

**DIVERSITY AND INCLUSION PRACTICES ON ORGANIZATIONAL
PERFORMANCE OF PUBLIC CORPORATIONS IN NAIROBI COUNTY, KENYA**

**BY
EUNICE MUTWA NGULA**

MASTER OF BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT)

KCA UNIVERSITY

2025

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EUNICE MUTWA NGULA

**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION HUMAN RESOURCE MANAGEMENT IN THE SCHOOL OF
BUSINESS AT KCA UNIVERSITY**

DECEMBER 2025

DECLARATION

Declaration by the Student

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged

Name: EUNICE MUTWA NGULA.....Reg No: 24/01756

Signature: 

Date: 10/10/2025

Declaration by the Supervisor

I do hereby confirm that I have examined the master's dissertation of

EUNICE MUTWA NGULA

And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed

Signature: Date:

Dr. ASENATH ONGUSO

DIVERSITY AND INCLUSION PRACTICES ON ORGANIZATIONAL PERFORMANCE OF PUBLIC CORPORATIONS IN NAIROBI COUNTY, KENYA

ABSTRACT

The core objective of this study was to evaluate the effect of diversity and inclusion practices on organizational performance among the public corporations in Nairobi County, Kenya. organizational performance is often assessed through indicators such as quality of service delivery, transparency in operations, accountability mechanisms, and the extent to which public policy objectives are achieved. These organizations are mandated to provide public goods and services efficiently and equitably, often operating under political scrutiny and budgetary constraints. However, despite the existing legal and regulatory framework on inclusive in workplace, most government institutions are yet to fully realize this critical governments agenda. This study reviewed inclusive leadership practices, diversity training and education programs, and employee Resource Groups (ERGs) inclusive recruitment and promotion policies and how each affects organizational performance. The study was guided by the contingency, institutional, resource-based view and equity theory and reviewed past studies in relation to the set objectives while showing the gaps and finally summarize this into a conceptual framework. The study adopted a descriptive research design and targeted all 41 public corporations within Nairobi City county. Form the total entities, the study purposively selected the managing director, the human resource directors and the heads of research, innovation and development sections to provide the required data. Primary data was collected from the respondents using a questionnaire and be analyzed in both quantitative and inferential statistics. Moreover, a linear regression was performed to determine the relationship between the study variables. Results of the analyzed data were shown in tables and charts with calculated mean and standard deviations. The study found significant positive correlations between the independent variables and Organizational Performance, $r = 0.864$, $r = 0.582$, $r = 0.614$ and $r = 0.796$ for Inclusive Leadership Practices, Diversity Training and Education Programs, Employee Resource Groups and Inclusive Recruitment and Promotion Policies respectively. The regression analysis further revealed that these variables collectively explained 55.2% of the variance in Organizational Performance ($R^2 = 0.552$), indicating a strong model fit. From these findings, the study recommended that Public corporations in Nairobi County should strengthen inclusive leadership by training leaders to engage diverse perspectives, foster accountability, and integrate inclusivity into performance and strategic planning. Secondly, these corporations should ensure diversity training programs are continuous, practical, and embedded into organizational culture, with regular evaluations to ensure lasting behavioral change. Additionally, expanding Employee Resource Groups (ERGs) with strong leadership support, clear objectives, and inclusive participation can promote belonging and engagement across the organization. Lastly, transparent and merit-based recruitment and promotion policies, supported by bias-free HR practices, should be deployed as this can reinforce fairness, drive innovation, and align with broader inclusion efforts.

ACKNOWLEDGEMENTS

First, I acknowledge God, whose guidance, grace, and strength have made this journey possible. To my project supervisor, Dr. Asenath Onguso whose insightful guidance, patience, and encouragement have been invaluable throughout this process, thank you for your constant support. I also extend my sincere gratitude to KCA University for the provision a god environment and the resources that fostered my academic growth. Lastly, to my course mates, thank you for your collaboration, friendship, that made this academic journey meaningful. Your support has been truly appreciated.

TABLE OF CONTENTS

DECLARATION	iii
ABSTRACT.....	iv
ACKNOWLEDGEMENTS	v
TABLE OF CONTENTS	vi
DEDICATION.....	ix
LIST OF FIGURES.....	x
LIST OF TABLES.....	xi
ACRONYMS AND ABBREVIATIONS	xii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	6
1.3 Objectives of the Study.....	7
1.4 Research Questions	8
1.5 Justification of the Study	8
1.6 Significance of the Study.....	9
1.7 Scope of the Study.....	10
CHAPTER TWO: LITERATURE REVIEW	11
2.1 Introduction.....	11
2.2 Theoretical Review.....	11
2.3 Empirical Review	16
2.4 Summary and Research Gaps	35
2.5 Conceptual Framework.....	36

2.6 Operationalization of Variables Table	38
CHAPTER THREE: RESEARCH METHODOLOGY	39
3.1 Introduction.....	39
3.2 Research Design.....	39
3.3 Target Population.....	39
3.4 Sample size and Sampling Technique	40
3.5 Research Instruments.....	41
3.6 Data Collection Procedure	42
3.7 Data Analysis	43
3.8 Diagnostic Tests	44
3.9 Ethical Considerations	45
CHAPTER FOUR: FINDINGS AND DISCUSSION	47
4.1 Introduction.....	47
4.2 Questionnaire Response Rate	47
4.3 Demographic Analysis.....	48
4.4 Descriptive Analysis.....	49
4.5 Diagnostics Tests.....	60
4.6 Inferential Statistics	64
CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS	72
5.1 Introduction.....	72
5.2 Summary of Findings	72
5.3 Conclusions.....	75
5.4 Recommendations	76

5.5 Suggestion for Further Research	78
5.6 Limitations of the study	78
REFERENCES.....	79
APPENDIX I: UNIVERSITY INTRODUCTION LETTER.....	88
APPENDIX II: NACOSTI LETTER	89
APPENDIX III: QUESTIONNAIRE	90
APPENDIX IV: LIST OF PUBLIC CORPORATIONS IN NAIROBI COUNTY	96

DEDICATION

This work is dedicated to my loving husband, whose untiring backing, encouragement and love, have been my persistent foundation of strength. To my children, for their boundless joy and inspiration, which motivate me to strive for excellence. And to my dear friends, for their kindness, laughter, and friendship that enrich my journey. This achievement is a reflection of all of your love and belief in me. Thank you for being my pillars.

LIST OF FIGURES

FIGURE 1: Conceptual Framework	37
FIGURE 2: Questionnaire Response Rate	47

LIST OF TABLES

TABLE 1: Summary and Research Gaps.....	35
TABLE 2: Operationalization of Variables.....	38
TABLE 3: Demographic Analysis.....	48
TABLE 4: Inclusive Leadership Practices and Organizational Performance	50
TABLE 5: Diversity Training and Organizational Performance	52
TABLE 6: Employee Resource Groups and Organizational Performance	54
TABLE 7: Inclusive Recruitment and Organizational Performance	56
TABLE 8: Inclusive Leadership Practices and Organizational Performance	58
TABLE 9: Test of Normality.....	61
TABLE 10: Homoscedasticity Test	62
TABLE 11: Multicollinearity Test.....	63
TABLE 12: Correlation Matrix	65
TABLE 13: Model Summary	67
TABLE 14: Analysis of Variance.....	68
TABLE 15: Regression Coefficients	69

ACRONYMS AND ABBREVIATIONS

BDO:	Business Development Organization
D&I:	Diversity and Inclusion
ERGs:	Employee Resource Groups
FEVS:	Federal Employee Viewpoint Survey
IQ:	Inclusive Quotient
ITD:	Inclusive Talent Development
KNBS:	Kenya National Bureau of Statistics
MNEs:	Multinational Enterprises
OI:	Organizational Innovation
OL:	Organizational Learning
PSC:	Public Service Commission
RBV:	Resource-Based View
SDIP:	State Department for Investment Promotion
SEM:	Structural Equation Modelling
TD:	Talent Development
VIF:	Variance Inflation Factor

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Diversity and inclusion are the systematic organizational strategies and initiatives that promote the representation and involvement of individuals from varied demographic and cultural backgrounds while ensuring that all employees feel respected, valued, and empowered to contribute to the organization (Okatta, Ajayi, & Olawale, 2024). Diversity encompasses dimensions like age, ethnicity gender, religion, disability, and socio-economic grouping, while inclusion focuses on creating an environment of belonging, equity, and equal opportunity (Stanford, 2020). These practices are aimed at dismantling structural barriers, fostering collaboration, and enhancing innovation by leveraging a wide array of perspectives and experiences (Kasih, & Ruslaini, 2015). Literature point out that effective diversity and inclusion practices improves employee engagement, creativity, and overall organizational performance.

Globalization has created a robust business environment with diversity workplace, employees and challenges (Bernstein, Salipante, & Weisinger, 2021). Organizations and management with realization of this landscape are shaping their structures and policies to accommodate inclusion and diversity. For instance, in the United States, companies like Google and Microsoft have established dedicated D&I departments to promote equity across gender, race, and ability (Okatta, Ajayi, & Olawale, 2024). In the United Kingdom, the Equality Act 2010 provided a comprehensive legal framework that protects individuals from discrimination in the workplace and promotes equal opportunity for all its citizens as well as global citizens. Moreover, the United Nations actively promotes D&I through its Gender Parity Strategy and multiple initiatives under the Sustainable Development Goals, especially Goal 5 and Goal 10 which

advocate for inclusive societies and equitable representation in decision-making structures globally (Eberechi, & Achara, 2024).

The African continent though playing a catch-up role to the advanced economies is rapidly realizing the benefits of inclusivity and diversity in meeting their development goals. For instance, the Broad-Based Black Economic Empowerment (BBBEE) framework in South Africa mandates businesses to address historical racial inequalities in ownership and employment and has seen the country reduce their historical employment injustices by more than 15% (Sarhan, Ntim, & Al-Najjar, 2019). Companies like Sasol and Nedbank with African headquarters in South Africa have integrated D&I targets in their human resource practices, particularly in promoting racial and gender diversity (Chaudhry, Paquibut, & Tunio, 2021). Similarly, in Nigeria, multinational companies like MTN and Access Bank are known to implement internal D&I policies aiming to promote gender parity and multicultural engagement. Rwanda has emerged as a continental leader in gender inclusion, boasting over 60% female representation in parliament, supported by constitutional quotas (Stanford, 2021).

In Kenya, diversity and inclusion practices are shaped by constitutional provisions, public service reforms, and organizational policy frameworks that aim to create an equitable and inclusive environment in both public and private sectors (Odhiambo, Gachoka, & Rambo, 2018). Article 232 of the 2010 Constitution of Kenya outlines key principles of public service, which include fair competition, equity, and the representation of Kenya's diverse communities across various levels of government (Charlotte & Wanyoike, 2020). These constitutional provisions have influenced organizational policies and practices to ensure inclusivity, with the Public Service Commission enforcing measures such as the two-thirds gender rule, which mandates gender equity in public sector appointments, and encouraging ethnic and regional inclusivity (Anyango, & Florah, 2019).

Private sector companies in Kenya have also embraced diversity and inclusion, with leading corporations adopting these values in their human resource practices (Ochieng, & Kamau, 2023). For instance, government programs such as the Access to Government Procurement Opportunities (AGPO) initiative have made strides in promoting economic inclusion for marginalized groups, specifically youth, women, and persons with disabilities.

1.1.1 Public Corporation in Kenya

State corporations in Kenya, also known as parastatals, are government-owned organizations created to provide public services, promote economic development, or regulate specific sectors (GoK, 2023). These corporations operate under various ministries and are governed by the State Corporations Act (Cap 446). According to State Corporations Advisory Committee. (2020) recent classifications, grouped these corporations into categories such as regulatory bodies, commercial enterprises, training and research institutions, and service corporations. State corporations in Kenya are integral to the country's development, and their performance significantly contributes to national economic growth.

The importance of diversity and inclusivity within these public organizations has become more pronounced, especially as public corporations align with the government's policy objectives and the constitutional provisions that mandate fair representation of gender, ethnicity, and other demographic groups (Ochieng, & Kamau, 2023). Inclusivity practices in leadership, recruitment, and employee development a central part in shaping the performance of these corporations. Within Kenya's state corporations, inclusivity and diversity are becoming increasingly important as these organizations strive to align with national and international mandates that prioritize fair representation across gender, ethnicity, and disability status (Nguta& Omuya, 2024). Inclusivity and diversity practices within these corporations focus on multiple dimensions, including gender

equality, ethnic representation, and the inclusion of marginalized groups such as persons with disabilities. These practices are not only driven by legal mandates such as the two-thirds gender rule in Kenya's Constitution but also by a desire to improve organizational performance, innovation, and employee morale.

However, challenges remain in ensuring genuine inclusivity and diversity, particularly at higher levels of management and in technical fields. Although many state corporations have adopted policies aimed at achieving gender and ethnic balance, there are instances where these ideals are not fully realized, especially in senior management roles (Nguta & Omuya, 2024). Gender parity, in particular, remains a significant challenge, with women still underrepresented in leadership positions within many of these organizations (Ndunge, & Deya, 2022). While Kenya has made progress toward gender inclusion, studies by scholars such as Kendi and Otieno (2018) have highlighted that systemic barriers still impede women's full participation in leadership roles. Reports from organizations such as the Kenya National Bureau of Statistics (KNBS) and the Public Service Commission (PSC) further illustrate the problems that persist in achieving inclusivity in state corporations. For instance, the Public Service Commission's annual report has consistently shown that while the two-thirds gender rule is being implemented, women are still underrepresented in high-ranking positions across various public entities.

Diversity and inclusion practices within Kenya's national government have made gradual progress, yet significant gaps persist in achieving equitable representation. According to the Public Service Commission (2023), women account for only 37.8% of the public service workforce, falling short of the constitutional goal of gender parity. In terms of disability inclusion, the representation of persons with disabilities stands at a mere 1.32%, well below the 5% threshold stipulated under Article 54(2) of the Constitution of Kenya. Additionally, only 4% of public

institutions have met the legal requirement to reserve at least 5% of jobs for persons with disabilities, highlighting widespread institutional non-compliance (Public Service Commission, 2023). Despite the existence of national policies promoting inclusive public employment, weak enforcement and inadequate monitoring continue to hinder progress.

1.1.2 Organizational Performance

According to Sahin, & Mert (2023), organizational performance depicts how effectively an organization meets its set objectives such as the operational efficiency, financial goals, customer satisfaction, and employee engagement. It encompasses both quantitative and qualitative measures, such as profitability, productivity, innovation capacity, and adaptability to changing environments (Riany, 2021). Scholars argue that high-performing organizations are characterized by strategic clarity, leadership effectiveness, and strong alignment between goals and processes (Mwai, Namada, & Katuse, 2018). Performance is also influenced by internal factors like corporate culture, resource utilization, and decision-making structures. The Balanced Scorecard approach developed by Kaplan and Norton has become a widely adopted framework for measuring performance across multiple dimensions beyond financial results, emphasizing customer perspectives, internal processes, and learning and growth (Sarhan, Ntim, & Al-Najjar, 2019).

