

Impact of Managing Gender Diversity On Internal Environment With Reference To IT Companies

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Abstract :

Every society consists of diverse set of people having multiple ideas, values, background. These multitudes of thoughts, idea and backgrounds add up to multiple identities that can be quite disturbing, if not managed well.

IT-BPM industry is working on diversity management and the Gender ratio in the IT-BPM industry is quite healthy. Women contribute to 34% of this sector's workforce . The average age of the employees in this sector is 27 years, and this sector is the leading employers of millenials and Gen Y. but it has only 1% of physically disabled/ challenged employees. This needs to be looked into.

Companies have to challenge themselves in coming up with solutions to prevent the attrition of women from the work place. The more support women get from the organization, the more enriched their work life balance will be and that means the better they can contribute towards organizational goals.

This paper focuses on the Gender Diversity in the IT industry in Pune. The role of gender diversity on communication, mentoring, training , job satisfaction ,self esteem and promotions is explored. A structured equation model (SEM) for the same is suggested through this study.

Gender diversity is a highly contested issue in the organizations these days. Companies have drafted policies and are implementing initiatives to improve their gender ratio. Women bring different perspective to the organizations and when women leave the organization due to inadequate support from their peers and colleagues , or because of family issues, organizations miss out on leveraging a very important asset.

Key words: *Gender Diversity, Communication, Mentoring, Training , Promotion, Self esteem*

Introduction :

Diversity is the inclusion of all kinds of people in the work place , who generally, are not included due to differences in race, gender, , age, sexual orientation, and/or disability. Diversity and valuing diversity are priorities in the global IT industry today. The organizations that leverage employee diversity, achieve

competitive advantage. Increased motivation, innovation, improved profits are some of the outcomes of diversity initiatives. A sharp decline in the attrition rates are also observed in such organizations. To achieve all of the above, diversity has to be made a participative process. In this backdrop, this study focuses on the concept of gender diversity.

With globalization, the companies are in requirement of a robust IT work force across the verticals of the IT industry: the software, the hardware and the services provided. Countries around the world are recognizing the economic benefits that accrue from the development of an IT workforce capable of engaging in the deployment of computer hardware, software, and information services (Irwin, 2000; Shiva, 1989; Trauth, 2000). Countries are getting highly IT enabled, with the technologies in networking becoming highly sophisticated, which has increased the mobility of the IT work force breaking national boundaries and even having collaborations online. This phenomenal change can occur if and only if cross cultural communication is effective.

Gender Diversity:

Women in the workplace is clearly not a new phenomenon and with organizations working toward retention of women, women are here to stay. In studies across cultures in the IT industry, it has been seen that the major concerns of women in the work force are with respect to the care of their children, the care of the parents and elders at home and simultaneously work outside of home. Social norms, opportunities or lack of them for women, stereotypes have all had an impact on the women's choice and opportunity to work. (Trauth, Eileen M; et al. (2009)). Organizations have to design jobs which challenge women but also provide scope for women to balance their personal and professional fronts. It is no easy task but organizations are doing their best to retain their women work force.

The National Association of Software and Services Companies (NASSCOM) conducted a number of studies on Diversity and inclusion on India's IT-BPM sector. Studies on gender diversity shows that women form more than 50% of the entry level recruits. NASSCOM had suggested initiatives for inclusivity at the workplace which include creation of sustainable policies, of providing equal opportunity, of leadership and of transparency in measurement and reporting.

Literature review:

Litz, Reginald A et al (2002) observe that smaller firms can easily achieve gender equity as they have limited resources and have no option but to leverage their resources of women power. This works to their advantage. Organizations, however have to provide an environment which is supportive, augmented by training programs, career counseling, major assignment, promotion prospects etc. Feyerherm, Ann (2005).

