CHAPTER – IV

WORKFORCE DIVERSITY IN SELECT SERVICE SECTORS - GLIMPSE

4.1. INTRODUCTION

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 recognising and respecting the values of.

The impact of diverse workforce in Indian public sectors and private sectors too on the go, to increasingly 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.
4.2. DIVERSITY DEFINED

According to (Esty, et al., 1995)\textsuperscript{85} outlined that WFD as ‘valuing, understanding, acknowledging, accepting, and celebrating variations amongst people with regard to race, physical and mental ability, gender, sexual orientation, spiritual practice, age, ethnicity, class and public assistance status’. The diversity issues in U.S organizations are considered to be more and more importance in the workplace; hence the workforce diversity in U.S subsists and requisite to ponder on these aforesaid issues. (SHRM, 1995) tells that diversity has the potential of yielding the greater productivity and to overcome the competitive advantageous, companies need to focus on diversity and to understand the ways to become totally inclusive organization. Stephen G. Butler, co-chair of the Business-Higher Education Forum trusts that diversity is an invaluable competitive asset that America cannot be able to reject (Robinson, 2002)\textsuperscript{86}. Managing and valuing diversity is a basic element for an operational management that makes the workplace to be more output (Black Enterprise, 2001)\textsuperscript{87}. For an effective management should concentrate on implementing and developing the new practices and adhere to make changes in managing people, proving equal chance for men and women and adopting them in decision making skills can increase the work performance and also better customer service.

Affirmative action draws attention from the law and requisite to fulfil with the set objectives provided with equal employment opportunity plays an important strength for the role of diversity. The minimum effect of diversity gave upswing to the management for the effective performance, whereas, when an individual was hired


into a company they differ from the dominant group. This may be as the difference that exists in the way of their age, religion, race, education, etc.

In majority of the cases, though agreeing to the law of affirmative action in U.S. employers are prohibited by federal and state laws from benevolent to race or ethnicity in concerning to hire or assign employees in the workplace. However, there is a manifest imbalance in a traditionally segregated job category in U.S. and the Supreme Court has upheld the use of limited preferences based on race, ethnicity, and sex.

The social justice model evolved next and extended the idea that individuals outside the dominant group should be given opportunities inside the workplace, not solely as a result of it absolutely was the law, and however as a result of it was the right issue to try to do. This model still revolved around the idea of tokenism however, it conjointly brought within the notion of hiring based on a "good fit". From social justice developed the model of representation and diversity acceptance where the scope of diversity dilated on the far side of race, gender and quality to incorporate age, sexual orientation and ability. Today, the diversity model is one amongst inclusion that reflects a globalized economy and philosophical system in a multicultural workforce where value is placed on diversity of thought and also the perspectives shared from individual standpoints are seen to learn organizations that are savvy enough to maximise. The business case for diversity theorizes that, in a exceedingly world marketplace, an organization that employs a diverse workforce is higher and able to perceive the demographics of the marketplace it serves, and is


therefore, better equipped to thrive in this marketplace than a company that encompasses a lot of restricted in vary of employee demographics.

Beyond having a workforce that mirrors the dynamic demographics of the global consumer market and also the ability to better understand their desires and preferences, productivity, and costs can be analysed to assist in structuring the business for diversity. Within the deficit model, organizations that do not have a strong diversity inclusion culture will invite higher absence, lower productivity and better turnover which can result in higher costs to the corporate\textsuperscript{91}. On the opposite hand, ‘selecting a company to foster an inclusive environment for magnified productivity, higher problem-solving capabilities and increased market share is smearing the investment model or value-added model for a diversity inclusion strategies’. However, the organization requires implementing diversity culture from top to bottom and the culture to really be one amongst of inclusion and acceptance. But, there’s an absence of documented proof that either model of diversity in hiring really helps a business financially.

4.3. WORKFORCE DIVERSITY – THE DEFINITION(s)

\( \text{County of Santa Barbara (USA) where workforce diversity could be necessary a legal compliance defines workforce diversity as “a workforce that consists of individuals who bring different experiences and perspectives to the workplace and who have expectations, preferences, distinctive needs, and lifestyles”}. \)

\( \text{The Human Resources & Equal Opportunity Office at the Foothill-De Anza Community College District offers the following definition & explanation:} \)

“Diversity refers to human qualities that are different from our own and those of groups to which we belong; but that are manifested in other individuals and groups. Dimensions of diversity include but are not limited to: gender, physical talents /

qualities, age, race, sexual orientation, academic background, ethnicity, geographic location, income, legal status, military expertise, parental status, non-secular beliefs, work expertise, and job classification”.