Furthermore, in public sector organizations such as state corporations, organizational performance is often assessed through indicators such as quality of service delivery, transparency in operations, accountability mechanisms, and the extent to which public policy objectives are achieved. These organizations are mandated to provide public goods and services efficiently and equitably, often operating under political scrutiny and budgetary constraints. According to Sarhan, Ntim, & Al-Najjar (2019), public organizations face inherent challenges in evaluating performance due to the complexity of their goals, the influence of political oversight, and the absence of

competitive pressures that typically drive performance in the private sector (Wang, Zhang, Ullah, Ullah, & Ullah, 2021). These challenges are compounded by bureaucratic rigidity, inconsistent performance metrics, and difficulties in aligning individual and institutional objectives. As a result, public corporations often struggle to balance efficiency with equity, leading to performance outcomes that vary significantly across institutions and service areas. In this study, Key performance indicators (KPIs) commonly used include service delivery quality, cost-efficiency, compliance with policy mandates, stakeholder satisfaction, and timeliness in achieving institutional goals were used as the indicators to evaluate the public corporation's performance.

1.2 Statement of the Problem

These institutions play a crucial role in national development by delivering services, managing public resources, and implementing policy frameworks. Effective diversity and inclusion (D&I) practices, such as inclusive leadership, structured training, employee resource groups, and equitable recruitment and promotion, are globally recognized as key drivers of improved organizational performance, innovation, and employee satisfaction. State entities continue to face myriad of challenges in translating Kenya's demographic diversity into a single workforce with capacity to improve their performance, despite progressive legal frameworks KIPPRA, 2022. Although 72% of public organizations report having diversity policies, only 23% actively assess their impact on performance outcomes (Kamau & Rotich, 2021). Innovation levels in public corporations remain low, with a score of 3.2 out of 5 compared to 4.1 in the private sector, indicating a gap in leveraging diversity for innovation and productivity (KIPPRA, 2022). The Public Service Commission (2022) notes that only 34% of leadership roles in state corporations are occupied by women, while ethnic representation remains skewed. Moreover, inclusive practices such as diversity training and Employee Resource Groups (ERGs) are absent in many

public institutions yet private sector have tapped into this concept to improve their performance. The Auditor General (2021) further highlights recruitment inconsistencies and favoritism, undermining equity. These diverse shortages with capacity to improve organizational performance in the public sector forms the basis for this research

Existing international studies have extensively examined the influence of diversity and inclusion (D&I) practices on organizational performance, revealing inconsistent outcomes. For instance, Chaudhry et al. (2021) found that inclusive practices in the UAE significantly enhance organizational innovation. Similarly, Bernstein et al. (2021) and Okatta et al. (2024) emphasized that targeted D&I initiatives are linked to improved equity and productivity. Tongo et al. (2023) and Eberechi and Achara (2024) in Nigeria observed a weak positive correlation between D&I practices and productivity. In Kenya, Ochieng and Kamau (2023) and Ndunge and Deya (2022) explored diversity's effects on performance but concentrated mainly on demographic variables such as ethnicity, gender, and age. These studies often overlook specific inclusion mechanisms like ERGs, inclusive leadership, and diversity training, hence the need for this study. This study seeks to fill the empirical gap in how inclusion mechanisms such as ERGs and inclusive leadership affect performance in Nairobi's public corporations.

1.3 Objectives of the Study

1.3.1 General objective

To evaluate the effect of diversity and inclusion practices on organizational performance among the public corporations in Nairobi County, Kenya.

1.3.2 Specific Objectives

- i. To assess the effect of inclusive leadership practices on organizational performance of public corporations in Nairobi County, Kenya.

- ii. To determine the effect of diversity training and education programs on organizational performance of public corporations in Nairobi County, Kenya.
- iii. To evaluate the effect of Employee Resource Groups (ERGs) on organizational performance of public corporations in Nairobi County, Kenya.
- iv. To investigate the effect of inclusive recruitment and promotion policies on organizational performance of public corporations in Nairobi County, Kenya

1.4 Research Questions

- i. What is the effect of inclusive leadership practices on organizational performance of public corporations in Nairobi County, Kenya?
- ii. How does diversity training and education programs affect organizational performance of public corporations in Nairobi County, Kenya?
- iii. What is the effect of Employee Resource Groups (ERGs) on organizational performance of public corporations in Nairobi County, Kenya?
- iv. What is the effect of inclusive recruitment and promotion policies on organizational performance of public corporations in Nairobi County, Kenya?

1.5 Justification of the Study

Despite the existence of supportive legal frameworks in Kenya, including the Constitution of Kenya (2010) and the Employment Act (2007), state corporations in Nairobi County continue to face significant challenges in fully integrating D&I practices into their operational strategies. The limited evaluation of the impact of D&I initiatives on organizational performance, coupled with the lack of focus on inclusion practices such as Employee Resource Groups, inclusive leadership, and diversity training, highlights the need for this study. By exploring the specific effects of these

practices, this research seeks to fill the gap in empirical literature and provide valuable insights into how D&I can enhance the effectiveness and productivity of public corporations in Kenya, thereby contributing to the achievement of national socio-economic development goals.

1.6 Significance of the Study

The study could be beneficial to the following;

1.6.1 Public Corporations

The findings could guide the development of more effective D&I strategies, helping to foster a more inclusive work environment that improves employee morale, innovation, and organizational productivity. By identifying the specific impact of practices like inclusive leadership, diversity training, and Employee Resource Groups, this study could assist state corporations in optimizing their workforce to achieve better service delivery and meet public policy objectives.

1.6.2 Government of Kenya

The study could offer evidence to strengthen the implementation of constitutional mandates and policy frameworks aimed at promoting equity and inclusivity in public service. This could contribute to the achievement of national socio-economic goals, such as reducing inequalities and promoting gender equality. The findings can also inform future reforms in public sector management and governance, ensuring that D&I practices are systematically integrated into government programs.

1.6.3 Human Resource Practitioners

Human resource practitioners could benefit from this research by gaining a deeper understanding of how inclusive practices can lead to better organizational outcomes. It could provide them with practical recommendations for designing and implementing D&I initiatives that align with both organizational goals and broader societal objectives.

1.6.4 Future Scholars

Lastly, for future scholars, this study could act as a reference material while also adding into the existing knowledge on D&I in public sector organizations, particularly in the Kenyan context. It could serve as a foundation for further research on the relationship between D&I practices and organizational performance, offering directions for future studies to explore other dimensions of diversity and inclusion.

1.7 Scope of the Study

This research examined the effect of diversity and inclusion practices on organizational performance in public enterprises located in Nairobi County, Kenya. The research focused on four principal dimensions: inclusive leadership practices, diversity training and educational programs, Employee Resource Groups (ERGs), and inclusive recruiting and promotion policies. The study utilized a descriptive research design in gathering data via questionnaires from the state organizations located within Nairobi. The study seeks to offer evidence-based recommendations for utilizing diversity and inclusion as strategic assets to improve organizational performance in Kenya's public sector. The study was done for a period of 9 months between January and September 2025

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section examined the theoretical foundations guiding the research, analyze empirical findings from previous studies, identify research gaps, and present a conceptual framework illustrating the connections between the variables.

2.2 Theoretical Review

This section explained the theories that relates with the phenomenon under review. The theories chosen were contingency theory, institutional theory, resource-based view and equity theories.

2.2.1 Contingency Theory

This theory was coined by Fred Fiedler in (1964) and it suggests that there is no universal approach to managing an organization or leading a team; rather, the most effective strategy depends on internal and external situational factors. Fiedler proposed that a leader's success relies on the compatibility between their leadership style and the level of control afforded by the situation. He developed the Least Preferred Co-worker (LPC) scale to classify leaders as either task-focused or relationship-focused, emphasizing that their effectiveness stems from the interaction between their style and situational elements, such as the quality of leader-follower relationships, the clarity of task structure, and the authority inherent in the leader's position (Fiedler, 1964). This theoretical framework has been expanded to organizational design, emphasizing that organizational structures, processes, and strategies must align with contextual variables like environment, technology, and organizational size for optimal performance (Donaldson, 2001).

Contingency Theory is flexible in explaining business realities and acknowledges that organizational environments are dynamic and complex, requiring adaptable strategies rather than rigid models. This helps explain the variations in leadership effectiveness across contexts and

provides a more nuanced approach to management practices (McAdam, Miller & McSorley, 2019). However, the theory also has notable shortcomings. It can be difficult to accurately assess all situational variables and match them precisely with leadership styles or organizational practices. Critics argue that it lacks prescriptive guidance and is more descriptive than actionable, which can limit its practical application in fast-paced or resource-constrained environments (Ivancevich, Konopaske, & Matteson, 2013). Additionally, the theory may oversimplify the multifaceted nature of leadership and organizational dynamics by focusing heavily on a few situational variables.

In the current study, this theory is applicable in explaining the effect of inclusive leadership practices on organizational performance. In the country, public corporations operate in politically influenced, resource-sensitive environments that require adaptive leadership styles to navigate diverse stakeholder expectations and systemic constraints. Inclusive leadership, characterized by openness, accessibility, and support for diverse perspectives may be more effective in contexts with high levels of workforce diversity and low formal control. By applying Contingency Theory, this study can evaluate how factors such as bureaucratic rigidity, legal mandates and organizational culture shape the effectiveness of inclusive leadership practices. This helps explain why similar D&I initiatives yield different outcomes across public corporations and underscores the need to align leadership approaches with the situational realities of each organization.

2.2.2 Institutional Theory

This theory was articulated by DiMaggio and Powell (1983). The theory proposes that an organization's behavior is expressively determined by the norms, regulations, and expectations of the institutional context in which it functions. It suggests that organizations strive for legitimacy, stability, and survival by aligning with institutional pressures, including legal requirements,

cultural values, professional standards, and societal norms. DiMaggio and Powell (1983) introduced the concept of institutional isomorphism, describing how organizations grow more alike due to coercive (regulatory), mimetic (imitative), and normative (professional) influences. This perspective highlights that organizations may adopt practices not for their efficiency but because they are broadly accepted and deemed legitimate.

Institutional Theory has unique ability to explain the convergence of organizational practices and the importance of legitimacy in shaping behavior. It provides insights into why organizations adopt formal structures or policies that may have little impact on actual performance but serve symbolic or legitimizing purposes (Sahin & Mert, 2023). However, critics argue that it underestimates the strategic role of managers and the possibility for innovation and change within institutional constraints (Greenwood et al., 2008). Furthermore, it can be overly deterministic, implying that organizations have little room to maneuver beyond conformity.

In this study, the theory helps in explaining how diversity training and education programs can change the performance of organizations. Public corporations operate under significant coercive pressures from the government and regulatory bodies, including constitutional mandates and employment laws promoting diversity and inclusion. Additionally, they face normative pressures from professional HR bodies and mimetic pressures to emulate practices from successful peer organizations. As a result, diversity training programs may be adopted to conform to societal and institutional expectations, rather than to drive performance directly. However, when such programs are well-aligned with the institutional context and internalized by the workforce, they can enhance legitimacy, employee morale, and ultimately organizational performance as advocated by this theory.

2.2.3 Resource-Based View (RBV)

The Resource-Based View (RBV) was initially introduced by Wernerfelt (1984). This theory argues that the strategic resources possessed and controlled by a firm are the key determinants of its competitive advantage and superior performance over time. According to RBV, resources must meet four critical criteria, being valuable, rare, inimitable, and non-substitutable (VRIN) so as to contribute meaningfully to sustained success (Barney, 1991). These resources include both tangible assets like technology and financial capital, and intangible ones such as organizational culture, employee knowledge, and internal networks. RBV emphasizes that it is not merely the possession of resources, but how efficiently they are applied and aligned with strategic objectives that determines performance outcomes (Varadarajan, 2020). In contrast to external-oriented models like Porter's Five Forces, RBV focuses inward on how firms can build and deploy unique abilities that are impossible for competitors to duplicate, enabling a firm to remain competitive even in changing environments.

One of the primary advantages of the RBV theory is that it helps organizations identify and cultivate internal assets that are not easily imitated, giving them a sustainable edge in the marketplace. The theory also provides a solid foundation for investment in employee development, culture building, and innovation as core strategic actions (Varadarajan, 2020). However, the RBV tends to underemphasize external environmental factors such as regulations, technological disruptions, or socio-political influences, which can significantly affect resource utility and firm performance. Additionally, the theory assumes resources are easily identifiable and classifiable under the VRIN framework, which is often not the case, especially with intangible assets like inclusive culture, team synergy, or leadership effectiveness. Moreover, RBV does not fully address the dynamic nature of resource accumulation and renewal, often assuming a relatively static

environment where firms can rely on existing resources without the need for continual adaptation or realignment (Taher, 2011).

Within the context of public corporations, the RBV can be effectively applied to analyze the role of Employee Resource Groups (ERGs) in enhancing organizational performance. ERGs represent internal communities within organizations that bring together employees who share common interests, backgrounds, or goals, such as women, youth, people with disabilities, or ethnic minorities. These groups foster inclusion, peer support, mentoring, and employee engagement, thereby creating a stronger, more cohesive internal culture. Viewed through the RBV lens, ERGs qualify as strategic resources because they are valuable, inimitable, and non-substitutable. By nurturing ERGs, public corporations can improve collaboration, innovation, and employee retention which are factors that collectively enhance performance.

2.2.4 Equity Theory

Equity Theory was developed by John Stacey Adams (1963), and proposes that fairness in social interactions and relationships drives individual motivation. It states that workers evaluate the equilibrium between their efforts and rewards (e.g., effort, skills, and experience) and their rewards (e.g., salary, recognition, or promotions) by associating this ratio to that of peers in similar positions. When employees perceive an inequity, such as either under or over-rewarded, they experience psychological discomfort, prompting actions to restore balance. These actions may include altering their effort, requesting changes to rewards, or disengaging from the organization. Consequently, perceptions of fairness is key in shaping employee motivation, job satisfaction, and performance (Adams, 1963).

Equity theory explains why two employees in similar roles may react differently to the same reward system due to individual comparisons and perceptions. The theory is particularly

valuable in multicultural and diverse environments where fairness perceptions can vary widely (Hatfield, Salmon & Rapson, 2011). However, a notable weakness is its heavy reliance on individual perception, which may be inconsistent, biased, or based on incomplete information (Ryan, 2016). Additionally, it does not clearly outline how to measure or address inequity, nor does it consider broader organizational factors such as culture or structural inequities that may influence employees' sense of fairness.

In this study, equity theory was applied in explaining the relationship between inclusive recruitment and promotion policies within public corporations in Nairobi County. When recruitment and promotion policies are seen as fair, transparent, and inclusive, giving equal opportunity to all regardless of gender, ethnicity, or background, employees are likely to feel valued and motivated, leading to improved organizational performance. However, if such policies are perceived as biased, favoring certain groups or lacking transparency, employees may feel demotivated, disengaged, or even resentful, which can reduce morale and productivity. Equity Theory thus highlights the importance of ensuring fairness not just in policy design but in how those policies are implemented and perceived on the ground.

2.3 Empirical Review

This section reviewed all study variables in relation to past studies. Specifically, past related studies were reviewed while gaps to be closed by the current study were outlined.

