



WORKFORCE DIVERSITY MANAGEMENT – ROLE IN EMPLOYEE PRODUCTIVITY AND PERFORMANCE ASSESSMENT

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Abstract

Background: In the dynamic IT sector, workforce diversity, and employee engagement have emerged as critical factors influencing organizational success. This study examines the relationship between diversity dimensions—such as gender, age, educational background, and experience—and employee engagement.

Human beings are always posed with differences in many terms and similarities in few terms, this gives a portrayed meaning to a concept of diversity. Studying the elements of diversity present in the organization in terms of gender, age, color, race, region, religion, physical abilities, mental actualities, social reaction, and interactions concerning the personnel is referred to as workforce diversity. It is pivotal for the company to acquire the elements of responsibility to manage these diverse factors that have a bearing on the productivity and performance matrix of employees from a direct angle. Thus, the paper put the pen on action to study the factors influencing workforce diversity and to know their relative effects on productivity functions and employee performance matrix empirically. The performance is completely dependent on the policy and practices of the company, in effective adoption, implementation, and follow-up of diversity factors. This study concludes that fostering an inclusive culture, ensuring equitable opportunities, and addressing unconscious biases is essential to maximizing diversity's benefits in IT organizations. The originality of this research lies in its comprehensive examination of diversity and engagement in the Indian IT context, providing actionable insights for fostering an equitable workplace. It emphasizes that diversity, when managed effectively, not only enhances employee engagement but also drives innovation and organizational performance.

Key Words: Performance Matrix, Productivity, diversity factors, diversity policies.

Introduction – Framing the Thoughts

The patterns of the global economy, business model, market growth, traders' strength, consumer space, cross-border relationships, etc. have taken an upward trend upon entering the 21st century business deals. The enhanced circle of trading relationships demands an exclusive hand, and expert minds to handle the trading floors. The way out from the factory to the market and back to the administrative office needs a team of experts called employees of an organization. Men may work with machines, but that does not mean men will operate themselves like a machine, despite any updates in technology and globalization man is still a man, a human being posed by all sorts of feelings, emotions, sentiments, and more. This discussion directs the readers to a new world called workforce diversity.

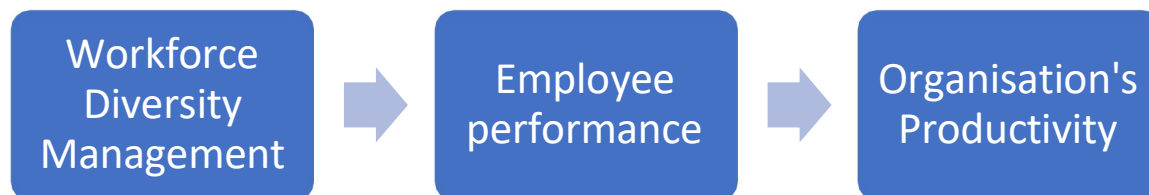
Until 1980, diversity was not described or got much attention but then a report was published which argued that “Diversity is Destiny” and asserted that emergent change was happening in the labour force. There are three levels of diversity namely the managerial-level, the strategic-level, & third-level. The strategic level is more important for the organization's success with a philosophy to value similarities and differences. The managerial level deals with the plan, policies, and structures while the third level is the level where these philosophies, plans, or strategies need to be implemented (Kramar, 1998)¹. Diversity is termed as the “hot button” which has its perks as far as an organization can



manage diversity properly (Williams and O'Reilly, 1998)². In the era of modernization, workforce diversity became a serious issue for organizations as it affects the efficiency of the employees and productivity (Kamal and Ferdousi, 2009)³.

The managers, associates, desk operators, executives, peers, suppliers, the customers who belong to different departments of the organization come from different backgrounds, mindsets, cultures, origins, thoughts, and thinking abilities. A varied workforce permits an organization to expand a diverse customer base and flexible option access to services such as multiple data sources and a broader understanding of the sector. How important diversity concerns will become in the future for organisational success can be seen by looking at the changing nature of society and work environments. In any case, these 6 demographic trends can't be disregarded no matter if we're talking about workplace, societal, or marketing concerns (Jackson 1992)⁵. Nonetheless, the benefits of variety will never be fully appreciated unless and until it is effectively handled. As a result, diversity management is extremely important and necessary.

