

A Study on the Employee Perception towards the Impact of the Workforce Diversity on their Performance

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ABSTRACT:

Companies are implementing various strategies to promote workforce diversity in order to accomplish various goals in HR-related areas. The growing globalization and competition present both problems and possibilities for a diversified workforce. In order to incorporate the influence of diversity, organizations have emerged that represent diverse people, regardless of organizational hierarchy, and so they can meet the needs, services, products, and processes of the social aspects that emerge once diversity is prevalent. Hence fostering and upholding an organizational culture that encompasses the total range of various people. This study was conducted with the objective of understanding the relationship between workplace diversity and the performance of employees in organizations and revealed that there is significant relationship between them. Moreover, all the demographic dimensions selected for the study have significant positive correlation with the performance of the employees.

Key words: diversity, performance, organization,

INTRODUCTION

Due to the growing globalization of organizations and the introduction of new technologies associated with it, the need to attract, maintain, develop, and retain the best and most competent staff is predominant. Because of this, businesses need to have a competitive advantage, which is best demonstrated by the presence of human capital, or, to put it another way, intellectual capital, in order to maintain and sustain growth. The workforce's diversity and the differences in local, national, and global demographics contribute to efficient delivery, which can then help provide essential needs and services to people with a variety of needs. Because of this, businesses benefit from variety in terms of luring in and keeping quality workers. According to the reports, 77% of Indian employers believe that Diversity, Inclusion and Belonging are crucial for organizational performance (TOI April 8, 2022). As firms grow more employee-focused, human resource management has been recognized as one of an organization's main duties. The most precious resource in any company is its workforce, and it has

been shown that organizations that practice good human resource management experience increases in both employee productivity and organizational revenues.

Workforce diversity in organizations

As human capital advantage is one of the important factor that can set one organization apart from another, businesses are investing more and more in their people and their growth. The trend is changing since more and more employees from different backgrounds are collaborating. There have been coworkers who differ in terms of age, gender, organizational tenure, work experience, educational background, religion, regions, caste, nationality, personality, culture, and language. Organizations committed to workforce diversity tend to measure and evaluate the influence of workforce diversity on employee performance. Workforce diversity is defined as the collective mixture of employees' differences and similarities (including individual characteristics, values, beliefs, experiences, backgrounds, preferences and behaviors).

The diversity aspect has taken in differently by various authors. The diversity of the workforce at work suggests that the workplace is varied in terms of gender, race, and ethnicity, and that each employee has exceptional characteristics that set them apart from one another. Also, there are persons from dissimilar sociocultural origins are coexisting in the office. The workforce diversity became as issue where in a world that is ever more globalized, firms' workforces are growing increasingly According to researchers, if a diverse workforce is hired, managed, and any problems that arise from it are addressed effectively, the latter claims to have a favorable impact on employee performance. The purpose of the subsequent study is to investigate how employee performance is impacted by workforce diversity in Indian firms.

REVIEW OF LITERATURE

Various studies related to workforce diversity has proved the influence of workforce diversity in the various aspects of HR functions. Hiring diversified workforce will definitely leads to improved productivity, but may prove to disaster if not managed properly. Because not only the management but employees are also feeling some problems like language problem (which is acceptable and is not due to thoughts of the employees), attitude clashes, and difference in perceptions, which is directly related to human behavior which ultimately affects the productivity of any organization (Ankita Saxena, 2014).

Daizy Raj (2014) Globalization and internalization are two of the gifts that workforce diversity brings to the table, which is why foreign executives are very successful in the corporate world in America, while citizens from Europe and their place in high-level jobs. Put them together in one place and what you get is increased productivity.

Harsh et al (2018) opined that Employees from different states, languages, and religions should be taken into consideration. Furthermore diversity-related issues that will definitely arise usually effectively handled by leadership is all about making a change in the organization.

Kumudha and Raji (2018) on their study explained that overall effects of workforce diversity (culture, age, gender and ethnicity) towards employee performance in an organization (IT Companies) is significant in demographic variables in most of the ways. It also revealed that there is a positive moderate correlation between workforce diversity and employee performance.

