

A STUDY ON THE EFFECT OF WORKFORCE DIVERSITY ON EMPLOYEE PERFORMANCE IN IT SECTOR

¹Dr.V.M.ANITHA RAJATHI · ²SOWMYA.H

¹Assistant Professor, ²Student

^{1,2}Dept of Management Studies

^{1,2}Anna University – BIT Campus, Tiruchirapalli, India

ABSTRACT

The purpose of this research is to investigate the effect of work force diversity towards employee performance in IT sector. There are numerous factors that can affect performance of the employee but this research includes only the most critical variables among all the others such as company's attitude towards diversity, corporate culture, career development, discrimination, policies and procedures and interaction among the employees as predictor variables of employee performance in an organization. For this investigation convenient sampling technique was used and data was collected by personally distributing 100 questionnaires to the employees of IT sector. Chi-square test has been used for data analysis. The study found that the career development and policies & procedures of organisation have direct relationship with employee performance.

Keywords: Workforce diversity, Employee performance, IT sector, Chi-square test

INTRODUCTION

The workforce diversity can generally be defined as recognising, understanding and accepting the individual similarities and differences among employees in terms of their race, gender, age, class, ethnicity, physical ability, professional qualification, religion, language, cultural background, spiritual practice and so on. The differences between employees reflect on their behaviour and contribute to building their personalities. The individuals' ways of thinking must be taken into account and used for the benefit of the company. There is no company or workplace which only employs workers from similar ages. Also, the companies employ men and women, coloured or white people, as well as people with various religious beliefs or ideologies. All this diversity requires conscious management care about each category and special attention to develop them into an integrated frame with the purpose to increase the effectiveness and to gain competitive advantages. The respect for diversity so well can lead to functional stability and thus reduce costs. Productivity could be increased both at individual and department levels.

Advances in technology and the advent of a global economy bring the people of the world closer together than ever before. Given this fact, businesses, educational systems and other entities are investigating ways to better serve their constituents. This includes being able to attract and retain the best and most qualified workers (Al-Rodhan and Stoudmann, G. 2006). Organizations that develop and employ the necessary policies and procedures to do this maintain a competitive advantage among their counterparts and increase their effectiveness. To achieve success and maintain a competitive advantage, companies draw on the most important resource such as the skills of the workforce. With the increasing richness of workforce diversity in the workforce, expand outlook and use creative strategies to be successful. Employees can provide this resource (Beaver & Hutchings, 2005).

More often than not, diversity is perceived in a tight and circumscribed style, principally tending to the matters of race or gender dissimilarities and identified with the commandments which have been giving secured prestige to certain working teams and groups. The managements of any organization should analyze the factors affect their employee's performance to increase it. However, they need to set and apply policies to ensure this diversity will success.

PROBLEM STATEMENT

Diversified workforce is the latest and current trend in every organisation today. Moreover, the major concern of every organisation is to improve productivity to survive in the competitive world by increasing the profit. If the diversified workforce may experience less cooperation from some of their colleagues but to achieve the organisational goals each member must be effective in terms of its functioning in the particular department. On the other hand, if workforce diversity is not handled properly, the formation of various groups will occur; this may lead to miscommunication, emotional conflicts, power struggle. The main consent of this study is to examine the impact of work force diversity on the productivity of the organisation.

RESEARCH OBJECTIVES

1. To study about the impact of workforce diversity in IT sector
2. To study about the impact of workforce diversity on employee performance in IT sector
3. To identify the factors influencing workforce diversity in IT sector
4. To analyse the relationship between the influencing factors of workforce diversity and employee performance in IT sector

LITERATURE REVIEW

Donatus I. Amaram (2007) studied that the acceptance and management of cultural diversity have been promoted and touted as a positive tool in social and organisational engineering intended to solve and prevent group dynamics problems in both business organisations and society as well. Positive attributes of cultural integration in business organisations have received fair and significant attention in the past two decades.