The factors of work-life balance, internal environment of the organization and mentoring have an impact on women's career, says Trauth, Eileen (2009). Mary A. Lemons et al (2007) suggests that placing women in observable positions would improve their chances of retention. One reason for women not able to break the glass ceiling was the resistance of men, who had absolutely no experience with working with the opposite gender at that level. Men at the middle managerial level had lesser resistance to women at that level. Hence training to change the male manager mindset has to be provided to the managers at higher levels in the organizational hierarchy. Organizational interventions should be used to bring about change, by creating a vision for that change and then have a strategy of inclusion.

Research methodology :

Descriptive research was conducted in IT companies in Pune, with strength of more than 100 employees were selected. Primary data was collected via a structured questionnaire which had a 5 point Likert scale. The resultant data was quantified and subjected to parametric tests.

The hypothetical paths are given below

1. Gender diversity is a predictor of Training.
2. Gender diversity is a predictor of Promotion.
3. Gender diversity is a predictor of Job satisfaction.
4. Gender diversity is a predictor of Self esteem
5. Gender diversity is a predictor of Loyalty
6. Gender diversity is a predictor of Communication
7. Gender diversity is a predictor of Mentoring

F1 = Gender diversity

F4 = Training

F5 = Promotion

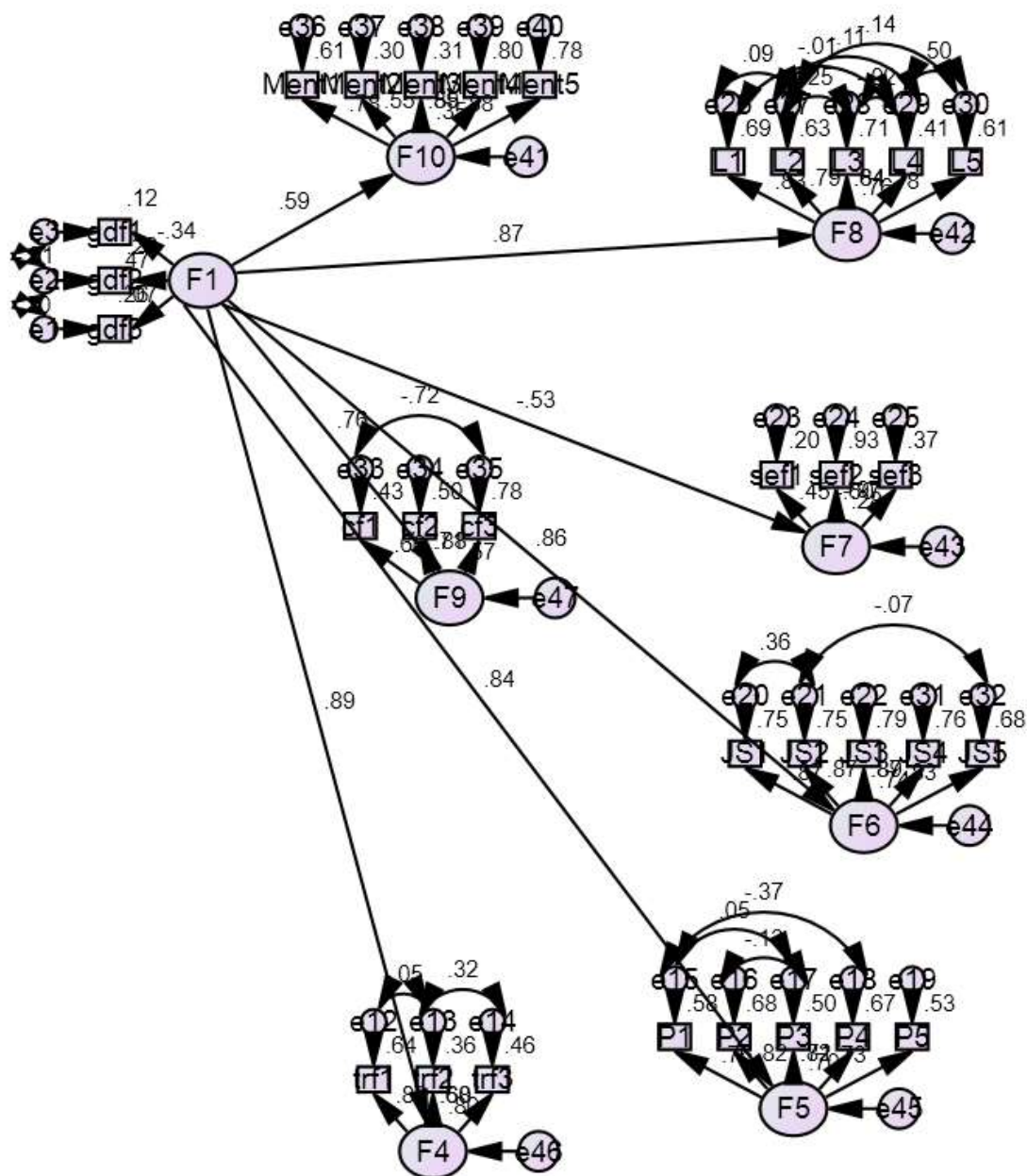
F6 = Job satisfaction

F7 = Self esteem

F8 = Loyalty

F9 = Communication

F10 = Mentoring



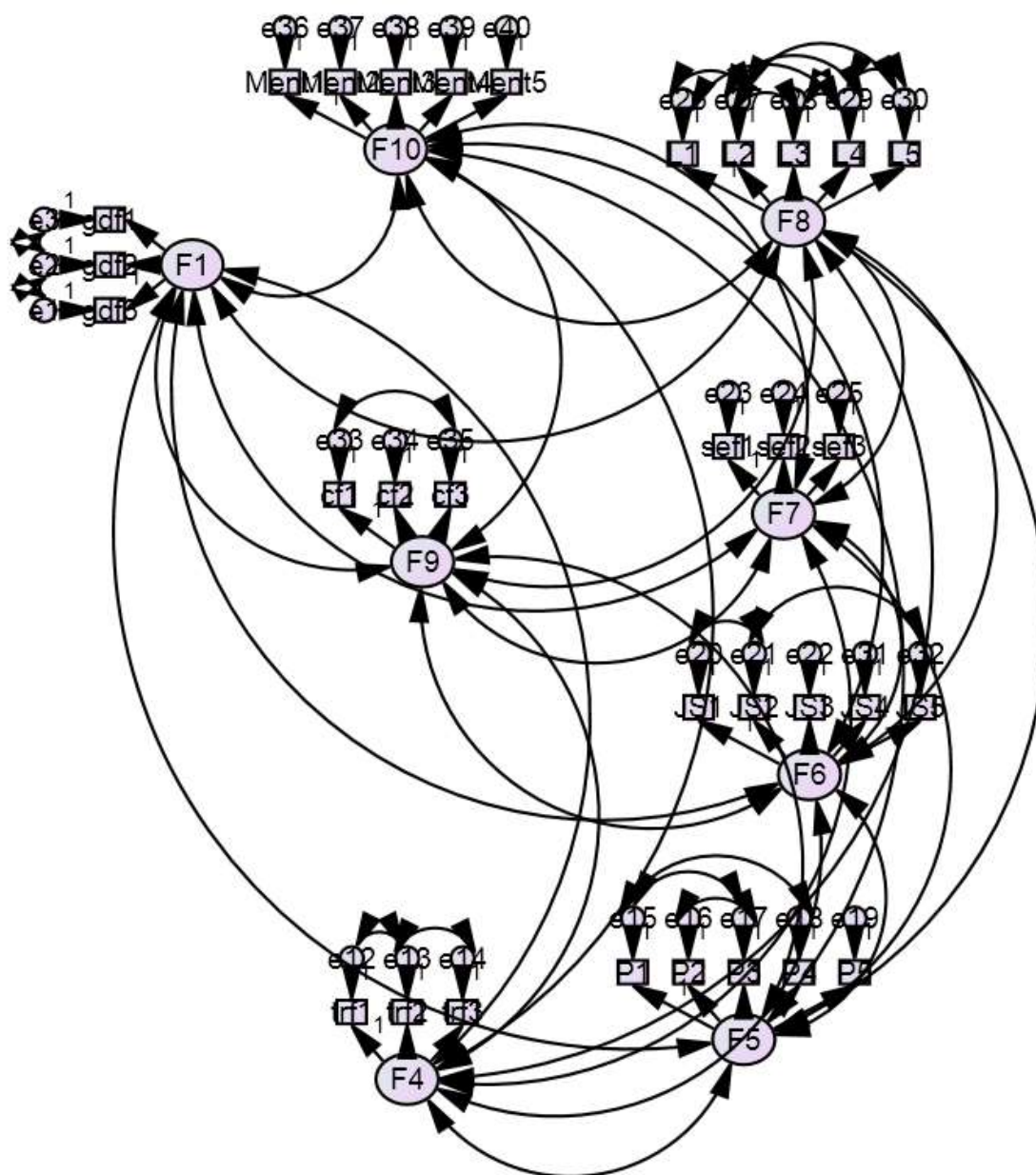
Variables and measurement:

