

IMPACT OF WORKFORCE DIVERSITY ON EMPLOYEE PERFORMANCE: A STUDY ON IT COMPANIES

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ABSTRACT

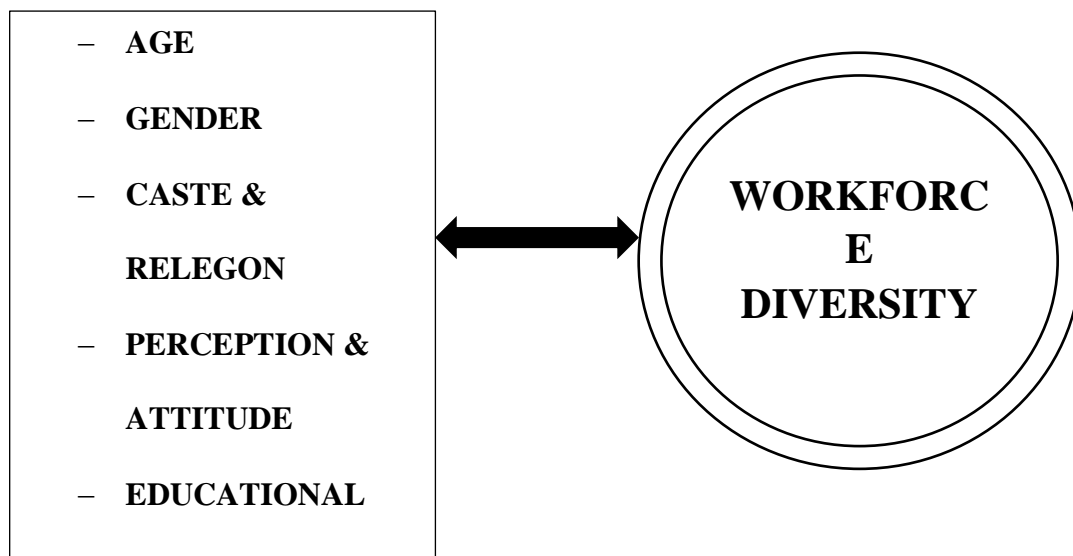
This paper aimed to analyse the impact of workforce diversity on the employee performance in IT industries. The range of the workforce involves the subsequent parameters: gender, age, education, and ethnic diversity. IT industry is rapidly growing Industry in India. Workforce diversity is that the emerging issue in today's corporate world as it's not only a challenge for the organizations but also a chance, which if not properly managed can affect the performance of employees and therefore the organization. People are different in not only in gender, age, education, ethnic diversity but also in their perspectives and prejudices. *The study was carried out by determining the analysis of the available literature and through interpretation of the data collected through secondary sources. This study is also of an exploratory nature which further aims at understanding the decisions of the participants by determining at their opinions and attitudes.* Data has been collected through a well-structured questionnaire from 200 respondents. Correlation analysis and ANOVA were applied to test the impact of age, gender and education diversity on performance of employees of IT companies. After literature reviews and analysis it is concluded that workforce diversity is strength for any organization and if managed properly, will increase the productivity of the employees and employee's performance.

Keywords: Workforce Diversity, Employees Performance, Age Diversity, Gender Diversity, Education Background Diversity, Ethnicity Diversity.

INTRODUCTION

Diversity is a crucial part that each one employee must cope with at one point during their careers. There are many positive aspects to diversity within the workplace, like exchange of ideas due to the various cultures of employees, the event of friendship without discrimination, workers learn to cope up with the various environment, stereotyping is eliminated, retention of employees are more likely thanks to healthy competition. On the opposite side, there's are negative parts which has communication gaps because of barrier and resistance to vary. Diversity is any dimension which will be accustomed differentiate groups and folks from each other, during which these dimensions are often visible or invisible. The existence of workplace diversity, within a company, indicates that the workplace is heterogeneous in terms of gender, race, and ethnicity, within which employees possess distinct elements and qualities, differing from each other (**Robbins, 2003**) [2].

