



ISSN 2278 – 0211 (Online)

## Top Management Teams Demographics, Group Process and Strategic Consensus: Empirical Review

**Mugure Mwangi Dorcus**

Ph.D. Student, Kenyatta University, Kenya

**Geoffrey Koech**

Ph.D. Student, Kenyatta University, Kenya

**Dr. Simon Chris Kipkorir**

Lecturer, Department of Business Administration, Kenyatta University, Kenya

### **Abstract:**

Globalization has brought diversity in organization. This has both positive and negative repercussion on productivity of an organization. High global competition, technological advancement, product innovation, and volatile market conditions has created high competitive pressure on organization hence there is a dilemma of maintaining high performance. The companies need to make strategies, where the top management demographic and group process are needed receipt for strategic consensus. This allows the organization to make sound, quality and timely decision that fosters growth and high performance in both short and long run strategic plans. The main aim of this research is to investigate the effect of top management demography, group process on the strategic consensus in an organization. Theories used included upper echelon which emphasis on importance of individual top manager's character and linked it with organization performance. Resource-Based View (RBV) theory laid emphasis on capabilities and resource allocation, Top Management Team are the major decision makers on allocation of these resource and proper distribution of the organization capabilities. The paper relied on industrial organization economics theory that anchors the strategy construct between top management and strategic consensus. Group process was supported by the group process theory that provide knowledge on the nature of the groups and how the interrelate with individuals and other groups. These theories was found to have independently framework with not interrelationship with each other creating disconnect within the knowledge and hence knowledge gap. Hence each theory is not sufficient to provide solution to top management diversity crisis. The empirical review indicates trend in diversity of organizations and performance on the contrary less has been done on strategic consensus. The gap generated in conceptual review allow further studies on top management demography and strategic consensus. The research hypothesis that since top management demography affect performance in larger number of scholars. It will significantly affect strategic consensus. On group process the gap arises in the conceptual as well as empirical literature based on the concentration on diversity leaving the group process and team work process on strategic consensus. The research postulated that that age of team members, education background, functional experience, TMT average tenure and ethnic and gender diversity are factors that are linked with strategic consensus.

**Keywords:** Top management demography, strategic management, Kenyatta University, Kenya

### **1. Introduction**

Business nowadays faces an increasingly competitive due to dynamic environment. To perform well within increasing competition, greater efficiency is required. To cope well with change firms must be more adaptive. Institutional forces in any environmental context impose significant demands on Top Management Tool to track, collect and analyze information (Carpenter et al., 2014). Impliedly, managers will respond to institutional forces through bias to certain strategic choices. The TMT research highlights the importance of team leadership as opposed to individual leaders in a firm implying existence of interplay of group dynamics and TMT behavior (Hambrick, 2007). Cognitions, knowledge and attitudes of management have been associated with firms' success (Das, 2014). Aldrich (2012) and Galbraith (2014), however, have contradicted this standpoint by concluding that top managers are subject to environmental constraints and that the performance of organizations owes little to contributions of these managers. Entriago (2012) observes that, faced with the same objective environment, different managers will make different decisions based on their individual characteristics.

According to Finkelstein and Hambrick (2016) and Bain (2011) found that demographic diversity had a negative effect on strategic consensus. It noted that the difference demography resulted in different mental model. Firms strategies are then understood differently based on the TMT character and mind model. According to Forsyth (2016) similar individuals with similar characteristic has the same values and beliefs. Similarly, Jehn (2017) proposes the individuals with diverse age will have different viewpoint and beliefs. Hence heterogeneity leads to divergent in group perspective

(Hambrick, Cho & Chen, 2016). With divergent views and experience from divergent life and exceptional group experiences make individual from TMT have different mental models of organization strategy.