Diversity as a concept focuses on a broader set of qualities than gender and race. “Within the context of the workplace, valuing diversity means making a workplace that respects and includes dissimilarities, identifying the unique contributions that individuals with many sorts of differences can make and creating a work environment that maximizes the potential of all employees in the firms. In addition, diversity is concerned to have the long term goal that the organization’s work force ought to replicate the population of the state / country it serves in all its dimensions.

ILR School of Cornell University explains workforce diversity as follows—

Workplace diversity is concerned for the people and aims to bring the differences and similarities to an organization for the fair performance. It’s outlined to incorporate the dimensions on the far side for those nominative legally in equal opportunity and affirmative action statutes. Diversity is commonly interpreted to incorporate dimensions which influence the identities and perspectives that people brings, such as parental status, profession, education and geographic location.

As an inspiration, diversity is taken into account to be inclusive of everyone belongs to the workplace. Diversity initiatives complement fairness by many ways and non-discrimination compliance programs makes the work environment surrounding and organizational culture for creating variations in work. Learning diversity is not the same while concerning about dignity and respect for all and the practices that encourage from others to capture the advantage of diverse perspectives.

Political Definition of Workforce Diversity as defined by the Equal Employment Opportunities Department of the government of USA & reinstated by the Wiki Answers as follows –
“Workforce Diversity refers to policies and practices that request to embrace individuals inside the workplace who are thought-about to be, in some method or different from those within the prevailing constituency/region/state/country.”

4.4. WORK FORCE DIVERSITY – AN OUTLINE

WFD means the likeness and distinction among employees in terms of sexual orientation, age, physical abilities and disabilities, race, religion, sex, and cultural background\textsuperscript{92}. Generally (DM) diversity management is the organized and planned commitment by the organizations in rewarding, recruiting, retaining and promote a heterogeneous mix of employees. Theories and techniques of diversity management are developed and sky-high supported by a growing diversity of chief executives, diversity consultants, coaching specialists and academics. Diversity will improve organizational effectiveness. Organizations that develop expertise in and reputations for managing diversity can doubtless attract the simplest personnel. Diversity refers to the co-existence of staff from varied socio-cultural backgrounds inside the corporate. The broader definition of diversity might embrace age, values, ethnic, lifestyle, sexual orientation, culture, education, language, beliefs, physical appearance, national origin, religion, disability and economic status (Wentling and Palma-Rivas, 2000)\textsuperscript{93}. Diversity requires a type of organizational culture within which each employee can pursue his or her career aspirations without being inhibited by gender, religion, nationality, race or other factors that are irrelevant to performance (Bryan, 1999)\textsuperscript{94}. Performing the work with its fullest potential in an equitable work environment with even handed work surroundings wherever no one group has associated with its advantage or disadvantage (Torres and Bruelles, 1992)\textsuperscript{95}. Diversity has

\textsuperscript{92} Source: Business dictionary (online)


\textsuperscript{94} Bryan, J.H. (1999), The diversity imperative, Executive Excellence.

\textsuperscript{95} Torres, C., Bruelles, M. (1992), Capitalizing on global diversity, HR Magazine. 30-36.
progressively become a "hot-button" issue in company, political, and in legal circles. For example, managing manpower diversity is one amongst the foremost troublesome and pressing challenges of contemporary organizations. The demographic differences like age and sex were conventionally associated with team level outcomes. Either, in public or private organizations, managers can have to be compelled to perceive, predict and manage this intriguing nature of the various workforces. On understanding about the history of diversity management, gives a concept about the evolution of the interest in an exceedingly diverse workforce in organizations.

Although several organizations have embraced diversity and others have still contemplate it simply a problem of compliance with legal needs. Effective diversity management has traditionally been accustomed to a lawfully defensive position; that’s, a firm with a various personnel might argue that they were not guilty of discrimination as a result of the prima facie case based on their workforce demographics representing the demographics of the native community. However, the perspective on workforce diversity has dramatically modified to an additional proactive idea in the recent years. Believing to the diversity point of view, several business leaders’ measures that diversity has vital bottom-line advantages. Diversity viewpoints can facilitate unique and creative approaches to problem-solving and it’s a competitive advantage, thereby resulting in increasing creativeness and innovation that successively results in higher structure performance (Allen et al., 2004)\(^\text{96}\). For instance, in Botswana, the society is changing into multicultural environ as a result of the increasing migrant population and their descendants.

