

An Analysis of the Challenges Related to Diversity Within the Workforces of Software Companies

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Abstract

Workforce diversity includes age, race, ethnicity, language, religion, sex etc¹. The organizations are now becoming heterogeneous mix of people. Racial and ethnic workforce poses challenges for an organization to seek a harmonious relationship among employees. A woman now is more independent and educated and is equally standing shoulder to shoulder with men. Age and ability also affect the working in an organization. Diversity also includes beliefs, values, viewpoints and ways of behaving. Any business that intends to be successful must have an underlying view and commitment to ensure that workforce diversity is part of its day-today business conduct. When these trends were first identified in the mid-1980s, they were proclaimed as an opportunity for organizations to become more creative, to reach previously available markets, and in general to achieve and maintain a competitive advantage. The present study is made to identify the problems faced by the employees in course of facing the diversity in the software companies of Bangalore city.

Keywords: Workforce Diversity, Racial and Ethnic Workforce and Competitive Advantage.

1. Introduction and Issue.

Workforce diversity is one of the central issues in the process of development of countries all over the world. In general and in particular workforce diversity is that the grab area of change that needs in the workplace aiming on select service sectors in India. Today, the concept of workforce diversity could be multi-faceted method, that encompasses several aspects like enhancing awareness to the individuals, valuing the differences and accepting the dissimilarities for the continuous growth in the performance and as well as adds the resource of the organization and country. Moreover, Workforce diversity is the process of enhancing feeling of all-inclusive societal growth and sense of recognizing and respecting the values of. The impact of diverse workforce in Indian public sectors and private

¹ Worman Dianah. Is there a business case for diversity? Personnel Today. 2005.

sectors were also in the process to recognize the importance of attention to the economic betterment and development of employees of Indian service sectors. Employees belonging to service sectors accept the more onerous tasks involved in the day-to-day running of business and meeting the customer requirements and increasing the productivity for a better bottom line. That is why the HR managers in service sectors are facing crucial challenges in strategically to meet the needs and acknowledging the differences present in the workplace culture, affecting the performance of the job and businesses and hence overall growth of the nation.

Indian economy from an agricultural based economy to a knowledge driven economy. IT sector has helped the domestic economy to integrate with the world economy. It has made significant impacts on the lives of many people. This has led to an increase in the diverse workforce and has also increased the challenge of software organizations to manage diverse employees for increasing productivity and profit. Efficient management of diversity guarantees that all employees have the equal opportunity to maximize their potentials and boost their self-confidence and develop new creativity and ability to contribute their best to the organization. It appreciates the employees from different backgrounds bringing fresh ideas, views and perceptions, which can make the work, complete in more efficient way and make productivity and services superior. Integrating diverse workforce and their perspectives has become a major issue for every organization whether big or small. If diversity is not managed effectively it would lead to lack of skills, competencies, coordination and cooperation among employees, which will eventually lead to increased employee turnover and will in turn reduce the overall organizations performance.

Managing a Diverse Workforce in Software companies

According to (Hayes, 1999; Jackson et al., 1992)² companies can succeed at diversity if the initiative to form and manages and value the diverse workforce has the full support of the top management. The following are the circumstances which would make workforce diversity a success in any organization. The organization should assign this work to a senior manager (Jackson et al., 1992). The organization should link concerns for diversity to human resource management decisions around recruitment, selection, placement, succession planning, performance management and rewards (Cascio, 1998). The organization should create such a working environment as it will increase the motivation, satisfaction and commitment of diverse people.

Performance standards must be clearly and objectively established, effectively communicated and used on objective criteria without any bias. Recognize the desirable and undesirable behaviors that should be based upon performance feedback discussions involving in the diverse workforce. The strategy (diversity or otherwise) must be based on the will of the culture, strength and human resource of the organization (Hayes, 1999). Manager must understand their firm's culture first and then implement diversity strategies according to that culture (Hayes, 1999). Training and development programs will improve the skills in dealing with the day to day dilemmas. This will help the managers to be aware on how power relations impact on stereotypes of groups and on perceptions of individual and the expectations. Communicating intercultural it will aid in managing a diverse workforce. An individual will be able to understand how cultural and ethnic differences shape the conflict process and coming up with conflict resolution strategies. There will be able to negotiate outcomes with culture differences in

² Hayes, E. (1999). Winning at diversity, Executive Excellence, 9.

mind. Mentoring programs, involvement of experienced advisors and helps others for a period of years and this mentor should be able to advise employees on the whole concept of workforce diversity and the reasons why diversity should be managed in the workplace.

