

## **LEVERAGING ON AGE DIVERSITY FOR THE PERFORMANCE OF TELECOMMUNICATION FIRMS IN KENYA**

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### **ABSTRACT**

The objective/purpose of the study was to explain the relationship between age diversity and the performance of telecommunication firms in Kenya. Workforce diversity issues may adversely affect an organization's public reputation, competitiveness and can significantly threaten the bottom line. In this age of technology, young employees can be more creative, learn faster and can drive innovation in an organization. Due to their different way of socialization and exposure, they can easily embrace change that drives innovation and organizational performance. Old employees on the other hand are considered as reservoirs of knowledge, carrying the institutional memory of an organization thus enabling effective transfer of skill. Secondary and primary data is collected and analyzed from 14 telecommunications firms for a period of five years (2010-2014). Blau's index (measure of heterogeneity) is used to operationalize age diversity. Financial measures of performance and in particular the return on investments (ROI) is used to measure firm performance due to its holistic nature and popularity as a measure of performance among the targeted firms. Descriptive analysis, Correlation analysis and multiple regression analysis are the statistical techniques used for measuring the level and direction of correlation between the variables. The study found out that age diversity of employees has a weak but statistically significant relationship with performance ( $p < 0.01$ ), ( $R^2 = 13.1\%$ ) implying that age diversity explained 13.1% variation in the performance of telecommunication firms in Kenya.

**Keywords:** Workforce diversity, Age Diversity, Age proportionality, Organizational performance

## **INTRODUCTION**

In the past twenty years, the growing diverse work force in the organizations has led scholars to pay increased attention to the issue of workforce diversity (Gupta, 2013). The recognition of workforce diversity as a source of competitive advantage has become a reality in organizations today and has generated an enormous amount of interest over the recent years among business leaders, governments and within the civil society (Kochan, Ely, Joshi & Thomas, 2002). Childs, (2005) argues that any business that intends to be successful must have a borderless view of the workforce by ensuring that workforce diversity is part of its day to day business conduct.

Today's workforce is getting more and more heterogeneous due to the effects of globalization (Kurtulus, 2012). The impact of increased workforce diversity touches virtually on all management concerns. When workforce diversity is not managed properly, there will be a potential for higher voluntary employee turnover, difficulty in communication and destructive interpersonal conflicts (Elsai, 2012). The reverse leads to a more engaged workforce and subsequently improved organizational performance. Organizations devote resources to diversity initiatives because they believe it is a business imperative and good for the bottom line (Jayne & Dipboye, 2004). Konrad, (2003) has also stated that a global economy requires that organizations have to attract and retain a diverse workforce so that they can effectively deal with an increasingly diverse customer base leading to increased market share.

## **EMPIRICAL REVIEW OF LITERATURE**

### **Concept of workforce diversity**

After three decades of talking about diversity in the workplace, there is still considerable debate and confusion over what actually constitutes workforce diversity, (Simons & Rowland,2011). Workforce diversity is generally viewed as acknowledging, understanding, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual practice, and public assistance status. Diversity refers to a mosaic of people who bring a variety of backgrounds, perspectives, values and benefits as assets to the groups and organizations with which they interact. (Otiye, Messah , & Mwaleka, 2010 ).

Mulkeen,(2008) describes workplace diversity as all the differences that exist within people with respect to age, gender, sexual orientation, education, cultural background, religion, and life experience. Managing and valuing diversity is a key component of effective people management, which can improve workplace productivity ( Black & Enterprise, 2001). Aghazadeh,(2004), asserts that managing workforce diversity is an essential resource for

improving organizational performance. Dessler, (2011) defines diversity as the variety or multiplicity of demographic features that characterize a company's workforce, particularly in terms of race, sex, culture, national origin, handicap, age and religion.

Jones & George (2011), assert that diversity is differences among people in age, gender, race, ethnicity, religion, sexual orientation, socioeconomic background, and capabilities/disabilities. Currently, the case of diversity is enjoying high profile in organizational debate partly due to changes in workforce demographics (Armstrong, Flood, Guthrie, Liu, Muccurtain & Mkamwa, 2010). Gupta, (2013) argues that overall workforce diversity enhances better decision making, higher creativity, innovation and greater competitive advantage. Armstrong, (2006) states that managing diversity is about ensuring that all people maximize their potential and their contribution to the organization.