2.3.1 Inclusive Leadership Practices on Organizational Performance

Gong, Liu, Rong, and Fu (2021) investigated the impact of inclusive leadership on organizational performance in Chinese high-tech firms, focusing on the mediating role of ambidextrous innovation (exploratory and exploitative) and the moderating effect of environmental uncertainty. Employing a quantitative approach, they gathered 325 valid responses through questionnaires and

analyzed data using latent path analysis and ordinary least squares regression. Their findings indicated that both types of innovation mediated the link between inclusive leadership and performance, showing that inclusive leaders create environments conducive to innovation, thereby boosting organizational competitiveness in dynamic markets. Environmental uncertainty was found to strengthen the relationship between inclusive leadership and exploitative innovation, highlighting the critical role of inclusive leadership in volatile and rapidly changing contexts.

Ashikali, Groeneveld, and Kuipers (2021) investigated the role of inclusive leadership in fostering inclusive climates within diverse public sector teams in the Netherlands, using data from central and local government ministries and municipalities. The study revealed that inclusive leadership significantly moderates the relationship between ethnic-cultural diversity and an inclusive climate ($\beta = 0.11$, $p < .10$). While diversity alone negatively affected inclusivity due to implicit biases ($\beta = -0.19$, $p < .01$), inclusive leaders successfully mitigated these effects by encouraging participation and shared respect. The findings demonstrate that inclusive leadership enhances decision-making quality, team cohesion, and responsiveness to citizen needs—key indicators of improved public-sector performance. However, this study focused on Western public institutions with established inclusion frameworks, limiting generalizability to African contexts. The current study will close this gap by examining how inclusive leadership practices affect organizational performance in Kenyan public corporations, where diversity dynamics and governance structures differ.

Nguyen, Le, Trinh, and Do (2019) explored how inclusive leadership influences job performance in Vietnam's interior design and construction sectors, examining mediators such as innovative behavior, person-job fit, mutual recognition respect, employee well-being, and intrinsic motivation. Using structural equation modeling, they analyzed data from 387 employees. The

results postulated that inclusive leadership hugely affected person-job fit, employee well-being, and innovative behavior, with only innovative behavior significantly mediating the relationship with job performance. Mutual recognition respect and intrinsic motivation were key mediators between well-being and performance, while well-being, person-job fit and showed no direct impact on performance. These findings suggest that inclusive leadership fosters a supportive workplace, enhancing innovation and motivation, which are vital for improving job performance both in the short run and the long run.

Babaita, Ahmed, and Olowookere (2023) examined the effect of inclusive leadership on employee engagement at the University College Teaching Hospital in Ibadan, Nigeria, using a descriptive research design with a sample of 379 employees. Regression analysis revealed a strong positive relationship between inclusive leadership and engagement ($\beta = 0.789$, $t = 11.819$, $p = .005$). The study highlighted that practices like open communication and diversity initiatives create supportive environments that promote engagement, innovation, and prosocial behavior. While the findings offer insights for public institutions, such as those in Nairobi County, Kenya, the study's single-institution focus and potential response biases limit its generalizability.

Vakira, Shereni, Ncube, and Ndlovu (2023) studied the relationship between inclusive leadership and employee engagement in Zimbabwe's hospitality industry, with psychological safety as a mediator. Using a sample of 247 employees and self-administered questionnaires, they conducted regression analysis via SPSS. The results confirmed a significant yet positive link between inclusive leadership and the employee level of engagement, with psychological safety partially mediating this relationship. The findings of the study confirmed that inclusive leadership affects employees psychological safety, which in turn affects employee engagement. However, the

study's context-specific nature (Zimbabwe's hospitality sector) suggests caution in applying results to other settings, such as state corporations across different sectors.

Mpuya (2024) investigated the effect of leadership communication on organizational performance in multinational enterprises in East Africa, focusing on the Business Development Organization in Tanzania. Employing a mixed-methods approach with surveys and qualitative interviews, the study found that 67.6% of respondents strongly agreed and 32.4% agreed that effective leadership communication clarifies organizational vision and goals, while 78.7% agreed it supports strategic initiatives. Qualitative findings reinforced that clear communication fosters collaboration and improves performance. The study emphasizes the importance of consistent leadership communication in aligning employees with organizational objectives, enhancing outcomes in multinational enterprises. However, this study was done in private sector unlike the current study which was done in the public sector.

Bagorogoza, Kabagabe, Nasiima, Mpaata, and Arinaitwe (2022) explored how employee perceptions of inclusion mediate the relationship between inclusive leadership and innovative behavior in Uganda's energy sector. By developing a quantitative cross-sectional design, they collected data from 250 employees via purposive and convenience sampling, analyzing it with correlation and regression techniques. The results showed a significant relationship between inclusive leadership, perceptions of inclusion, and innovative behavior, with inclusion perceptions mediating this link. The findings highlight that inclusive leadership promotes innovation by fostering recognition, respect, and tolerance for failure. However, the study's cross-sectional design and sampling methods limit its generalizability.

Kuria, Namusonge, and Iravo (2016) investigated the effect of leadership on organizational performance in Kenyan healthcare settings. They utilized a descriptive survey method,

incorporating stratified sampling to select 384 employees from Kiambu, Machakos Level 5 hospitals, and Kenyatta National Hospital. With an 87.5% response rate, they used questionnaires, interviews, and a multiple linear regression model to analyze data. The findings indicated that leadership significantly affects the relationship between employee participation and performance, but poor leader-employee relationships suggest a need for improved leadership practices to enhance communication, job satisfaction, and organizational outcomes in the health sector.

Kabetu and Iravo (2018) investigated how strategic leadership affects the performance of INGOs in Kenya, with a focus on UN-Habitat. The study targeted 197 employees across top, middle, and lower management levels, selecting a sample of 130 with a 95% confidence level and a 0.05 margin of error. Data were gathered using self-administered questionnaires featuring both open- and closed-ended questions. Analysis was conducted with SPSS (Version 21.0), employing correlation analysis to assess variable associations and multiple regression analysis to determine relationships between independent and dependent variables. Results indicated that key factors—communicating strategic direction, leveraging core competencies, building human capital, maintaining a strong organizational culture, and promoting organizational flexibility—significantly influenced UN-Habitat’s performance in Kenya.

2.2.2 Diversity Training and Education Programs on Organizational Performance

Hendri (2019) evaluated the effects of organizational learning on employee job satisfaction, focusing on PTPN XIII, in West Kalimantan, Indonesia. The research aimed to test both direct and mediated relationships by considering job satisfaction and organizational commitment as potential mediators. Using a proportional random sampling technique, the study sampled 130 employees from three work areas, Head Office, West Kalimantan I District, and West Kalimantan II District. The partial least square (PLS) approach was applied in data analysis, based on the number of

formative indicators used. The results indicated that organizational learning positively and significantly impacted organizational commitment and job satisfaction but had no direct effect on employee performance. Instead, job satisfaction and organizational commitment were found to substantially improve employee performance, suggesting that organizational learning influences performance indirectly through these factors.

Ketemaw, Ayenew, and Zewde (2024) conducted a global systematic review on managing diversity and multicultural collaboration across sectors, including public administration. The review found that diversity training and education programs positively influence organizational performance by reducing bias and intergroup conflicts while improving employee satisfaction, innovation, and collaboration. Effective programs were shown to increase productivity and reduce absenteeism by fostering mutual respect and cross-cultural integration. These findings affirm that structured diversity education enhances inclusivity and adaptability in diverse work environments. However, this study focused mainly on synthesizing evidence from multiple countries without offering empirical insights from African or developing public-sector contexts. The current study will close this gap by analyzing the practical influence of diversity training and education programs on the performance of public corporations in Nairobi County.

Panagiotakopoulos (2020) conducted a qualitative study to assess the impact of formal management training on organizational performance in small businesses within Greece's manufacturing and service sectors. The research involved 100 interviews with owners/managers and employees across 50 small enterprises, divided evenly between firms whose managers had completed formal training and those who had not. The training included accredited seminars, workshops, and business management courses. Findings indicated that small firms led by formally trained managers reported increased profitability in 2017 and 2018, improved employee

productivity, lower staff turnover, and higher levels of employee satisfaction and motivation. Trained managers emphasized how their education enhanced their understanding of employee development and job design, which in turn contributed to a more motivated workforce. Furthermore, these managers exhibited greater competence in managing organizational change. The study concludes that management training is a critical factor in improving performance outcomes in small enterprises, especially through its influence on human resource practices and strategic decision-making.

oomro, Mangi, and Shah (2021) examined how strategic factors affect organizational learning (OL), organizational innovation (OI), and their combined influence on organizational performance in Singapore. Employing a quantitative cross-sectional design, the study gathered data via survey questionnaires from a random sample of 360 chief executive officers across various institutions. Structural equation modeling (SEM) was adopted to analyze the hypothesized associations. Findings indicated that strategic elements, including personal mastery, transformational leadership, shared vision, proactivity, and environmental awareness, had a significant positive effect on both OI and OL. Furthermore, the study confirmed that organizational innovation and organizational learning significantly and positively impacted overall organizational performance. These findings highlight the critical role of strategic leadership and a learning-oriented culture in enhancing innovation capabilities and boosting firm performance. The study concluded that fostering innovation and continuous learning is essential for maintaining competitive advantage and improving organizational effectiveness in dynamic environments.

Kaliannan, Darmalinggam, Dorasamy, and Abraham (2023) examined the role of inclusive talent development (ITD) within the broader talent management TM discourse in India. Their review covered 48 scholarly articles published between 1997 and 2020, with a particular focus on

13 articles that directly addressed ITD. The study aimed to assess the representation of talent development (TD) in TM literature, evaluate the contribution of ITD to individual and organizational outcomes, and identify the limitations in existing ITD research. The researchers found that although ITD was recognized for its potential to promote individual talent growth and enhance organizational performance, it was underrepresented in mainstream TM studies. The study emphasized that inclusive TD, particularly when implemented in resource-constrained environments, could drive frugal innovation and support a broader application of the resource-based view (RBV), especially the VRIO framework. However, they noted a lack of empirical depth and insufficient exploration of ITD's impact on low-performing employees. The review highlighted the need for more empirical studies and broader conceptual development around inclusive talent strategies.

Mdhlalose (2020) conducted a study to evaluate the effect of training and development on organizational performance within the Department of Economic Development in Gauteng Provincial, South Africa. Using a descriptive quantitative research design, data were collected from a sample of 131 employees and analyzed utilizing mixed statistics. The study aimed to understand whether the substantial investments made by the government in training yielded improvements in employee and departmental performance. Findings indicated that training and development had a positive influence on employee performance. However, it was noted that many of the training programs offered were misaligned with the specific job responsibilities of the employees. Furthermore, the study highlighted a significant gap in the evaluation phase of the training process, with the department lacking a formal mechanism to evaluate the effectiveness and relevance of its training initiatives. The research emphasized the need for tailored training

programs and robust evaluation frameworks to enhance the strategic value of training and development in public sector organizations.

Juma, Were, and Senelwa (2024) explored the effect of training and development on employee performance in education-based State Corporations in Kenya. This study focused on 180 senior managers, including department and division heads and human resource managers, from four selected organizations. Utilizing a descriptive design, a questionnaire was adopted to collect data. Analysis was conducted using SPSS Version 27, employing both descriptive and inferential statistical methods. Regression analysis yielded an R-squared value of 0.616 indicating that training and development explained 61.6% of the variance in employee performance. However, the regression coefficient indicated a positive but statistically insignificant relationship between the study variables ($\beta = 0.020$, $p = 0.612$). The results suggest that while training programs are in place, their impact on performance is limited without effective implementation or alignment with organizational objectives.

Mungai and Wabuyabo-Okonga (2021) investigated the effect of corporate diversity training on the performance of INGOs operating in Kenya. The study focused on how corporate coaching and management training influenced organizational outcomes. Guided by the identical element theory and the trans-theoretical model of behavior change, the researchers argued that training leads to behavioral transformation among employees, which subsequently enhances performance. A descriptive research design was employed, targeting over 35 INGOs, with a stratified random sample of 84 participants comprising top, middle, and lower-level management from 11 INGOs that agreed to participate. Data collection was conducted using structured questionnaires, and the analysis was performed using the Statistical Package for Social Sciences (SPSS). Both descriptive and inferential statistics were utilized, including correlation and linear

regression analyses, along with sensitivity and specificity diagnostics. The findings revealed a statistically substantial association between corporate coaching and organizational performance, and also between managerial training and performance ($p < 0.05$). The study concluded that corporate training positively influenced the performance of INGOs and recommended the review of training policies, involvement of stakeholders, and setting of SMART objectives to enhance training effectiveness.

2.2.3 Employee Resource Groups on Organizational Performance

Schlachter, Rolf, and Welbourne (2024) investigated the roles of Employee Resource Groups (ERGs) by exploring the experiences of ERG leaders and how these groups create mutual advantages for both employees and employers. ERGs, which unite employees with shared identities or objectives, have gained global popularity as tools for enhancing recruitment and retention. The research involved interviews with ten ERG leaders from three organizations. Through these interviews, five key themes emerged namely: structure and leadership, the diverse purposes the evolution of ERGs into business resource, time management challenges for ERG leaders, and the level of organizational support for ERGs. The study highlights the benefits ERGs offer, such as opportunities for career advancement, building relationships, and providing greater meaning at work for members, while also benefiting organizations. The study suggest future research directions that further explore the dual benefits of ERGs for individuals and organizations which was the focus of the current study.

Ogunyemi and Ryan (2024) conducted a global systematic review on Strategic Human Resource Management (SHRM) practices in creating sustainable inclusive workplaces. Their findings identified Employee Resource Groups (ERGs) as key contributors to improved organizational performance through enhanced employee engagement, satisfaction, and retention.

ERGs provided essential peer support, strengthened inclusion, and facilitated communication between employees and management, leading to greater innovation and morale across sectors, including public institutions. The study emphasized that ERGs, when institutionally supported, promote belonging and productivity. However, this study focused on global and cross-sectoral contexts, with limited attention to public corporations in Africa, where ERG implementation and cultural adaptation may differ. The current study will close this gap by empirically evaluating the effect of ERGs on organizational performance within Kenyan public corporations.

Roczniewska *et al.*, (2022) conducted a systematic review to explore the effects of unit-level job demands and resources on employee productivity, health, and well-being, expanding the focus beyond the individual level to consider the work-unit level, such as groups or organizations. The study used the job demands-resources model to categorize work environment factors, distinguishing between job demands (which can negatively affect employees) and job resources (which can have beneficial effects). Despite being conceptualized as individual-level factors; these job characteristics were largely studied in isolation from the broader organizational context. The review analyzed 202 studies published through December 2018 and found that supraindividual job resources generally have a more positive impact on employee productivity and work-related well-being compared to the negative impact of job demands. However, the relationship between these factors and health was mostly nonsignificant. The authors concluded that the motivational path, facilitated by job resources, has been more widely supported than the health impairment path linked to job demands. The study suggests areas for future research and practical implications for managing work environments at the unit level.

Welbourne, Butler, and Royal (2021) examined the role of Employee Resource Groups (ERGs) in responding to crises, particularly in the context of the COVID-19 pandemic. While

ERGs have been in existence since the 1960s, empirical research on their structures, development, leadership roles, and their response to crises has been limited. This study highlights the historical roots of ERGs, tracing their origins to the first black caucus in Rochester, NY, which emerged from a crisis the first race riot in the USA. The authors explore why ERGs, with their evolving structures, are well-suited to address crisis situations, particularly when adopting an intersectional approach. They conducted two studies focusing on how ERGs adapted to support their members and stakeholders during the COVID-19 crisis. Their findings suggest that ERGs, functioning as parallel organizations, possess significant potential to tackle major challenges, including those presented by crises like the pandemic.