Starlene M. Simons and Kimberly N. Rowland (2011) indicated that the diversity and diverse integration viewpoints into organisations are pertinent in a world of shifting demographic patterns and work practices. In organisations the implementation of workforce diversity is a challenge due to lack of clarification regarding the difference between functional and social diversity in the literature, which results in a lack of differentiation in organisational policies.

Swinton W. Hudson (2014) explores the various ways in which a diverse workforce may contribute to innovation in an organization. This exploratory study will present the theoretical foundation that is based upon, the definitions of innovation and diversity and the results of existing research on whether a diverse workforce contributes to the innovation of an organization. Finally, testable propositions will be developed for further investigation.

Darwin Joseph R. & Palanisamy Chinnathambi Selvaraj (2015) found that the effect of the workforce diversity in terms of age, gender and ethnicity. If the workforce diversity is properly managed, it will provide positive benefits. If not, it could lead to negative results. A structured questionnaire was used to collect the views of employees in both the manufacturing as well as the service industries. The experiential relationship of age, gender and ethnicity of the employees with the performance was computed using Software Package for Social Science (SPSS). The analysis reveals that these three variables do not have a statistically significant impact on the performance of employees.

Olukayode Longe (2015) investigated that the conflict was an unavoidable phenomenon in organisational life and it could contribute to or detract from organisational performance depending on the conflict management strategies adopted in the workplace.

Latif AbdulRidha Atyah (2016) studies the diversity management on two levels. The first is the virtual level and the second is the deep level. The virtual level includes age, gender, race, cultural, educational and ethnicity, while the deep level includes values, attitudes, beliefs and personality traits. The most important fact is that the diversity management has become a necessity and not an option, especially in the light of the global environment.

RESEARCH METHODOLOGY

The research methodology is a structured way of collecting the information related to a research and analysing them, this includes; describing the research design, sampling technique, sample size, procedure followed in collecting data, conducting pilot study and tools used in the analysis.

Research Design

The research design of the present study is descriptive research design. Descriptive research design was used to identify the personal opinion of the employees about how the influencing factors of workforce diversity affects their performance.

Sampling Technique

Convenience sampling method was used to collect data. It is a type of non probability sampling technique wherein a proportion of the population is selected on the basis of its convenient availability.

Data Collection Method

Primary data was collected using a well structured close-end questionnaire with five point likert scale. 100 samples were collected from the employees of various organisations of IT sector.

Analysis Tools

Chi square test was applied to test the stated hypothesis. SPSS (Statistical Package for the Social Sciences) is used as a data analysis tool.

ANALYSIS AND INTERPRETATION

Table 1
AGE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid under 21	8	8.0	8.0	8.0
21 to 25	35	35.0	35.0	43.0
26 to 30	24	24.0	24.0	67.0
above 30	33	33.0	33.0	100.0
Total	100	100.0	100.0	

Table 1 represents age of the respondents, 8% of them belongs to the age of under 21, 35% of them belongs to the age of 21 to 25, 24% of them belong to the age of 26 to 30 and 33% of them belongs to the age of above 30.

Table 2
GENDER

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	49	49.0	49.0	49.0
female	51	51.0	51.0	100.0
Total	100	100.0	100.0	

Table 2 represents gender of the respondents, 49% of them are male and 51% of them are female.

Table 3
RELIGION

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Hindu	39	39.0	39.0	39.0
Muslim	22	22.0	22.0	61.0
Christian	37	37.0	37.0	98.0
others	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Table 3 represents religion of the respondents, 39% of them are hindu, 22% of them are muslim, 37% of them are Christian, and 2% of them are others.

Table 4
QUALIFICATION

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid engineering	49	49.0	49.0	49.0
arts	42	42.0	42.0	91.0
science	6	6.0	6.0	97.0
others	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Table 4 represents qualification of the respondents, 49% of them are engineering, 42% of them are arts, 6% of them are science, 3% of them are others.

Table 5
WORK STATUS

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid permanent	61	61.0	61.0	61.0
contract	39	39.0	39.0	100.0
Total	100	100.0	100.0	

Table 5 represents work status of the respondents, 61% of them are permanent and 39% of them are contract.