Businesses should understand the need of having a diverse workforce so as to function effectively and meet the requirements of a chop-chop growing base of consumers. To overcome stereotypes or prejudices and acknowledge that actual dissimilar different that are distinctive among the individuals and the groups and

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provide valuable data which will support group processes and their performances (Hartel, 2004). Openness to perceived similarity describes the receptiveness to perceive the similarity of individual, group or organizations.

ITES is one among the most important & most promising and fastest growing economic sectors in India. In global world, expanding their business of their enterprise into foreign nations as it reduces the cost from global volume and locating completely different business activities, wherever, can perform and accomplish most expeditiously and effectively to reinforce competitiveness by transferring skills and knowledge to succeed in the goals and firm’s performance. It’s believed generally & proved by several studies across the countries like USA, UK & all over Europe that the workforce diversity actually enhances the overall performance of organizations and whereas the majority of the required growth parameters is used to assessing the performance of the organizations. For a sustainable growth, organizations ought to focus on the various work culture to enhance its productivity.

In additional, the opposite point of view refers - WFD impacts negatively on the performance and affects development of the organization as it creates unnecessary confusions over the recruitment of talented workforce or on Talent Acquisition & Talent management. It’s always common to own diversified opinions on holistic matters such like growth & performance. WFD being a complex matter that involves several holistic parameters of society and organizations, not surprisingly; however it’s common to have several heterogeneous views. But, most of the contemporary research analysis exhausted countries like USA; UK & Europe suggests that WFD includes rather a positive effect on the overall performance of the organizations.

Workforce Diversity is a legitimate mandatory concern in many of the states of USA, UK & several countries across Europe where workforce diversity auditing too, is a mandatory compliance of the rules of the corporate governance.

Unfortunately, in India, we don’t have any such practices of assessment of Workforce Diversity in the form of auditing which actually forms the preamble of this entire research. If we observe the implementations of Workforce Diversity across USA, UK or Europe, in most of the cases, the emphasis is mostly on the inclusion of all the races that are existent in the societies there.

The situations in India are different. India is very well known for its large varieties of diversities viz. region, caste, sub-caste, sect, tribe etc. One should agree that, it is not so simple to implement workforce diversity strictly, in a country like India where, large cross-sectional & social group diversities exist, as a result of the existence of so many cultural, religious, social, regional & bio diversities. If a firm concentrates more on the diversity issue, it ought to lose some quality talent and if constantly concentrates more on the quality and talent alone, it may not be possible for it to implement workforce diversity. It’s a difficult or rather a painful job to realize the trick of accomplishing an optimum level where both these ends meet.

Unlike many American or European countries where, the onus of implementation of Workforce Diversity is on the shoulders of private sector, in India, according to the constitution of India, the onus of implementation of Workforce Diversity in order to achieve an all-inclusive society largely rests on the heads of the government & its public sector units largely. In order to achieve this tricky feet, our governments (Both Union & State) have provided major provisions in the form of acts through the successive constitutional amendments in order to have an all-inclusive societal growth without leaving any section / sub-section / cross-section of society in the growth of the Country.

In India, when compared to the private sector, the government sector (Consisting of both Government’s own recruitments & recruitments for all its Public Sector Units (PSUs)) is much ahead in implementing the Workforce Diversity as it is a mandatory constitutional obligation to them. The Government & its public Sector Units (PSUs) are doing it by the way of providing horizontal reservations to all the desired sections / cross-sections / sub-sections of the society in order to strike a balance & in order to have an all-inclusive societal growth.
The formation of Business conglomerates all across globe originating from India is comparatively a replacement phenomenon in Indian private sector scenario. Formation of larger corporate & the concepts of Corporate Governance are relatively very recent concepts in India which started gaining emergence from the past 10 to 12 years only. Solely, as a result of increasing mandatory compliances of the corporate with the Corporate Governance issues, Indian private sector too started more and more accentuation on workforce diversity & related issues off lately.

