



A STUDY ON WORKFORCE DIVERSITY IN THE FIRST AMERICAN (INDIA) PRIVATE LIMITED, BENGALURU

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Abstract

Today at the beginning of the 21st century, the world is inundated with a wide range of demographic trends, which have the prospective to drastically change the demographic, cultural and ethical mixture of the population in many countries. Human beings are born differently at different times, under different circumstances, by different parents and so people are different as a result of differences in sex, gender upbringing, grooming, experiences and genetic inheritance. A diverse workforce has a better quality solution to brainstorming tasks, displays more cooperative behaviour, relative to homogenous groups, and can raise organizational efficiency, effectiveness and profitability. With increasing globalization and migration, managing diversity in organizations is becoming more and more important. With this background, the researchers have made an attempt to study the workforce diversity in the First American (India) Private Limited, Bengaluru. As a vital part of the study, by using simple random sampling technique, the primary data were collected from employees with the help of questionnaire. The questionnaire was circulated to 100 employees, and 85 questionnaires only were returned. The secondary data were collected mainly from journals, magazines, government reports, books and unpublished dissertations. The study suggests recognition of international character, formation of support group, effective retention strategies, voluntary affirmative action programs, conduct of mentoring programmes, conduct of employee attitude surveys, employee education program, use of communication networks, equal access to women and minorities commitment of the top management, equal treatment of employees, equal employment opportunity, equal opportunities and leadership commitment for the effective management of workforce diversity.

Keywords: *Workforce Diversity, Heterogeneity Profile, Cultural Diversity, Gender Diversity, Value Diversity, Etc.*

Introduction

With the increased globalization and competition the workforce in all industrialized countries has become increasingly heterogeneous. Advances in technology and the advent of a global economy have brought the people of the world at the same place closer to each other. Today at the beginning of the 21st century, the world is inundated with a wide range of demographic trends, which have the prospective to drastically change the demographic, cultural and ethical mixture of the population in many countries. Any business that intends to be successful must have a borderless view and an underlying commitment to ensuring that workforce diversity is part of its day-to-day business conduct. Today's managers are responsible for both leading employees and responding to the needs of customers who are more ethnically and culturally diverse, older, and in greater need of child and elder care. Besides, today's labour force is getting more and more heterogeneous: ageing, migration, women's increased labour participation and technological change are key drivers of this phenomenon. The most contemporary issue in the study of organizational behaviour is the effects of workforce diversity such as personality on organizational performance. Human beings are born differently at different times, under different circumstances, by different parents and so people are different as a result of differences in sex, gender upbringing, grooming, experiences and genetic inheritance. As this is true for people in the entire world, it is very true for units of the world such as the organizations. In today's global and competitive environment, organizations that capitalize on diversity are likely to perform better than organizations without the advantages that diversity brings. In recent years, diversity plays a central role in organizational life, due to increased globalization, greater workforce diversity, and the increasing complexity of jobs. Hence, organizations need to understand diversity in order to aid productive relationship at work, promote comfortable work environment, avoid conflict, and curtail possible loss of employees.



Significance of Workforce Diversity

In today's world, workforce diversity is globally perceived and it has become an interesting issue at workplace and market. Any organization that plans to be more dynamic and profitable must have a borderless viewpoint and a basic duty to guarantee that workforce diversity to be the part of everyday business conducts and corporate practices. Diverse workplace recognizes that people from different backgrounds can bring fresh ideas and perceptions, which can make the way work is done more efficient and make products and services better. Diversity improves the quality of management's decisions, and provides innovative ideas and superior solutions to organizational problems. A diverse workforce has a better quality solution to brainstorming tasks, displays more cooperative behaviour, relative to homogenous groups, and can raise organizational efficiency, effectiveness and profitability. Diversity brings a source of competitive advantage, increase the quality of organizational life and ultimately be good for business. When organizations attract, retain and promote maximum utilization of people from diverse cultural backgrounds, they gain competitive advantage and sustain the highest qualities of human resources. The diverse organizations have an increased understanding of the political, social, legal, economic and cultural environment of different places.