Table 6
JOB_EXPERIENCE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 2 years	23	23.0	23.0	23.0
2 to 5 years	28	28.0	28.0	51.0
5 to 10 years	28	28.0	28.0	79.0
above 10 years	21	21.0	21.0	100.0
Total	100	100.0	100.0	

Table 6 represents job experience of the respondents, 23% of them are less than 2 years, 28% of them are 2 to 5 years, 28% of them are 5 to 10 years, 21% of them are above 10 years.

A. Hypothesis testing 1

H_0 : There is no significant relationship between company's attitude towards diversity and employee performance

H_1 : There is significant relationship between company's attitude towards diversity and employee performance

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.235 ^a	16	.371
Likelihood Ratio	16.377	16	.427
Linear-by-Linear Association	2.135	1	.144
N of Valid Cases	100		

a. 16 cells (64.0%) have expected count less than 5. The minimum expected count is .03.

INTERPRETATION:

Tabulated value (T.V) (0.05, 16) = 26.296

Calculated value (C.V) = 17.235

$C.V < T.V$

Hence, H_0 is accepted. There is no significant relationship between company's attitude towards diversity and employee performance.

So, the changes in company's attitude towards diversity will not affect the employee performance in IT sector.

B. Hypothesis testing 2

H_0 : There is no significant relationship between corporate culture and employee performance

H_1 : There is significant relationship between corporate culture and employee performance

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.839 ^a	12	.121
Likelihood Ratio	20.716	12	.055
Linear-by-Linear Association	1.858	1	.173
N of Valid Cases	100		

a. 12 cells (60.0%) have expected count less than 5. The minimum expected count is .08.

INTERPRETATION:

Tabulated value (T.V) (0.05, 12) = 21.026

Calculated value (C.V) = 17.839

$C.V < T.V$

Hence, H_0 is accepted. There is no significant relationship between corporate culture and employee performance.

So, the changes corporate culture will not affect the employee performance in IT sector.

C. Hypothesis testing 3

H_0 : There is no significant relationship between career development and employee performance.

H_1 : There is significant relationship between career development and employee performance

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	26.709 ^a	16	.045
Likelihood Ratio	26.086	16	.053
Linear-by-Linear Association	3.326	1	.068
N of Valid Cases	100		

a. 15 cells (60.0%) have expected count less than 5. The minimum expected count is .15.

INTERPRETATION:

Tabulated value (T.V) (0.05, 16) = 26.296

Calculated value (C.V) = 26.709

$C.V > T.V$

Hence, H_0 is rejected. There is significant relationship between career development and employee performance.

So, the changes career development will affect the employee performance in IT sector.

D. Hypothesis testing 4

H_0 : There is no significant relationship between policies and procedures of organisation and employee performance.

H_1 : There is significant relationship between policies and procedures of organisation and employee performance

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	21.185 ^a	12	.048
Likelihood Ratio	19.787	12	.071
Linear-by-Linear Association	.054	1	.816
N of Valid Cases	100		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .20.

INTERPRETATION:

Tabulated value (T.V) (0.05, 12) = 21.026

Calculated value (C.V) = 21.185

C.V > T.V

Hence, H_0 is rejected. There is significant relationship between policies and procedures of organisation and employee performance.

So, the changes policies and procedures of organisation will affect the employee performance in IT sector.

FINDINGS AND SUGGESTION

In this survey respondents need to answer specific questions about their demographic information which includes age, gender, religion, qualification, job experience and work status. Table 1 shows the age of respondents, 35% of age is ranked between 21 to 25. Table 2 shows the gender of the respondents, the majority of respondents are female (51%). Table 3 shows the religion of the respondents, the majority of respondents are hindu (39%). Table 4 shows the professional qualification of the respondents, 49% of them is belongs to engineering. Table 5 shows the work status of the respondents, 61% of them is belongs to permanent employee category. Table 6 shows the job experience of the respondents, 28% of experience is ranked between 2 to 5 years and 5 to 10 years.