4.5. DIVERSITY IN WORKPLACE

Diversity means differences, distinction in age, race, faith, sex and culture etc. Individuals with completely different demographic variations operating in the organization makes diverse workforce and it’s becoming more important for the organizations to grasp about these differences and the way to manage it. Diversity is increasing a day in each organization, in America one in four Americans belongs to a minority or is foreign-born. Women, who currently make up less than half the workforce, are expected to fill sixty five per cent of the roles created throughout this decade. Whether or not our success can be more and more rely on the ability to operate the business in a very culturally diverse marketplace for a business owner/salesperson/executive or customer-service professional. Over the consecutive decade, companies should understand that they need to have a diverse workforce which every member of the workforce must really embrace the principles of diversity to appreciate the longevity, growth, and accumulated profits.

Several industries and organizations spend a plentiful amount of time and training for ensuring the presence of diversity in the workplace. In addition, the workforce has created strides within the direction of equality and still it’s off for attaining a full pledge in total equality in the workplace, whereas in todays’ workplace a company values is seem to be more diverse than it has ever been in the historical perspective. Education, recognition and awareness are the most important objectives of valuing diversity among the individuals in the workplace. Even the organizations started emphasizing the group/team work as a source of the competitive advantage in
the business scenario. Steering that, such organizations should target their triumph efforts in recruitment as they are diverse and acquiescent in working in teams.

A cultural atmosphere should enable variations and has to be celebrated rather than simply tolerated. Every individuals of the workplace should perceive the competitive and moral advantages of diversity. Management need to respect and support cultural diversity through the recognition of cultural and religious holidays, performances, practices, and limitations, however, in an ideal world, every person is treated equally when it comes to getting an employment, progressing in their career, and being treated fairly in the workplace. Naturally, in real life, we all know that this is not the case, but unfortunately our reality is an unfair treatment with reference to an individual’s gender, culture, ethnic, race, and lifestyle. However, these discriminations still exist in remuneration choices, hiring, firing, and promotions.

For an effectually managing diversity and distinguish the differences as a source of strength and as not of conflict, has to wish to be educated and undertake to admit and embrace diversity. Embracing diversity as a whole in a society should be evenness and the employers and the managers must lean to learn to draw the differences because tactically does not come naturally for most of the people. For an instance, America’s past have to learn America’s today’s success that lies in the boundary of diversity. However, the ultimate success arise from the diversity, is an essential. Nevertheless, workforce diversity is an element of organizational life and also it is a key concern for concept and practice in organizational behaviour.

At the utmost diversity is considered as an important factor for the companies because, a diverse atmosphere people can get benefitted and learn from others’ provoking ideas/ thoughts. Another most importance of diversity is considered that many organizations gratitude the differences and fundamental need for a change management that stipulates to high performance and incessant development, increasing the effectiveness and creativity and valuing conflicts provided as openings for more making effective decision and problem solving. Major impact on our behaviour reflects in the work place and thus makes the organizations to emphasis on people who fit their business cultures when hiring. Nevertheless, the people having
‘right’ attitude are more like to adapt to the diverse work culture and understand the expectations of the individual, society and the business. Persons who possess the right skills but erroneous attitude possibly cannot change. Although, most of the organizations have determined to get success in their business and the frequently underlining issue is promoting the racism, the fact that generally people believe and they distinguish the inherent characteristics are quite different from each other and obliviously, people of today live their lives that what’s going on in the world around them, usually making an attempt to acclimate themselves that racism isn't a haul in their world.

Diversity implies the gratitude to the contributions for the individuals that can make evenness in the teams. Diversity entails the management of organizations to be having an inclusive work among the employees and not just accepting those who are different but also celebrating those differences in the work place. It implies the gap of opening of non-traditional employments to men and women of all colours, religions, creeds, races and social groupings and for creating a reasonable place to work. Beyond this, diversity refers just as the differences and similarities that exist within them in their lives and lifestyles. Looking on to this, there’s an enthralling universal business circumstance for achieving and managing diversity in the workplace, will facilitate organizations to determine and make the identify and benefit from the opportunities.

Diversity programs are well-thought-out to be good an investment in implementing the workplace and in returns has appallingly helpful to the organization. At the macro and micro level businesses, successful professionals are keen to demonstrate the influence of diversity programs. One has to remember that ensuring a diversified workforce is not something a company should think to have; essentially it is mystic power that will happen soon in overcoming days on behalf of the diversified population. Predominantly, diversity in the workplace is fetching more and more importance where the firms started to invest as an asset and encouraging women, minority people, aged workers and the people with disabilities and as well as the foreign workers also seems to work in the dominant workforce in the workplace.
It is clearly understand that the potential of diversity workforce is necessary to stay for the businesses for the growth and better performance. In essence of this pragmatic diverse workforce, stretches the company a more advantageous to their competitors.