The debate about influence of diversity in top management on strategic consensus still, rages on, given that some empirical studies have yielded inconsistent results ranging from negative (Cannella, Park & Lee, 2008) to positive (Carpenter, 2012). This precludes that other factors mediate or intervene to accelerate or decelerate the association between diversity in TMT and strategic consensus. The conflicting empirical findings have portrayed diversity in top management as a double edged sword (Amason, Shrader & Tompson, 2016). On the positive side, the imputed logic is that diversity enhances the team's knowledge base which leads to increased propensity to take risks. This results from the diverse cognitive capability, problem solving skills of TMT (Bunderson, 2016). Similarly, Wiersema and Bantel (2015) demonstrated that heterogeneity among executive elites enhances creativity as well as innovativeness due to greater breadth of information sources and thus cast a wider net on information on viability of various strategy.

This view ignores the fact that, for top managers to achieve superior performance, they must work as an interdependent team. Since heterogeneous top management are behaviorally fragmented (Jehn, 2017), appropriate compensation could be used as one of the threads supporting the fragile embroidery of top managers as a group (Armstrong, 2006; Hambrick, 2007; Aduda & Musyoka, 2011). An integrated heterogeneous team of top managers is likely to be a key strategic resource since they can give organization capabilities which are not easily matched by the competitors. Extant literature on upper echelons places of interest on the significance of team leadership as opposed to individual leaders in an organization implying the need for understanding group dynamics in managing top management behavior for organizational success (Hambrick, 2007). There is however limited empirical backing on the influence of diversity in top managers and their compensation in tandem influences in determining strategic consensus.

Group processes affect the perceptions of TMT members, hence interpersonal conflicts in the TMT reduces sharing of thoughts on the organization strategies. Conflict is more of holding divergent views on certain aspects in the TMT (Jehn, 2015). It has negative effect on reaching consensus. When there is existence of interpersonal conflicts there is divergence in mental model or perception and reaching at strategic consensus is very low. Group cohesiveness which is opposite connotation of interpersonal conflicts may reduce strategic consensus (Child, 2012). Hence both interpersonal conflict and group cohesiveness reduces the ability of organization to provide strategic consensus. Group process entails management of groups and running the organization as a team and with right preprocess despite high diversified group there is always higher change on reaching strategic consensus. The paper investigate on diversified TMT demographics, group process and its effect to strategic consensus.

## 2. Literature Review

Group diversity is portrayed to contribute positively to the growth of the business. It linked with innovation, creativity, ideas and leads to better performance of the group. Top Management Team (TMT) is the epitome tier in management level which includes high ranking executives with titles such as director, president, CEO, executive director, chairperson among others. They are given mandate for the running and providing major decision of the organization. TMT, makes policies made by board of directors into projects, strategies, objectives and goals that provide the mission and vision of the organization. These policies assist in making decision that diminishes or escalate the organization in to greater heights. Top Management Teams formulate collective purpose, instill values, influence culture, develop the organizational structure, deploy resources, and determine the strategic plan for the organization and oversee its execution (Hambrick, 2007).

Team process variables are not known to many and hence it is important to understand the variables affecting TMT behavior (Parayitam et al., 2010). Past claims that the direct assessment of TMT processes is unnecessary and inferring team process relationships instead of measuring them have all contributed to the slow accumulation of TMT processes research (Nielsen 2010; Smith et al., 2014). Some researcher has noted that demographic diversity can influence group process. While diversity can affect group process in a contradictory directions. Diversity negative influence both group cohesion and the frequency or quantity of communication (Smith et al., 2014).

Consensus has been a history in management of business since late 1960s. Early scholarly research agreement (Hrebiniak & Snow, 2008) or cohesiveness (Whitney & Smith, 2009) was used to mean consensus. Strategic consensus was in this research as the degree of agreeability between the TMT. According to Shanley & Correa (2012), consensus does not mean group process rather ability to reach an agreement among the top managers. Strategic consensus allows the interest on the organization to be pushed forward as well as maintain effectiveness and high performance in the organization. Time fact is also important in a strategic consensus for successful implementation of the organization goals.