Wentling & Palmarivas, (2000) defines workforce diversity as including cultural factors such as race, gender, age, color, physical ability, ethnicity etc. The broader definition of diversity may include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status (Wentling & Palmarivas, 2000). The term diversity is used to illustrate how individuals differ by gender, ethnicity, age, physical abilities, lifestyle, and religion. Workplace diversity incorporates the meaning of diversity within a workplace setting. (Elsaid, 2012).

### **Concept of Organizational Performance**

The concept of "scientific management" by Fredric Taylor in the early twentieth century laid the foundation for the modern concept of organizational performance. As a result of the work done by Taylor and others like Henri Fayol & Henri Mintzberg, private sector organizations under the commercial pressures of competition began to increasingly apply the scientific methods to improve their organizational performance. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). It is one of the most important variables in the field of management research today. Although the concept of organizational performance is very common in academic literature, its definition is not yet a universally accepted concept. (Gavrea, Ilies & Stegorean, 2011).

Richard, Barnett, Dwyer & Chandwick, (2006) view organizational performance as encompassing three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.), (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development. In recent years, many organizations

have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance (e.g. shareholder return), customer service, social responsibility, internal business processes & employee stewardship. (Richard et al, 2006)

Daft, (2000) defines organizational performance as the organization's ability to attain its goals by using resources in an efficient and effective manner; effectiveness being the degree to which the organization achieves a stated goal, and efficiency being the amount of resources used to achieve an organizational goal. (Allen, Dawson, Wheatley & White, 2007) noted that, when defining firm performance, it is important to consider a wide range or variety of organizational performance measures which include quality, productivity, market share, profitability, return on equity, customer base and overall firm performance. The term performance was sometimes confused with productivity.

Ricardo, (2001) explains that there is a difference between performance and productivity. Productivity being a ratio depicting the volume of work completed in a given amount of time. Performance being a broader indicator that could include productivity as well as quality, consistency and other factors. (Waiganjo, Mukulu & Kahiri, 2012) note that organizational performance may be measured in terms of its multiple objectives of profitability, employee satisfaction, productivity, growth among many other objectives. Advocates of the balanced score card performance management system have proposed a broader performance measurement approach that recognizes both the financial and non-financial measures including sales, profitability, return on investments, market share, customer base, product quality, innovation and company attractiveness.

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as financial performance, customer service, social responsibility & employee stewardship. Khan & Khan, (2011) asserts that organizational performance depends on various factors including the contributions of human resource capital. This is because human resource in an organization plays an important role in the growth and organizational performance. Abu-Jarad , Yusof , & Nickbin , (2010) also noted that although many studies have found that different organizations tend to emphasize on different objectives, literature suggests that financial profitability and growth are the most common measures of organizational performance.

### **Age diversity:**

Unlike other forms of equality such as race and gender, age discrimination as a policy issue has only began to emerge over the past twenty years (Riach , 2009). Duncan, (2003) has argued that

the business case for age diversity may also be used to stake claim against recruiting older workers, on account of higher employment costs. Diversity scholars have argued that age-diverse workforces display a host of different knowledge, values and preferences. Their perspectives, including their mental models are different.( Richard & Shelor, 2002). Thus as a team, they have a larger pool of knowledge and a larger problem solving toolbox leading to improved firm performance (Gelner & Veen , 2013). (Wiersema & Bantel, 1992) have observed that younger managers are more likely to have attended school in a more diverse environment, or worked with minority groups at some point during their careers.

Medical, psychological and economic research has also shown that employees of different age groups differ in skills, attitudes and abilities and that these differing characteristics have different effects on productivity (Gelner & Veen , 2013).. Young employees are considered to be more flexible and can portray an attitude of more change readiness as opposed to older employees. Old employees can also be considered as reservoirs of knowledge carrying the institutional memory of an organization thus enabling effective transfer of skill. Moreover, succession planning becomes more effective in age diverse organizations.