People of various backgrounds possess different attitudes, cultures and values. Among the various factors, cultural differences determine the preponderance differences that related to the work attitudes and the organization culture determines the propensity of members from other groups to accomplish and cherish in the organization. Mostly, the employees from minority groups face consequences and challenges everyday dealing with discrimination, stereotyping and prejudice in the workplace. For an instance, a recent survey found that nearly half of Black job seekers showed that the racial composition is found in the workforce and is a major factor in their decision making process too. From this study, it is clearly found that workforce diversity is a requisite for clarity and potency of all organizations. Prudentially, in order to make this strategy as an essential and be put into place to make the every organization to become a multicultural, diverse workplace. This implementation of strategy begins with managers/ HR professionals and however should embrace assistance from the employees in the corporation.

Diversity is a must in today’s global market. Cross border trade is essential for the company’s success and growth as the traditional obstacles are being broken down and the new markets are opening up throughout the world and these brought an increase in opportunities and competitions in the business practice. In addition, rapid developments in technology like the internet have made created new markets accessible to even the smallest of companies. Growing markets of Asia, Latin America, Central and Eastern Europe are the major players as ever more important role playing in global selling, buying and manufacturing.

Understanding the business culture and customs within the company will progress in the firm to do business nationally and internationally. Even the customers of present also prefer to do trade with a workforce that which they can find and have a robust commitment to their community and additionally the organization inspired to adopt diversity programs to remain out of legal issues. In the context of such decree
makes an organization in view of good business sense make use of a diverse workforce.

4.6. WORKFORCE DIVERSITY – THE DIMENSIONS

Rob McInnes\textsuperscript{98} defines workforce diversity dimensions as follows –

Generally speaking, the term ‘Workforce Diversity’ refers to practices and policies that seek to embrace people within a workforce who are considered to be, in some way, different from those in the dominant groups. In this context, some of the overview of seven predominant factors represents and that motivate companies either large or small, to diversify their workforces -

- **As a Social Responsibility:** By this, many of the recipients of moral diversity practices are from groups of people that are ‘disadvantaged’ in our societies, there’s undoubtedly a good reason to contemplate workforce diversity as an exercise in good corporate responsibility. By diversifying our workforces, can give individuals the “break” they have to earn a living and achieve their dreams.

- **As an Economic Payback:** Most of the people in groups have been excluded from workplaces were subsequently dependent on tax-supported social service programs. Outstandingly, diversifying the workforce particularly through initiatives like welfare-to-work will effectively flip tax users into tax payers.

- **As a Resource Imperative:** Dynamic changing demographics in the workforce were foreshowed a decade ago, are now upon us. Today’s labour pool is dramatically different than in the past. No longer, dominated by a homogenous group, manageable talent is now overwhelmingly represented by people from a massive array of backgrounds and life experiences. Competitive companies cannot enable biased preferences and practices to impede them from attracting the effective accessible talent within that pool.

As a Legal Requirement: Most of the companies are under statutory mandates to be non-discriminatory in their employment practices. Non-compliance with Affirmative Action or Equal Employment Opportunity law can result in fines and/or loss of contracts with government agencies. In the context of such legislation, it makes good business sense to make use of a diverse workforce.

As a Marketing Strategy: Particularly in today’s global economy, buying power is represented by people from all walks of life (races, ethnicities, ages, abilities, genders, sexual orientations, etc.) To make ensure that their products and services are designed to appeal to this diverse customer base, “smart” companies, are hiring people, from those walks of life - for their specialized insights and knowledge. Similarly, companies who interact directly with the public are finding increasingly important to have the makeup of their workforces replicate the makeup of their customer base.

As a Business Communications Strategy: On seeing the diversity in the workforces are growing around them - their vendors, partners and customers. Companies that choose to retain the homogenous workforces determined the probable of finding themselves progressively ineffective in their external interactions and communications.