### 2.1. Review of Related Theories

The current paper reviews are anchored on the upper echelon theory, resource-based view theory and the group process theory.

#### 2.1.1. Upper Echelon Theory

The upper echelons theory (Hambrick & Mason, 1984) defines top management demographics as different personal character for each manager whether cognitive, observable or learnt that provide administrative position to the organization (Knight, Pearce, Smith, Olian, Sims, Smith and Flood, 2009). Over time, there have been studies confirming, refuting and refining and characteristics of TMTs and their influence on performance. They include age, gender, previous experiences, functional background, ethnic diversity and education. The extent to which a member of TMT has certain demographic characteristics predicts his/her perspectives and interpretations. An individual's age influences SDM

perspectives and choices and affects flexibility, rigidity and confidence (Machuki and Aosa, 2011). In essence, age in assessment of wisdom and non-work connected experience and its diversity within an organization increases the collection of perspectives facing the organization and hence create change. An organization that has a TMT with age diversity is linked with innovation, creativity and ideas that assist in group performance.

### 2.1.2. Resource-Based View Theory

RBV theory is based on the capabilities and resources that are ascribed by the organization to provide competitive advantage. These resources and capabilities are characterized by their uniqueness and suits different industry's structural character (Hoopes, Madsen & Walker, 2013). Resources are crucial for attainment of long-term strategy and provide profitability. The RBT postulates that resources possessed by a firm yield significant influence on performance (Grant, 2013). It argues that organizations should look inside themselves to find sources of competitive advantage. This way, organizations will use the internal resources to exploit external opportunities. Although human resources do not find themselves on financial statements, they are one of the most valuable resources of an organization. Notably, organizations do not own human resources meaning that staff/employees can easily move from one organization to another. Conversely, RBT argues that firms that have high skills and expertise has leverage over other organization based on human resource capabilities. Managers are therefore critical in yielding high performance of organizations. This theory guided the conceptualization of top management demographics influence on strategic consensus in this study.

The fundamental idea underlying studies on TMTs is that TMTs with cognitive resources and diverse capabilities will positively influence organizational outcomes than one with low cognitive skills (Wiersema & Bantel, 2015). Cognitive resource based on manager's knowledge and skills affect the decision making process. This provides a team with various cognitive skills, knowledge and capabilities which assist in making complex decision (Rau, 2008).

### 2.1.3. Group Process Theory

The theory is based on knowledge of group, development laws and how individual interrelate in with other groups (Barrick et al., 2007). A group more of connection between two or more individual. Groups' member always conflict, make decision, help each other and talk about issues in order to accomplish specific task (Forsyth, 2016). Group interaction is more of human behavior and is mainly dominated by two categories of interaction which can be task interaction and relationship interaction. Task interaction is linked behaviors in with group work, goals, plans and projects while relationship interaction is based on socio-emotion that focuses on interpersonal and social life of group. Task oriented and group oriented trade-off assist in maintaining the behavior in the group within an organization (Jehn, 2017). This can be associated with efficiency benefit within the group if the task orient is efficient enough while maintaining group orient may lead to efficiency cost.

## *2.2. Issue Arising from Theories*

Upper echelon theory is one of theories that were developing as a fit top management on performance of the organization. It respond to the issues of need of top management demographics and suggest that managers most choices are contributed by natural limitation of managers as human being. The theory concentrate on values and personality of the manager and hence leaving behind the acquired knowledge, experience and tenure which are external factors that may affect performance of manager. The theory also concentrate on the performance of the manager and does not focus on the ability to affect decision and strategic consensus.

The RBV theory concentrates on economic aspect of capabilities and how it can work together in achieving performance. It provides a weak support on top management demography and strategic consensus but the aftermath decision would heavily affect the organization future. The organization capability and resource distribution dependent on both top management demography as well as the lower tier managers and employee of the organization. Hence RBV provide a shallow link between the strategic consensus and capabilities or resources. Furthermore was RBV would use capabilities and resource for competitive advantage.