Now a day's diversity management could be a need of hour and each organization tries to bring more and more diversity within the organization. When a corporation brings diversity within the management of the organization then it encourages the prosperity and offers better ideas to resolve a selected problem within the organization (**Ayega and Muathe; 2018**). Workforce diversity in organizations has become a very important a part of HRM in today's time (**Davis, Frolova, and Callahan; 2015**)[1]. Diversity could be a reality created by individuals and groups from a broad spectrum of demographic and philosophical differences. it's extremely important to support and protect diversity because by valuing individuals and groups free from prejudice and by fostering a climate where equity and mutual respect are intrinsic, we'll create a success-oriented, cooperative, and caring community that pulls intellectual strength and produces innovative solutions from the synergy of its people.



KEY VARIABLES OF WORKFORCE DIVERSITY

“Diversity” means quite just acknowledging and/or tolerating difference. Diversity could be a set of conscious practices that involve:

- Understanding and appreciating interdependence of humanity, cultures, and also the natural environment.
- Practicing mutual respect for qualities and experiences that are different from our own. Understanding that diversity includes not only ways of being but also ways of knowing;
- Recognizing that non-public, cultural and institutionalized discrimination creates and sustains privileges for a few while creating and sustaining disadvantages for others;
- Building alliances across differences so we are able to work together to eradicate all kinds of discrimination.

Diversity includes, therefore, knowing the way to relate to those qualities and conditions that are different from our own and outdoors the groups to which we belong, yet are present in other individuals and groups. These include but don't seem to be limited to age, ethnicity, class, gender, physical abilities/qualities, race, sexual orientation, yet as religious status, gender expression, educational background, geographical location, income, legal status, parental

status, and work experiences. Finally, we acknowledge that categories of difference aren't always fixed but can also be fluid, we respect individual rights to self-identification, and that we recognize that nobody culture is intrinsically superior to a different [2W]. Thus, conceptualizing Diversity in a very broader sense, it tends to advocate inclusiveness and function a reminder that diversity doesn't only imply the enforcement of social action as prescribed by law, but also entails other motivation for about to diversity like, benefitting from the worth of various perspectives within the workplace (**Hays-Thomas and Stockdale and Crosby, (2004)**)[4][5].

LITERATURE REVIEW

For any organization whether large or small, there biggest asset is employees only and its success depends upon their performance. Therefore, managing workforce diversity is of utmost important for the organization to realize its goal.

Pless & Maak (2004) in their study observed that organizations so as to realize their objectives should allow employees from different backgrounds, mindsets and different perspectives to figure efficiently together and to perform to their highest potential.[6]

Barbara Mazur (2010) observed that Workforce Diversity is managed by creating a good and safe environment where everyone can access to the identical opportunities and challenges.[7]

Erez and Drori (2010) in their study gave justification that how cultural and ethnic processes of professionalization, rationalization and actor hood support the occurrence and expression of labor values globally and their impressing on activities and behaviors within the work situations.[8]

Watson (2002) observed that ethnic diversity ease problem-solving with ethnically diverse problem-solving perspectives that come-up with the improving team success post teams learned a way to use these differences to their edge.[12]

Meena and Wanka (2013), in their study elucidated the practices and methods being adopted by IT companies by taking the samples of Infosys, Wipro, reveals that diversity training Genpact companies. Their study, mentoring, diversity councils because the important diversity programs of Indian Organizations. The paper finally ends up that Indian companies are continuously focused on creating a comprehensive workplace to assist employees from diverse backgrounds. [6]

Daniel (2009) states that several levels of education might expect different potency rates. His study ensue that the individual are going to be more rich betting on the education level, more the education qualification, more rich they're going to be as compared to lesser qualified individual.[13]

Laura Velten et al (2017) have mentioned that Cultural diversity is come with the employee's motivation considering teamwork and atmosphere, which also includes cultural diversity, are the foremost motivating factors. The analysis reveals that increasing age diversity are have a positive effect on company's productivity as long as it involves in creative tasks instead of regular jobs.[14]

OBJECTIVES OF THE STUDY

- To explore and understand the concept of Workforce Diversity.
- To study the growing need of diversity management at workplace.
- To search out linkage between diversity management practices and business performance.