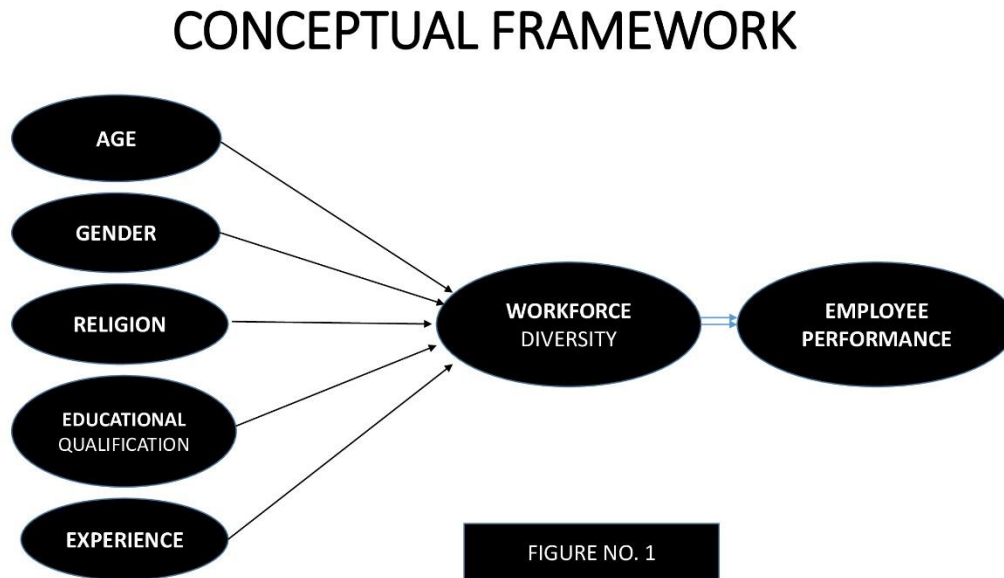
Greda and Shimels (2018) found that there is a positive and significant relationship between the three (diversity management, job satisfaction and productivity) and results obtained regarding the relationship were relatively consistent among related studies. However, the relationship between diversity and productivity is not sufficiently explored as the studies lacks organizational level analysis, tokenism, and artificially constructed research settings that cannot address a variety of cultural contexts and tightly dominated by US-centric.

Gomez and Patrick (2019) opined that the Diversity is associated with better financial performance and a higher quality of patient care. Many organizations are already embracing it as a core strategy. Despite these benefits, women and minorities are still poorly represented in professional and management ranks. Perhaps part of the problem has been where attention was focused.

According to Alia Husain (2021) Workplace Diversity is a growing and trending topic for the current organization. Workplace Diversity Management is pivotal for the accomplishment of organizational objectives, better efficiency, decision making, growth, and development in an organization.

CONCEPTUAL FRAMEWORK

The conceptual framework of the study is depicted in the Figure No. 1



STATEMENT OF THE PROBLEM

At the advent of globalization and advance use of technology have led the acquisition of diversified workforce to the global organizations. It is giving greater challenges for the HR managers to manage the diversified workforce efficiently and effectively. There are critical gaps to be filled in order to use this workforce into more efficient ways so that both the organization and individual employees are benefited. Therefore, organizations need better policies for preserving workforce diversity in order to serve as a vitalized source of synergy for gaining competitive advantages over rival organizations and, as a result, to maintain an effective and efficient set of operations involving the development of Human Capital.

OBJECTIVES OF THE STUDY

The objectives of the study is cited below:

1. To find out the influence of work force diversity on the employee performance.
2. To study the employee perception towards the workforce diversity on their performance

RESEARCH METHODOLOGY

The study was carried out using descriptive research. Convenient sampling method was incorporated in the study. Both primary and secondary data were used for the completion of this. Primary data were collected from over 100 employees who were working in IT Sector, based out of Bangalore. A questionnaire was administered online to collect data from the respondents. Secondary data were gathered from a variety of sources such as websites, journals, newspapers e books and research papers.

After conducting extensive literature review and previous records of similar studies, diversity factors were identified under workforce diversity and a set of variables were identified to measure each factor. The following factors were identified as the diversity dimensions: Age Diversity, Gender Diversity, Educational Qualifications, Work Experience Diversity and Religion Diversity.

RESULTS & DISCUSSIONS

1. Diversity dimensions

The diversity dimensions used in the study explains that diversified workforce in terms of age, gender, religion, marital status and experience are harmoniously working the organizations in the IT sector.