Group process theory concentrate on group dynamics rather diversified individuals. The top management demography can be low or high diversified hence has different outcome on decision making. The theory concentrate on groups unlike upper echelon theory that concentrated on individual characteristics on the performance of the organization. The paper needs both end of the two theories in order to determine issues of strategic consensus.

Theories	Postulates	Constructs	Indicators	Limitations	Theoretical Gaps
Upper Echelon Theory	Organization consensus is affected by individual top manager's characteristics based on top management demographics including psychological, observable, strategic choices and performance.	Top management demography,  Strategic consensus	Age, education background, functional experience, TMT average tenure, ethics and gender	The theory is based on individual capability based on character traits hence does not support group process. It assume that individual characteristics contribute to major performance leaving organization structure and external environment of the organization.	There is a need to change the paradigm of thing in term of integrating the team work and creative thing in decision and strategic consensus rather than focusing on the individual characteristics.
Resource – Based View Theory	Resource and capabilities of the organization influence the implementation of strategies and with proper allocation it creates competitive advantage.	Strategic consensus and decision making process.	Top management team contribution in decision, TMT diversity in providing the best decision and agency of such decisions	RBV is only based on capabilities and resources all other variables are constant. The assumption is that the TMT make viable decisions that will enable this resources to be utilized well hence does not put into account group process and top management consensus.	There is need to modify the theory to include top management team decision making process and strategic consensus since it concentrate on competitive advantage.
Group Process Theory	Organization is affected by group interaction that affect effective decision making.	Top management demography, Group decision making	Strategic consensus, Decision making process, Performance	The theory focus only on group process and avoid individual character in decision making.	There is need to look into top management diversity and include in group processes.

Table 1: Summary of Theoretical Review

## 2.2. Summary of Empirical Gaps

In recent years diversification of executive has rose interest. This concern by several scholars have been linked with the argument that higher diversity level led to creativity of executive, effectiveness executive and positive performance (Bantel & Jackson, 2009). On the contrary other have argued that diversity might lead to poor communication among executive, ineffective executive and low productivity (Marimuthu & Kolandaisamy, 2009). TMT heterogeneity have raised various opinion and hence no clear view if the diversity in management in beneficial or not (Cannella et al. 2008). Demographic diversity in corporate performance has different scholarly results there those that are positive (Barsade et al. 2012; Grant, 2013), non-significant (Ferrier 2011; West and Schwenk 2016) to negative (Michel and Hambrick 2012). Scholars such as (Gupta & Govindarajan, 2010; Michel & Hambrick, 2012) point to insufficient empirical work on the association between top team demographics and strategic consensus. Other scholars have pointed to methodological flaws, confusion and inconsistencies in the conceptualization of the concept of TMT (Kinuu, 2014).

Jackson et al (2015), reviewed scholarly material from diversity and team effectiveness. The empirical review revealed that heterogeneity posed a positive response in decision making base on creativity and effectiveness of the team in solving problems. Other attribute were innovativeness and creativity new ideas were also considered to influence positively decision making (Cox, 1993; Jackson et al., 2015) and performance was posed to increase. Bantel & Jackson (2009) in his finding associate the innovation with the organization with heterogeneity of functional expertise within the TMT of the organization. The conclusion of Bantel and Jackson (2009) report indicated that solving hard, non-common problems were effectively done if the group consisted individuals with perspectives, abilities, knowledge and skills. Schneider (2013) alluded that retaining, selecting and attracting diverse TMT demography important for organization survival. Greater creativity and adaptability is enhanced through heterogeneous groups (Katz, 2008).