Workforce diversity at the other end proves that without an effective management of the same, the company has to encounter a big risk level at the employee's desk. Employees when they fail to be respected at their job for the factors like gender, age, color, race, family status, religion and etc. they feel disregarded and bother least for the growth patterns of the company. Their interest levels depend on how do they get recognized of their feelings, rewarded of their achievements, remembered of their contributions. thus, the paper focus on productivity and performance aspects of employees depended on workforce diversity management by the company.



Review of Literature

Philip Rosenzweig (1998) the best models of handling the workforce globally is narrated in his article along with the application of workforce diversity management strategies on multi- national corporations having branches in home country and host country as well.

Joyendu Bhadury et al. (2000) the equal treatment of employees at the workplace being the main aspect of the study, the study takes its phase off on studying the variable characters of employees and grouping them on the basis of their similar characteristics and by which create an easy working environment to them. This model is addressed as creating a grouping employee into the family or classes of family and accordingly serving their need sets.

Andrea Garner et al. (2013) analysed the data on wage benefit and efficiency effect on the diversity of workers linked to the relegation. It has been calculated that the business's efficiency and salaries have a positive effect because of the diversity of education. It was found that advanced knowledge and high-tech gains occurred in gender diversity and that in the conventional industries, it was opposed. In salary gullibility, there was no difference from that of age diversity. Astrid Podsiadlowski et al. (2013) analysed diverse viewpoints and organizations in an organizational direction. It was found that there were five viewpoints, such as integrations and homogeneity of learning, access, the blindness of colour, and fairness for organizational management.

Kumudha A et al. (2016) based on the elements like ethnicity, culture, gender, marital status and age; the author



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investigates the impact of these elements on the likely challenges occurring in an organisation with reference to workforce management. The results showed that when these factors addressed without any bias and handled properly an organisation may look for positive changes in the employee set and increased morale and boost up in the productivity levels.

Shrestha & Parajuli (2021) the relationship between the performance of employees and diversity in the workforce in connection to commercial banks in Nepal is studied as a comparative analysis and the application of multi-regression model. Gender diversity and employee performance has showed a strong association. Based on the findings it is suggested in the article that women and men employees should be treated equally and any bias between them should not be encouraged. And also, women employees should be more supported or encouraged to take up high designated jobs in the organisation. The author also has studied on employing the individuals of various age groups. It is from the analytical study it is proven that the young employees feel secured to work with age old employees and results in effective functioning of an organisation. Thus, the diversity of gender and age being a strong predictor of employee's success the findings indicate that organisations need to invest more resources in diversity management and boost employees accordingly.

Rudolph & Zacher (2021) The goal of this research was to examine if the presence of a diverse workforce had an impact on job performance in a way that isn't directly related to age. This research reviewed the available literature on human resource management techniques. Age diversity mediates the impact of age inclusive human resource practises on work capacity at the between-person level of analysis, but not at the within-person level of analysis.

Gap Study

The study stands different from the above literature survey by taking the workforce diversity variables on the performance matrix of employee of an organization. It also considers the element of organization success and productivity levels with and without effective management of workforce diversity.

Method Study

The research in the current paper uses the qualitative and quantitative approach with conceptual nature. The necessary data is drawn from secondary sources for the purpose of the study.

Findings and Suggestion

organizations believe they can increase productivity considerably through effective management of diversity in the workforce. However, the overall performance in the management of workforce diversity is average. Considerable positive changes need to be made in the areas of recruitment and selection and training and development. While organizations seek several benefits from their multicultural workforce, they do not appear to give adequate attention to the issue of diversity as migrant employees are very compliant. However, proactive diversity management practices are essential to realize the true benefits of a multicultural workforce.