Diversified work environment ensures positive relation among employees and the organization in terms of how employees feel about their job and employer, job satisfaction, job involvement, organizational identification, sales performance, and organizational effectiveness. Diversity creates a positive work culture by establishing an environment that supports and nurtures the two-way and up-and-down communication and creates a diverse workplace that values both similarities and differences. A diverse workplace increases productivity, increases creativity, and improves problem solving and builds work practices that create harmony. When organizations actively assess their handling of workplace diversity issues, develop and implement diversity plans, multiple benefits are reported such as: diversity stimulates innovation and productivity and creates a world class culture that can outperform the competition. In current competitive and global situation, valuing diversity is a key component of effective people management, which can improve workplace productivity. Diversity enhances innovation, a broad outlook, improved problem identification and description, various options and solutions. A global economy requires organizations to attract and retain a diverse workforce for a sustained competitive advantage. Diversity initiatives benefit companies' bottom line and help them maintain a competitive edge. Diversity is correlated with superior business performance in worker productivity, net operating profits, gross revenues, total assets, market share, and shareholder value. Organizations with a diverse workforce can provide superior services because they can better understand customers' needs. A diverse collection of skills and experiences allows a company to provide service to customers on a global basis. Employees from diverse backgrounds bring individual talents and experiences in suggesting ideas that are flexible in adapting to fluctuating markets and customer demands. A diverse workforce that feels comfortable communicating varying points of view provides a larger pool of ideas and experiences. The organization can draw from that pool to meet business strategy needs and the needs of customers more effectively. Diversity in the workplace can reduce lawsuits and increase marketing opportunities, recruitment, creativity, and business image. Diverse workforce accords an organization greater opportunity to understand and serve different markets, as well as provide a richer pool of workers from which the organization can recruit. More heterogeneous groups tend to have broader knowledge and experience, analyze issues from a wider range of perspectives, and thus consider and debate a larger set of proposals, producing higher-quality and more innovative solutions. Diversity pays by providing a competitive advantage through social complexity at the firm level, although such differences may lead to communication barriers and group conflict, and links diversity to profitability because businesses that draw on more inclusive talent pools are more successful.

Statement of the Problem

Demographics, competition for talent, marketplace demands and the changing environment call for a diverse workforce. This workforce includes men and women, employees with different backgrounds, younger and older workers, physically challenged workers and other employees who differ from one another. Most of the



multinational companies, both IT and non IT companies, have consciously practiced and experienced the benefits of practicing diversity. There are increasing number of foreign workers taking up jobs in India's diverse industrial sectors, especially in BPO, pharmacy and several other sectors. For example, Tata Consultancy Service, a leading IT service provider, has more than, 100000 workers in the first quarter of 2008, from 64 different nationalities. Besides, the increasing number of mergers and acquisitions that take place make Indian worksites more multicultural. Especially in IT companies, team based project works are very commonly seen in performing organizational tasks. Dynamic companies in the field of IT industry look for talent and skill irrespective of their differences in culture and gender. IT companies are today highly diversified with the employees of different background.

Although employee diversity offers opportunities that can enhance organizational performance, it has set of challenges. The organizations which fail to embrace diversity and do not adopt holistic approach to eliminate discrimination and injustice will adversely affect both employees, customers. The major challenges are poor communication, resistance to change and implementation of diversity in the workplace. Another challenge is ethnocentrism and discrimination in the workplace. It is unfortunate, sometimes, that some business establishments show favoritism among their employees. Some managers favour one person or group of people over another. This is unhealthy for a business because fairness and equality is what makes up a great team. Besides, some of the challenges faced in workforce diversity management are political influence, cultural differences, omission of talented workforce due to bureaucracy in a company and majority companies comply with workforce diversity due to legal implications and not the general benefits it accords them thus limiting their involvement in diversity management. Poor diversity and ethical conducive work environment result in a great deal of behavioural problem which are of immense apprehension to the organizations. When diversity is not managed properly, there will be a potential for higher turnover, difficult in communication and interpersonal conflicts. Overall, it will be adversarial to organization's performance, profitability and reputation. Diversity within the workplace can evoke an array of emotions as, some view diversity as something to be dealt rather than a tool to be used to improve the organization. With increasing globalization and migration, managing diversity in organizations is becoming more and more important. With this background, the researchers have made an attempt to study the workforce diversity in the First American (India) Private Limited, Bengaluru.

Objectives of the Study

The following are the objectives of the present study:

1. To find out the factors responsible for workforce diversity in the First American (India) Private Limited, Bengaluru.
2. To study the acceptance level of employees towards existence of workforce diversity in the First American (India) Private Limited, Bengaluru.
3. To examine the impact of workforce diversity in the First American (India) Private Limited, Bengaluru.
4. To offer suitable suggestions for the effective management of workforce diversity in the First American (India) Private Limited.