Diversified or heterogeneous groups are also associated with conflict which hinders performance (Deutsch, 1969; Eisenhardt and Schoonhoven, 2010) and to increased political activity. Hambrick and Mason (1984) and Dess and Origer (2013) argued that differences in TMT's backgrounds may be associated with less strategic consensus and subsequently poorer performance, due in part to decreased communication and increased conflict. Conclusively, preceding discussion reveals that previous studies have not exhaustively addressed other factors that affect the relationship between TMT characteristics and firm's performance. In order to address the gaps in knowledge, the current research sought to study the mediating effect of strategy implementation and moderating effect of competitive environment on the relationship between TMT characteristics and organizational performance.

A review of literature indicates that the concepts in this study have been used in various other studies. However, there are still unanswered issues which constitute conceptual, contextual and methodological knowledge gaps. Notably, the variables seem to have been studied over time, but contradictions exist on some of the relationships while other relationships are yet to be tested empirically. Conceptual gaps include those regarding how the variables have conceptually related in previous studies.

Study	Author	Variable	Theories	Research Methodology	Findings	Limitation	Further Studies
Can demographic diversity in top management team contribute for greater financial performance? An empirical discussion	Marimuthu & Kolandaisamy, (2009)	Demographic diversity on TMT (gender, ethnic and control variable) Financial performance	Upper Echelon theory; Concentrate on top management's characteristics	Desk review of empirical discussion of 100 Malaysian listed companies	Ethnic diversity and gender diversity (non-Malay and female top managers respectively) were not significant factors of demographic top management that would affect return on asset (ROA) and return on equity (ROE).	Sample involve non-financial sectors. Also only two explanatory variable were used to represent the TMT diversity against performance of the organization.	Group thinking practices and consensus processes. Heterogeneity at strategic levels.
Top management team characteristics, strategy Implementation, competitive environment and organizational performance	Wasike, Ambula, & Kariuki, (2016)	Top management team characteristics, Organization performance	Theories used were upper echelon theory.	Critical review of literature	Knowledge gap were revealed on top management team and organizational performance. There was mixed reaction between relationship between TMT, strategy implementation, competitive environment and organization performance.	Top management team characteristics is limited to since it does not discuss in diversity and group process.	The relationship between TMT characteristics, strategic implementation, and strategic consensus
Cultural Diversity at Work: The Effects of Diversity Perspectives on Work Group Processes and Outcomes	Ely & Thomas, (2001)	Cultural diversity, work group functioning	Social theory was	Study of consultancy firms with three phases in the process used to maximize cultural identity groups	Perspective on diversity a work group influence people's expressed and managed tensions related to diversity.	The research was limited to the information gathered in the organization.	Cultural diversity and work group outcomes.

Table 2: Summary of Theoretical Review

### 3. Methodology

The research was based on desk review of several empirical information and theories to ascertain empirical and theoretical gap. This provided postulate and conceptual framework that is adaptable for further research.

#### 4. Findings Discussion

The proposed postulate was given by independent variables to given by age of team members/ age heterogeneity, education background, functional experience, TMT average tenure and ethnic and gender diversity whereas the dependent variable was strategic consensus while the intervening variable would be group process. The schematic diagrams below will not only guide shows the interrelationship among the key variables in the study as illustrated in Fig. 2.1 The model induce both the social, cultural, artificial and physical diversity of people on management.