Innovation has become one of the key strategies of the firm for gaining competitive advantage, expanding market share, and increasing overall firm performance ( Hitt, Hoskisson & Kim, 1997; Franko, 1989). Age- diverse workforces display a host of different knowledge, values, perspectives, interpretations and preferences that are prerequisites for innovation (Richard & Shelor, 2002; Page, 2007). Moreover, younger managers are more likely to have greater learning capabilities, are more recently educated, and thus are more likely to be more risk-taking, flexible, and innovative. A combination of young and old cohorts of workers with different knowledge pools can therefore increase innovation as compared to having homogeneous workers (Gelner & Veen 2013).

The argument is that in this age of technology, young employees can be more creative, learn faster and can drive innovation in an organization as compared with older employees leading to high organization performance more so in the area of technological innovations. Due to their different way of socialization and exposure, they can easily embrace change that drives innovation and organizational performance. Age of employees may also influence their level of commitment and engagement with the organization. Certain employees approaching their retirement age may unconsciously begin to disengage with the organizations they work for as they begin to prepare for their retirement. They may constantly absent themselves from work or report late to work. Old employees may also spend more time seeing doctors due to age related illnesses as opposed to younger employees. This in essence could affect their individual

contributions on their work performance and subsequently the overall performance of the organization.

## **THEORETICAL REVIEW OF LITERATURE**

### **Social Categorization Theory**

Social-categorization theory, by (Turner, 1987) suggests that people belong to many different social groups(e.g nation, employer, or school ). It predicts that individuals sort themselves into identity groups based upon salient characteristics and that they act in concert with their categories and favour contexts that affirm group identity (Hogg & Terry, 2000). In consequence, dissimilar individuals are less likely to collaborate with one another compared to similar individuals. In this way, social categorization may disrupt elaboration of task-relevant information because of possible biases towards in-group members and negative biases towards out-group members. (Knippenberg , Kleef & De-Dreu, 2007).

This is a theory of the self, group processes, and social cognition (Turner et al., 1987) which emerged from research on social identity theory. It is concerned with variation in self-categorization (in the level, content and meaning of self-categories. It focuses on the distinction between personal and social identity. Social-categorization theory seeks to show how the emergent, higher-order processes of group behavior can be explained in terms of a shift in self-perception from self-categorization in terms of personal identity to self-categorization in terms of social identity.

Age is also regularly viewed as one dimension of social category diversity(Jehn, Northcraft, and Neale (1999);and Pelled, Eisenhardt, and Xin (1999).Thus employees in an organization may sort themselves in social categories of particular age group. This may influence their group behavior as well as responses to the micro and macro economic environment.

### **Similarity/ Attraction Theory**

Byrne's, (1970) theory of effect and attraction assumes that one's evaluation of another is the result of reinforcement associated with the other. Similarity/attraction theory posits that people like and are attracted to others who are similar, rather than dissimilar, to themselves; "birds of a feather," the adage goes, "flock together." Social scientific research has provided considerable support for tenets of the theory since the mid-1900s. The theory provides a parsimonious explanatory and predictive framework for examining how and why people are attracted to and influenced by others in their social worlds. In addition to people's inclinations to be attracted to those who share similar attitudes, people are also attracted to others who manifest personality characteristics that are similar to their own. (Byrne, 1971).

Various researchers from a variety of fields such as marketing, political science, social psychology, and sociology have supported the assumptions of similarity/attraction theory. The argument is that people of similar religious background, ethnicity, age group and gender may

tend to prefer to work together due to their common characteristics thus enhancing group cohesiveness and performance. In addition, interactions that may be perceived to be discriminatory on the basis of religion, ethnicity, age and gender may lead to harmful and negative effects on team cohesiveness (Triana, Garcia & Colella, 2010).

