably in this regard, there was a slightly lower level of agreement, suggesting the need for a closer examination of organizational practices about career advancement.

Correlation analysis revealed significant positive correlations between age diversity and retention intention among employees within multinational corporations in Kenya. These findings are consistent with empirical studies by Krishnan et al. (2017), Umeh (2019), and Tomei, (2022), which established a positive impact of age diversity management on employee performance and retention. Additionally, research by Chatzoudes & Chatzoglou, (2022) highlighted the role of age diversity in fostering innovation and creativity within organizations, further emphasizing the importance of embracing age diversity as a strategic asset for organizational success.

5.1.2 Influence of Gender Diversity on Employee Retention Intention

The research delved deeply into respondents' perceptions of gender diversity within the surveyed organizations, exploring various facets including representation, experiences of discrimination or bias, involvement in decision-making, and satisfaction with support for work-life balance. The findings revealed a positive outlook towards gender diversity within these organizational contexts.

Findings indicated positive perceptions of gender diversity within the organizations. Specifically, respondents agreed that there is a balanced representation of men and women in their organizations, suggesting a favorable view of gender equality. Moreover, the analysis revealed significant correlations between gender diversity and retention intention among employees within multinational corporations in Kenya. The study identified a strong positive correlation between gender diversity and retention intention, indicating that a diverse gender composition positively influences employees' intentions to stay. This finding underscores the pivotal role of gender diversity as a catalyst for enhancing employee retention and organizational stability.

Despite the overall positive perception of inclusivity and fairness, the analysis also identified areas for improvement, particularly in fostering broader participation in decision-making processes. While perceptions of gender-based discrimination or bias were generally low, the moderate level of agreement regarding involvement in decision-making underscores the need for concerted efforts to ensure equitable representation and inclusivity across all levels of organizational decision-making.

These findings resonate strongly with and augment existing literature on gender diversity and retention. Notably, studies by Nasir, Ashraf, and Riaz (2019) in Karachi,

Pakistan, and Bedi et al. (2015) in Lagos State, Nigeria, underscored the significant impact of gender diversity on retention across various organizational settings. Similarly, research by Al-suraihi et al. (2021) highlighted the far-reaching benefits of gender-inclusive practices, emphasizing their crucial role in enhancing organizational performance and employee satisfaction.

5.1.3 Influence of Ethnic Diversity on Employee Retention Intention

The comprehensive analysis of perceptions surrounding ethnic diversity within the surveyed organizations unveiled crucial insights into the landscape of inclusivity and equality in the workplace. Respondents affirmed the existence of equal representation across all ethnic backgrounds within their organizations, signalling a collective commitment to fostering an inclusive and culturally diverse workforce. This resounding acknowledgment underscores the organization's proactive stance towards embracing diversity and reflects positively on its inclusive ethos.

Moreover, the data revealed a prevailing sentiment of value and respect extended to individuals irrespective of their cultural heritage, underscoring the organization's dedication to cultivating a welcoming and supportive environment for employees from diverse backgrounds. However, respondents also shared instances of cultural misunderstandings or conflicts stemming from differences in ethnic backgrounds, albeit to a lesser extent. While these occurrences are relatively rare, they highlight the importance of ongoing efforts to nurture intercultural understanding and foster harmonious interactions among colleagues of diverse ethnicities.

Furthermore, respondents expressed reservations regarding the perceived prioritization of certain ethnic groups in promotions and training opportunities. This feedback underscores a crucial area for organizational introspection and improvement, emphasizing the imperative of promoting equitable access to career advancement avenues for all employees, irrespective of their ethnic backgrounds.

The correlation analysis revealed moderate positive correlations between ethnic diversity and retention intention among employees. These findings underscore the pivotal role of ethnic diversity as a driver of employee retention, highlighting its significance in shaping organizational cohesion and employee commitment.

These findings resonate strongly with and complement existing literature on diversity and retention. Notably, studies by McKay et al. (2007) underscored the impact of ethnic diversity on turnover rates, emphasizing the need for proactive measures to address disparities in retention across diverse ethnic groups. Additionally, research by Butum (2018) and Chatzoudes et al. (2022) underscored the manifold benefits of diversity, including enhanced creativity, innovation, and organizational performance, further underscoring the importance of ethnic diversity in fostering a vibrant and inclusive workplace culture.