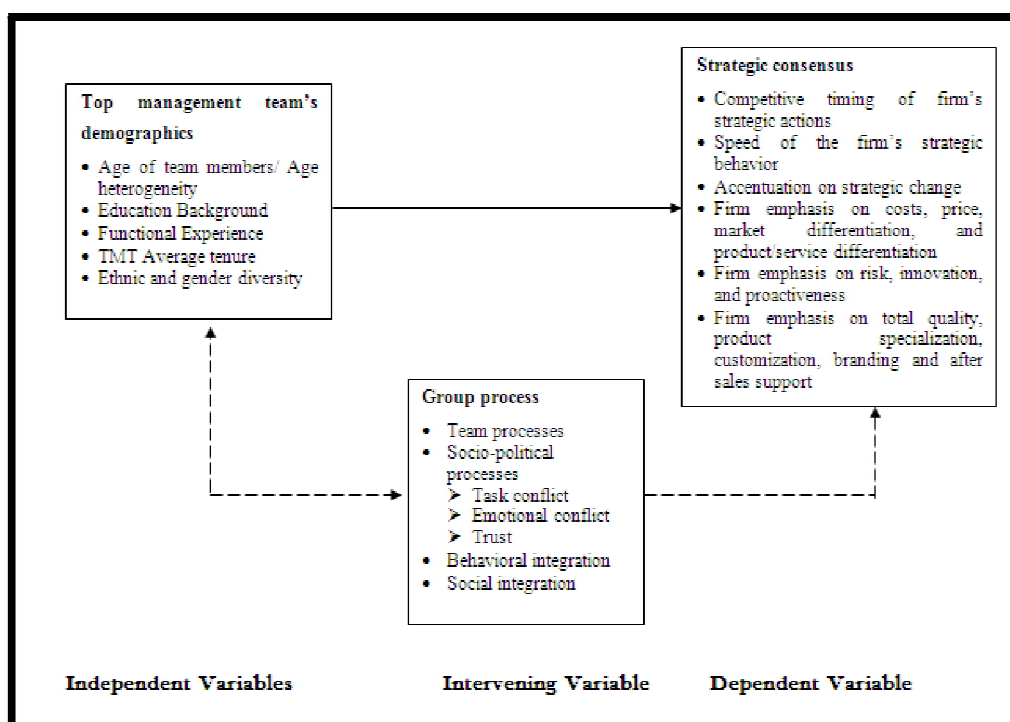


Figure 1: Conceptual Framework

According to upper-echelon theory, top management team (TMT) has been featured to have effect on organization performance since they are the strategic decision makers for the organization. TMT diversity in in making decision is associate with organization outcome. The discussion of TMT and strategic consensus will provide knowledge that is directly related to strategic consensus process in the organization.

##### 4.1. Top Management Demography and Strategic Consensus

The trend strategic management has focused on choosing right strategy (Hofer & Schendel, 1980), implementation of strategies (Peters & Waterman, 2008) and, recently on the composition of TMT. Studies that have been undertaken on the influence of management team heterogeneity on organizational outcome include Muhura (2012) research on the Influence of Workforce Diversity on Strategy implementation among Manufacturing Firms Listed at Nairobi Securities Exchange. This study did not look at the relationship between top management team's demographics and strategic consensus.

Methodologically, Mkalama (2014) and Ongeti (2014) used secondary data of performance on Kenyan SCs. Besides that, their study conceptualized and operationalized performance along the BSC measures. The data on performance was a composite of all the four indicators and was not normally distributed. This violated first order condition for regression analysis that, data must be normally distributed for linear regression analysis to be carried out. The findings of these two studies therefore yielded very weak positive relationships among variables. The current study will employ primary data for all the variables. Additionally, the study by Nielsen, (2010) was a critical literature review on top management team diversity with no empirical testing being carried out. The study by Mehran, (2015) was a longitudinal survey of 153 randomly selected manufacturing firms for the period between 1979- 1980. The study by Jensen and Murphy (2010) was longitudinal exploratory examination of 1,400 publicly held companies for the period 24 between 1974 and 1988 in the USA. Similarly, the study by Carpenter and Sanders (2002) was longitudinal survey of randomly selected 250 firms for the period between 1993 and 2015.

Ikama (2010) undertook a study on the benefits and challenges of workplace diversity management at Consultative Group on International Agricultural Research (CGIAR) Centers in Kenya and established that high performance is exhibited where teams include diverse age, ethnicity, nationality gender and other differences. This study did not look at the relationship between top management team's demographics and strategic consensus. Although this study is relevant in the sense that the findings are predicated on the executive's characteristics and international strategy, the methods of data analysis used limits the analysis of dependent measured by many indicators.