### **Resource Based View Theory**

Resource Based View (RBV) Theory views organizations as consisting of a variety of resources generally including four categories viz; physical capital, financial capital, human capital, and corporate capital, (Barney & Clark, 2007). The attributes of resources held by firms can contribute and determine their level of performance (Yang & Konrad, 2013). Resources that allow a firm to implement its strategies are viewed as valuable and can be a source of competitive parity Barney & Clark D, (2007). Resources that are viewed as valuable and rare can be a source of competitive advantage. Those that are valuable, rare and inimitable can be a source of sustained competitive advantage (Barney & Clark, 2007). Moreover, to achieve a sustained competitive advantage, a firm needs to have the ability to fully exploit the potential and stock of its valuable, rare and inimitable resources. Such ability and potential often resides in the diverse characteristics of its workforce.

Barney (1986, 1991) summarized four empirical indicators of the potential of firm resources to generate sustained competitive advantage in a VRIN model signifying V=Valuable, R=Rare, I=Imperfectly Imitable and N=(Non) –Substitutability. The resource-based view (RBV) as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. To transform a short-run competitive advantage into a sustained competitive advantage requires that these resources are heterogeneous in nature and not perfectly mobile. Peteraf, (1995). Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort. Barney, (1991). If these conditions hold, the bundle of resources can sustain the firm's above average returns. The VRIO and VRIN model also constitutes a part of RBV. Notably, employees of different age groups may be endowed with different capabilities and are viewed as resources that if well appropriated, can enhance organizational performance.

### **METHODOLOGY**

Secondary and primary data is collected and analyzed from 14 telecommunications firms for a period of five years (2010-2014). Blau's index (measure of heterogeneity) is used to operationalize age diversity. Financial measures of performance and in particular the return on investments (ROI) is used to measure firm performance due to its holistic nature and popularity as a measure of performance among the targeted firms. Descriptive analysis, Correlation analysis, multiple regression analysis were the statistical techniques used for measuring the level and direction of correlation between the variables.

**Figure 1: Operationalization Of Age Diversity**

$$D = 1 - \sum p_i^2$$

Where

p = Proportion of employees in each age group/category

i = The number of different age categories

Example

An organization is comprised of 20% of employees in (18-, 30 years) age bracket, 40% in (31-40 years) 25% in (41-50 years) and 15% in (51 and above years). As a result,  $D = 1 - [(0.20)^2 + (0.40)^2 + (0.25)^2 + (0.15)^2]$ , or **0.285**. When four categories of age proportionality are used, the values of the variable range from 0 (perfect homogeneity) to 1 (perfect heterogeneity).

## FINDINGS

### Descriptive Statistics – Age Diversity

The diversity index, or the Blau-indicator, shows in what way there is heteroskedasticity within one variable. It measures the diversity of specific variable. In table 1 below, the study looked at the age-composition of the employees in the telecommunication firms. From the table, Safaricom Ltd had the highest Blaus’ index mean of 0.604, followed by Airtel Ltd with a Blaus’ index mean of 0.575. Telkom Kenya Ltd had the least Blaus’ index mean of 0.445 for the five years that data was analyzed. This finding implies that Safaricom Ltd is most diverse in terms of age of the employees while Telkom Kenya Ltd is the least diverse among the telecommunication firms in Kenya.