RESEARCH METHODOLOGY

The whole research study aims to be detailed and exploratory. The study was carried out by determining the analysis of the available literature and through interpretation of the data collected through secondary sources. This study is also of an exploratory nature which further

aims at understanding the decisions of the participants by determining at their opinions and attitudes.

In this study the research questions will concentrate on chancing out the company's view on workplace diversity, workers performance and, the main challenges of managing an international staff and other relative questions regarding the company's operations and company culture.

The study shows both negative and positive results while concentrated on studying the impact of workforce diversity of IT companies. *The information was collected through past and present database of the chosen companies, books, journals, magazines, research papers and various search engines etc. were utilised to make the study more genuine. The data collected by browsing through various literature books, articles available online etc. had helped immensely in analysing the overall project.*

Sample size:

respondents = 200 respondents.

Source of data collection:

- **Primary data:**

Data has been collected through a well-structured questionnaire from 200 respondents.

- **Secondary Data:**

Information was collected through various books, magazines and company records, and the Internet was the most widely used and abundant source of data collection.

Survey equipment:

The equipment used for the survey was a questionnaire.

- **Statistical Tools:**

The following statistical tools were used to reach the results of the survey.

a. Frequency Table,

b. Percentage Analysis,

c. Analysis of Variance,

Survey Limits

There are some limitations specific to this study. During the completion of this research, some restrictions were identified.

i. The concept of diversity management is very broad. The selected companies are major domestic and international IT companies operating in India. Data is collected from only four of the many IT companies in India. We also conducted an online survey.

ii. After all, diversity management is a complex area. The topic was limited to a few variables. It will take much more time and long-term research to complete the research. The time frame given was too short to carry out a detailed investigation in this area.

iii. Generalization of results is another limitation.

This study was an exploratory study with a limited sample size involving 200 IT staff. Although the sample size provided sufficient statistical power, the results cannot be generalized beyond the context of this study, but in the near future a detailed study to address the issue of organizational diversity. Can be seen as an attempt to provide insights for.

DATA ANALYSIS AND INTERPRETATION

A. To search out the connection or link between Workforce Diversity (Age, Gender, Qualification) and Employee Performance.

In order to achieve the objective of the study, I have used Pearson Correlation to study the relationship between Workforce Diversity (Age, Gender, Education) and Employee Performance in IT Companies.

H_0 = Null Hypothesis [There is no significant relationship between Workforce Diversity (Age, Gender, Education) and Employee Performance].

H_1 = Alternative Hypothesis [H_1 = There is significant relationship between Workforce Diversity (Age, Gender, Education) and Employee Performance].

Table 4.2: Correlations between Workforce Diversity and Employee Performance.

Variable		Employee Performance
Age	Pearson Correlation	.147*
	Sig. (2-tailed)	.038
	N	200
Gender	Pearson Correlation	.142*
	Sig. (2-tailed)	.045
	N	200
Qualification	Pearson Correlation	.142*
	Sig. (2-tailed)	.045
	N	200
*. Correlation is significant at the 0.05 level (2-tailed).		

Interpretation:

- **Pearson Correlation Analysis**

We are using Pearson Correlation Analysis test in table 4.2 to check whether the relationship between Workforce Diversity (Age, Gender, Education) and Employee Performance is significant or not.

Let the null hypothesis be that there is no significant difference between the observed values and the corresponding expected or theoretical values. Then the alternative hypothesis H_1 is that the above relationship is significant. Table 4.2 interprets that test value of Significant F is less than 0.05. So H_1 is accepted and H_0 is rejected.

Therefore, the above table reflected the correlation analysis which shows that age diversity, gender diversity and education diversity have positive relationship with employees' performance.

B. To map the attitude / perception of employees towards workforce diversity in IT Companies.

In order to achieve the second objective of the study, I have used One-Way ANOVA to map the attitude / perception of employees towards workforce diversity [age, gender, education] in IT Companies.