On understanding about diversity results in assessment of one's beliefs about work values, being able to identify work value of others from different cultural backgrounds and examination of the leadership assumptions from a multicultural perspective. Establishment of the support systems to reduce isolation and discrimination- can be done through the encouragement of a formal system and informal networks. Depending on language competence and lack of language skills in multicultural environments is a significant barrier to building a multicultural organization. The rationale for diversity training programmes is often misunderstood at all levels. So it is foremost important to communicate what diversity is and what the organization hopes to achieve by managing it more effectively (Bagshaw, 2004)³.

Present a clear business case for diversity initiatives and link with changing demographics and social changes. This gives diversity a context that enhances understanding (Bagshaw, 2004). Capitalize on the existing diversity within our organization ensures that we include both senior and line managers on our diversity training courses as well as employees from different functions and departments (Bagshaw, 2004). For example, ask participants from their own experience where they have not been treated fairly or with mutual respect and by this it helps to personalize the programme and thereby people use to see that diversity is a concept with something in it for them. Finally the diversity training would create the awareness of what the concept of workforce diversity is and the provision of certain information needed to create behavior changes that are required to effectively manage and work within a diverse workforce. With the above setting the present study is made to find the solution for the following research question;

1. To examine the problems faced in course of diversity among employees.

Review of literature

Deshpande (2015) in her study focused on the diversity issues related to age factor and employees perception and also tried to study the employee perception and awareness of diverse workforce existing in the organization. The findings of the study revealed the importance of diversity in the organizations. It is projected as a global necessity in the present day situation.

Khalid and Aroosh (2014) reported gender discrimination at the workplaces and its effect on the performance of female employees the banking sector of Pakistan. Questionnaire method was adopted and circulated among 200 employees of banks as respondents comprising both males and females. The result revealed that employees' performance was not affected by gender discrimination.

Nada (2014) studied the effect of three dimensions of the diversity- age, gender and disability in the banking sector of Saudi Arabia. He studied on 12 banks, 2 respondents from each bank i.e. a sample of 24 respondents taken to obtain their point of view on diversity dimensions and diversity management. Data was analyzed using thematic analysis and is devised a framework for understanding and enhancing age, gender and disability and their management in the banking sector of Kingdom of Saudi Arabia..

³ Mike, Bagshaw. (2004). Is diversity diverse?. Journal of industrial and commercial training, 36(4), 153-157

Amir Zees a & Ahmed Irma (2012) elucidated in their article "Generational Diversity: Strategies to Bridge the Diversity Gap" that various styles of diversity are crucial components of the organizational work environment, particularly concerning race, ethnicity, gender, and age. These diversities have emerged as significant sources of both conflict and collaboration. It is essential for managers and organizations to foster an open and inclusive atmosphere where employees can learn about different generations and express their opinions without apprehension. Increased diversity is guaranteed to provide incentives for enhanced creativity and more efficient business practices. It is vital to recognize that each generation brings a unique set of skills and contributes significantly to the workforce in various capacities.

Namitha Rajani (2012), in her article "Engaging Generations at the Workplace," concludes that engaging multiple generations in the workplace to leverage their diverse skills and competencies can serve as a competitive advantage. The author notes that employees from different generations hold distinct values and aspirations, yet they collectively contribute to the overall advancement of the organization. HR practitioners and leaders should strive to comprehend the varied values and aspirations of their employees. Furthermore, organizations must establish a framework that maximizes collaboration among different generations and addresses the diverse needs and aspirations of each group to cultivate an inclusive and engaged workforce, ultimately ensuring overall business success.

Omkar Sapre (2010), in his article titled "India Inc. vies for the multi-generation workforce to achieve optimum efficiency," disclosed that companies are partnering with multi-generational teams through these strategies to foster diversity and actively eliminate bias. The ongoing programs that consistently educate employees about organizational priorities grant senior employees the liberty to select positions via social media networking platforms, which host informal sessions to encourage collaboration. Employee relationships are regarded with utmost seriousness, necessitating that organizational management ensures individuals feel valued, provides resources, and inspires them with information.

Hypothesis of the study

H₀₁: The association between the perception of diversity and the demographic profile of the respondents is not significant.