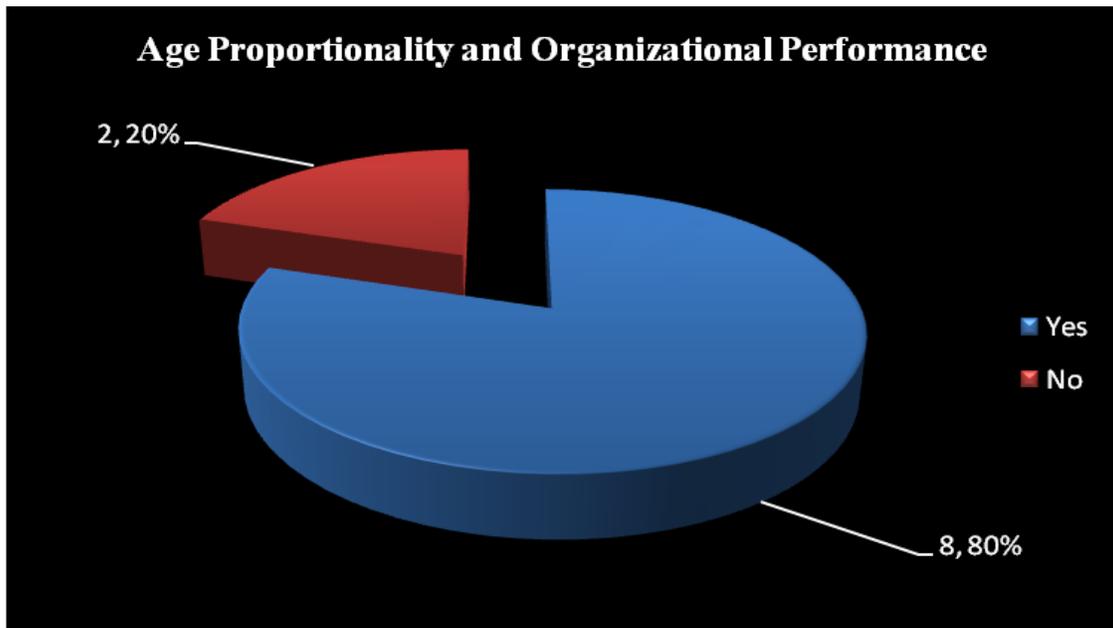
**Table 1: Descriptive Analysis of the Blaus’ indicator (index) for age diversity**

Data Set	Standard				
	Mean	Deviation	Min	Median	Max
Safaricom Ltd	0.604	0.018	0.018	0.5995	0.635
Simba net ltd	0.541	0.0356	0.018	0.535	0.605
Telkom Kenya	0.445	0.0000	0.018	0.445	0.445
Kenya data Network Ltd	0.547	0.0169	0.018	0.5375	0.58
Airtel Ltd	0.575	0.0152	0.018	0.5775	0.585

Sea Sub marines ltd	0.494	0.0171	0.018	0.48	0.515
Comm Carriers satellite services	0.551	0.0256	0.018	0.54	0.58
Iway Africa Ltd	0.555	0.0245	0.018	0.535	0.585
Jamii Telecommunications Ltd	0.531	0.0564	0.018	0.508	0.585

**Age Proportionality and Organizational Performance**

The study sought to establish if age proportionality of employees affect organizational performance. Figure 1 shows that 80% of the respondents indicated that age proportionality of employees affected organizational performance while 20% indicated that age proportionality of employees does not affect organizational performance. The findings present a clear indication that the proportion (in % terms) of employees in a certain age category could determine some aspects of organizational performance. Young category of employees are considered more innovative, and highly responsive to technological change. This in essence could drive innovations and the change agenda in an organization.. Old employees on the other hand are considered as reservoirs of institutional memory. This supports the argument that combining young and old cohorts of workers with different knowledge pools can therefore increase innovation as compared to having homogeneous workers (Gelner & Veen 2013).



**Figure 2: Age Proportionality and Organizational Performance**

**CORRELATION ANALYSIS**

Four other independent variables, the dependent variable and the moderating variable were each subjected to bivariate correlation analysis. The correlation results for each of the variables are shown in the Table 2.. From Table 2, the correlations for all the variables were positive, statistically significant ( $P < .05$ ). Age diversity and work experience diversity had the highest correlation at .767, followed by age diversity and gender diversity at .734 and finally the lowest correlation was between gender diversity and cultural diversity at 0.543. Thus, the variables were significantly correlated implying that they could be grouped together. Further, an examination of Pearson correlation coefficients between the independent variables indicate that the partial correlation coefficients were all less than 0.8 indicating absence of multicollinearity. Field (2005) suggested that correlation coefficient greater than 0.8 indicate presence of multicollinearity.