Variable identified as per the literature and experience survey are as follows:

Exogenous variables	Endogenous variables
Gender Diversity	Communication Job Satisfaction Loyalty Mentoring Training and Development Self esteem

A two-step Structural Equation Modelling strategy using IBM SPSS Amos 20; a full information maximum likelihood procedure was employed in estimating the parameters.

Fig 1: Model depicting Gender diversity on variables



The CFA model was assessed using IBM SPSS Amos 20. Fit indices used to assess mode fit are GFI, PNFI, CFI and RMSEA. Results of these model fit indices are given in the table below

Table 1: Fit indices

Fit indices	Observed	Criteria of acceptable fit	Result
CMIN/DF (Minimum discrepancy as indexed chi-square)	2.714	Less than 5	Accepted fit
CFI (Comparative fit index)	0.848	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit	Borderline fit
PNFI(Parsimonious Normal fit)	0.721	More than 0.5	Accepted fit
RMSEA (Root Mean Square error of approximation)	0.065	Less than 0.08 for adequate fit, between 0.08 and less than .1 borderline fit	Adequate fit

All the indices suggest an acceptable fit between the sample data and the hypothesized model.

For Composite reliability, values >0.6 indicates adequate reliability.

Table no 3 shows Composite reliability scores of almost all the constructs are above the threshold mark of 0.6 , except scores of Gender diversity and Cultural diversity, that have missed the threshold mark marginally.

Table No. 2 : Composite reliability

Construct	No. Items	composite reliability	Average Variance extracted (construct validity)
Gender diversity	3	0.0673	0.024
training	3	0.7163	0.46
promotion	5	0.7895	0.59
Job satisfaction	5	0.93645	0.74
Self esteem	3	0.72857	0.5
loyalty	5	0.88315	0.6
communication	3	0.79523	0.56
mentoring	5	0.85769	0.55

Discriminant Validity

Discriminant validity assesses the extent to which a construct is truly distinct from the other constructs in the model. High discriminant validity provides evidence that a construct is unique and different from the rest and have phenomenon that other measures do not. Discriminant validity exists if average of Variance Extracted is greater than r^2 between two constructor said in other words, the square root of AVE should be larger than the correlations between constructs.

Table no. 4 Factor Matrix showing discriminant validity

Table 3: Discriminant Validity

	Gender diversity	Training	Promotion	Job Satisfaction	Self esteem	Loyalty	Communication	Mentoring
Gender diversity	0.024							
Training		0.46						
Promotion			0.59					
Job satisfaction				0.74				
Self esteem					0.5			
Loyalty						0.6		
Communication							0.56	
Mentoring								0.55

Diagonal values are average variance extracted off diagonal values are squared correlation scores between constructs.

Interpretation : Construct reliability, average variance extracted, Cronbach's alpha suggest that items of construct have internal consistency and the measures are valid. Discriminant validity results showed weak discrimination constructs. Since the measurement model is valid we proceed to test the structural model.