Testing of Hypotheses

The following null hypotheses have been formulated and tested.

H₀₁: The demographic variables of the employees do not have any influence on their perception towards factors responsible for workforce diversity in the First American (India) Private Limited, Bengaluru.

H₀₂: The demographic variables of the employees do not have any influence on their perception towards existence of workforce diversity in the First American (India) Private Limited, Bengaluru.

Methodology

This present study is empirical in nature based on survey method. The first-hand information for this study was collected from the human resource department of the First American (India) Private Limited, Bengaluru. As a vital part of the study, by using simple random sampling technique, the primary data were collected from employees with the help of questionnaire. The questionnaire was circulated to 100 employees, and 85 questionnaires only were returned. The secondary data were collected mainly from journals, magazines,



government reports, books and unpublished dissertations. In order to examine the perception of employees towards workforce diversity in the in the First American (India) Private Limited, analysis of variance, student t test, multiple regression analysis and percentage analysis were employed.

Findings

1. There is no significant relationship among the acceptance levels of the respondents belonging to different genders, age groups, educational status groups, monthly salary groups, cadres, and work experience groups towards factors responsible for workforce diversity in the First American (India) Private Limited.
2. Female respondents, respondents in the age group above 50 years, respondents having H.Sc qualification, respondents drawing monthly salary in the range of Rs.20001-30000, executives and respondents with the work experience 11-15 years have higher acceptance level towards factors of workforce diversity in the First American (India) Private Limited.
3. There exists consistency in the acceptance level of female respondents, respondents belonging to 31-40 years, respondents having PG and above qualification, respondents drawing salary upto Rs.20000, non-executives and respondents having upto 5 years of work experience towards factors of workforce diversity in the First American (India) Private Limited.
4. There has been a moderate correlation (0.546) between the overall acceptance score of the respondents towards factors of workforce diversity and the selected personal variables. The R square indicates that 29.80 per cent of variation in the factors of workforce diversity is explained by all personal variables taken collectively. The F value indicates that the multiple correlation coefficients are significant. Further, gender, age, education, monthly salary and length of experience of the respondents have no significant effect on the factors of workforce diversity in the First American (India) Private Limited. On the contrary, cadre of the respondents has significant effect on the factors of workforce diversity in the First American (India) Private Limited.
5. Out of 85 respondents, greater part of the respondents indicate that they neither agree nor disagree (29.41%) with the personal factors responsible for workforce diversity, followed closely by disagree (25.88%) and agree (18.82%). 15.29% and 10.59% of the respondents strongly agree and strongly disagree respectively towards personal factors responsible for workforce diversity. The mean acceptance score shows that the respondents have a higher acceptance level (3.34) towards political orientation, followed by sexual orientation (3.24). In the case of age, they have a lower acceptance score (2.75).
6. The best part of respondents point out that they disagree (29.41%) with the organizational factors responsible for workforce diversity in the First American (India) Private Limited, followed by neither agree nor disagree (27.05%) and agree (18.82%). 16.47% and 8.24% of the respondents strongly agree and strongly disagree in that order towards organizational factors responsible for workforce diversity. The mean acceptance score reveals that the respondents have a higher acceptance level (3.24) towards job tenure/seniority, followed by occupational/ job portfolios (3.13). Nevertheless, the respondents have a lower acceptance score towards work experience (2.76).
7. There is no significant relationship among the acceptance levels of the respondents belonging to different genders, age groups and educational status groups towards existence of workforce diversity in the First American (India) Private Limited. On the other hand, a significant relationship is found among the acceptance levels of the respondents belonging to different monthly salary groups and cadres towards existence of workforce diversity in the First American (India) Private Limited.
8. Male respondents, respondents in the age group 31-40 years, respondents having Diploma/ITI qualification, respondents drawing monthly salary in the range of above Rs.40000 and non-executives have higher acceptance level towards existence of workforce diversity in the First American (India) Private Limited.
9. There exists consistency in the acceptance level of female respondents, respondents belonging to 41-50 years, respondents who have H.Sc qualification, respondents drawing monthly salary in the range of Rs.20001-30000 and non-executives towards existence of workforce diversity in the First American (India) Private Limited.