Halleh, Yusoff and Saad (2015) further evaluated the influence of TMT diversity on sustainable strategic consensus using Rasch measurement model analysis. This study used model analysis. Secondly, the study was conducted in a developed country, Canada, focusing on the technological innovativeness in the context of computerized

manufacturing technology adoption. Developing countries such as Kenya, on the other hand, have very limited and constricted computerized manufacturing technology. The study framework is predicated on a different set of firms operating in a developing country.

The postulate behind all reviewed information indicate that there executive characteristics has influence on the strategic decision as well as performance of the firms. The study provides the following postulate.

- Postulate 1: The top management team demography are diverse in characteristics and each characteristics has influence on the decision and performance of the firm. TMT characteristic significantly influence on employee performance and leadership style include age, gender, ethnic, education background, experience, education background and tenure of individual. There exist a link between top management demography and strategic consensus.

#### 4.2. Group Process and Strategic Consensus

Team process is a result of integration of individual characteristics (Parayitam et al, 2010). The demographic diversity influences the existence of group processes. Since it contradicts group cohesion and quantity of communication (Smith et al. 2014). Group process can make decision making easy and poor if there is not diversity or decision hard but sound if there is high diversification of the top management demography.

- Postulate 2: Group process builds team work processes that affect decision making in top management process. Group process realigns the top management team's demography through behavioral and social integration. Socio-political process arises as results of group process and group thinking rather than top management team demographic diversity.

### 5. Conclusion and Recommendation

The main theories anchoring the study are the upper echelon theory, resource-based view theory, strategic choice theory, industrial organization economics theory and the group process theory.

Carpenter et al., (2014) point out that manager characteristic (demographic) affect the strategic decisions and mostly used as an action plan by leading organization. This is because diverse demographic characteristics has divergent perceptions, values, cognitive and mindset that affect the decision making process. This general energy in decision making based on the quality, innovation, creativity and better decision making. It then offer the organization with better strategic consensus. Though a highly diverse group with lots of conflict has negative effect on performance. There is need to reduce conflict and create cohesiveness within the group.

The ever growing dynamism in the world requires Top Management Teams (TMT) in strategy formation and organizational performance. Empirical work on the relationship between TMT and organization outcomes yields conflicting and inconclusive results. Some studies show positive relationship, others show negative and no relationship. The inconclusive results represent a gray area in which we attempt to fill by exploring other factors that affect the relationship. Specifically, we consider the moderating effect of competitive environment on the relationship between TMT and organizational performance. In additional, strategy implementation is an important variable that mediates the relationship between TMT characteristics and strategic consensus. A proposed conceptual framework is proposed for further empirical research is presented. The literature review reveals knowledge gaps from varied empirical studies on top management team and organizational performance. However, there is conceptual gap on top management team characteristics, strategy implementation on organizational performance. The studies reveal mixed findings regarding the relationship between variables, top management team characteristics, strategy implementation, competitive environment and organizational performance. The difference could be attributed to focus and findings and different contextual environments.