H_0 = Null Hypothesis [There is no significant / perception of employees towards workforce diversity in IT Companies].

H_1 = Alternative Hypothesis [H_1 = There is significant / perception of employees towards workforce diversity in IT Companies].

Table 4.3 Report on perception of employees and age

Age	Mean	N	Std. Deviation
21-40	2.94	117	1.282
41-60	2.52	83	1.409
Total	2.77	200	1.349

Table 4.3.2 ANOVA (between Age and Perception of Employees)

	Sum of Squares	df	Mean Square	F	Sig.

Between Groups (Combined)	8.651	1	8.651	4.848	.029
Within Groups	353.304	198	1.784		
Total	361.955	199			

Interpretation:

We are using One- Way ANOVA test in table 4.3.2 to ANOVA to map the attitude / perception of employees regarding age in IT Companies is significant or not.

Let the null hypothesis be that there is no significant difference between the observed values and the corresponding expected or theoretical values. Then the alternative hypothesis H₁ is that the above relationship is significant. Table 4.3.2 interprets that test value of Significant F is less than 0.05. So H₁ is accepted and H₀ is rejected.

Therefore, the above table reflected the One-Way ANOVA analysis which shows that the attitude of employees towards Workforce diversity is positive.

Table 4.4 Report on Perception of Employees and gender

Gender	Mean	N	Std. Deviation
Female	2.52	82	1.416
Male	2.93	118	1.279
Total	2.77	200	1.349

Table 4.4.2 ANOVA (between Gender and Perception of Employees)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups (Combined)	8.046	1	8.046	4.502	.035

Within Groups	353.909	198	1.787		
Total	361.955	199			

Interpretation:

We are using One- Way ANOVA test in table 4.4.2 to ANOVA to map the attitude / perception of employees regarding gender in IT Companies is significant or not.

Let the null hypothesis be that there is no significant difference between the observed values and the corresponding expected or theoretical values. Then the alternative hypothesis H₁ is that the above relationship is significant. Table 4.4.2 interprets that test value of Significant F is less than 0.05. So H₁ is accepted and H₀ is rejected.

Therefore, the above table reflected the One-Way ANOVA analysis which shows that the attitude of employees towards Workforce diversity is positive.

Table 4.5 Report on perception of employees and education

Education	Mean	N	Std. Deviation
PG	2.52	82	1.416
UG	2.93	118	1.279
Total	2.77	200	1.349

Table 4.5.2 ANOVA (between Education and Perception of Employees)

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups (Combined)	8.046	1	8.046	4.502	.035
Within Groups	353.909	198	1.787		

Total	361.955	199			
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Interpretation:

We are using One- Way ANOVA test in table 4.5.2 to ANOVA to map the attitude / perception of employees regarding education in IT Companies is significant or not.

Let the null hypothesis be that there is no significant difference between the observed values and the corresponding expected or theoretical values. Then the alternative hypothesis H₁ is that the above relationship is significant. Table 4.5.2 interprets that test value of Significant F is less than 0.05. So H₁ is accepted and H₀ is rejected.

Therefore, the above table reflected the One-Way ANOVA analysis which shows that the attitude of employees towards Workforce diversity is positive.

DISCUSSIONS

As the phenomenon of globalization progresses, the world economy is expanding to every corner of the world. With the advent of multinational corporations, the concept of diversity was introduced and employees began to understand expressions such as cultural diversity, gender diversity and age diversity. IT companies have focused on a variety of diversity factors and inclusions. In our results, respondents acknowledged that they enjoy working with people of different ages, genders, cultural and educational backgrounds. Working in a multicultural environment paves the way for learning and improving global abilities.

Multinationals aim to drive innovation to achieve their business goals. According to this survey, multicultural organizations provide employees with an innovation platform that helps them be more productive and build a global brand identity.