5.2 Conclusion

This study aimed at examining the impact of age, gender, and ethnic diversity on employee retention intention within multinational corporations in Kenya. Through a detailed analysis, the specific objectives investigated the influence of age diversity, gender diversity, and ethnic diversity on retention intention.

Regarding age diversity, the findings indicate positive perceptions among respondents, suggesting that all age groups are equally represented in the organizations. This balanced representation positively influences employee retention intention. It was also established that age diversity greatly influences employees' retention intention. To further enhance retention, organizations should ensure fair opportunities for career development across different age cohorts, fostering an inclusive environment for employees at all career stages.

In terms of gender diversity, the study revealed generally positive perceptions within organizations, with balanced representation and minimal instances of gender-based discrimination or bias. Significant correlations were found between gender diversity and retention intention, indicating its positive impact on employees' intentions to stay. To strengthen retention efforts, organizations should focus on enhancing broader participation in decision-making processes, ensuring that all genders have equal opportunities to contribute and advance within the company.

Regarding ethnic diversity, positive sentiments toward cultural inclusivity in the workplace were observed. While equal representation of all ethnic backgrounds was acknowledged, instances of cultural conflicts were reported, indicating areas for improvement in fostering intercultural understanding and communication. Despite

these challenges, ethnic diversity positively influences retention intention. Organizations can further promote retention by addressing cultural conflicts and ensuring equal access to career advancement opportunities for all ethnic groups.

The correlation analysis affirmed the importance of diversity, including ethnic diversity, in influencing retention intention. These findings align with previous research, emphasizing the significance of a varied workplace in mitigating turnover rates.

This research posits that effective diversity management is crucial for enhancing employee retention within multinational corporations in Kenya. By fostering inclusive environments that value age, gender, and ethnic diversity, organizations can promote long-term success and growth. Strategies such as ensuring balanced age distribution, promoting gender equality in decision-making, and addressing cultural conflicts can further strengthen retention efforts and contribute to organizational success.

5.3 Recommendations

This research proposes that policymakers should develop comprehensive diversity and inclusion programs addressing age and ethnicity disparities, including skills gap analyses, mentoring programs, and initiatives to eliminate biases in promotion and training opportunities. Additionally, efforts should be made to foster gender equality and communication by addressing gender-based discrimination, ensuring balanced representation, and cultivating an inclusive culture in decision-making. Management should also encourage continued research on the link between workplace diversity and employee retention, allowing for the exploration of additional insights and strategies to enhance diversity and organizational performance. These recommendations aim to create a more inclusive, equitable, and supportive work environment conducive to employee satisfaction, engagement, and retention.

The researchers could also delve into research on other work diversity variables apart from age, gender and ethnicity.

5.4 Study limitations.

The data collected in this study solely relied on self-reported responses from participants. With regards to any self-reporting method, there is a risk of response bias, where participants may provide answers, they perceive as socially desirable or aligning

with their personal beliefs, potentially influencing the accuracy and reliability of the data. To minimize self-reporting biases, survey items were crafted using unambiguous language. Furthermore, the utilization of standardized scales and validated measures helped enhance the reliability and validity of the collected data. Additionally, the research conducted a reliability validity test to ensure that both the feedback and the data met the required threshold.

Despite efforts to achieve a satisfactory response rate, the study experienced a 62% response rate, raising concerns about non-response bias. Rigorous data collection procedures were employed to maximize the response rate and minimize non-response bias. Multiple reminders were sent to participants to encourage participation. While the achieved response rate was 62%, efforts were made to analyze potential differences between respondents and non-respondents to assess the impact of non-response bias.

The study focused solely on three workforce diversity factors: age, gender, and ethnicity. While these variables are essential for examining diversity, future studies could benefit from exploring additional dimensions of diversity to provide a more comprehensive understanding of employee retention intention. By incorporating a broader range of variables, such as socio-economic status, educational background, and professional experience, researchers can gain deeper insights into the complexities of workforce diversity dynamics within MNCs. This expansion of variables would allow for a more synthesized analysis and potentially uncover how other additional factors influence employee retention intention.

5.5 Suggestions for further studies

This study proposes that similar research could be conducted to compare workforce diversity and retention intention across different industries or geographical regions within Kenya.