Assessing the Structural Equation Model :

Three criteria were employed to assess the SEM model.

Table 4: Assessing the structural model

Fit indices	Observed	Criteria	of	result
		Acceptable Fit		
CMIN/DF (Minimum discrepancy as indexed chi-square)	4.4	Less than 5		Acceptable fit
PNFI (Parsimonious Normal fit index)	0.68	More than 0.5 for adequate fit		Acceptable fit
CFI (Comparative Fit Index)	0.80	More than 0.9 for good fit, between 0.9 to 0.8 for borderline fit		Borderline fit
RMSEA (Root Mean Square error of approximation)	0.096	Less than 0.08		Acceptable Fit

The four fit indices suggest a good fit between the sample data and the hypothetical model,.

Assessing the significance of paths

Strength and significance of the paths were assessed using standardized regression weights and p value. Following table shows the results for relationship between exogenous and endogenous variables

Table 5 : Assessing the significance of paths

Path	Standardized Regression Weight	P value	Result
Gender Diversity → Training	0.895	p < 0.001	Supported
Gender Diversity → Promotion	0.838		Supported
Gender Diversity → Job Satisfaction	.860		Supported
Gender Diversity → Self Esteem	-.531		Not Supported
Gender Diversity → Loyalty	.874		Supported
Gender Diversity → Communication	.757		Supported
Gender Diversity → Mentoring	.592		Supported

Conclusion

Gender diversity is a positive predictor of Training, Promotion, Job Satisfaction, Loyalty, Communication, Mentoring.

Gender diversity is a negative predictor of Self esteem.

Discussions :

Gender diversity positively influences training, mentoring, promotion, loyalty, communication and job satisfaction. It can be definitely concluded from this model that

- (i) as gender diversity in an organization increases, the training needs increase. As training and effectiveness of training increases, it reflects in the organizational performance and attrition rates.
- (ii) Similarly as gender diversity increases, we find that there is a positive impact on communication and mentoring. Increase in communication leads to the internal environment becoming increasingly transparent which offers more vibrancy to the organization.
- (iii) As effective communication is established in the organization, there are reduced conflicts and better outcomes.
- (iv) Mentoring again helps the employees chart out their career graph in a better and rational manner. Increased gender diversity leads to positive trend in promotions and career development. It also leads to increased loyalty and job satisfaction. When employees are rewarded for their performance in the organizations by promotions, they feel satisfied with their jobs and with their careers in general. This satisfaction, as it prevails, makes employees more loyal to their organizations as they feel their organizations are just. An environment which is conducive to growth also contributes to the employee's tendency to remain behind, thus again increasing employee engagement.
- (v) However, in this model, it is seen that increase in gender diversity leads to a lowering of self esteem. As per the literature reviews, however, this should not be so. The researcher finds this outcome particularly interesting, as this is a sign of something amiss in the organization. Prima facie, it points out at ineffective mentoring and/or ineffective communication, both of which leads to a corrosive work culture, which can lead to a drop in self esteem. Also, micro-aggressions and derogatory comments can contribute to a lowering of self esteem. More research will have to be done to get to the root cause of this irregularity. In the meanwhile, this feedback has to be given to the organizations so that they can introspect and take remedial action.

Scope for further research:

It needs to be explored more regarding the factors leading to the impact of gender diversity on self esteem in an organization.

Conclusion : This study confirms via the SEM model that gender diversity has a positive influence on the latent constructs like mentoring, communication, job satisfaction, promotion and loyalty. However, one variable, self esteem, does not conform with the evidence of the literature review and has to be subject to further probe and investigations.

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Abbreviations :

BPM : Business Process Management

CFI (Comparative Fit Index)

IT : Information Technology

NASSCOM : The National Association of Software and Services Companies

PNFI (Parsimonious Normal fit index)

RMSEA (Root Mean Square error of approximation)

SEM : Structural Equation Model