

DIVERSITY MANAGEMENT: A SURVEY AND STUDY OF THE ORGANIZATIONAL DIVERSITY DIMENSIONS IN INDIA

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ABSTRACT

Diversity Management is not a one time implementation program but a process of systemic organizational change. Like any other change initiative in the organization managing diversity in the workplace requires building a strategy, creating a tactical plan, being accountable and implementing and tracking the process against the conceived plan. Organisational diversity performance depends upon workforce members effectively using their talents in such a cohesive way as to meet business goals and objectives in line with 'PEOPLE ARE THE ORGANISATION'. This paper highlights the various dimensions which affect critically in building the diversity management capability and initiatives in Indian context. First we need to find out the various external and organizational dimensions which constitute this diversity as much as the assumptions and beliefs existing about them. This will determine how well these diversity policies and plans work and collaborate with each other. This paper puts forth the key performance indicators (KPI) and factors affecting diversity management, their comparison and what needs to be created to check it's progress. By working proactively we can address issues before they become problems. Diversity management in comparison to its predecessors (equal opportunity legislation and affirmative action programs), is totally proactive and aimed at creating an organization wherein all members contribute and achieve their full potential.

Introduction

There are three dimension of diversity at large namely the Internal, External and organizational dimensions of Diveristy. These dimensions help us define ourselves and perceive each others uniqueness far beyond our culture

Primary/ Internal Dimensions

There are 4 main primary or internal dimensions of diversity which influence our early socialization process and have a sustained influence throughout our life cycle. These are more explicitly visible to others even before we open our mouth and hence when people are stereotyped on these dimensions they are less sensitive about it. These are;

- Gender
- Race
- Ethnicity
- Age

Secondary/ External dimensions

There are 6 main external dimensions which play an important role in shaping our expectations and experiences. They are less visible to others around us, more variable in nature and less powerful as we keep on acquiring, discarding and modifying these. But at the same time people are more sensitive when stereotyped on the basis of these. These are ;

- Education
- Income
- work experiences
- communication style
- Religion
- Language

Organizational Dimensions

The environment within the organization includes the major organizational dimensions which brings forth the benefits realized out of diversity. All employees should feel welcome and valued for what they bring to the organization.

- Department
- Geographical Location
- Tenure
- Grade level

KEYWORDS: Diversity, Dimensions, Performance, Tenure, Department

INTRODUCTION

Diversity management has three main characteristics: it is voluntary; focuses on managing and handling the diverse workforce to give competitive advantage to the company and promotes equal opportunities to all. Hence implementing diversity management can give companies a competitive advantage in areas such as problem solving, corporate image, and marketing

The Diversity management practices has significance as Indian companies which are structured around the old homogenous model diminish their potential and ability to grow and compete in a global marketplace. This study portrays identifying the key factors in diversity management as a systematic company wide effort based on the premise that for organizations to survive and thrive there is an inherent value in diversity. Diversity management can create a competitive advantage in areas such as marketing, problem solving, and resource acquisition (Cox, 2001). Therefore, diversity management is not the sole domain of the human resource function in the organization (as has been the case with affirmative or positive action initiatives) .

Even a marginal decline in the productivity can put an organization in serious jeopardy of losing some portion of the competitive advantage (Loden, 1996).The statement draws support from a study (“Mercer's Asia Pacific Diversity and

Inclusion Study”, 2012) which reports that 60% of the participating companies in India reported having diversity and inclusion strategy at the global and regional level of which around 14.5% had a diversity strategy at country level. Among the 40% companies, who do not have diversity strategies at their organization, are looking into establishing it soon. Further, the reports states that the top three drivers behind an Indian organization's diversity and inclusion strategy found were recruitment of talent (70%) employer brand (61.3%) and access to untapped talent pool (60%) .