Nwafor (2023) explores the role of knowledge management (KM) as a critical managerial tool for improving job performance, organizational efficiency, and employee development in 21st-century organizations, particularly within Nigerian businesses and across Africa. The study highlights how, over the years, Nigerian organizations and the government have placed insufficient emphasis on knowledge management and acquisition, which are essential for effective human capital management. The paper argues that just as individuals fail to utilize the full potential of their brains, organizations often do not fully leverage the knowledge they possess. In recent years, research interest has grown in the acquisition, capture, storage, and dissemination of explicit knowledge, such as best practices and lessons learned. However, the author notes that much more needs to be done to address the challenges of modern business. Nwafor suggests that organizations must implement standardized knowledge management strategies and work on developing the competencies required for managerial roles. The study concludes that the effective use of knowledge, teamwork, and a balanced management approach drives organizational growth and provide a competitive advantage in the increasingly competitive business world.

Kirabo Thomas (2019) evaluated the effect of teamwork on organizational performance in parastatals, using the National Water and Sewerage Corporation in Kampala, Uganda. The study was guided by three objectives: to assess the effect of shared values, mutual trust, and team roles on organizational performance. A cross-sectional design incorporating both qualitative and quantitative methods was employed, with a sample of 152 respondents. The findings indicated that shared values had a statistically weighty positive effect on organizational performance, suggesting that alignment in values among employees enhances overall effectiveness. Similarly, mutual trust between management and employees was found to significantly influence performance, emphasizing the importance of cultivating trust-based work environments. Furthermore, clearly defined team roles also showed a strong positive impact on performance, as structured team efforts promoted efficiency and productivity. The study concluded that promoting shared values, mutual trust, and defined team roles collectively contributes to improved organizational performance in parastatal institutions.

Kibret, Gitonga, and Kibirango (2024) explored the connection between teamwork and service delivery at the Seventh-Day Adventist Church. Using a descriptive and correlational research design, they focused on senior management and office personnel, gathering data from 114 respondents via questionnaires. The findings indicated a weak, yet statistically significant, correlation between teamwork and service delivery, with a Pearson coefficient of 0.256 ($p < 0.05$). However, the null hypothesis was upheld, suggesting that teamwork alone did not consistently improve service delivery. The study also revealed a moderately significant association between service delivery and continuous improvement practices (0.356, $p < 0.05$), hence, the rejection of the null hypothesis. Moreover, employee empowerment showed a stronger, positive impact on service delivery, with a correlation coefficient of 0.518 and a p-value of 0.000, therefore the null

hypothesis was rejected. The results highlighted the importance of employee empowerment in enhancing service delivery within the organization.

Munezero (2022) investigated the impact of employee teamwork practices on organizational productivity at Africa Nazarene University in Kenya. The study focused on the roles of team communication, motivation, and leadership in driving productivity. Anchored in Belbin's Team Roles Theory and Tuckman's Teamwork Theory, it employed a descriptive research design. The study targeted 173 employees at the university, using stratified random sampling to select a representative sample of 121 respondents, determined through the Yamane Formula. Data was gathered via structured questionnaires and thereafter analyzed via descriptive statistics, linear regression, and correlation methods. The regression analysis revealed that team communication had the highest influence, with a unit increase in communication resulting in a 0.546 rise in productivity. Similarly, team motivation and team leadership had positive effects, contributing to 0.497 and 0.480 increases in productivity, respectively. The study concluded that effective teamwork practices significantly enhance organizational productivity in private university settings.

2.2.4 Inclusive Recruitment and Promotion Policies on Organizational Performance

Sabharwal, Levine, D'Agostino, and Nguyen (2019) investigated turnover intentions among LGBT employees in the U.S. federal government, focusing on the impact of inclusive workplace practices. The study utilized the managements inclusion quotient (IQ) and data from the 2015 Federal Employee Viewpoint Survey (FEVS) to explore connections between workplace inclusion and turnover intentions for LGBT individuals. It also examined how agency type, categorized using Lowi's agency classification model, influenced turnover rates. Results indicated that LGBT employees generally exhibited higher turnover intentions than their heterosexual counterparts. However, those in agencies perceived as redistributive or communal reported lower intentions to

leave. The study also found that an open and very supportive environment within the workplace positively influenced turnover intentions, suggesting that effective structural change requires more than just verbal commitment to inclusion. This highlights that LGBT employees may avoid revealing their identities due to fear of stigma. The study concludes that institutions should focus on both visible and invisible identities to create truly inclusive workplaces. Acknowledging and supporting all employees' identities, both visible and invisible, is crucial for fostering genuine workplace inclusion.

Houck et al. (2025) examined recruitment and retention strategies in U.S. local health departments to understand how inclusive human resource policies impact performance outcomes. The study found that equitable recruitment approaches—such as paid internships, academic partnerships, and flexible qualification criteria—combined with inclusive promotion policies like mentoring and succession planning, enhanced workforce stability and diversity. These initiatives reduced turnover, addressed staffing shortages, and improved institutional resilience following a 16% pre-COVID workforce decline. The findings demonstrate that inclusive HR policies foster sustainable performance and knowledge retention in public institutions. However, this study was limited to the U.S. health sector and may not reflect the unique structural and socio-economic challenges facing public corporations in Kenya. The current study will close this gap by examining how inclusive recruitment and promotion policies affect organizational performance within Nairobi County's public corporations.

Manneh and Adesopo (2022) investigated the impact of recruitment and selection methods on employee performance in The Gambia's state organizations, focusing on both core and non-core civil service institutions. The study targeted all 272 employees, and used a census approach by including the entire population. Data were gathered through questionnaires and in-depth

interviews, complemented by secondary sources such as academic publications and government documents. The analysis, conducted using STATA version 14, revealed an inverse and statistically insignificant relationship between recruitment methods and employee performance ($r = -0.002$, $p = 0.98$), while selection methods showed a positive but also statistically insignificant relationship ($r = 0.07$, $p = 0.28$). Despite the weak statistical associations, the researchers concluded that refining recruitment methods could potentially boost employee performance by over 50 percent, underscoring the need for public institutions in The Gambia to prioritize effective recruitment and selection strategies to enhance workforce outcomes.

Bao, Cheng, Vejayaratnam, Anathuri, Seksyen, Bangi & Bakar, (2021) conducted a study to explore human resource functions, particularly focusing on employment and selection procedures, training and development, performance appraisal, and compensation within telecommunication companies in Erbil-Kurdistan. The research aimed to understand how qualifications, certifications, and demographic factors such as race, gender, and culture influence recruitment processes. Using a quantitative approach, data was obtained from 60 properly completed questionnaires out of 80 distributed among approximately 220 employees. Statistical analysis was conducted using SPSS version 23, with descriptive statistics applied to interpret the findings. The study revealed that internal promotions were not influenced by race or gender, indicating fair treatment in that regard. Additionally, most respondents acknowledged the relevance and effectiveness of diverse selection methods, including application forms, psychometric tests, interviews, CV evaluations, references, and assessment centers. The findings suggest that while demographic factors did not impact promotion decisions, the systematic use of comprehensive selection tools played a significant role in recruitment outcomes.

Abdalla Hamza et al. (2021) conducted a large-scale study involving fourteen ministries and the National Personnel Agency in the Democratic Republic of Timor Leste to investigate the influence of recruitment, selection, and organizational culture on civil servant performance. Using proportional random sampling, the study targeted 1,000 employees and analyzed responses from 286 participants through questionnaires. The researchers employed structural equation modeling with a partial least squares approach (SEM-PLS) to assess the relationships among the variables. Findings revealed that while well-structured recruitment on its own did not significantly affect performance, it could influence employee outcomes positively when mediated by a robust selection process. Additionally, recruitment alone or combined with organizational culture did not yield significant direct results, but the combination of quality recruitment and selection processes was found to substantially enhance job performance. This suggests that an integrated approach to recruitment and selection is crucial for improving performance in public institutions.

Nanor, Amankwah-Amoah & Adomako (2022) Examined the influence of recruitment and selection strategies on organizational performance at the Ghana-India Kofi Annan Centre of Excellence in ICT (AITI-KACE) through a sequential explanatory mixed-methods approach. Data were collected through focus group, interviews and questionnaires with 39 participants. The findings revealed that AITI-KACE maintains structured recruitment policies that are generally followed and positively affect organizational performance. However, no significant relationship was found between these practices and the hiring of highly competent staff. The study also identified external factors, such as political and socio-economic influences, that undermine the objectivity of the selection process. The researchers recommend strict adherence to standardized recruitment procedures, equal treatment of applicants, and the use of independent assessment

centers to ensure fairness and merit-based hiring, ultimately enhancing the organization's effectiveness and talent quality.

Gatwiri and Wamwayi (2024) conducted a study to assess the impact of workforce diversity management practices on employee performance in the State Department for Investment Promotion (SDIP) in Kenya. The research aimed to explore how external workforce dimensions, such as demographic factors, influence employee performance and how specific organizational culture elements affect performance when managing a diverse workforce. The paper was framed by Social Identity Theory and Organizational Support Theory, employing a stratified sampling technique. The target population included 620 employees across various levels of SDIP, and a sample size of 244 was done via the Yamane formula. The study employed a pilot study with 30 employees to test the validity and reliability of the instruments. Data collection involved self-administered questionnaires, and the final sample included 219 respondents. Reliability was ensured with a Cronbach's Alpha of 0.7 or higher, while factor analysis confirmed the validity of the research tools. Mixed statistics were adopted to analyze the data. The outcomes revealed that both external workforce dimensions ($p = 0.000$) and organizational culture elements ($p = 0.016$) significantly impacted employee performance. The study pointed out that SDIP's diversity management strategies should be better communicated to align workforce dimensions with organizational objectives.

Otiike, Messah, and Mwalekwa (2022) conducted a case study to examine the effects of workplace diversity management on organizational effectiveness within selected branches of Kenya Commercial Bank (KCB) Limited across five East African countries. The study aimed to assess the extent of demographic and socio-cultural diversity, how diversity is managed, and its impact on organizational effectiveness. Utilizing a descriptive research design, the researchers

distributed questionnaires via internet mail, achieving a 60% response rate from a sample of 100 respondents. The findings revealed that while diversity influences organizational cohesion, challenges linked to diversity arise sporadically, with some branches experiencing frequent issues. Although KCB has made efforts to harness the benefits of workforce diversity, these have yielded limited results. The study concluded that if not properly managed, negative aspects of diversity could hinder organizational effectiveness, emphasizing the need for more strategic diversity management initiatives.

2.4 Summary and Research Gaps

TABLE 1

Summary and Research Gaps

Study	Focus area/Summary	Gap to be filled
Gong et al. (2021)	Investigated how inclusive leadership promotes innovation through exploratory and exploitative practices.	Focused on private firms outside Kenya and therefore cannot be entirely applicable in Kenyan public sector.
Nguyen et al. (2019)	Explored the link between inclusive leadership, mutual respect, intrinsic motivation, and performance.	Did not examine public sector institutions, especially in Kenya.
Babaita et al. (2023)	Analyzed how inclusive leadership enhances employee engagement and psychological safety.	The research is confined to the Nigerian private sector, offering limited applicability to the bureaucratic and policy-driven structure of public corporations in Kenya
Hendri (2019)	Studied how organizational learning affects commitment, satisfaction, and employee performance.	While the study acknowledges the relevance of learning programs, it does not isolate the specific effects of diversity-focused training within the public sector context.
Panagiotakopoulos (2020)	Assessed formal management training's impact on small business performance.	The study did not address diversity education or the organizational frameworks found in Kenyan public institutions as it focus on European context.
Mdhlalose (2020)	Explored how talent development programs affect organizational success in South Africa.	The study emphasized talent pipelines without evaluating targeted diversity training, especially in policy-regulated government agencies like those in Kenya.
Schlachter et al. (2024)	Evaluated ERGs' dual value to employers and employees in advancing inclusion and performance.	The study focused on multinational corporations and was limited to private sector, unlike the current study whose focus is on the public sector hence the need for this study
Welbourne et al. (2021)	Assessed ERGs' crisis response capability during the COVID-19 pandemic.	The study did not investigate long-term strategic impact of ERGs in public sector settings.
Nwafor (2023)	Examined how teamwork and shared values drive	while regionally relevant, lacks focus on formal ERGs and does not

	organizational performance in African contexts.	differentiate between team dynamics in public versus private sectors hence the need for this study
Bao et al. (2021)	Showed that impartial and structured recruitment improves organizational performance.	The study not assess inclusivity in recruitment within the public sector or in Kenya.
Abdalla Hamza et al. (2021)	Argued that integrating recruitment with culture enhances performance.	The study did not explore inclusivity in promotion or progression in Kenyan public service.
Nanor et al. (2022)	Found structured recruitment improves performance but is affected by external influence.	The study did not account for how inclusive recruitment and fair promotion strategies might mitigate such external influence in public institutions.

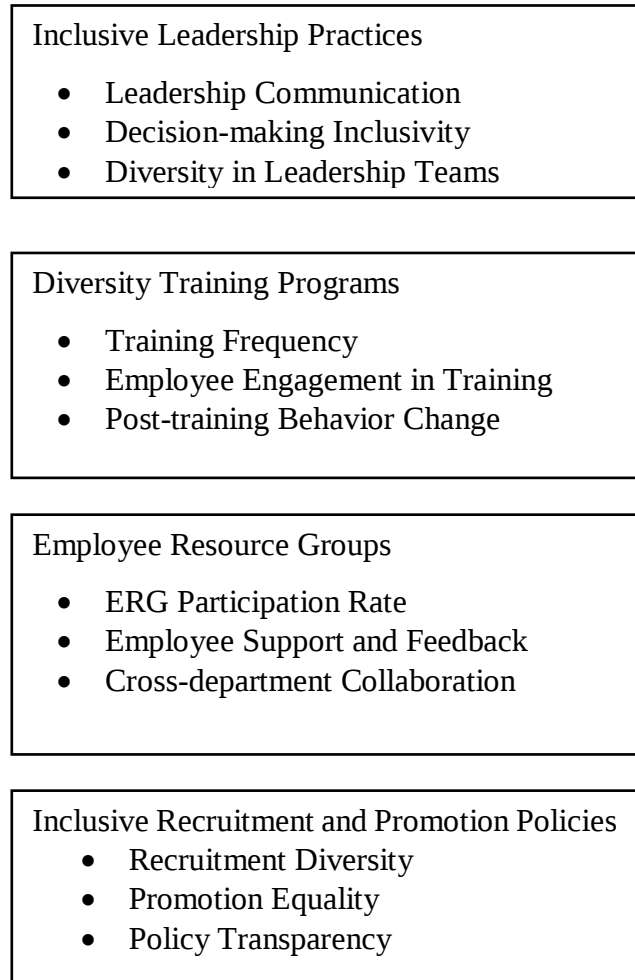
2.5 Conceptual Framework

A conceptual framework is a structured tool that outlines the key variables in a study and the presumed relationships among them, offering a visual or narrative guide for understanding how various factors interact to influence the outcome under investigation. In this study, the conceptual framework illustrated the link between diversity and inclusion practices (inclusive leadership practices, diversity training and education programs, employee resource groups, and inclusive recruitment and promotion policies) and organizational performance among public corporations in Nairobi County, Kenya.