10. In regards to the existence of workforce diversity, greater part of the respondents (37.64%) strongly disagree, followed by disagree (25.88%) and neither agree nor disagree (15.29%). 7.06% and 14.11% of the respondents strongly agree and agree correspondingly towards existence of workforce diversity. It is evident from the mean acceptance score that the respondents have a higher acceptance level (2.67) towards equal treatment given when it comes to the diversity of education background, followed by providing equal opportunities for training and career development (2.45). In case of the different languages that are used to communicate do not create problem among employees, the respondents have a lower acceptance level (1.98).
11. Out of 85 respondents, majority of the respondents point out that they disagree (27.05%) with the impact of workforce diversity, followed closely by neither agree nor disagree (25.88%) and agree (18.82%). 14.11% and 14.11% of the respondents strongly agree and strongly disagree in that order with the impact of workforce diversity. The mean acceptance score reveals that respondents have a higher acceptance level (3.32) towards improved customer service and responsiveness, followed by the recruitment of scarce labour and skill (3.24). Conversely, the respondents have a lower acceptance level towards the role of workforce diversity to communicate effectively regardless of workforce differences (2.42).
12. Respondents ranging from 22.35 per cent to 50.59 per cent suggest that recognition of international character, conduct of mentoring programmes, formation of support group, conduct of employee attitude surveys, effective retention strategies, voluntary affirmative action programs and employee education program will make certain effective management of workforce diversity in the First American (India) Private Limited. Use of communication networks, equal access to women and minorities, commitment of the top management, equal treatment of employees, equal employment opportunity, equal opportunities and leadership commitment are also the suggestions of employees ranging from 52.94 per cent to 67.02 per cent for the effective management of workforce diversity in the First American (India) Private Limited.

Suggestions

1. The First American (India) Private Limited should frame such organizational policies which provide fairness and equity to all employees working in the organization. Therefore, workforce diversity management in First American (India) Private Limited should be means of achieving social justice and of setting an example for other organizations.
2. The diversity programs of the First American (India) Private Limited aim at sensitizing all employees about the need to value differences, build self-esteem, and create a more smoothly functioning and hospitable environment for the firm's diverse workforce.
3. The First American (India) Private Limited must put in place some retention strategies for their employees so that they are able to stay in the organization for several years. Competent employees who have come near the retirement age should be handled with care and be relied on for their tacit knowledge, experience and skills.
4. The First American (India) Private Limited ought to identify the differences in the people they employ, manage them in accordance to those differences. This entails the incorporation of diversity management policies into the organizational policies. In order to capture the potentials from all age groups, they should see to it that they employ people from all age groups. The First American (India) Private Limited have to recognize and value the differences among the workforce and actively seek to create a working environment that facilitates each person to maximize his or her highest potential.
5. The First American (India) Private Limited should implement mentoring programs to provide employees with access to information and opportunities. The company should not just implement policies, but they should monitor them in terms of progress.
6. The management of the First American (India) Private Limited must create a corporate culture that supports diversity. The management must ensure that workforce diversity works in the best interest of the organization, so all attempts must be made to manage workforce diversity.
7. Employee education program should be organized for managing diversity. Preferably, education programs should be combined with other concrete steps aimed at changing the organizational culture and



management systems. These diversity education, training and awareness programmes will facilitate employees to adapt to diversity and they will be aware of benefits.

8. The First American (India) Private Limited tries to boost and manage diversity through voluntary affirmative action programs. Affirmative action means employers make an extra effort to hire and promote those in protected groups. The aim is to voluntarily enhance employment opportunities for women and minorities.

Conclusion

With changing needs of the business in modern day, the need for diversity is gaining attention in almost every organization. Diversity in workplace if managed successfully can be instrumental in success of any organization. If diverse workforce is managed well it can yield many advantages, such as developing employee and organizational potential, improving customer service and business growth, and enhancing creativity and problem solving. Therefore, managing a diverse workforce in today's organizations is therefore of great importance. In this viewpoint, the present study was conducted with a sample size of 85 employees of the First American (India) Private Limited, Bengaluru. The study suggests recognition of international character, formation of support group, effective retention strategies, voluntary affirmative action programs, conduct of mentoring programmes, conduct of employee attitude surveys, employee education program, use of communication networks, equal access to women and minorities commitment of the top management, equal treatment of employees, equal employment opportunity, equal opportunities and leadership commitment for the effective management of workforce diversity.

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