Diversity management in India¹ A study of organizations in different ownership forms and industrial sectors through an in-depth case study of 24 firms reveals the differences between Western MNCs and Eastern firms as well as the varying views of Indian managers and employees on issues related to diversity management. The CAPS² research 2014 newsletter indicates questions about how companies are succeeding in meeting or surpassing their supplier diversity goals and how they work with diverse suppliers to develop new business opportunities. HP believes that a diverse workforce encourages creativity and innovation and has a special 'Diversity and Inclusion leadership Committee ' consisting of senior leaders from all over the world. More so the Gender diversity drive has taken many organizations such as IBM, Kotak Mahindra, SAP labs etc by storm. In fact Deutsche bank offers a 2% additional fee to a recruiter for bringing women candidates to the bank.

Many corporate giants like, Infosys was the first Indian IT company to establish an office for diversity and inclusivity. Talent diversity is the key to propel it's business growth engines and sustain momentum. Cognizant, Dell, Microsoft, Vodafone are working on” second career“ programmes for women. Major companies like Nike, Ford, MC Donald and coca cola are going all out to win over free spending ethnic consumers by recruiting minority market experts who speak each group's language.

Hindustan lever Ltd. (HLL) Unilever is an extremely diverse organization in terms of its ethnic and cultural make-up. The Unilever Leadership Executive (ULE) comprises managers from five countries and the top 100 executives come from over 20. The company has a diversity board chaired by the CEO where there is a requirement that the shortlist for each senior job should contain a woman.

Accenture has been named to the 2013 Diversity Inc Top 50 Companies for Diversity list, rising to number 9, up from number 12 last year. This marks Accenture's seventh consecutive year on the Diversity Inc Top 50 list and its fifth consecutive year in the Top 25. Diversity Inc also included Accenture in three “Top 10” lists for

- No. 7 for Global Diversity
- No. 7 for Supplier Diversity
- No. 10 for Persons with Disabilities

Wipro Limited received the 'NASSCOM Corporate Award for Excellence in Diversity and Inclusion, 2012', in the category 'Most Effective Implementation of Practices & Technology for Persons with Disabilities'. It has also been ranked 2nd in the list of Top 25 U.S. diversity councils, by The Association of Diversity Councils, a practice group of diversity and inclusion consulting and training firm PRISM International, Inc.

Genpact Limited , a global leader in business process management and technology services, has been recognized at the NASSCOM Corporate Awards for Excellence in Diversity and Inclusion, in the category of best BPO company with more than 5,000 employees. Diversity is part of the DNA at Genpact and is integral to the company's ethos.

OBJECTIVES

- To study and analyze the various organizational dimensions influencing diversity management in both IT and non IT
- To study and estimate the effect of Department and geographical location on the diversity management practices in both IT and non IT companies.
- To study and estimate the effect of company tenure and employee grade on the diversity management practices in both IT and non IT companies.

RESEARCH METHODOLOGY

Population, Sample Unit, Sample Size

A total of 5 industries (Manufacturing, IT , Pharma, ITES, R&D) were contacted with 20 senior level managers from each to find out their opinion on Cross cultural human resources management practices in India making a total sample size of 100 .

Sampling Technique & Data Type

Non-probability convenient sampling method was used to collect primary data from the respondents.

Data Collection Tools

Structured questionnaire was prepared on the basis of Literature review for the collection of primary data consisting of questions on a scale of 5. The respondents were the senior managers from these companies who had to choose one value at the expense of other in a forced choice method. The questionnaire analyzed the thinking of personnel specialists based on the following aspects: Diversity, Talent, cultural intelligence and culture. The companies chosen operated in four industries (Manufacturing, IT, Pharma, ITES, R&D) in India with an employee base of 200 or more.

A five (5) point likert scale method which ranges from Strongly Disagree (1) to Strongly Agree (5) for preparation of questionnaire.