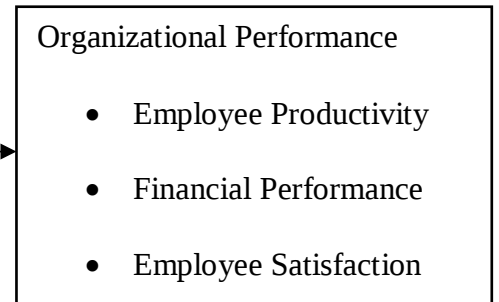
FIGURE 1

Conceptual Framework

Independent Variables



Dependent Variable



2.6 Operationalization of Variables Table

TABLE 2

Operationalization of Variables

Variable		Indicators		Measurement Scale		Data Collection Tool
Inclusive Leadership Practices (IV)	Leadership	Leadership	communication,	5-point	Likert	Questionnaire
		decision-making	inclusivity,	Scale		
		diversity in leadership				
Diversity Programs (IV)	Training	Training	frequency, employee	5-point	Likert	Questionnaire
		engagement,	post-training	Scale		
		behavior change				
Employee Groups (IV)	Resource	Participation rate,	support and	5-point	Likert	Questionnaire
		feedback,	cross-department	Scale		
		collaboration				
Inclusive & Promotion Policies (IV)	Recruitment	Recruitment	diversity,	5-point	Likert	Questionnaire
		promotion	equality, policy	Scale		
		transparency				
Organizational Performance (DV)		Employee	productivity,	5-point	Likert	Questionnaire
		financial	performance,	Scale		
		employee satisfaction				

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section discusses the appropriate design, the population of interest from the state corporations, the sampling technique to be employed, the data collection tool and its test for reliability and validity, the suitable analysis methods, the assumptions made for the data and finally the ethical issues.

3.2 Research Design

This study adopted a descriptive research design. A research design is a detailed blueprint that specifies the methods and procedures for carrying out a study to achieve research goals and respond to research inquiries (Creswell, & Creswell, 2018). It specifies the type of study, data collection means, sampling strategies, and analysis procedures to ensure the research is systematic, valid, and reliable. Descriptive research in this study is ideal for capturing the current state of these D&I practice and their perceived impacts among the public corporation employees. This design allowed for a detailed snapshot of how these practices are implemented and perceived without manipulating variables (Saunders, Lewis & Thornhill, 2019). Moreover, this design allowed for targeted data collection to achieve comprehensive insights without requiring experimental manipulation, which may be infeasible in this context.

3.3 Target Population

As explained by Kothari (2019), target population is the complete set of participants, entities, or elements that a researcher intends to study and to which the research findings are meant to apply, defined by specific traits applicable to the research phenomenon. The target population is critical because it ensures the study's focus remains relevant to the intended context and that findings can be generalized to the defined group, provided appropriate sampling methods are used. Clearly

defining the target population helps in designing the research methodology, selecting appropriate data collection tools, and ensuring the study's validity and applicability (Creswell & Creswell, 2018). According to the National Treasury and Economic Planning report (2023), the country has a total 236 state corporations where 41 institutions headquarters are located within Nairobi City County. Therefore, the target population in this study was the 41 public corporations with headquarters in Nairobi City County. Within the state corporations, the study targeted the managing directors, human resource directors as well as the head of research, innovation and development sections to provide the required data. These were chosen since they drive the organizations diversity and inclusion practices and therefore can provide comprehensive, and reliable data.

3.4 Sample size and Sampling Technique

A sampling technique is the approach or process used to select a portion of individuals or units from a target population for a study. Sampling methods can be categorized as probability-based or non-probability-based, with the choice depending on the research goals, population traits, and study design. Probability sampling is favored for statistical analysis, while non-probability sampling is ideal for gaining detailed, context-specific understanding (Saunders et al., 2019). Conversely, sample size denotes the number of participants, units, or elements drawn from the target population to represent it accurately, ensuring the study yields valid and reliable findings (Sekaran, & Bougie, 2016). The determination of sample size hinges on issues such as the total participants, margin of error, desired confidence level, and the statistical power required to detect meaningful effects. In this study, census was adopted for all 41 public corporations in Nairobi County. However, given the large employee base within these corporations, the researcher purposively selected the Managing Directors, Human Resource Directors, and Heads of Research,

Innovation, and Development departments to respond to the survey. These three categories of informants were strategically positioned to provide informed insights due to their organizational-level perspective, familiarity with diversity and inclusion initiatives, and influence on policy implementation. Their selection enhanced the richness of data and ensures that the findings reflect strategic, operational, and developmental dimensions of organizational performance. This targeted selection resulted in a sample of 123 respondents

3.5 Research Instruments

Research instruments are tools or methods employed by researchers to gather, assess, and evaluate data pertinent to their study. These tools, which may be qualitative or quantitative, include questionnaires, interview protocols, observation forms, and standardized assessments. The selection of an instrument is guided by the research's nature, objectives, and data requirements (Mugenda & Mugenda, 2013). Effective instruments must accurately measure the intended variables and yield consistent results across repeated applications. For this study, a questionnaire was utilized to collect data from the target population to facilitate analysis and draw research conclusions. A questionnaire is a systematic data collection instrument consisting of a set of questions crafted to obtain information from participants on particular subjects pertinent to a research work. A questionnaire is used in research because it provides a cost-effective, efficient, and standardized method of collecting data from a large number of respondents and especially perceptions, attitudes, or behaviors on the research phenomenon. For this study, the questionnaire had likert scale questions where the research participants chose their levels of agreement or disagreement with different questions regarding the study objectives.

3.5.1 Validity

To ensure the validity of the questionnaire, the study focused on content and face validity. Content validity was achieved by thoroughly reviewing the questionnaire items to ensure they comprehensively cover all dimensions of diversity and inclusion practices, as outlined in the study objectives. Expert judgment from supervisors, academic peers, and professionals in organizational performance and human resource management was sought to assess whether the questionnaire items are representative of the constructs under investigation. Face validity was evaluated by pre-testing the questionnaire on a small sample from the target population to determine if the items appear to effectively measure the intended concepts. Feedback from the pilot test was used to refine ambiguous or misleading questions, thereby enhancing the clarity and relevance of the instrument (Creswell & Creswell, 2018).

3.5.2 Reliability

Reliability was assessed through internal consistency using Cronbach's alpha coefficient. After conducting a pilot study with selected public corporations in Nairobi County, the collected responses were analyzed to compute Cronbach's alpha for each construct, such as inclusive leadership, diversity training, and inclusive recruitment. A Cronbach's alpha value of 0.7 or higher was considered acceptable, indicating that the items consistently measure the same underlying concept (Tavakol & Dennick, 2011).

3.6 Data Collection Procedure

The data collection procedure for this study followed a structured and systematic approach to ensure accuracy and reliability. First, an introductory letter and research authorization was obtained from the relevant authorities, including KCA university and the National Commission for Science, Technology and Innovation (NACOSTI). These documents were used to formally

seek permission from targeted public corporations within Nairobi County to conduct the research. Once permission is granted, the researcher identified and contacted key respondents within each corporation, primarily targeting human resource managers, managing director as well as the head of research innovation and development. From these, primary data was collected by use a structured questionnaire. The questionnaires were distributed physically and, where possible, via online platforms such as email or Google Forms to enhance reach and convenience. The respondents were given adequate time, typically two to three working, to complete the questionnaires.

3.7 Data Analysis

In this study, the data analysis procedure involved both quantitative and descriptive statistical techniques to interpret the data collected through questionnaires. After data collection, responses were checked for completeness and accuracy, and any incomplete or inconsistent questionnaires were excluded. The data was then coded and entered into the Statistical Package for the Social Sciences (SPSS) Version 26.0 for analysis. Descriptive statistics such as frequencies, means, and standard deviations were used to summarize respondents' demographic information and provide an overview of their perceptions regarding diversity and inclusion practices. Inferential statistics was employed to examine the relationship between diversity and inclusion practices and organizational performance among public corporations in Nairobi County. The regression coefficients, significance values (p-values), and R-squared values helped establish the strength and direction of these relationships. The results of the analysed data were presented in tables and charts. The multiple regression equation was performed to show the nature and strength of the relationship between the study variables. Multiple regression was deemed fit as it facilitates the simultaneous evaluation of the multiple relationship between the specific independent variables and the

organizational performance. Moreover, given the multifaceted nature of organizational dynamics, the regression model is appropriate for identifying the strength, direction, and significance of relationships among variables. The model was as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereby the variables were identified as follows: -

Y = Organizational Performance

X1 = Inclusive Leadership Practices

X2= Diversity Training and Education Programs

X3 = Employee Resource Groups

X4 = Inclusive Recruitment and Promotion Policies

The coefficients β_1 , β_2 , β_3 , and β_4 represented the explanatory variables' impact, β_0 denoted the intercept, and ε indicated the residual error.

3.8 Diagnostic Tests

3.8.1 Normality

Normality of the dataset is a fundamental assumption. It was presumed that the residuals follow a normal distribution (Henry, 2002). The Shapiro–Wilk test was used to evaluate this assumption. This test is crucial in confirming whether the collected data aligns with a normal distribution, which determines the appropriateness of using parametric regression models. Should the data display significant skewness, necessary transformations were to be applied to normalize the distribution and ensure valid regression inferences.

3.8.2 Homoscedasticity

This refers to the constancy of the variance of error terms across all values of the independent variables (Rucker et al., 2011). Levene's test was employed to check for equality of variances. As

stated by Levene (1960), a p-value greater than 0.05 implies that the variances are equal, thus satisfying the homoscedasticity assumption.

3.8.3 Multicollinearity

The degree of association between independent variables was examined to avoid distortion of coefficient estimates. According to Kothari (2014) and Paul (2006), high multicollinearity hampers the accurate interpretation of regression coefficients. This was assessed through the Variance Inflation Factor (VIF), with values below 5 indicating acceptable levels (Cooper & Schindler, 2012).

3.9 Ethical Considerations

This study adhered to the ethical guidelines established by the National Commission for Science, Technology and Innovation (NACOSTI) and KCA University's institutional research ethics policies. Before data collection, participants were fully informed of the study's purpose, procedures, potential risks, and anticipated benefits, and each provided voluntary informed consent. Confidentiality and anonymity were ensured by avoiding the collection of any personally identifiable information, and all data were securely stored in password-protected digital files accessible only to the lead researcher. Results were reported in aggregated form to prevent the identification of individual respondents. Participants retained the right to withdraw from the study at any stage without penalty, and no coercion or undue influence was applied to encourage participation. Upon completion of the study, a close-out report was prepared and submitted to the Scientific and Ethics Research Committee (SERC) as required by NACOSTI regulations. The findings were disseminated through academic forums, peer-reviewed publications, and stakeholder briefings to ensure that relevant institutions benefited from the research outcomes. All raw data were retained in encrypted digital storage for a period of five years to allow for

verification if needed, after which they were scheduled for permanent deletion to maintain confidentiality. The study upheld the highest ethical standards by presenting results honestly and avoiding fabrication, falsification, or misrepresentation of data.

CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Introduction

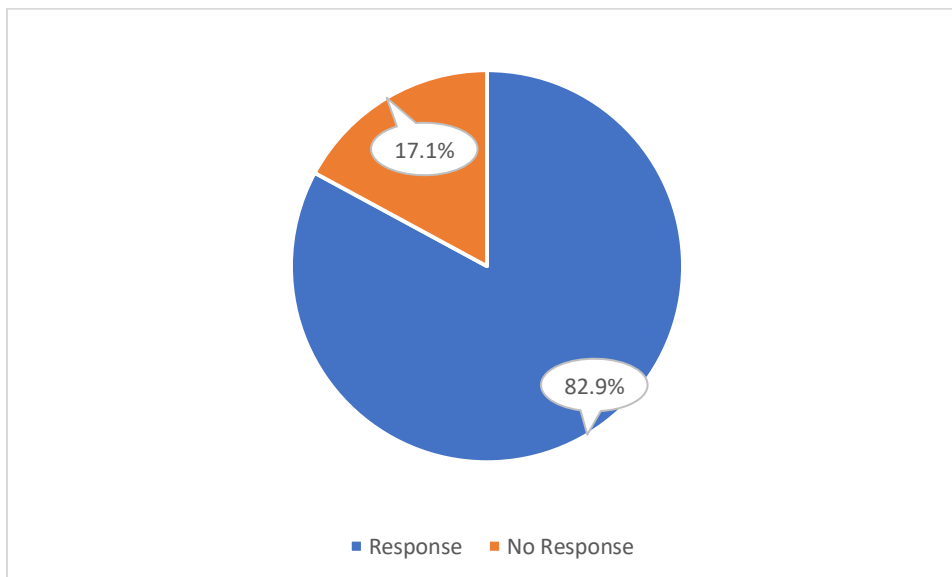
This chapter presents the results of the analysed data obtained from the research participants in line with the study objectives. The data presented will be on the demographic information, the descriptive and inferential analysis.

4.2 Questionnaire Response Rate

The research distributed a total of 123 questionnaires the Managing Directors, Human Resource Directors, and Heads of Research, Innovation, and Development departments of public corporations in Nairobi City county. The filled questionnaires were dropped and collected after 4 working days sheets. The researcher collected back a total of 102 questionnaires shown in Figure 2.

FIGURE 2

Questionnaire Response Rate



Source, (Researcher, 2025)

The findings in Figure 2 indicate that a total of 102 questionnaires (82.9%) were successfully filled and returned, while 21 questionnaires (17.1%) were not returned. A response of 82.9% response rate is considered excellent in research since it surpasses the commonly accepted threshold of 70%, suggesting minimal risk of non-response bias (Mugenda & Mugenda, 2003). Therefore, the response rate was deemed fit for analysis and making the study conclusion and possible mitigations to close the gaps identified in the field.

4.3 Demographic Analysis

The participants were presented with a set of background questions that before delving into the study objectives. The questions and responses are shown in Table 3.

TABLE 3

Demographic Analysis

Question	Option	Response Rate (%)
What is your Gender?	Male	76.5
	Female	23.5
	Bachelor's degree	4.9
	Master's degree	54.9
	Doctorate (PhD)	40.2
How many years have you worked in your current organization?	Less than 1 year	2.0
	1–5 years	14.7
	6–10 years	37.3
	More than 10 years	46.1
How many years have you served in your current role?	Less than 2 years	17.6
	2–5 years	28.4
	6–10 years	42.2
	More than 10 years	11.8

Source, (Researcher, 2025)

The findings in Table 3 indicate the demographic characteristics of the respondents who participated in the study. On gender, the results show that 76.5% of the respondents were male, while 23.5% were female. This suggests that male professionals dominate senior management positions in public corporations within Nairobi City County. The study's gender distribution

highlights a gap in adherence to the one-third gender rule, emphasizing the need for public corporations to intensify efforts toward inclusivity in leadership appointments and promotions. On education level, the findings reveal a highly educated respondent base, with the majority holding postgraduate qualifications. Specifically, 54.9% had a Master's degree, while 40.2% had attained a Doctorate (PhD). Only 4.9% held a Bachelor's degree, and none reported having only a diploma or certificate. This distribution implies that respondents were well-qualified individuals with advanced academic backgrounds, which strengthens the credibility of the insights drawn from the study since they were informed by individuals with significant expertise.