**Table 2: Correlations Results for Each of the Variables**

		Age diversity	Work experience diversity	Gender diversity	Cultural diversity	Performance
Age diversity	Pearson Correlation	1	.767(**)	.734(**)	.618	.755
	Sig. (2-tailed)	.	.000	.000	.371	.003
Work experience diversity	Pearson Correlation	.767(**)	1	.614(**)	.546	.705
	Sig. (2-tailed)	.000	.	.000	.726	.000
Gender diversity	Pearson Correlation	.734(**)	0.614(**)	1	.543	.676
	Sig. (2-tailed)	.000	.000	.	.746	.000
Cultural diversity	Pearson Correlation	.618	.546	.543	1	.656
	Sig. (2-tailed)	.371	.726	.746	.	.000
Performance	Pearson Correlation	.755	.705	.676	.656	1
	Sig. (2-tailed)	.003	.000	.000	.000	.

**Test of Hypothesis**

**Relationship between Age Diversity of Employees And The Performance of Telecommunication Firms in Kenya .....Hypothesis 1**

The objective was tested by null hypothesis  $H_0$  which states that; *Age diversity of employees does not have any significant relationship with the performance of telecommunication firms in Kenya*. The test was conducted using linear regression model. The results were as presented in Tables 6.1 below. First the study looked at the model summary which shows the correlation ( $r$ ) and the coefficient of determination ( $r^2$ ). Before the regression analysis was carried out, Pearson’s correlation analysis was carried out to ensure that there was no multicollinearity.

Multicollinearity exists when there is a strong correlation between two or more independent variables and this can pose a problem when running regression analysis. According to Field (2009) multicollinearity exists when correlations between two independent variables are at or in excess of 0.80. In this study, the highest correlation was between age diversity and work experience diversity ( $r = 0.767, p < 0.05$ ) as shown on table 2 above which ruled out multicollinearity.

**Table 3: Age diversity and firm performance (Model Summary)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.362a	0.131	0.12	5.74615	0.416

a. Predictors: (Constant), Age diversity of the employees

b. Dependent Variable: Performance of telecommunication firms

From the Table 3, the value of R between the natural log transformed values of FC and HC is .362 indicating that Age diversity of the employees has a weak but statistically significant relationship with Performance ( $p < 0.01$ ). The R-Square is 0.131, implying that Age diversity of the employees explains 13.1% of the variability in performance of telecommunication firms. The rest being explained by other factors.

From the foregoing, we can conclude that there is a statistically significant relationship between age diversity of the employees and performance of telecommunication firms. Thus the null hypothesis is rejected. We accept the alternate hypothesis and conclude that age diversity of employees has statistically significant relationship with performance of telecommunication firms

in Kenya. This finding is consistent with studies by Richard & Shelor, (2002) that age diversity has a positive relationship with firm performance. They argued that age-diverse workforces display a host of different knowledge, values and preferences. Their perspectives, including their mental models are different and thus as a team, they have a larger pool of knowledge and a larger problem solving toolbox leading to improved firm performance. However this is inconsistent with empirical studies carried out by Williams and O'Reilly (1998), Jackson & Joshi (2004) on age diversity and performance. Gelner & Veen (2013) also found the relationship between age diversity and company productivity as being significantly negative at (b= -0.457) meaning that increasing age diversity would tend to have a negative effect on company productivity

Table 4 below. shows the results of ANOVA test which revealed that age diversity of the employees has significant effect on performance of telecommunication firms in Kenya. Since the P value is actual 0.001 which is less than 5% level of significance. This is depicted by linear regression model  $Y=B_0+B_1X_1+e$  where  $X_1$  is the age diversity of the employees the P value was 0.001 implying that the model  $Y=B_0+ B_1X_1+ e$  was significant.

**Table 4: ANOVA for Age diversity and Performance**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	392.816	1	392.816	11.897	.001a
	Residual	2608.439	8	33.018		
	Total	3001.255	9			

a. Predictors: (Constant), Age diversity of the employees

b. Performance

**Table 5: Coefficients for Age Diversity And Performance**

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1						
	(Constant)	6.178	6.212	0.994	0.023	
	Age diversity	4.691	1.36	0.362	3.449	0.001

The study conducted a regression analysis so as to establish the influence of Age diversity of the employees on performance of telecommunication firms in Kenya. The regression equation ( $Y = \beta_0 + \beta_1 X_1 + \alpha$ ) was:

$$Y = 6.178 + 4.691X_1 + 0$$

Where by: Y = Performance

X<sub>1</sub> = Age diversity of the employees

According to the regression equation established, taking age diversity of the employees constant at zero, performance of telecommunication firms in Kenya would be 6.178 units. The data findings analyzed also shows that taking all other independent variables at zero, a one unit change in age diversity of the employees will lead to a 4.691 units of variation in the performance of telecommunication firms in Kenya.