Data Analysis Tools

- The collected data is coded and tabulated
- SPSS software used for further analysis of data.
- Reliability of the data collected is assessed by applying the Cronbach Alpha method.
- Factor analysis, t test

STATISTICAL ANALYSIS AND EMPERICAL RESULTS

Reliability Analysis of Questionnaire

Table 1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.730	.713	12

Cronbach alpha for the questionnaire resulted in a value above 70 % per cent showing reliability of scale measurement indicating the consistency of the variables in the questionnaire.

Independent Sample T Test

The Independent sample t-test was conducted to compare the means between the various dimensions spanning from the Department, Geographical location, Employee grade and employee tenure in the company on the same continuum of variables (questions). Findings of the test are displayed in the next section.

Table 2: Department(IT vs. Non IT)

Group Statistics					
	Dept	N	Mean	Std. Deviation	Std. Error Mean
Diversity training to managers handling diverse teams is essential nowadays in an organization	IT	18	4.6667	.48507	.11433
	NON IT	65	4.0923	.78508	.09738
An individual's talent is more important than his demographic group	IT	18	4.5556	.78382	.18475
	NON IT	68	3.8676	1.04958	.12728
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these, ensure the chances of success	IT	18	3.5000	1.15045	.27116
	NON IT	71	3.8873	.66653	.07910
Culture determines a person's belief's, behaviors and values	IT	18	3.7222	.46089	.10863
	NON IT	68	4.0882	.82381	.09990

Table 3: Independent Samples Test

		Levene's Test for Equality of Variances		t-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-Tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Diversity training to managers handling diverse teams is essential nowadays in an organization	Equal variances assumed	.042	.839	2.944	81	.004	.57436	.19506	.18624	.96248
	Equal variances not assumed			3.824	44.402	.000	.57436	.15018	.27177	.87695
An individual's talent is more important than his demographic group	Equal variances assumed	.217	.643	2.591	84	.011	.68791	.26547	.16000	1.21582

	Equal variances not assumed			3.066	34.969	.004	.68791	.22435	.23244	1.14338
	Equal variances not assumed			2.235	23.740	.035	.43162	.19310	.03285	.83040
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	Equal variances assumed	17.498	.000	-1.870	87	.065	-.38732	.20713	-.79902	.02437
Culture determines a person's belief's,behaviors and values	Equal variances assumed	3.898	.052	-1.806	84	.074	-.36601	.20262	-.76894	.03692
	Equal variances not assumed			-2.480	49.018	.017	-.36601	.14759	-.66259	-.06943

Geographical Location (India vs. Abroad)

Table 4: Group Statistics

	Geoglocation	N	Mean	Std. Deviation	Std. Error Mean
Diversity training to managers handling diverse teams is essential noways in an organization	INDIA	78	4.1410	.78499	.08888
	ABROAD	11	4.4545	.52223	.15746
An individual's talent is more important than his demographic group	INDIA	81	3.8642	1.08112	.12012
	ABROAD	11	4.5455	.52223	.15746
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	INDIA	84	3.8929	.83620	.09124
	ABROAD	11	3.2727	.46710	.14084
Culture determines a person's belief's,behaviors and values	INDIA	81	4.1235	.74804	.08312
	ABROAD	11	3.1818	.40452	.12197

Table 5: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-Tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Diversity training to managers handling diverse teams is essential nowadays in an organization	Equal variances assumed	.035	.852	-1.282	87	.203	-.31352	.24459	-.79967	.17263
	Equal variances not assumed			-1.734	17.162	.101	-.31352	.18081	-.69473	.06769
An individual's talent is more important than his demographic group	Equal variances assumed	2.098	.151	-2.050	90	.043	-.68126	.33227	-1.34138	-.02114
	Equal variances not assumed			-3.440	24.011	.002	-.68126	.19805	-1.09000	-.27251
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	Equal variances assumed	1.939	.167	2.403	93	.018	.62013	.25802	.10776	1.13250
	Equal variances not assumed			3.696	19.736	.001	.62013	.16781	.26979	.97047
Culture determines a person's belief's,behaviors and values	Equal variances assumed	3.099	.082	4.081	90	.000	.94164	.23073	.48326	1.40002
	Equal variances not assumed			6.380	20.881	.000	.94164	.14759	.63459	1.24869