As a Capacity-building Strategy: Disruptive modification is that the norm within the business climate of the twenty first century. Companies that prosper have the capacity to effectively solve glitches, rapidly adapt to readily identify new opportunities, new situations and quickly capitalizing on them. Those skills are often measured by the array of talent, insight, knowledge, experience and imagination accessible in their workforces. Successful companies recognize conformity to the status quo in employing the employees, as a distinct disadvantage. Regarding to their job-specific skills, employees are progressively respected for the unique qualities and perspectives that they perform well to prove their performance. According to Dr. Santiago Rodriguez, Director of Diversity for Microsoft, real diversity is represented by companies that “hire people who are different – knowing and valuing that they will change the way you do business.”
Nevertheless, for whichever of these reasons that motivates them; it’s clear that organizations having their diversity workforce will have a distinct competitive advantage over those that don’t. Further, it’s clear that the ultimate benefits of workforce diversity will be acknowledgeable, besides of their differences; companies have learned to employ people for the sustainable growth in their businesses.

4.7. DIVERSITY IN THE WORKPLACE – IMPLICATION TO EMPLOYEES

Encouraging diversity will facilitate a business to grow and thrive. Though we tend to most likely perceive the importance of diversity in the workplace, our employees might not grasp how it affects them. Once if employees learn the way they take pleasure in our diversity policy, they may not be of willing to embrace the concept and abide by with company directives.

- **Increased Growth:** Various workforces make our company stronger, which might increase growth and profits. Company growth plays a crucial role in employee growth like it provides lot of opportunities for development. Let our employees apprehend that hiring employees from a range of backgrounds conjointly offers the corporate a much better perspective on the requirements of all its customers, not only 1 or 2 teams. Those people who hail from a variety of ethnic, race and sex will able to provide valuable insight relating to the most effective in promoting the best marketing or customer service manoeuvres to extend sales and improve customer satisfaction ratings among their various teams.

- **Improved Workforce Quality:** Implementing diversity a vicinity of our human resources in recruiting policy will improve the standard of the employees, they hire. So hiring diversity employees solely for the foremost qualified, which will deem one another to supply technical assistance and steerage after they encounter a troublesome drawback. All employees on a team profit once the group simply meets the goals and objectives and as a result of every member of the team is versatile and practiced.
● **Decreased Turnover:** On a strong diversity program can reduce the turnover rate in an organization. Ultimately, an employee conflict that may lead to resignations and will occur if the organization doesn't encourage diversity awareness in the workplace, whereas limiting the turnover helps the corporate by reducing training and other explicit costs and also it might need an immediate impact on employees. High turnover implies that employees are measured perpetually training or helping new hires, time consuming and accessible to pay on their own tasks. Promoting employees retention ensures that employees have adequate time to emphasis on their own duties.

● **Increased Flexibility:** Nevertheless, employees are the one who creates up the diverse workforce with applying a variety of religions. Perhaps our company can’t schedule a company holiday for every religious holiday and it would a versatile work schedules or an increasing the number of individual days to accommodate the requirements of all employees, no matter their ethnicities or religions. Even the organization are openness and also receptive in allowing the different types of versatile workplace and be flexible in considering the employees needs and such work environment makes the employees to be work sharing and creates a friendly environ to work peacefully and happily.

● **A reduction in lawsuits:** Probably, if any of the organization is really committed to the diversity and is probably going to receive only a few discrimination claims. For that, if an employee following an action against to an organization will solely claim discrimination and if s/he has been terminated or victimized for a difference s/he possesses from her/his co-workers. If the corporate retains a diverse group of employees at each level, there ought to ne’er be cause for any such claims.

● **Increased candidate pool:** When a company that embraces workplace diversity, proximately attracts a wider pool of candidates for its job vacancies. As the higher-educated candidates who practiced diversity at university level may feel that a diverse company is more broad-minded and so they can need to figure there. In every walk of life, employee, especially minority groups, has been far more likely to smear for positions at a diverse company. As the organization
creates a larger pool in recruiting, candidates can opt to apply for each position and this ensures to choose the effective candidate for the task h/she founds.

- **Increased productivity:** A diverse company will result in larger productivity. Even the company will gain from each employee learning from each other’s experiences and implementing this new-found fact to their work. People from various grounds see processes and practices from different views and so they can be able to bring recent concepts to the table. Morale conjointly results in most productivity levels and organizations that are been diverse have unswervingly high levels of morale.

- **Positive company image:** The Company which has good reputation will hire and promote individuals from a wide range of backgrounds for being a good employer. From the customer perspective, if they are considerably valued and so give more business to those organizations.