There is a need to conduct qualitative interviews to supplement quantitative findings with insights to gain a deeper understanding of employees' experiences, perceptions, and attitudes toward diversity and retention practices. Qualitative research methods such as interviews, focus groups, or case studies can provide rich contextual information and uncover nuanced perspectives.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

15th March 2024

To Strathmore University

P.O. Box 59857-00200

Nairobi.

Dear Sir/Madam,

RE: APPLICATION TO PARTICIPATE IN ACADEMIC RESEARCH DATA COLLECTION

Regarding the above-mentioned request, I kindly seek your assistance in furnishing the requisite information and documentation to facilitate my research endeavor. It is important to underscore that any data provided will be solely utilized for scholarly objectives and handled with the highest discretion.

Information about study participants will be handled anonymously and with confidentiality for the duration of the study. The findings of the survey will be presented in a summarized format, and any specific details you provide will remain undisclosed.

The specific focus of my research revolves around "The impact of workforce diversity on employee retention intention within manufacturing-based multinational corporations in Kenya."

Your insights and contributions would significantly enhance the quality and depth of my research. I sincerely urge you to spare a few moments of your valuable time to share your expertise and perspectives on this subject matter.

I appreciate your assistance in advance and your desire to further this field's scholarly understanding. Your dedication is genuinely valued.

Yours sincerely,

Veronica Kerich

Masters in Commerce (MCOM) student

Strathmore Business School.

APPENDIX 2: QUESTIONNAIRE

QUESTIONNAIRE-INFLUENCE OF WORKFORCE DIVERSITY ON EMPLOYEE RETENTION INTENTION

Please respond to the questions by checking the relevant box or writing in the designated area.

SECTION A: DEMOGRAPHIC PROFILE

1. Age: Which age group do you belong to?

- A. 18-24
- B. 25-34
- C. 35-44
- D. 45- 54
- E. 55 years and above

2. Gender: Indicate your gender

- A. Male
- B. Female

3. Ethnicity: Mention the ethnic background that you come from

- A. African
- B. Asian
- C. European
- D. Arab

SECTION B: COMPANY PROFILE AND WORK ENVIRONMENT

4. How long has the organization you are working for been in operation?

- A. Less than a year
- B. 3-5 years
- C. 5-7 years
- D. 7-10 Years
- E. More than 10 years

5. What is the size of the organization where you work?

- A. Less than 50 workers
- B. 50 - 100 employees
- C. 101 – 450 employees
- D. 451 – 650 employees
- E. Above 651 employees

SECTION C: AGE DIVERSITY

Kindly rate the following statements regarding Age Diversity, using a scale of 1-5 where: 1. Strongly Agree; 2. Agree; 3. Neutral; 4. Disagree; and 5. Strongly Disagree

Statement	1	2	3	4	5
a) All age groups are equally represented in our organization.					
b) I have never experienced challenges/ conflicts in my interactions with colleagues /supervisors due to age differences.					
c) Opportunities for career development are provided fairly regardless of age.					
d) We are given promotions regardless of our age groups.					

SECTION D: GENDER DIVERSITY

On a scale of 1 to 5 where 1-Strongly Agree, 2- Agree, 3-Neutral, 4- Disagree and 5-Strongly Disagree, rate the following statements regarding Gender Diversity.

Statement	1	2	3	4	5
a) There is a balanced number of men and women in our organization.					
b) I have never experienced gender-based discrimination or bias in my workplace.					
c) When it comes to decision making everyone is involved					
d) I am satisfied with the support and resources provided by the company for balancing work and personal life responsibilities, considering gender-related factors.					

SECTION E: ETHNIC DIVERSITY

On a scale of 1 to 5 where 1-Strongly Agree, 2- Agree, 3–Neutral, 4- Disagree and 5-Strongly Disagree, rate the following statements regarding Ethnic Diversity.

Statement	1	2	3	4	5
a) There is equal representation of all ethnic backgrounds (Race & Tribe in our organization.					
b) I feel valued and respected regardless of my cultural background in the workplace.					
c) I have never experienced instances of cultural misunderstandings or conflicts with colleagues due to different ethnic backgrounds.					
d) No ethnic group is prioritized during promotions and training opportunities.					

SECTION F: EMPLOYEE RETENTION INTENTION

On a scale of 1 to 5 where 1-Strongly Agree, 2- Agree, 3–Neutral, 4- Disagree and 5-Strongly Disagree, rate the following statements regarding retention intention.