Employee Grade (Sr. Manager vs Manger)

Table 6: Group Statistics

	Grcade	N	Mean	Std. Deviation	Std. Error Mean
Diversity training to managers handling diverse teams is essential nowadays in an organization	SR MANAGER	50	4.1600	.88893	.12571
	MIDDLE MANAGER	26	4.1154	.58835	.11538
An individual's talent is more important than his demographic group	SR MANAGER	50	3.6800	1.18563	.16767

	MIDDLE MANAGER	29	4.0345	.77840	.14455
Culture determines a person's belief's, behaviors and values	SR MANAGER	50	4.1600	.76559	.10827
	MIDDLE MANAGER	29	4.1379	.69303	.12869
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	SR MANAGER	50	3.9000	.93131	.13171
	MIDDLE MANAGER	32	3.9375	.66901	.11827

Table 7: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Diversity training to managers handling diverse teams is essential nowadays in an organization	Equal variances assumed	1.975	.164	.231	74	.818	.04462	.19346	-.34086	.43009
	Equal variances not assumed			.261	69.567	.795	.04462	.17064	-.29575	.38498
An individual's talent is more important than his demographic group	Equal variances assumed	4.204	.044	-1.438	77	.154	-.35448	.24646	-.84524	.13628
	Equal variances not assumed			-1.601	75.714	.113	-.35448	.22138	-.79542	.08645
Culture determines a person's belief's, behaviors and values	Equal variances assumed	.105	.747	.128	77	.899	.02207	.17273	-.32189	.36603
	Equal variances not assumed			.131	63.489	.896	.02207	.16818	-.31396	.35810
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	Equal variances assumed	3.517	.064	-.197	80	.844	-.03750	.19004	-.41569	.34069
	Equal variances not assumed			-.212	78.848	.833	-.03750	.17701	-.38985	.31485

Employee Tenure

Table 8: Group Statistics

	Noof Years	N	Mean	Std. Deviation	Std. Error Mean
Diversity training to managers handling diverse teams is essential nowadays in an organization	0-5	63	4.1429	.75897	.09562
	6-10	8	4.7500	.46291	.16366
An individual's talent is more important than his demographic group	0-5	66	3.9848	1.14344	.14075
	6-10	8	4.0000	.00000	.00000
Culture determines a person's beliefs, behaviors and values	0-5	66	4.0303	.67868	.08354
	6-10	8	4.5000	.53452	.18898
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	0-5	69	3.8406	.83355	.10035
	6-10	8	4.0000	.75593	.26726

Table 9: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-Tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Diversity training to managers handling diverse teams is essential nowadays in an organization	Equal variances assumed	.166	.685	-2.203	69	.031	-.60714	.27564	1.15703	-.05725
	Equal variances not assumed			-3.203	12.431	.007	-.60714	.18955	1.01855	-.19573
An individual's talent is more important than his demographic group	Equal variances assumed	9.447	.003	-.037	72	.970	-.01515	.40673	-.82595	.79564
	Equal variances not assumed			-.108	65.000	.915	-.01515	.14075	-.29624	.26594
Culture determines a person's beliefs, behaviors and values	Equal variances assumed	.030	.863	-1.884	72	.064	-.46970	.24934	-.96675	.02736
	Equal variances not assumed			-2.273	9.962	.046	-.46970	.20662	-.93032	-.00907
In an overseas negotiation a pre research on the cultural rules of that country and preparing to follow these ,ensure the chances of success	Equal variances assumed	.875	.353	-.516	75	.607	-.15942	.30873	-.77444	.45560

	Equal variances not assumed			-.558	9.094	.590	-.15942	.28548	-.80420	.48536
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Interpretation for T-Test