### 4.8. CHALLENGES OF DIVERSITY IN THE WORKPLACE

Today's workplaces are experiencing and growing rapid change due to many factors such as global workplace and technology; diversity is a vital part of this transformation. Businesses now-a-days measures operating on a transnational level and it is necessary for companies to perceive true that means, managing diversity is progressively growing with the diverse group of people. Forming diversity within the workplace has become a crucial component in today's organizations. Once shaping diversity in the workplace, it suggests that the company has the flexibility to value, recognize, acknowledge and accept and the worth in celebrating the numerous differences that exist in all people.

Undoubtedly, when creating diversity initiatives in an organization there may be some consequences to overcome and to alleviate this ultimate budding issue which have arisen in the workplace needs a stable approach to diversity issues and develop a clear organizational diversity policy.
Businesses have totally various forms of approaches and policies apropos on diversity. Some of the organizational policies framed on diversity are greatly successful and absolutely outlined whereas others are just made up of “fluff”. On paper wise they sound good yet when it comes in realism have no constituent. Initiating diversities in the management, managers need to ensure that they haven’t fall into the latter category. When we’ve run into the galas of managing diversity in the workplace, we tend to don’t seem to be alone. In the degree of challenges, several businesses expertise has once try to make an attempt to integrate cultural diversity in the workplace. However, establishing diversity in our organization won’t emanate without challenges, but unalteringly and motivation that any obstacles we tend to run into can be overcome and having a firm grasp in understanding diversity will represents that what it can do and what the challenges are. Many negatives may possible to arise if we don't perceive a way to manage diversity. Weak mismanagement of diversity and snowball into many workplace challenges such as:

♦ **Discrimination:** If the diversity isn’t accepted in an organization, a lot of the time, is due to varying levels and kinds of discrimination. Some types of discrimination that exist are religion, gender, sexuality, disability, race, economic class or cultural background.

♦ **Stereotypes and preconceptions:** Once people assign an identity to an entire group, instead of judging every individual on their own deserves, this presents challenges and as a result of these conceptions measures usually in accurate and are based mostly off wrongful stereotypes.

♦ **Harassment:** Negative attitudes will arise of which may lead in harassment of others who are totally different from the person(s) agitating this behaviour.

♦ **Exclusion:** So for as diversity initiatives are mend for success, it’s necessary to eliminate organizational tendency to exclude people for reasons that don’t have anything to try and do with the task.

Studies have indicated that companies who do not invest in solid diversity policies are often plagued with problems such as:
High turnover rate: This is often expensive as a result of every time somebody leaves the company, time and money ought to be spent on recruiting for potential new hires, interviews and subsequently, training new employees.

Absenteeism: The another problem which afflicts organizations who lack diversity initiatives ends up being expensive because morale goes down which results in less productivity due to low spirits and absenteeism.

Lawsuits: Another problem is discrimination and harassment which occur in the workplace and this exposes the organization to expensive lawsuits that do not benefit anyone; nor the victim or the employee.

Researches shows that these problems occur are directly related to a non-investment in robust diversity initiatives. It’s in our company's best interest to promote diversity, for overcoming these challenges generally it takes effort. The way to beat these challenges is to promote acceptance and awareness; providing diversity training is good way to accomplish this. Basically, this should start on the managerial level and then following works its way down through the organization. Promoting diversity brings about positives like as increasing marketplace understanding and our company's employees reflecting its customer base that leads to better relationships. Also, creating a diverse staff will stimulate innovation and bring different backgrounds of ideas and creativity to the proverbial table. There are several strong arguments for promoting organizational diversity. Once we have a diverse team of employees, this usually results in higher degrees of innovation and better problem solving. A diverse team reflects a superior talent pool of the concepts and solutions are often derived from. If we put forth the effort to rise above the challenges, we will realize the true value of diversity in the workplace.

4.9. MANAGING WORKFORCE DIVERSITY – BENEFITS

Managing diversity will produce a competitive advantage. Potential benefits of this diversity include healthier decision making, innovation, higher creativity and larger success in promoting business to foreign and domestic ethnic minority communities and a higher distribution of economic chance (Cox, 1991; Cox and
Blake, 1991). According to his study (Watson et al., 1993), relatively homogeneous groups are culturally diverse groups, for an effective (both in the job performance and interaction process) and; these benefits occur when a diverse groups has been together for a period of time. In addition to this, a large number of companies in Canada such as Petro Canada, Warner Lambert, Bank of Montreal and the Movement des Caisses Desjardins have recognized the competitive advantage in diversity (Taylor, 1995). Research indicates that larger diversity will produce higher levels of frustration and turnover. However, for enlightening on diversity represents the creativeness and has access in perceiving the demographic changes in the workforce and equal opportunity, employment equity/affirmative action and human rights legislation.