People working in multinationals are initially keen to learn new things about new cultures, but later find it complicated and tiring. The survey found that 25% of respondents agreed and 50% disagreed. When employees interact with people of different cultures, educations, genders and ages, they have the curiosity to learn and adapt, but when it comes to decision making

and opinions, the differences in culture, age, gender, etc. are very large. Being clear, employees feel that they are being ignored or controlled by others. Recently, companies have invested heavily in recruiting diverse talent, but the collaboration of people from different backgrounds creates many problems and effectively manages this diverse workforce. It is very important to do. Current research focuses on age diversity, gender diversity, educational background diversity, work experience diversity, religious diversity, and regional diversity. When diverse groups work together, it can produce both positive and negative impacts, and to avoid negative impacts, they need to be managed appropriately. With this diverse pool of candidates working together, there are many problems that can arise. In order to understand the opinions of employees, we included topics in the questionnaire and collected their perspectives through the questionnaire.

Diversity among employees should be assessed regularly by the organization. A critical review of the literature and research papers by different authors on employee diversity and its impact on employee performance revealed that: Organizations typically focus on how diversity affects the effectiveness of the organization, the profitability of the organization, and the performance of its employees. The company's workplace management strategy should be implemented in the company. Employees from different countries, languages and religions need to be taken into account.

Companies need to set up a diversity management department to resolve conflicts between employees in the workplace. Effective diversity implementation requires appropriate education and training programs for employees within the organization. Feedback and up-to-date information should be regularly sought from employees regarding job satisfaction. Discuss the issue openly, encourage and motivate people in your organization. Show respect and dignity to all employees in your organization.

This study showed that working with employees of different age groups, different cultures, and genders is not a big deal. oh well! There are certain differences between male and female employees, most of which can be analyzed at the time of performance evaluation or promotion. When it comes to women's professional development issues, there are often glass ceilings. Factors and their respective variables were identified through

literature reviews and expert judgment to examine employee perceptions of how employee diversity affects employee performance.

The identified factors were age diversity, gender diversity, educational background diversity, work experience diversity, religious diversity, and regional diversity. This study also investigated all aspects of workforce diversity and the impact on employee performance.

The results of the survey show that organizations that want to thrive need to take a holistic approach to diversity and inclusiveness. The initiative must be carried out at all levels of full responsibility and accountability. This study helps management promote diversity management programs and practices to harness the potential benefits of a diverse workforce, prevent its potential disruptive impact, and achieve the simplest results. It suggests that you should focus on that. The study also concludes that the inability to manage diversity often leads to wage inequality, promotion, increased turnover, absenteeism, low job satisfaction, conflict, and other types of inequality. I am. A diverse workforce can be a recipient of greater decision-making capabilities, greater creativity and innovation, and greater opportunities to know and serve diverse markets. They provide individual talent and experience in proposing ideas that can be flexibly adapted to the changing market and customer requirements of. This is an important prerequisite for a successful business. India Inc. provides a fertile foundation for diversity management

CONCLUSION

The workforce is predicted to become far more diverse in almost every way within the decades to return. Diverse workforce could be a rich seedbed for ideas and skills. The need for having it's being driven by the factors like talent shortage, global market, changing demographics, customer satisfaction, company brand image, constant need for innovative creation etc. The biggest challenge in having diverse workforce is when different groups close and interact with one another. They appear to face lack proper communication and social cohesiveness between them. It's when diversity management is required to bridge the gap and develop the ability to figure across the difference. It's important for the management to detect diversity related issues and implement diversity management initiative accordingly. The research of the study provides

considerable insight on present diversity management practices adopted by the organisations of the IT industry. Majority of the workers surveyed are positive towards diversity management outcomes. The study clearly emphasizes that organisation should take measures to manage diversity to harness and leverage potential of employees so as to achieve competitive advantage.

The present study focused on the employee's perception gained through their personal experience on the link between workforce diversity and their performance in Indian IT organizations. The findings revealed that each one of the the four parameters of workforce diversity- age diversity, gender diversity, ethnicity diversity and education background diversity had a bearing on employee performance. In Indian context all this dimension of workforce diversity plays a very important role within the performance of employees which should be considered precisely by the management for managing and utilizing these diverse attributes efficiently.

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