GENDER

Studies that have examined the relationship between gender diversity have yielded mixed

findings. Lewis and Gibson (2000) found that gender diversity was associated with lower perceptions of collective efficacy in the group, but the effect was too weak to reach conventional levels of statistical significance. Similarly, nonsignificant findings were reported by Pelled, Eisenhardt, and Xin (1999) in a study of product development teams.



RACE AND ETHNICITY

With regard to racial and ethnic diversity, early research into the consequences of social desegregation within the United States suggested that increasing racial diversity in predominantly white communities led to increased levels of racial conflict (Blalock, 1967 ; Reed, 1972) .

AGE

Along with the trend of an aging workforce has come increased interest in understanding intergenerational relationships within organizations (e .g . see Tsui, Xin, & Egan, 1995) . Yet, most studies of age diversity within organizations have focused on top management teams, where age diversity is somewhat limited .

Workforce Diversity and Power at the Macro Level

Within sociology, there are competing theories about the origins and dynamics of inequality. Class theories, based on Marxian theory, assume that class relations are exploitative and that a dynamic imperative generates conflict between classes because of contradictory class interests (Wright 1997). Status attainment research, which dominated sociology for many decades, developed as an alternative to class theory, but critics of status attainment theory argued that it unrealistically assumed individualistic competition and merit-based selection processes (Bielby 1992, England 1992). In response, many researchers undertook new efforts to revive class theory by using more textured definitions of class location (Wright & Perrone 1977). Researchers have conceptualized psychological theories of power as aggression (Aquino et al. 2004) or as an interpersonal orientation of approach versus inhibition (Keltner et al. 2003). This research typically does not measure power directly but rather infers it from the status categories of various groups (e.g., assuming that men have higher status than women or that whites have higher status than blacks). Research that defines power in this way has generally found that those in more powerful (i.e., high status) positions tend to enact presentations of self that are other approaching (i.e., that impose the self on others), whereas those in less powerful (i.e., low status) positions tend to inhibit their engagement with others.

Conclusion

Managing workforce diversity is the biggest challenge as well as an opportunity for organizations. Organizations that implement and follow diversity policies and practices would improve goodwill. Workforce diversity helps organizations to build a strong reputation in the minds of corporate stakeholders. In the present scenario, employees come from different backgrounds and cultures and are usually different from each other in terms of age, gender, sexual orientation, religion, etc. They possess different lifestyles, traits, values, skills, experiences, and behaviors. Heterogeneity in the workplace may cause various issues and challenges for managers. Managing diversity is the strategic process of adopting and follow rules and policies related to diversity management that tackle discrimination, stereotypes, and prejudice which will help in managing diversity. This will increase the benefits of an organization and decrease obstacles that provide a core competency and promote creativity. The diverse group performs less than the homogeneous group if not managed properly. Diversity is important and required

an environment of synergy that helps employees to better understand each other and that will help to enhance productivity and performance. When an employee works together then they have a better understanding and will create a better environment. Heterogeneity in the workforce is very important and enhances organizational performance. Racial and gender diversity had a significant effect on group processes which helps in improving business performance. Management that promotes diversity and takes diversity as a commitment to prepare strategies and policies to make an organization multicultural will be able to perform better than others. Organizational workgroup affects the relationship



between performance and group diversity. Employees of the diverse group concentrate on people-oriented culture, competition-oriented culture, customer-oriented strategies, and growth-oriented strategies likely to have a higher level of performance. Minority-friendly organizations performed far better than other organizations and organizations must embrace diversity using the appropriate strategy to acquire good financial results. Both information and social diversity significantly affect performance while information diversity i.e. tenure diversity and educational diversity positively increase performance while social diversity i.e. age and gender diversity harms the performance of the organizations. Managing diversity is strongly linked with the performance of employees and the level of job satisfaction (Pitts, 2009). Workforce diversity may negatively or positively affect the performance of an employee. If organizations manage diversity properly then it shows positive results otherwise vice-versa.

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Footnotes

- ¹ Kramar, R. (1998). Managing diversity: Beyond affirmative action in Australia. *Women in Management Review*, 13(4), 133-142.
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