### **LIMITATIONS**

The effects of other extraneous variables (other independent variables that were not the purpose of this study) posed a limitation in the absence of effective control mechanisms. The study findings may therefore be confounded by the element of their effect and may not be generalized. It may not be possible to control for all the extraneous variables which may further minimize the generalizations of the study results.

The focus of this study was the telecommunication industry within the private sector of the Kenyan economy. Human resource practices in private and public sector of the economy may vary greatly especially with respect to issues of workforce diversity. This variation in practice could pose a limitation to the study findings which may not be generalized for application to all the sectors of the economy.

Information for measurement of age diversity, was considered to be highly sensitive. This could lead to provision of incorrect information by respondents and subsequent biased effect of age diversity on organizational performance. The research findings may therefore not be generalized.

### **DISCUSSIONS**

Workforce diversity is a multi-faceted concept that will continue to evolve as more organizations tend to move towards both working in and recruiting employees from a global market place. This leads to an argument that workforce diversity is inevitable for sustainable organizational performance. Corporate managers are therefore embracing the concept of workplace diversity, considering its barriers and benefits. Many diversity scholars have argued that as organizations become more diverse and complex, they become more difficult to manage. The argument is that,

diversity facilitates organizational performance when it is managed in constructive and integrative ways.

Our argument is that in this age of technology, young employees can be more creative, learn faster and can drive innovation in an organization as compared with older employees leading to high organization performance more so in the area of technological innovations. Due to their different ways of socialization and exposure, young employees can easily embrace change that drives innovation and organizational performance. . Old employees on the other hand can be considered as reservoirs of knowledge carrying the institutional memory of an organization thus enabling effective transfer of skill. Age of employees may also influence their level of commitment and engagement with the organization.

Certain employees approaching their retirement age may unconsciously begin to disengage with the organizations they work for as they begin to prepare for their retirement. They may constantly absent themselves from work or report late to work. Old employees may also spend more time seeing doctors due to age related illnesses as opposed to younger employees. This in essence could affect their individual contributions on their individual work performance and subsequently the overall performance of the organization.

## **RECOMMENDATIONS**

The study found out that age diversity of employees has a weak but statistically significant relationship with performance ( $p < 0.01$ ), ( $R^2 = 13.1\%$ ) implying that age diversity explained 13.1% variation in the performance of telecommunication firms in Kenya. The study findings further showed that age diversity is positively related to organizational performance. A large proportion of respondents (80%) stated that age proportionality of employees can affect organizational performance. It is therefore recommended that firms should regularly review and combine different cohorts of employees with respect to their age categories so as to tap into their full potential and contributions to the performance of their organizations.

Both old and young employees are key resources to an organization given that each of the categories has unique capabilities and contributions that they make in relation to the performance of their organizations. Hence it is recommended that organizations operating in both the private and public sectors of the economy should have in place all inclusive policies that nurture and protect the potential of employees in different age groups.

We would also recommend a review and/or development of national policies, laws and regulations that recognize and protect the importance of age diversity in organizations. Laws that

discourage discrimination among employees on basis of age both in private and public sector should be put in place for the interest of both the organizations and the employees as well.

## **FUTURE RESEARCH**

This study has mainly explored the relationship between age diversity and the performance of telecommunication firms within the private sector in Kenya . The dynamics of age diversity and organizational performance may vary greatly among public and private firms due to variations in human resource practices. A research with respect to public organizations is recommended to establish the relationships between the same variables. Further research on other diversity elements and their effect on organizational performance is also recommended.

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