### 6. References

- Bantel, K.A. and Jackson, S.E. (1989) Top Management and Innovations in Banking: Does the Composition of the Top Team Make a Difference? *Strategic Management Journal*, 10, 107-124.
- Carpenter, M. A. (2002). The implications of strategy and social context for the relationship between top management team heterogeneity and firm performance. *Strategic Management Journal*, 23, 275-284.
- Cox, T. (1991). The multicultural organization. *Academy of Management Executive*, 5(2), 34-47.
- Cox, T., & Blake, S. (1991). Managing cultural diversity: Implication for organizational effectiveness. *Academy of Management Executive*, 5 (3), 45-55.
- Ely, R., & Thomas, D. (2001). Cultural Diversity at Work: The Effects of Diversity Perspectives on Work Group Process and Outcomes. *Administrative Science Quarterly*, Vol. 46, No. 2., pp. 229-273.
- Finkelstein, S. & Hambrick, D. C. (1990). Top management-team tenure and organizational outcomes: The moderating role of managerial discretion. *Administrative Science Quarterly*, 35, 484-503.
- Finkelstein, S. & Hambrick, D.C. (1996). *Strategic leadership: Top executives and their effect on organizations*. St. Paul MN West Publishing.
- Grant, R. (2010). *Contemporary strategy analysis (7th ed.) Text and Cases UK: John Wiley & Sons Ltd.*
- Grant, R. M. (2003). Strategic planning in a turbulent environment: Evidence from the Oil majors. *Strategic management Journal*, 24(6), 491-517.
- Gupta, A. K., & Govindarajan, V. (1984). Business unit strategy, managerial characteristics, and business unit effectiveness at strategy implementation. *Academy of Management Journal*, 27(1), 25-41.
- Hambrick, D. C. (2007). Upper echelons theory: An update. *Academy of Management Review*, 32(2), pp 334-343.

- xii. Hambrick, D. C., & Mason, P. A. (1984). Upper echelons: The organization as a reelection of its top managers. *Academy of Management Review*, 9(2), 193-206.
- xiii. Hambrick, D. C., Cho, T. S., & Chen, M. (1996). The influence of top management team heterogeneity on firms' competitive moves. *Administrative Science Quarterly*, 41, 659-685.
- xiv. Hambrick, D. C., Cho, T. S., & Chen, M.-J. (1996). Influence of top management team heterogeneity on firms competitive moves. *Administrative Science Quarterly*, 41(4), 659-684.
- xv. Hambrick, D. C., Finkelstein, S. & Mooney, A. C. (2005). Executive job demands: New insights for explaining strategic decisions and leader behaviours. *Academy of Management Review*, 30(3), 472-491.
- xvi. Jehn, K. A., & Bezrukova, K. (2004). A field study of group diversity, workgroup context, and performance. *Journal of Organizational Behavior*, 25, 703-729.
- xvii. Jehn, K., Northcraft, G. B., & Neale, M. A. (2000). Why differences make a difference: A field study of diversity, conflict and performance in workgroups. *Administrative Science Quarterly*, 44, 741-763.
- xviii. Jensen, M.C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3, 305-330.
- xix. Kinuu, D. (2014). Top management team psychological characteristics, institutional environment, team processes and performance of companies listed in Nairobi securities exchange. Phd thesis, university of Nairobi.
- xx. Knight, D., Pearce, C. L., Smith, K. G., Olian, J. D., Sims, H. P., Smith, K. A., & Flood, P. (1999). Top management team diversity, group process, and strategic consensus. *Strategic Management Journal*, 20, 445-465.
- xxi. Marimuthu, M., & Kolandaisamy, I. (2009). Can demographic diversity in top management team contribute for greater financial performance? An empirical discussion. *The Journal of International Social Research*, 273-186.
- xxii. Mkalama, R., (2014). Top management demographics, strategic decision making, macro-environment and performance of Kenyan state corporations. Phd thesis, university of Nairobi
- xxiii. Wasike, S., Ambula, R., & Kariuki, A. (2016). Top Management Team Characteristics, Strategy Implementation, Competitive Environment and Organization Performance. *International Journal of Economics, Commerce and Management*, Vol. IV, Issue 6, pp 601-618.
- xxiv. Wasike, S., Machuki, V., Aosa E., & Pokhariyal G. (2015). Top Management Team Characteristics and Performance of Tea Factory Companies in Kenya. *Journal of Business Management and Economics* 3: 10 October (2015).
- xxv. West, C. T., Jr. & Schwenk, C. R. (1996). Top management team strategic consensus, demographic homogeneity and firm performance: A report of resounding non-findings. *Strategic Management Journal*, 17(7), 571-576.
- xxvi. Wiersema, M., & Bantel, K. (1992). Top management team demography and corporate strategic change. *Academy of Management Journal*, 35(1), 91-121.