Statement: Self selection	1	2	3	4	5
I am likely to remain in the organization within the next 12 months.					
I have never actively sought other job opportunities within the past year.					
I feel positively attached to my job regardless of challenges.					
Should the chance arise for me to submit another application for my position, I would readily seize it without hesitation.					
My friends and family talks positively about my current job and encourages me to remain in my organization.					

Thanks for your cooperation.

APPENDIX 3: LIST OF MANUFACTURING BASED MULTINATIONAL CORPORATIONS IN KENYA

List of manufacturing based MNCs in Kenya

NO.	NAME
1.	BASF EAST AFRICA LTD
2.	BRITISH AMERICAN TOBACCO (BAT)
3.	BAYER
4.	BEIERSDORF EAST AFRICA LTD
5.	BIDCO AFRICA
6.	BOC KENYA LTD
7.	COCA-COLA
8.	DOW CHEMICALS EAST AFRICA LTD
9.	EAST AFRICA BREWERIES LTD
10.	DELMONTE KENYA LTD
11.	GENERAL PRINTERS LTD
12.	GREIF KENYA LTD
13.	GSK KENYA
14.	HENKEL CHEMICALS EAST AFRICA
15.	HONDA MOTORCYCLE KENYA LTD
16.	IBERAFRICA POWER (EA) LTD
17.	BETA HEALTHCARE
18.	INGREDION KENYA
19.	BAMBURI CEMENT
20.	LOREAL EAST AFRICA
21.	MARUBENI KENYA
22.	MOMBASA MAIZE MILLERS
23.	MONDELEZ KENYA
24.	NAMPAK KENYA LTD
25.	NESTLE KENYA LTD
26.	PROCTER AND GAMBLE KENYA
27.	PROCTOR & ALLAN EAST AFRICA LTD
28.	PZ CUSSONS EAST AFRICA LTD
29.	SADOLIN PAINTS EAST AFRICA LTD
30.	SAFAL BUILDING SYSTEMS LTD
31.	SCHNEIDER ELECTRIC KENYA
32.	SIMBACOLT MOTORS LTD
33.	TETRAPAK EAST AFRICA LTD
34.	TOTAL ENERGIES
35.	TOYOTA KENYA
36.	UNGA GROUP PLC
37.	UNILEVER KENYA LTD

APPENDIX 4: RESEARCH PERMIT


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **135500** Date of Issue: **17/April/2024**

RESEARCH LICENSE



This is to Certify that Ms., Veronica N/A Kerich of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Influence of workforce diversity on employee retention intention among the manufacturing based multinationals in Kenya for the period ending : 17/April/2025.

License No: **NACOSTI/P/24/34792**

135500
Applicant Identification Number

Walter Kimani
Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

Verification QR Code



**NOTE: This is a computer generated License. To verify the authenticity of this document,
Scan the QR Code using QR scanner application.**

See overleaf for conditions

APPENDIX 5: RESEARCH LETTERS

Ole Sangale Rd, Madaraka Estate,
P.O. Box 59857 00200, Nairobi, Kenya,
Cell: +254 703 414/6/7, Twitter: @SBSKenya
Email: info@sbs.ac.ke or visit www.sbs.strathmore.edu



28th March 2024

To Whom It May Concern,

RE: FACILITATION OF RESEARCH – KERICH VERONICA

This is to introduce Kerich, Veronica who is a Master of Commerce (MCOM) Student at Strathmore University Business School, admission number MCOM/150032/22. As part of our MCOM Programme, Veronica is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MCOM course. To this effect, Veronica would like to request appropriate data from your organization.

Veronica is undertaking a research paper on **“Influence of workforce diversity on Employee retention intention among manufacturing based multinational corporations in Kenya.”** The information obtained shall be treated confidentially and shall be used for academic purposes only.

Our MCOM Programme seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Njoki Kiagiri".

Njoki Kiagiri
Manager – Graduate Programmes
Strathmore University Business School.



12th April 2024

Ms Kerich Veronica,
vkerich@strathmore.edu

Dear Ms Kerich,

RE: Influence of Workforce Diversity on Employee Retention Intention among the Manufacturing-based Multinationals in Kenya

This is to inform you that SU-ISERC has reviewed and **approved** your above SU-masters research proposal. Your application reference number is SU-ISERC2163/24. The approval period is from 12th April 2024 to 11th April 2025.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,



Mr Ambrose Rachier,
Chairperson; SU-ISERC

