



**CULTURAL DIVERSITY AND ORGANIZATIONAL PERFORMANCE IN PALLISA
DISTRICT LOCAL GOVERNMENT.**

BY

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**A RESEARCH REPORT SUBMITTED TO FACULTY OF MANAGEMENT
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DECLARATION

I hereby declare that this research report is my original work and has been carried out in accordance with the principles of academic integrity. Every idea, insight, and piece of data presented here reflects my own efforts and dedication and it has never been submitted for examination in this university for academic qualification.

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APPROVAL

This research report is submitted to Faculty of Management of Sciences Busitema University as a partial fulfillment for the award of Bachelors Degree of Public Administration and management with my approval as an academic supervisor.

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Date ..25/08/2025.....

DEDICATION

This research is dedicated to the countless individuals who inspired my curiosity and resilience in the pursuit of knowledge. To my family especially my dear wife Mrs. Anyango Joan, my daughter Aseno Nodrine my dear parents Mr. Otto Charles and Mrs. Aseno Hellen Betty whose unwavering support has been my anchor through this journey; your belief in me has fuelled my passion. To my mentors; the Principal Assistant CAO Mr. Okia John, my boss Mr. Adakun Zadok and Mrs Asio Suzan, all colleagues, siblings, friends, course mates and lecturers, thank you for your guidance and encouragement; your wisdom has shaped my understanding and ignited my enthusiasm.

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LIST OF ACRONYMS

CVI	Content Validity Index
FY	Financial Year
GDP	Gross Domestic Product
OAG	Office of the Auditor General
OECD	Organization for economic co-operation and development
PDLG	Pallisa District Local Government
SET	Social Exchange Theory
SPSS	Statistical Packages for Social Sciences
UBOS	Uganda Bureau of Statistics
WHO	World Health Organization

ABSTRACT

The study aimed at examining the effect of cultural diversity on organizational performance in Pallisa District Local Government. It specifically examined the effect of employee language diversity on organizational performance, the effect of employee value diversity on organizational performance and employee religious diversity on organizational performance. The study adopted a quantitative approach and collected primary data in a cross-sectional. The sample size for this study was 63 which was determined using the table of Krejcie and Morgan. A questionnaire served as the research instrument. Quantitative data collected were coded into Statistical Package for Social Sciences (SPSS) version 22.0, cross-checked for entry errors, and analysed. Regression analysis was used to test the relationship between dimensions of the independent variable and the dependent variable. The study was steered by social exchange theory was developed by Homans. The study found positive and statistically significant effect employee cultural diversity (language diversity, value diversity and religious diversity) on organizational performance. Value diversity had a stronger significant effect on organisational performance. The study concludes that organizational performance in PDLG is influenced by employees' language, value, and religious diversity. It recommends that management uphold standard, widely accepted cultural values that support rather than hinder employee performance.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, purpose of the study, research objectives, research questions, scope of the study, significance of the study, conceptual framework, and definition of key terms.

1.1 Background of the Study

Organizational performance is crucial for ensuring effective governance and the delivery of essential services to the community (Supriyono et al., 2024). High organizational performance fosters accountability, enhances resource management, and promotes sustainable development, making it vital for addressing the needs of diverse populations and improving overall community well-being (Moynihan & Kroll, 2020). Organizational performance refers to the effectiveness with which an organization meets its goals and objectives (Kaplan & Norton, 1992). It encompasses various dimensions, including productivity, efficiency, quality of output, and overall impact on stakeholders (Kaplan & Norton, 1992). Contextually, organizational performance is defined as how effectively and efficiently the local government utilizes its resources to achieve its goals and deliver services that meet the needs and expectations of its community (Moynihan, 2019). Organizational performance in this study is measured using quality service delivery, revenue performance, budget management and workforce development because these measures have been widely accepted and used by several scholars to measure organisational performance (Richard et al., 2019; Umaru, 2023). However, despite its importance, countries continue to face challenges in achieving optimal levels of organisational performance.

Globally, concerns about organizational performance are increasing. Brazil has encountered significant challenges in organizational performance, particularly reflected in its revenue collection, which stands at approximately 33% of GDP, lower than the OECD average of 34.3% (OECD, 2023). This inefficiency in revenue mobilization is compounded by a budget deficit that reached R\$ 930 billion (about \$180 billion) in 2020, highlighting severe fiscal mismanagement (Ibarra & Vale, 2023). Which adversely affect public service delivery, leading to widespread dissatisfaction among citizens. Similarly, Mexico's organizational performance is hindered by the substantial costs of corruption, which amount to around \$1.5 billion annually, severely impacting public service delivery and investment (Transparency International, 2020). In Asia, specifically India, it's marked by significant revenue shortfalls, with a tax-to-GDP ratio

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