Regarding tenure in their current organizations, the results show that 46.1% of the respondents had worked in their organizations for more than 10 years, while 37.3% had served between 6–10 years. Another 14.7% had worked for 1–5 years, and only 2.0% had less than 1 year of experience. This pattern highlights that the majority of respondents had long service durations in their organizations, indicating stability and deep institutional knowledge. In terms of experience in their current roles, 42.2% of the respondents had served between 6–10 years, followed by 28.4% with 2–5 years of service, and 11.8% with more than 10 years. A smaller proportion, 17.6%, had less than 2 years of experience in their roles. These findings suggest that the respondents not only had long organizational tenure but also considerable experience in their leadership roles, making them highly relevant informants for the study objectives.

4.4 Descriptive Analysis

4.4.1 Inclusive Leadership Practices and Organizational Performance

The respondents were presented with statements based on a five-point Likert scale to provide their level of agreement or disagreement on the effect of inclusive leadership practices on organizational

performance of public corporations in Nairobi County Kenya. The highest scale was very great extent while the lowest was very small extent. The findings were presented in Table 4.

TABLE 4
Inclusive Leadership Practices and Organizational Performance

	N	Mean	Std. Deviation
Leaders in this organization promote inclusive communication across all departments hence improving organizational performance.	102	1.9902	.77709
Leadership in this organizations actively seeks input from employees of diverse backgrounds when making decisions.	102	4.0098	.71053
Leaders' inclusive behaviors, such as valuing diverse perspectives, contribute to achieving organizational strategic goals	102	4.0882	.67638
Inclusive leadership in this organization enhances employee motivation and job satisfaction.	102	2.3431	.73787
Inclusive leadership practices foster a sense of belonging among employees, positively impacting organizational outcomes	102	4.1078	.68804
Leaders are held accountable for promoting and sustaining inclusive practices within the organization.	102	4.0588	.65738

Source, (Researcher, 2025)

Inclusive leadership in public corporations is important as it values diversity, promotes fairness, and ensures that all employees feel respected and empowered to contribute, enhancing engagement and innovation. It also strengthens organizational performance by fostering collaboration, transparency, and accountability while aligning with constitutional requirements on equality and inclusivity. The highest mean score was recorded for fostering a sense of belonging among employees, positively impacting organizational outcomes ($\mu = 4.1078$), while the lowest

mean score was observed for promoting inclusive communication across all departments ($\mu = 1.9902$).

The findings reveal strong positive perceptions in several areas. For instance, leaders' inclusive behaviors, such as valuing diverse perspectives, were highly regarded for contributing to the achievement of organizational strategic goals ($\mu = 4.0882$; $SD = 0.67638$). Similarly, the belief that leaders are held accountable for sustaining inclusive practices ($\mu = 4.0588$; $SD = 0.65738$) demonstrates recognition of leadership responsibility in embedding inclusivity into organizational culture. Leadership's effort to actively seek input from employees of diverse backgrounds ($\mu = 4.0098$; $SD = 0.71053$) also reflects growing acknowledgment that diversity enhances decision-making processes and innovation capacity. These strong ratings confirm that inclusive leadership is considered a driver of improved performance and strategic alignment. On the other hand, the lowest-rated dimensions reveal significant weaknesses. The perception that leaders promote inclusive communication across departments scored poorly ($\mu = 1.9902$; $SD = 0.77709$), indicating that inter-departmental communication lacks inclusivity and may hinder collaboration. Similarly, the low rating for inclusive leadership enhancing employee motivation and job satisfaction ($\mu = 2.3431$; $SD = 0.73787$) suggests that employees may not feel adequately empowered or recognized in ways that boost morale. These results emphasize that inclusivity is not being fully translated into practices that directly improve workplace communication and employee well-being.

4.4.2 Diversity Training and Organizational Performance

The respondents were presented with statements based on a five-point Likert scale to provide their level of agreement or disagreement on the effect of diversity training on organizational performance of public corporations in Nairobi County Kenya. The highest scale was strongly agreed while the lowest was strongly disagree. The findings were presented in Table 5.

TABLE 5
Diversity Training and Organizational Performance

	N	Mean	Std. Deviation
Diversity training programs are regularly implemented in this organization.	102	2.1471	1.18903
Diversity education initiatives have improved awareness and appreciation of differences among employees.	102	3.9510	.65063
Training on diversity and inclusion has enhanced teamwork and collaboration across departments.	102	4.0980	.68231
Employees apply knowledge gained from diversity training in their daily work activities.	102	4.0784	.64002
Education programs on diversity foster a culture of inclusion, positively impacting organizational productivity.	102	4.0686	.66392
The organization evaluates the effectiveness of diversity training and education programs in achieving performance outcomes.	102	4.0882	.67638

Source, (Researcher, 2025)

Diversity training is an essential practice for public corporations as it equips employees with the knowledge and skills to embrace differences, foster inclusion, and build collaborative workplaces. By enhancing awareness and appreciation of diversity, such training contributes to innovation, teamwork, and improved organizational outcomes. The analysis of responses from public corporations in Nairobi County shows that diversity training has a generally positive impact on organizational performance, though implementation challenges remain. The highest mean score was recorded for the effect of diversity training on teamwork and collaboration across departments ($\mu = 4.0980$), while the lowest mean score was observed for the regular implementation of diversity

training programs ($\mu = 2.1471$). This contrast highlights that while employees benefit greatly from training, its frequency and consistency are inadequate.

The findings reveal strong positive perceptions in several areas. Training on diversity and inclusion was considered highly effective in enhancing teamwork and collaboration ($\mu = 4.0980$; $SD = 0.68231$). Similarly, employees agreed that they apply knowledge gained from diversity training in their daily activities ($\mu = 4.0784$; $SD = 0.64002$), indicating a strong transfer of learning into practice. Education programs fostering a culture of inclusion were also highly rated ($\mu = 4.0686$; $SD = 0.66392$), suggesting that such initiatives directly contribute to improved productivity by making employees feel valued and respected. Furthermore, the evaluation of diversity training effectiveness ($\mu = 4.0882$; $SD = 0.67638$) shows that organizations recognize the importance of monitoring and ensuring these programs meet their intended performance outcomes. Together, these findings demonstrate that diversity training strengthens collaboration, inclusivity, and accountability in public corporations.

On the other hand, the weakest dimension was the regular implementation of diversity training programs ($\mu = 2.1471$; $SD = 1.18903$). This low score implies that although diversity training is impactful when offered, it is not consistently rolled out across organizations. The lack of regular training opportunities may limit continuous improvement and reduce the long-term sustainability of inclusivity gains. While awareness and appreciation of differences among employees scored fairly well ($\mu = 3.9510$; $SD = 0.65063$), it remains slightly lower than the practical applications of diversity training, suggesting that some employees may not fully internalize inclusivity beyond structured programs.

4.4.3 Employee Resource Groups and Organizational Performance

The respondents were presented with statements based on a five-point Likert scale to provide their level of agreement or disagreement on the effect of employee resource groups on organizational performance of public corporations in Nairobi County Kenya. The highest scale was very great extent while the lowest was very small extent. The findings were presented in Table 6.

TABLE 6
Employee Resource Groups and Organizational Performance

	N	Mean	Std. Deviation
Employee Resource Groups (ERGs) promote a sense of inclusion among employees, enhancing organizational performance.	102	3.9118	.67638
ERGs facilitate collaboration among diverse employees, contributing to improved organizational outcomes.	102	3.9216	.48105
ERGs support professional development opportunities, positively impacting organizational productivity.	102	4.0588	.61053
ERGs strengthen employee morale and engagement, leading to better organizational performance.	102	4.0588	.62653
ERGs provide a platform for addressing workplace diversity issues, supporting organizational goal attainment.	102	4.1471	.63553
ERGs foster networking and mentorship among employees, boosting overall organizational performance.	102	4.0098	.68209

Source, (Researcher, 2025)

Employee Resource Groups (ERGs) are vital mechanisms for advancing inclusion, fostering collaboration, and empowering employees within organizations. These groups provide

platforms for diverse voices, support professional growth, and address workplace diversity issues, all of which enhance organizational performance. In the context of public corporations in Nairobi County, the analysis reveals that ERGs are perceived to have a generally strong and positive impact. The highest mean score was recorded for the role of ERGs in providing a platform for addressing workplace diversity issues and supporting organizational goal attainment ($\mu = 4.1471$), while the lowest mean score was observed for ERGs promoting a sense of inclusion among employees ($\mu = 3.9118$). This suggests that while ERGs are effective in addressing structural and strategic diversity issues, their impact on fostering personal feelings of inclusion is slightly less pronounced.

The findings highlight several areas of strength. ERGs were highly rated for supporting professional development opportunities ($\mu = 4.0588$; $SD = 0.61053$) and strengthening employee morale and engagement ($\mu = 4.0588$; $SD = 0.62653$). These results demonstrate that ERGs not only build skills but also enhance employee motivation and connection to organizational goals, leading to improved performance. The facilitation of networking and mentorship was also well-rated ($\mu = 4.0098$; $SD = 0.68209$), confirming that ERGs foster valuable relationships that contribute to collaboration and career growth. Moreover, their ability to facilitate collaboration among diverse employees ($\mu = 3.9216$; $SD = 0.48105$) further reflects their role in bridging differences and enhancing teamwork. Collectively, these strong ratings show that ERGs are instrumental in advancing productivity and engagement in public corporations.

On the other hand, the relatively lower rating of ERGs in promoting a sense of inclusion ($\mu = 3.9118$; $SD = 0.67638$) points to an area that requires more focus. While ERGs address organizational diversity issues at a structural level, some employees may not feel directly included or represented in their day-to-day experiences. This gap suggests that ERGs should expand their

reach to ensure that inclusion is not just institutional but also personal, allowing employees across all groups to feel equally valued and empowered.

4.4.4 Inclusive Recruitment and Organizational Performance

The respondents were presented with statements based on a five-point Likert scale to provide their level of agreement or disagreement on the effect inclusive recruitment on organizational performance of public corporations in Nairobi County Kenya. The highest scale was very great extent while the lowest was very small extent. The findings were presented in Table 7.

TABLE 7
Inclusive Recruitment and Organizational Performance

	N	Mean	Std. Deviation
The organization has clear policies that promote inclusive recruitment practices.	102	4.4118	.49458
Recruitment and selection processes ensure equal opportunities for candidates from diverse backgrounds.	102	1.9314	.61756
Promotion decisions in this organization are based on merit and fairness, regardless of gender, ethnicity, or disability status.	102	3.0196	.88977
Inclusive promotion practices have improved staff motivation and retention.	102	4.2941	.68344
Implementing inclusive recruitment policies has positively influenced organizational performance.	102	4.2549	.62436
There is regular monitoring and evaluation of recruitment and promotion policies to ensure fairness and inclusivity.	102	4.3235	.61599

Source, (Researcher, 2025)

Inclusive recruitment is a cornerstone of organizational performance as it ensures fairness, equal opportunity, and diversity in the workforce. By embedding inclusivity into hiring and

promotion processes, organizations not only comply with constitutional and legal requirements but also attract and retain talent that drives innovation, collaboration, and long-term growth. In public corporations within Nairobi County, the findings indicate that inclusive recruitment is generally perceived positively, though certain gaps remain. The highest mean score was recorded for the existence of clear policies that promote inclusive recruitment practices ($\mu = 4.4118$), while the lowest mean score was observed for recruitment and selection processes ensuring equal opportunities for candidates from diverse backgrounds ($\mu = 1.9314$). This contrast highlights that while strong policy frameworks are in place, their practical execution in ensuring fairness during recruitment is less effective.

The results reveal notable strengths. Clear policies on inclusive recruitment were rated highly ($\mu = 4.4118$; $SD = 0.49458$), demonstrating that organizations have established guidelines to guide fair and inclusive hiring. Regular monitoring and evaluation of recruitment and promotion policies ($\mu = 4.3235$; $SD = 0.61599$) also received a strong rating, suggesting that oversight mechanisms exist to maintain compliance and accountability. Additionally, inclusive promotion practices were seen to improve staff motivation and retention ($\mu = 4.2941$; $SD = 0.68344$), while the implementation of inclusive recruitment policies was credited with positively influencing organizational performance ($\mu = 4.2549$; $SD = 0.62436$). These findings confirm that inclusivity in recruitment and promotion contributes significantly to productivity, employee satisfaction, and organizational success.

On the other hand, the lowest-rated area was recruitment and selection processes ensuring equal opportunities for candidates from diverse backgrounds ($\mu = 1.9314$; $SD = 0.61756$). This indicates a disconnect between the policies in place and their actual implementation, suggesting that systemic biases or gaps in practice may still hinder fairness during recruitment. Additionally,

while promotion decisions based on merit and fairness received a moderate score ($\mu = 3.0196$; $SD = 0.88977$), the relatively lower rating implies that employees may not fully trust the impartiality of promotion processes. These weaknesses show that while inclusivity is strong at the policy level, challenges remain in translating these policies into transparent and fair recruitment outcomes.

4.4.5 Organizational Performance

On a five-point Likert scale (1-5), the participants were requested to provide their level of agreement or disagreement organizational performance of public corporations in Nairobi County Kenya due to diversity and inclusion practices. The highest scale was very great extent while the lowest was very small extent. The findings were presented in Table 8.

TABLE 8
Inclusive Leadership Practices and Organizational Performance

	N	Mean	Std. Deviation
The organization has experienced improved service delivery as a result of inclusive workplace practices.	102	4.0490	.61944
Diversity and inclusion efforts have contributed to higher employee productivity.	102	3.8235	.38310
Organizational performance has improved due to better decision-making driven by diverse and inclusive teams.	102	3.0196	.79579
Inclusive practices have positively influenced employee retention and reduced turnover, supporting organizational performance.	102	1.7549	.58760
The organization's ability to innovate and adapt to change has improved through effective diversity and inclusion strategies.	102	3.1569	.89824

Source, (Researcher, 2025)

Organizational performance could closely be tied to the extent to which diversity and inclusion (D&I) practices are embedded into workplace culture and operations. Inclusive practices not only enhance fairness and equity but also contribute to better teamwork, innovation, employee retention, and service delivery. For public corporations in Nairobi County, the findings reveal mixed perceptions of how D&I initiatives influence organizational performance. The highest mean score was recorded for improved service delivery as a result of inclusive workplace practices ($\mu = 4.0490$), while the lowest mean score was observed for the influence of inclusive practices on employee retention and reduced turnover ($\mu = 1.7549$). This contrast shows that while inclusivity is strongly associated with service delivery improvements, its direct effect on retaining employees remains limited.