Research Design

The study is both analytical and descriptive in nature. The Primary data is gathered from the employees of software companies as sample respondents through structured questionnaires. Other required data has been collected from various websites, magazines, journals and theses. The study is preferred to take 100 samples to match the entirety of more than 60000 IT employees in the city. The structured questionnaires have been used to collect the primary data among the employees. The sampling technique adopted is simple random sampling, because the population is finite and homogenous. The following statistical tools have been applied for the analyses:

1. Simple Percentage analysis
2. Analysis of variance

Analysis and Discussion

Table 1: Demographic Profile of the Respondents

Classification	No of Respondents	Percentage
Gender		
Male	64	64
Female	36	36
Transgender	0	0
Age (Years)		
Below 25	29	29
26 – 40	46	46
Above 40	25	25
Marital Status		
Married	69	69
Unmarried	31	31
Divorced/Widowed/others	0	0
Educational qualification		
Diploma	09	09
UG	52	52
PG	39	39
Experience (Years)		
Below 3	36	36
3 – 6	34	34
6 – 10	30	30
Above 10	0	0
Total	100	100.0

Source: Compiled and calculated using primary data

The above table represents the demographic profile of the respondents who are the employees of software companies in Bangalore. Out of 100 samples selected 64 respondents were male, 46 Respondents were between 26-40 years of age, 69 respondents were married, and 52 respondents have UG level educational qualification and finally 36 respondents have below 3 years of experience.

Table 2: Problems of diversity– Descriptive Statistics

Particulars	Min	Max	Mean	SD
Limiting area of consideration	1	5	3.50	1.29
Lack of diverse applicant pool in positions	1	5	4.10	1.22
Lack of diversity at the senior ranks	1	5	3.67	1.28
Categorizing people into certain positions	1	5	3.66	1.38
Always recruiting from same source	1	5	4.30	1.09

Grooming/developing only one person	1	5	4.20	1.12
Diversity management cost	1	5	3.59	1.37
Diverse groups are shown to be less integrated and have a higher level of dissatisfaction.	1	5	3.65	1.43
Increases the level of dissatisfaction in group members, as well as miscommunication	1	5	4.10	1.13
Diversity can be linked with conflict, lower group adhesiveness, increased employee turnover and absenteeism, and lower quality of performance.	1	5	3.82	1.27

Source: Primary data

The table here denotes the descriptive statistics pertaining to the problems faced by employees due to workforce diversity. It can be evident from the table that the problem recruiting from same source always has the better mean value at 4.30 and the statement diverse groups are shown to be less integrated and have a higher level of dissatisfaction has the better standard deviation at 1.43.

H₀₁: The difference between the problems of diversity and the demographic profile of the respondents is not significant.

Table – 3: Analysis of Variance

Variables	Group	<i>f</i>	P-value	S/ NS
Gender	Male	6.81	0.69	NS
	Female			
	Transgender			
Age	Below 25	19.45	0.02	S*
	26 – 40			
	Above 40			
Marital Status	Married	12.58	0.03	S*
	Unmarried			
	Divorced/Widowed/others			
Educational Qualification	Diploma	.26	0.04	S*
	UG			
	PG			
Experience	Below 3	3.47	0.00	S**
	3 – 6			
	6 – 10			
	Above 10			

*Significant at 5 per cent level **Significant at 1 per cent level

Source: Primary data

The table above represents the analysis of difference using analysis of variance between the problems of diversity and the demographic profile of the respondents. It is evident from the table that the

all the demographic profiles except gender are found significant at 5 and 1 per cents respectively. Hence the null hypothesis is rejected and concluded that the difference between the problems of diversity and the demographic profile of the respondents is not significant viz, age, marital status, educational qualification and experience.

Conclusion

Diversity management is a need as well as challenge for all the multinational companies, especially software companies in India. The companies have taken initiatives to meet the needs of the diverse workforce and put them together to maximize the potential productivity of the employees. Workforce diversity management is done for achieving the common organizational goals through improving employee performance, reducing interpersonal conflicts, improving communication at all levels, improve decision making and introducing new pool of talent. Diversity management programs in any organization does bear a cost, the managers needs to balance this cost with profit making by the company. Diversity management process is valuable to enhance the productivity of the organization.

Suggestions for Effective Diversity Management

To enhance the effectiveness of diversity management in multinational software firms in India, organizations ought to concentrate on formulating a comprehensive and inclusive strategy. Managers should conduct regular training sessions on diversity and sensitivity for employees to foster understanding, respect, and collaboration among individuals from various backgrounds. It is essential to establish transparent communication channels to mitigate interpersonal conflicts and ensure that every employee feels acknowledged and valued. Additionally, companies must implement equitable recruitment and promotion policies to attract and retain a diverse workforce.

Furthermore, managers should diligently monitor the cost–benefit ratio of diversity initiatives, ensuring that investments in inclusion yield improvements in innovation, employee satisfaction, and overall productivity. Leadership must actively exemplify inclusive behavior and support diversity objectives. Regular assessments of diversity programs will assist in identifying shortcomings and facilitating necessary enhancements. By embracing these strategies, organizations can leverage workforce diversity as a strategic asset, thereby improving both organizational performance and profitability.

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