Table No. 1

Diversity dimensions

Age Level %	20-29	30-39	40-49	50 and above
	53	21	15	11
	8	6	82	5
Gender %	Male	Female	Others	
	55	44	1	
Religion %	Hinduism	Islam	Christianity	Sikh, Buddhism & others
	58	25	7	10
Marital Status %	Married	Single	Prefer not to say	
	47	54	2	
Experience %	0-9 years	10-19 years	20-29 years	30 and above
	72	17	8	4

The above table depicts that there majority of the respondents were of the age level of 20-29. Moreover 55 % of the respondents from male gender. Besides 58% of the respondents from the Hindu religion and 54 % of the respondents were married. More importantly, majority of the employees were having the experience of 0-9 years. While going through the diversity dimensions except in the case of experience we could see an even distribution of respondents in every of the diversity parameters selected.

11. Diversity Index

The diversity index was calculated based on the data collected through the questionnaire. The questionnaire was constructed in such a way that it had a total of 35 questions with Likert scale. Among the total of 35 questions included 28 questions were pertaining to Diversity factors and 7 questions pertaining to Performance.

Table No. 2

Diversity indexes

Sl No	Diversity dimension	Index
1	Age Diversity	82
2	Gender Diversity	82
3	Education Level Diversity	74
4	Experience level Diversity	77
5	Religious Diversity	76
1	Diversity Index	78
2	Performance Index	88

The diversity indexes had been calculated based on the statements asked related to the diversity implementations in the organizations. Form the table its observed that the organizations are utilizing the diversity dimensions in and the respondents rated a more than 70 percent index for all the dimensions considered in the study. Moreover, the diversity index and performance index together are also showed significantly high in the study.

III. Relationship between workforce diversity and performance.

The relationship between workforce diversity and performance is explained in Table No.

Table No. 3

Correlation Analysis

	DIVERSITY INDEX	PERFORMANCE INDEX
DIVERSITY INDEX	1	0.90
PERFORMANCE INDEX	0.90	1

The correlation and regression analysis brought out the result that there is a strong positive relationship between the performance and the workforce diversity at organisations.

Employee's perception on the impact of workforce diversity on the Performance

Sl No	Diversity dimension	R value
1	Age Diversity	0.71
2	Gender Diversity	0.81
3	Education Level Diversity	0.80
4	Experience level Diversity	0.78
5	Religious Diversity	0.82

It's evident from the table that the R value of diversity dimensions are positive and provides the indication of the importance of diversity in organizations with regards to the Performance of employees.

The results of the data analysis demonstrate a high positive association between diversity and performance. We discovered through regression analysis that there is an 81.2% variance in employee performance that may be attributed to organizational diversity issues. The employees felt that the diversity dimensions contributed to an improvement in performance since they had made organizations work more effectively for the organization. The conclusions are also supported by a number of research, including one that found a strong positive association between employee performance in organizations and all of the diversity aspects employed in the study.

Suggestions:

The results of this study and numerous others have demonstrated that diversity dimensions have a favorable effect on employees' individual performance, which in turn has benefited organizational performance. Organizations would properly monitor the workers regarding concerns resulting from workforce diversity in order to have improved employee performance that wouldn't have a negative impact on both employee and organizational performance. The organization's workspace needs to be designed so that its diverse workforce can collaborate well and with a good attitude. When making judgments, the skills of both newly hired staff and highly experienced personnel should be taken into account equally. Additionally, there shouldn't be any disparate treatment of males and women at the time.

Conclusion:

Because of technical advancements and globalization, there has been an increase in the incorporation of workforce diversity in the talent acquisition process in firms. It is essential for employees to explore for better chances and to leave their comfort zones, which has really operationalized for a diverse workforce in forward-thinking firms. There are many benefits to having a diverse workforce, including the opportunity to learn from people of different ages, genders, cultures, experiences, and educational backgrounds. This in turn results in employees performing better.

LIMITATIONS AND SCOPE FOR FURTHER STUDIES

Limitation of the Study:

The study's primary focus was on Bangalore's IT industry. We might also do the research in other industries to gain a more comprehensive picture of the results. The study did not take into account the influence of other factors because it only focused on five dimensions of workforce diversity. The study just relied on the employees' survey replies; actual organizational performance was not taken into consideration.

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