The results highlight notable areas of strength. Improved service delivery ($\mu = 4.0490$; $SD = 0.61944$) received the highest rating, suggesting that inclusivity helps organizations become more responsive, transparent, and efficient in meeting public needs. Similarly, diversity and inclusion efforts were viewed as positively contributing to higher employee productivity ($\mu = 3.8235$; $SD = 0.38310$). The relatively strong rating for improved innovation and adaptability ($\mu = 3.1569$; $SD = 0.89824$) also indicates that diverse teams are seen as enhancing organizational capacity to respond to change and generate creative solutions. These findings confirm that inclusivity is perceived as a strategic enabler of both operational efficiency and adaptability in public corporations.

However, the weaker results reveal key challenges. Organizational performance attributed to better decision-making driven by diverse and inclusive teams was rated moderately ($\mu = 3.0196$; $SD = 0.79579$), suggesting that inclusivity is not yet fully leveraged in leadership and governance structures. More critically, the lowest score for employee retention and turnover reduction ($\mu =$

1.7549; SD = 0.58760) indicates that inclusivity is not strongly linked to employee loyalty or long-term engagement. This points to a possible disconnect between inclusive policies and the lived experiences of employees, where inclusivity may exist in principle but not translate into stronger commitment or reduced turnover.

4.5 Diagnostics Tests

This study undertook the Shapiro–Wilk test to assess normality, the Levene’s test to evaluate homoscedasticity, and the Variance Inflation Factor (VIF) to check for multicollinearity. These three tests were essential in confirming that the dataset met the key regression assumptions necessary for reliable and valid statistical inferences.

4.5.1. Test of Normality

A Test of Normality is a statistical procedure used to determine whether a dataset (or residuals in a regression model) follows a normal distribution. The results of the data are shown in Table 9.

TABLE 9
Test of Normality

	Shapiro-Wilk		
	Statistic	df	Sig.
Inclusive Leadership Practices	.964	102	.076
Diversity Training and Education Programs	.897	102	.825
Employee Resource Groups	.942	102	.521
Inclusive Recruitment and Promotion Policies	.966	102	.095
Organizational Performance	.948	102	.502

Source, (Researcher, 2025)

The Shapiro–Wilk test was conducted to examine whether the datasets followed a normal distribution, an essential assumption for valid regression analysis. As shown in Table 9, all the variables recorded significance values greater than the 0.05 threshold: Inclusive Leadership Practices ($p = 0.076$), Diversity Training and Education Programs ($p = 0.825$), Employee Resource Groups ($p = 0.521$), Inclusive Recruitment and Promotion Policies ($p = 0.095$), and Organizational Performance ($p = 0.502$). These results indicate that none of the variables significantly deviate from normality, thereby satisfying the normality assumption. Consequently, the data is deemed suitable for parametric statistical tests, and the regression models applied in the study can yield valid and reliable inferences.

4.5.2 Homoscedasticity Test

A Homoscedasticity Test is a statistical procedure used to determine whether the variance of error terms (residuals) in a regression model is constant across all levels of the independent variables. The Levene's Test was performed to assess the assumption of homoscedasticity, which requires equal variance of residuals across the independent variables. The study results are shown in Table 10 below

TABLE 10
Homoscedasticity Test

	Levene Test	df1	df2	Sig.
Inclusive Leadership Practices	1.066	8	92	.394
Diversity Training and Education Programs	.772	7	92	.612
Employee Resource Groups	1.955	7	94	.080
Inclusive Recruitment and Promotion Policies	1.309	8	92	.261

Source, (Researcher, 2025)

As presented in Table 10, all the variables recorded significance values greater than the 0.05 threshold: Inclusive Leadership Practices ($p = 0.394$), Diversity Training and Education Programs ($p = 0.612$), Employee Resource Groups ($p = 0.080$), and Inclusive Recruitment and Promotion Policies ($p = 0.261$). These results indicate that the variances of the error terms are not significantly different across groups, thereby confirming the presence of homoscedasticity. This implies that the dataset satisfies the equal variance assumption, allowing the regression model to produce unbiased coefficient estimates, valid standard errors, and reliable hypothesis testing outcomes.

4.5.3 Multicollinearity Test

A Multicollinearity Test is a statistical procedure used to determine the degree of correlation or interdependence among independent variables in a regression model. When two or more predictors are highly correlated, it becomes difficult to distinguish their individual effects on the dependent variable, leading to unstable coefficient estimates and unreliable interpretations. The results are shown in Table 11.

TABLE 11
Multicollinearity Test

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Inclusive Leadership Practices	.982	1.018
	Diversity Training and Education Programs	.966	1.035
	Employee Resource Groups	.947	1.056
	Inclusive Recruitment and Promotion Policies	.966	1.036

a. Dependent Variable: Organizational Performance

Source, (Researcher, 2025)

The results of the multicollinearity test as presented in Table 11 indicate that all the independent variables (Inclusive Leadership Practices, Diversity Training and Education Programs, Employee Resource Groups, and Inclusive Recruitment and Promotion Policies) have tolerance values greater than 0.9 and Variance Inflation Factor (VIF) values ranging between 1.018 and 1.056. Since the rule of thumb is that tolerance values above 0.1 and VIF values below 5 indicate no multicollinearity concerns, the findings confirm that the predictors are not highly

correlated with one another. This implies that each variable contributes uniquely to explaining organizational performance, and therefore, the regression model is stable, reliable, and suitable for further analysis without the risk of distorted coefficient estimates.

4.6 Inferential Statistics

4.6.1 Correlation

To examine the relationship between the study variables, the researcher conducted a Spearman's rank correlation analysis using SPSS. This method applies the correlation coefficient (r) to measure the strength and direction of association between variables based on ranked data. The obtained results were then compared with the Spearman's table of r values to determine the magnitude and nature of the associations among the variables under study.

Range	Strength
0.00-0.20	Negligible
0.21-0.40	weak
0.41-0.60	Moderate
0.61-0.80	Strong
0.81-1.00	Very strong

The results of the spearman correlation are as shown in table 12.

TABLE 12
Correlation Matrix

Correlations		Inclusive Leadership Practices	Diversity Training and Education Programs	Employee Resource Groups	Inclusive Recruitment and Promotion Policies	Organizational Performance
Inclusive Leadership Practices	Pearson Correlation Sig. (2-tailed) N	1 102				
Diversity Training and Education Programs	Pearson Correlation Sig. (2-tailed) N	0.681** .000 102	1			
Employee Resource Groups	Pearson Correlation Sig. (2-tailed) N	-.035 .724 102	0.808** .069 102	1		
Inclusive Recruitment and Promotion Policies	Pearson Correlation Sig. (2-tailed) N	0.673** .223 102	-.005 .964 102	.133 .183 102	1	
Organizational Performance	Pearson Correlation Sig. (2-tailed) N	0.864** .003 102	0.582** .002 102	0.614** .000 102	0.796** .002 102	1 102

Source, (Researcher, 2025)

The correlation results in Table 12 shows that inclusive Leadership Practices show a strong positive and significant relationship with Organizational Performance ($r = 0.864$, $p = 0.003$), suggesting that leadership inclusivity greatly enhances performance. Diversity Training and Education Programs also correlate positively and significantly with performance ($r = 0.582$, $p = 0.002$), meaning that such programs improve organizational outcomes. Similarly, Employee Resource Groups have a moderate but significant positive relationship with performance ($r = 0.614$, $p = 0.000$), indicating that when employees feel represented, organizational results improve. Inclusive Recruitment and Promotion Policies also exhibit a strong significant correlation with performance ($r = 0.796$, $p = 0.002$), showing that equitable recruitment and promotion strengthen organizational growth. On the other hand, correlations among the independent variables are mixed; for instance, Diversity Training and Employee Resource Groups are highly correlated ($r = 0.808$, $p = 0.069$), though not statistically significant, while some associations like between Employee Resource Groups and Inclusive Leadership Practices are weak and insignificant ($r = -0.035$, $p = 0.724$). Overall, the findings demonstrate that all four inclusivity practices significantly enhance organizational performance, with Inclusive Leadership Practices emerging as the strongest predictor.

4.6.2 Regression Analysis

Regression Analysis is a statistical technique used to examine the relationship between a dependent variable (organizational performance) and one or more independent variables (Inclusive Leadership Practices, Diversity Training and Education Programs, Employee Resource Groups, and Inclusive Recruitment and Promotion Policies). Its main purpose is to determine the extent to which changes in the independent variables explain variations in the dependent variable, allowing researchers to make predictions or test hypotheses about causal relationships.

TABLE 13
Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743a	.552	.534	.14043
a. Predictors: (Constant), Inclusive Recruitment and Promotion Policies, Diversity Training and Education Programs, Inclusive Leadership Practices, Employee Resource Groups				
Source, (Researcher, 2025)				

From the model summary, the R Square value of 0.552 indicates that 55.2% of the variation in organizational performance is explained by the predictors, showing that the model has strong explanatory power. This means that 44.8% variation of organizational performance is attributed to other factors not captured in the model. The standard error of the estimate (0.14043) is very small, suggesting that the model's predictions are highly accurate with minimal deviation from the actual observed values.

TABLE 14
Analysis of Variance

ANOVA							
Model		Sum	of	df	Mean	F	Sig.
		Squares			Square		
1	Regression	2.358		4	.589	29.886	.000b
	Residual	1.913		97	.020		
	Total	4.270		101			

a. Dependent Variable: Organizational Performance

b. Predictors: (Constant), Inclusive Recruitment and Promotion Policies, Diversity Training and Education Programs, Inclusive Leadership Practices, Employee Resource Groups

Source, (Researcher, 2025)

The analysis of variance (ANOVA) shows the significance of the overall regression model. The results indicate that the F statistic was 29.886 with a p-value of 0.000, which is lower than the critical value of 0.05. This confirms that the model is statistically significant at the 95% confidence level. Therefore, the independent variables (inclusive leadership practices, diversity training and education programs, employee resource groups, and inclusive recruitment and promotion policies) collectively have a significant effect on organizational performance.

TABLE 15
Regression Coefficients

Coefficients						
Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.473	.345		1.371	.001
	Inclusive Leadership Practices	.311	.047	.453	6.607	.000
	Diversity Training and Education Programs	.215	.046	.323	4.671	.000
	Employee Resource Groups	.310	.059	.367	5.257	.000
	Inclusive Recruitment and Promotion Policies	.153	.051	.206	2.984	.004

a. Dependent Variable: Organizational Performance

Source, (Researcher, 2025)

The regression coefficient results show that the model's constant was 0.473, which was statistically significant at the 95% confidence level ($p = 0.001 > 0.05$). This implies that when all independent variables are held constant, organizational performance would not have a reliable baseline value. Inclusive leadership practices recorded a coefficient of 0.311, indicating a positive effect on organizational performance. This relationship was statistically significant ($p = 0.000$), suggesting that promoting inclusive leadership contributes to measurable improvements in organizational outcomes. Diversity training and education programs had a coefficient of 0.215, also showing a positive influence on performance. This was statistically significant at the 95% confidence level ($p = 0.000$), meaning that implementing structured diversity training enhances organizational effectiveness. Employee resource groups posted a coefficient of 0.310 and were

significant ($p = 0.000$), implying that fostering employee networks and support groups can improve organizational performance by enhancing collaboration and engagement. Finally, inclusive recruitment and promotion policies recorded a coefficient of 0.153, statistically significant at the 95% confidence level ($p = 0.004$). This demonstrates that policies ensuring fair recruitment and advancement substantially boost organizational performance.

Fitting the Regression Model

The regression model for this study was

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Whereby the variables were identified as follows: -

Y = Organizational Performance

X_1 = Inclusive Recruitment and Promotion Policies

X_2 = Diversity Training and Education Programs

X_3 = Inclusive Leadership Practices

X_4 = Employee Resource Groups

While $\beta_1, \beta_2, \beta_3$ and β_4 will be coefficients of determination, β_0 will be constant term and ε will be the error term.

Based on the study results, the fitted model becomes:

$$Y = 0.473 + 0.311X_1 + 0.215X_2 + 0.310X_3 + 0.153X_4 + \varepsilon$$

The fitted regression model indicates that organizational performance is positively influenced by all the independent variables included in the study. Specifically, the constant performance is 0.473 units when all factors are absent, though this constant was statistically significant at the 95% confidence level ($p = 0.001$). Each predictor, however, contributes positively and significantly: inclusive leadership practices increase performance by 0.311 units, diversity

training and education programs by 0.215 units, employee resource groups by 0.310 units, and inclusive recruitment and promotion policies by 0.153 units. All relationships are statistically significant at the 95% confidence level, suggesting that strengthening inclusive leadership, implementing effective diversity training, fostering employee resource groups, and ensuring fair recruitment and promotion practices collectively enhance organizational performance. This demonstrates that organizations that embed inclusive strategies in their structures and culture experience measurable improvements in overall effectiveness and outcomes.

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings, draws conclusions, and provides recommendations based on the study results. It also discusses the relationships between the independent and dependent variables, outlines key conclusions derived from the findings, and offers actionable recommendations aimed at enhancing organizational performance in public corporations in Nairobi County, Kenya.

5.2 Summary of Findings

5.2.1 Inclusive Leadership Practices and Organizational Performance

Inclusive Leadership Practices in public corporations in Nairobi County were found to have a positive and significant impact on organizational performance, with an aggregate mean of 3.43. The correlation analysis indicated a strong positive relationship with organizational performance ($r=0.864$, $p=0.003$), while the regression coefficient ($\beta=0.311$, $p=0.000$) confirmed that inclusive leadership practices significantly influence performance outcomes. These findings suggest that leadership approaches that emphasize inclusivity, fairness, and employee engagement create an environment that fosters trust, collaboration, and innovation. While the impact of inclusive leadership is meaningful, it was relatively smaller compared to other predictors, indicating that leadership alone may not fully drive performance but works synergistically with other organizational practices. These findings agree with Gong et al. (2021), who found that inclusive leadership positively affected organizational performance through enhanced ambidextrous innovation. Similarly, Ashikali et al. (2021) discovered that inclusive leadership significantly improved decision-making quality and team cohesion. Moreover, Nguyen et al. (2019) supported

this by establishing that inclusive leadership enhanced employee well-being and innovative behavior, both of which contributed to improved job performance.

5.2.2 Diversity Training and Organizational Performance

Diversity Training and Education Programs recorded an aggregate mean of 3.73, reflecting moderate to high implementation levels within the studied public corporations. The variable showed a moderate positive correlation with organizational performance ($r=0.582$, $p=0.002$) and a significant regression coefficient ($\beta=0.215$, $p=0.003$), demonstrating its substantial contribution to organizational outcomes. These results indicate that structured diversity training and educational initiatives enhance employees' understanding of differences, promote teamwork, and foster inclusive behavior in the workplace. By increasing awareness and equipping staff with the knowledge to manage diversity effectively, these programs strengthen interpersonal relationships, reduce workplace conflict, and improve overall productivity. These findings agree with Ketemaw, Ayenew, and Zewde (2024), who found that diversity training and education programs enhance organizational performance by reducing intergroup bias, promoting collaboration, and improving employee satisfaction and innovation across sectors. Similarly, Mungai and Wabuyabo-Okonga (2021) discovered that corporate diversity training and managerial coaching significantly improved performance among INGOs in Kenya by enhancing employee behavior and organizational culture.

5.2.3 Employee Resource Groups and Organizational Performance

Employee Resource Groups (ERGs) were found to significantly support organizational performance, with an aggregate mean of 4.01, indicating strong adoption among the targeted organizations. Correlation analysis revealed a moderate positive relationship with performance ($r=0.614$, $p=0.000$), and regression results confirmed a significant effect ($\beta=0.310$, $p=0.000$).