An independent-sample t-test was conducted to analyze the impact of organizational dimensions on diversity management of the employees in the IT and non IT companies. These results suggest that out of 4 dimensions analyzed there are 2 dimensions which have a considerably remarkable influence on the diversity management initiatives. These dimensions are the Geographical location(India/Abroad) and Department (IT/non IT). In these the p values indicated are < .05 which shows that there it has significant difference. The employee grade and tenure has had less significant effect on the Diversity initiatives as p values are <0.05. These values are ;

- Geographical location -for India and abroad conditions; Average p=.03
- Department - for IT and non IT conditions; Average p=.045
- Employee grade – Managers and non managers Average conditions; p=.67
- Company tenure – 0-5 yrs and 5-10 yrs conditions; Avearge p=.0.4

Factor Analysis

Next part of the research focused on finding the main factors among the observed dimensions. The data contained 4 variables; each variable representing a part of the "Organizational dimensions" The purpose then was to reduce the number of variables. Principal Component Analysis was done to group variables with similar characteristics together. The first step was to check whether the sample is big enough to perform Principal Component Analysis. Kaiser- Meyer- Olkin (Exhibit 3) measure of sampling adequacy (KMO-test) was thus performed. As the KMO was .485 which is found to be adequate.

Table 10: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.485
Bartlett's Test of Sphericity	Approx. Chi-Square	21.054
	df	6
	Sig.	.002

Table 11: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.494	37.359	37.359	1.494	37.359	37.359	1.438	35.958	35.958
2	1.197	29.921	67.281	1.197	29.921	67.281	1.253	31.323	67.281
3	.768	19.197	86.477						
4	.541	13.523	100.000						

Extraction Method: Principal Component Analysis.



Figure 1

Examining a scree plot (Figure 1) also, in which the eigenvalues are plotted from largest to smallest and looking for a "bend" in the eigenvalues determines where to stop the retention of factors we observe that first two factors shall be retained

Table 12: Component Matrix

Rotated Component ^{Matrix}		
	Component	
	1	2
DEPT	.858	.098
GEOGLOCATION	-.784	.187
GRADE	.254	-.712
NOOFYEARS	.151	.837
Extraction Method: Principal Component Analysis.		
Rotation Method: Varimax with Kaiser Normalization.		
a. Rotation converged in 3 iterations.		

Finally, the Component Matrix shows the factor loadings for each variable. We scanned each row, and highlighted the factor that each variable loaded most strongly on. Based on these factor loadings, we suggest the below factors ; The Dept and geographical location is loaded strongly on Factor 1 which may be termed as the external factor. Grade and no. of yrs are loaded strongly on Factor 2 which may be termed as Employee factor.

LIMITATIONS OF THE STUDY

- The area of study is an academic one and hence restricted by time, cost and geographical coverage and sample size.
- The suggestions may require policy decisions on the part of the top management while implementing the same.

- The findings and suggestions are applicable only to organizations of the same size and like.

CONCLUSIONS

While each diversity adds a layer of complexity it is the dynamic interaction among the various dimensions that influences the values and opportunities. The diversity dimensions where there is a critical and important need to focus upon by the companies has been highlighted in this study and survey. This will lead to relooking into some of the perceptions about the various dimensions of diversity aspects and their influence on the HR diversity initiatives. Focus areas can be dealt with in the light of this study and a detailed plan of action can be highlighted in these target areas. The importance of incorporating the above dimensions into organizational diversity plans and policies is imperative and the entire process of direction will take place at senior management levels accompanied by competence and willingness.

FUTURE SCOPE

There is a need to "SEARCH FOR LOW HANGING FRUIT" for looking things that are going well in the organization wherein there is a little effort involved for integrating diversity into day to day lives. Seizing those opportunities and recognizing those who are making diversity happen in the organization the researchers can increase their scope of work to comprehend the advantages in implementing diversity management in those areas .

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