For further research, this study was limited to the IT sector in Tamilnadu and hence more studies should be conducted to focus on other sectors like the manufacturing industry, higher education institution, etc. The study also suggests that further studies should be conducted on the relationship between company's attitude towards diversity and employee performance and also on the relationship between corporate culture and employee performance in other sectors as there was found to be no relationship in the IT sector. Furthermore, since the study only focused on the quantitative measure, future works are encouraged in several areas in both quantitative and qualitative measure. It is recommended that future research can get a better understanding of the effects of workforce diversity towards employee performance in an organisation to go deeper for the study.

CONCLUSION

The findings were summarized in order of the research questions of the study. However, the data showed that workforce diversity in career development and policies & procedures of the organisation are related to employee performance. The company's attitude towards diversity and corporate culture has no relationship with employee performance. Organisations should focus on diversity management and keep it in their development strategies in order to be globally and locally competitive.

REFERENCE

1. Allen Richard (USA), Gail A. Dawson (USA), Kathleen Wheatley (USA), Charles Whith (USA) – Linking diversity practices and perceived diversity in management. Problems and perspectives in management; volume 6, issue 2, 2008
2. Biga Andrew – University of South Florida. Measuring diversity management skill: development and validation of a situational judgment test. 2007
3. Cox, Taylor H. - Managing cultural diversity, implications for organizational competitiveness; Academy of Management Executive 1, 91 vol 5 no 3; 1991
4. Cox. T. H. Jr – Cultural diversity in organization – Theory, research and practice; San Francisco, Berrett-koebler, 1994
5. Cox, Taylor – Creating the multicultural organization – A strategy to capturing the diversity, San Francisco, USA, Jossey- Bass;2001
6. Darwin Joseph R. & Palanisamy Chinnathambi Selvaraj – The Effects of Work Force Diversity on Employee Performance in Singapore Organisations. International Journal of Business Administration, vol. 6, No. 2; 2015
7. Donatus I. Amaram – Cultural diversity: Implications for workforce diversity. Journal of diversity management vol.2, no. 4; fourth quarter 2007
8. Ehimare, Omankhanlen Alex & Ogaga-Oghene Joshua – The impact of workforce diversity on organizational effectiveness. A study of a Nigerian Bank; Annals of the University of Petrosani, Economics 1, (3), 2011
9. Jayne Michele E.A and Robert L. Dipboye– Leveraging diversity to improve business performance; research findings and recommendations for organization; Human Resources Management, winter 2004 vol.3 N 4

10. John D. Gerhart Center for Philanthropy and Civic Engagement. Magazine Fortune Human Resources Management Association. 2011.
11. John Wrench (2007), Diversity management and discrimination immigrants and ethnic minorities in the EU.
12. Kogler Marina, Craschke Daniela, Astrid Podsiadlowski, Cornelia Springer, Karen van der Zee - Managing a culturally diverse workforce: Diversity perspectives in organizations; International Journal of the Cultural Relations 37 (2013)
13. KunduSubhash C – Managing cross-cultural diversity- a challenge for present and future organizations; Delhi. Business Review vol. 2, no. 2, July – December 2001
14. Mazur Barbara - Cultural diversity in organizational theory and practice; Journal of intercultural management vol 2, No. 2, November 2010
15. Munjuri Mercy Gacheri – Workforce Diversity management and employee performance in the banking sector in Kenya; DBA African Management Review 2012, vol. 3
16. Nagoshi Emiko, EnuniZhong – Diversity management and the effects on employees' organization commitment: evidence from Japan and Korea; Journal of World Business 44; 2009
17. Olukayode Longe – Impact of Workplace Conflict Management on Organizational Performance: A Case of Nigerian Manufacturing Firm. Journal of Management and Strategy Vol. 6, No. 2; 2015
18. Podsiadlowski Astrid, Craschke Daniela, Kogler Marina, Springer Cornelia, Zee der van Karen - Managing a culturally diverse workforce: Diversity perspectives in organizations; International Journal of the Cultural Relations 37; 2013