ERGs provide structured platforms for employees to collaborate, share experiences, and access professional development opportunities. The findings suggest that these groups enhance morale, support career growth, and foster a sense of belonging, which collectively contribute to better organizational outcomes. While ERGs primarily target group-level engagement, their influence extends to organizational effectiveness by promoting shared learning, facilitating inclusion, and strengthening employee networks. These findings agree with Schlachter, Rolf, and Welbourne (2024), who found that ERGs enhance both employee and organizational outcomes by promoting career development, relationship-building, and engagement. Similarly, Ogunyemi and Ryan (2024) discovered that ERGs significantly contribute to organizational performance by enhancing inclusion, communication, and employee retention across global public and private sectors.

5.2.4 Inclusive Recruitment and Organizational Performance

Inclusive Recruitment and Promotion Policies emerged as the most influential predictor of organizational performance, with an aggregate mean of 3.74. Correlation analysis indicated a strong positive relationship with performance ($r=0.796$, $p=0.002$), and the regression coefficient ($\beta=0.153$, $p=0.002$) confirmed its critical role in driving organizational outcomes. The findings highlight that organizations with clear, fair, and monitored recruitment and promotion policies achieve higher levels of employee motivation, retention, and innovation. Such policies ensure equitable opportunities for career advancement and encourage merit-based growth, which strengthens organizational commitment and performance. These findings agree with Houck et al. (2025), who found that equitable recruitment and inclusive promotion practices improved workforce stability, diversity, and performance. Similarly, Nanor, Amankwah-Amoah, and Adomako (2022) established that standardized and transparent recruitment procedures at Ghana's AITI-KACE positively influenced performance, although external political factors occasionally

undermined fairness. The results also align with Abdalla Hamza et al. (2021), who found that well-designed recruitment systems enhance employee performance when supported by robust selection processes.

5.3 Conclusions

Inclusive leadership in Nairobi's public corporations is strongly linked to a sense of belonging, accountability, and the achievement of strategic organizational goals. Leaders who embrace inclusivity create environments where employees feel valued, supported, and engaged, which enhances collaboration and innovation. However, the study identified significant gaps in inclusive communication across departments and in motivating employees effectively. These weaknesses limit the practical impact of leadership initiatives and reduce the overall effectiveness of inclusion strategies. Addressing these areas is essential to transform inclusivity from a policy-level commitment into an operational driver of performance.

Diversity training in Nairobi County's public corporations demonstrates a positive influence on organizational performance, particularly by fostering collaboration, inclusion, and productivity among employees. Structured training initiatives increase awareness of workplace differences, promote teamwork, and equip staff with the skills to navigate complex organizational dynamics. However, inconsistencies in implementation, accessibility, and frequency of training programs hinder their full potential. For diversity training to have a sustained impact, organizations must ensure programs are regularly conducted, well-resourced, and embedded into the organizational culture.

Employee Resource Groups (ERGs) are recognized as valuable mechanisms for improving organizational performance in Nairobi's public corporations, particularly through professional development, morale enhancement, and addressing diversity-related challenges. ERGs provide

employees with platforms to collaborate, access mentorship, and share experiences, which fosters engagement and a sense of community. Despite these benefits, the study highlights the need for ERGs to strengthen personal inclusion among all employees, ensuring that structural initiatives translate into genuine workplace belonging. Enhancing the reach and inclusivity of ERGs will enable employees at all levels to feel valued, supported, and empowered to contribute meaningfully to organizational goals.

5.4 Recommendations

5.4.1 Inclusive Leadership Practices

Public corporations in Nairobi County should prioritize strengthening inclusive leadership by focusing on effective communication and employee motivation. Leaders should be trained to actively engage employees, seek diverse perspectives in decision-making, and recognize contributions across all levels. Establishing structured feedback mechanisms, mentorship programs, and leadership accountability systems can enhance transparency and trust. Organizations should also incorporate inclusive leadership objectives into performance appraisals and strategic plans to ensure that inclusivity is not only a stated value but also a measurable driver of organizational outcomes. Encouraging leaders to model inclusive behaviors consistently will reinforce a culture of engagement, collaboration, and fairness, enabling employees to align their efforts with organizational goals more effectively.

5.4.2 Diversity Training and Education Programs

To maximize the impact of diversity training, public corporations should ensure that programs are regularly implemented, accessible to all employees, and embedded into organizational culture. Training modules should address unconscious bias, intercultural communication, and teamwork strategies while linking learning outcomes to real workplace scenarios. Continuous evaluation of

training effectiveness and feedback mechanisms can help identify gaps and improve program delivery. Additionally, incorporating diversity education into onboarding processes and professional development plans will promote long-term awareness and behavioral change.

5.4.3 Employee Resource Groups

Organizations should expand and strengthen ERGs to ensure they promote both structural and personal inclusion. ERGs should be made accessible to all employees, with clear objectives aligned to professional development, mentoring, and employee engagement. Regular activities, workshops, and networking events can help foster a sense of belonging and collective problem-solving. Leadership should actively support ERGs by providing resources, recognition, and integration into broader organizational strategies. Encouraging participation across different employee levels and demographics will help ERGs address diverse needs and enhance inclusivity throughout the organization.

5.4.4 Inclusive Recruitment and Promotion Policies

Public corporations should implement clear, transparent, and merit-based recruitment and promotion policies to enhance fairness, motivation, and retention. Regular monitoring and evaluation should ensure compliance with these policies and identify areas for improvement. Organizations should provide equal opportunities for all candidates while integrating inclusivity metrics into performance evaluations and human resource planning. Training HR personnel on bias-free recruitment and promotion practices can further reinforce fairness and equity. Strengthening these policies will promote a culture of meritocracy, enhance employee satisfaction, and drive organizational innovation. Consistently applied inclusive recruitment and promotion practices will also support other initiatives, such as leadership development, diversity training, and ERGs, creating a cohesive and high-performing workforce.

5.5 Suggestion for Further Research

Since this study was done in the public sector, a future study can be done in the private sector organizations to examine whether inclusive leadership, diversity training, Employee Resource Groups, and recruitment and promotion policies yield similar performance outcomes, enabling cross-sector comparisons. Longitudinal studies would be valuable in tracking the sustained impact of these practices on productivity, retention, and employee engagement over time. Additionally, exploring other variables such as organizational culture, psychological safety, or leadership styles as mediators or moderators could provide deeper insights into the conditions under which inclusivity enhances performance.

5.6 Limitations of the study

This study had several limitations that should be considered when interpreting the findings. First, the research focused solely on public corporations in Nairobi County, which may limit the generalizability of the results to other regions or organizational sectors, including private or non-profit entities. Secondly, data collection relied primarily on self-reported questionnaires, which could be subject to response bias, social desirability, or inaccurate recall, potentially affecting the validity of the findings. In addition, the cross-sectional design of the study captures relationships at a single point in time, making it difficult to establish causal links or observe long-term effects of inclusive practices on organizational performance. Finally, while the study focused on four key inclusive practices, other relevant factors such as organizational culture, technological adoption, or leadership styles were not examined, which may have influenced the results. These limitations provide avenues for future research to build on.

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APPENDIX I: UNIVERSITY INTRODUCTION LETTER



Thika Road, Ruaraka
P.O. Box 56808-00200 Nairobi Kenya
Pilot Line: +254 20 8070408/9

Tel: +254 20 3537842
Fax: +254 20 8561077
Mobile: +254 734 888022, 710 888022
Email: kca@kca.ac.ke
Website: www.kca.ac.ke

BOARD OF POSTGRADUATE STUDIES

KCAU/BPS/2025

Date: Wednesday, August 13, 2025

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION (NACOSTI)
P.O BOX 30623-00100
NAIROBI

Dear Sir/Madam,

RE: EUNICE M NGULA - REG NO. 24/01756

It is my distinct pleasure to introduce Eunice M Ngula, a student at our institution pursuing a Master of Business Administration - Human Resource Management degree within the School of Business.

Ngula is conducting research on the topic: ***"Impact of diversity and inclusion practices on organizational performance of public corporations in Nairobi County, Kenya"*** Her study has been reviewed and approved by the University's Ethics Review Committee, Approval No. KCAU/SERC/SOB0189. The approval period is 21st July, 2025- 21st July 2026
Any assistance accorded to her is highly appreciated.

Yours faithfully,

DR. JACKSON NDOLO
DIRECTOR, BOARD OF POST GRADUATE STUDIES

APPENDIX II: NACOSTI LETTER

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 714982	Date of Issue: 29/July/2025
RESEARCH LICENSE	
	
This is to Certify that Ms. EUNICE MUTWA MUTWA of KCA 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: IMPACT OF DIVERSITY AND INCLUSION PRACTICES ON ORGANIZATIONAL PERFORMANCE OF PUBLIC CORPORATIONS IN NAIROBI COUNTY, KENYA for the period ending : 29/July/2026.	
License No: NACOSTI/P/25/4177478	
714982	
Applicant Identification Number	Ag. Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code
	
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See overleaf for conditions	

APPENDIX III: QUESTIONNAIRE

1. What is your gender?

Male (…)

Female (…)

Prefer not to say (…)

2. What is your highest level of education completed?

Diploma/Certificate (…)

Bachelor's degree (…)

Master's degree (…)

Doctorate (PhD) (…)

Other (please specify): _____

3. How many years have you worked in your current organization?

Less than 1 year (…)

1–5 years (…)

6–10 years (…)

More than 10 years (…)

4. How many years have you served in your current role?

Less than 2 years (…)

2–5 years (…)

6–10 years (…)

More than 10 years (…)

PART B: INCLUSIVE LEADERSHIP PRACTICES

Please indicate the level at which you agree and or disagree with below statements on a scale of 1-

5 where 1=very small extent, 2=small extent, 3=some extent, 4= great extent, 5= very great extent.

.	Question	1	2	3	4	5
(5)	Leaders in this organization promote inclusive communication across all departments hence improving organizational performance.					
(6)	Leadership in this organizations actively seeks input from employees of diverse backgrounds when making decisions.					
(7)	Leaders' inclusive behaviors, such as valuing diverse perspectives, contribute to achieving organizational strategic goals					
(8)	Inclusive leadership in this organization enhances employee motivation and job satisfaction.					
(9)	Inclusive leadership practices foster a sense of belonging among employees, positively impacting organizational outcomes					
(10)	Leaders are held accountable for promoting and sustaining inclusive practices within the organization.					

PART C: DIVERSITY TRAINING AND EDUCATION PROGRAMS

Please indicate the level at which you agree and or disagree with below statements on a scale of 1-

5 where 1=strongly disagree, 2= disagree, 3= neutral,4= agree, 5= strongly agree.

.	Question	1	2	3	4	5
(11)	Diversity training programs are regularly implemented in this organization.					
(12)	Diversity education initiatives have improved awareness and appreciation of differences among employees.					
(13)	Training on diversity and inclusion has enhanced teamwork and collaboration across departments.					
(14)	Employees apply knowledge gained from diversity training in their daily work activities.					
(15)	Education programs on diversity foster a culture of inclusion, positively impacting organizational productivity.					
(16)	The organization evaluates the effectiveness of diversity training and education programs in achieving performance outcomes.					

PART D: EMPLOYEE RESOURCE GROUPS

Please indicate the level at which you agree and or disagree with below statements on a scale of 1-

5 where 1=very small extent, 2=small extent, 3=some extent, 4= great extent, 5= very great extent.

.	Question	1	2	3	4	5
(17)	Employee Resource Groups (ERGs) promote a sense of inclusion among employees, enhancing organizational performance.					
(18)	ERGs facilitate collaboration among diverse employees, contributing to improved organizational outcomes.					
(19)	ERGs support professional development opportunities, positively impacting organizational productivity.					
(20)	ERGs strengthen employee morale and engagement, leading to better organizational performance.					
(21)	ERGs provide a platform for addressing workplace diversity issues, supporting organizational goal attainment.					
(22)	ERGs foster networking and mentorship among employees, boosting overall organizational performance.					

PART E: INCLUSIVE RECRUITMENT AND PROMOTION POLICIES

Please indicate the level at which you agree and or disagree with below statements on a scale of 1-

5 where 1=strongly disagree, 2= disagree, 3= neutral,4= agree, 5= strongly agree.

.	Question	1	2	3	4	5
(23)	The organization has clear policies that promote inclusive recruitment practices.					
(24)	Recruitment and selection processes ensure equal opportunities for candidates from diverse backgrounds.					
(25)	Promotion decisions in this organization are based on merit and fairness, regardless of gender, ethnicity, or disability status.					
(26)	Inclusive promotion practices have improved staff motivation and retention.					
(27)	Implementing inclusive recruitment policies has positively influenced organizational performance.					
(28)	There is regular monitoring and evaluation of recruitment and promotion policies to ensure fairness and inclusivity.					

PART F: ORGANIZATIONAL PERFORMANCE

Please indicate the level at which you agree and or disagree with below statements on a scale of 1-5 where 1=very small extent, 2=small extent, 3=some extent, 4= great extent, 5= very great extent.

.	Question	1	2	3	4	5
(29)	The organization has experienced improved service delivery as a result of inclusive workplace practices.					
(30)	Diversity and inclusion efforts have contributed to higher employee productivity.					
(31)	Organizational performance has improved due to better decision-making driven by diverse and inclusive teams.					
(32)	Inclusive practices have positively influenced employee retention and reduced turnover, supporting organizational performance.					
(33)	The organization's ability to innovate and adapt to change has improved through effective diversity and inclusion strategies.					

APPENDIX IV: LIST OF PUBLIC CORPORATIONS IN NAIROBI COUNTY

1	Agricultural Development Corporation
2	Agricultural Finance Corporation
3	East African Portland Cement Company Limited
4	Geothermal Development Company Limited
5	Higher Education Loans Board
6	Jomo Kenyatta Foundation
7	Kenya Airports Authority
8	Kenya Broadcasting Corporation
9	Kenya Bureau of Standards
10	Kenya Civil Aviation Authority
11	Kenya Deposit Insurance Corporation
12	Kenya Development Corporation Limited
13	Kenya Electricity Generating Company PLC
14	Kenya Electricity Transmission Company Ltd
15	Kenya Export Promotion and Branding Agency
16	Kenya Industrial Estates
17	Kenya Investment Authority
18	Kenya Literature Bureau
19	Kenya Medical Supplies Authority
20	Kenya National Bureau of Statistics
21	Kenya National Examinations Council
22	Kenya National Highways Authority
23	Kenya National Trading Corporation
24	Kenya Pipeline Company Ltd
25	Kenya Post Office Savings Bank Ltd
26	Kenya Power and Lighting Company Plc
27	Kenya Railways Corporation
28	Kenya Revenue Authority
29	Kenya Roads Board
30	Kenya Rural Roads Authority
31	Kenya Seed Company
32	Kenya Urban Roads Authority
33	Kenyatta International Convention Centre
34	National Cereals and Produce Board
35	National Housing Corporation
36	National Oil Corporation of Kenya
37	National Social Security Fund
38	National Transport and Safety Authority
39	New Kenya Co-operative Creameries Limited
40	Postal Corporation of Kenya
41	Social Health Authority