According to Wentling and Palma-Rivas (2000), organizations with a diverse workforce will provide superior services of they will be higher perceive customer’s desires. Hiring women, minorities, disabled can facilitate the firms to faucet these niche markets and varied market segments. As a whole, all the segments of the society have a stake in the development and prosperity of society and thereby creating and managing a diverse workforce ought to be seen as a social and moral imperative because the economies ought to be seen as a social and moral imperative because the economies are shifting from manufacturing to service economies and therefore, diversity issues will gain more important in a service economy for the operational


communications and interactions between people are essential business success (Wentling and Palma-Rivas, 2000). Such as globalization is increasing, diversity workforce will facilitate the organizations to enter in the international arena (Cascio, 1998)\textsuperscript{102}. Diversity enhances innovation and creativity and creates competitive advantages. Moreover, diverse teams make it possible to enhance flexibility and rapid response and adaptation to change (Jackson, et.al., 1992)\textsuperscript{103}.

To address the legal concerns; typically legislation is to promote gender equality and consequently managing a diverse workforce helps in addressing concerns against discrimination illegal in the working situation so as to improve human rights. For example women rights in the area of pregnancy and maternity. And this in turn helps to promote fair opportunities in the field of employment and vocational training. Enhancing an organizational human capital; managing a diverse workforce necessitates a minimization of cloning that is, preventing the production of an exact copy in selection and promotion. This indicates to a wider range of ideas and abilities, posing larger scope for innovation and competitive performance in the future therefore enriching an organizations human capital.

4.10. MANAGING A DIVERSE WORKFORCE IN ORGANISATIONS

According to (Hayes, 1999; Jackson et al., 1992)\textsuperscript{104} 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


\textsuperscript{104} Hayes, E. (1999). Winning at diversity, Executive Excellence, 9.
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 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 ones 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). 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.

4.11. WORKPLACE DIVERSITY - THE BENEFITS / ADVANTAGES

In the early 21st century, the business environment is a truly global affair as U.S. companies do business with companies in every time zone and in hundreds of languages. It makes them having a diverse workforce an advantageous for companies seeking a place in the global market. But diversity workforce also improves the companies from the inside by fostering better employee interactions and tapping into a broader well of talent and more a diverse workforce will increase organizational effectiveness. It will lift morale, bring larger access to new segments of the marketplace and enhance productivity. In short, ‘diversity will be good for businesses’.  

By implementing diversity programs within their organizations, companies derive direct benefits thru this and the advantages of following diversity in the


workplace include capturing a greater consumer market, reducing employee turnover, employing a qualified workforce and developing a more innovative workplace. A diverse workforce also leads to an increase in creativity because individuals from different backgrounds approach problem solving in a different way. Companies also benefit from diversity in language skills, which allows them to provide products and services internationally. The following are the major benefits of workforce diversity.

**Multiple Perspectives:** Workers from various cultural and social backgrounds allow for multiple perspectives on internal and external issues. When a new policy is presented, for example, a more diverse pool of employees can recommend management if something seems to be as insensitive. A broader array of perspectives also can break up group think. In the article Personality and Social Psychology Bulletin (2009), “Is the Pain worth the Gain? The Advantages and Liabilities of Agreeing with Socially Distinct Newcomers,” psychologists Katherine W. Phillips, Katie A. Liljenquist and Margaret A. Neale explained that more the diverse groups are the more likely to bring new ideas to the table.

**By Better Talent Pool:** By extending its reach, a company looking to hire new talent stands a higher chance of finding the top-quality employees when it recruits from a more diverse set of candidates. A company staffed with workers from various cultural backgrounds is better able to communicate with companies and clients from different countries and areas. For instance, Phillips and her collaborators even found that companies comprised of employees who grew up in different states can increase a group's output and raise the competitive bar.

**Economic Growth:** The Centre for American Progress states that the United States' economy -- particularly at the entrepreneurial level -- moves in lock step with the number of women, minorities and gay and transgender workers entering the workforce. For example, as of 2006, the National Association of Women Business Owners reported that minority women owned 1.9 million firms, employed 1.2 million people and generated $165 billion in revenue annually. According to the National Women's Business Council, Latina-owned businesses alone have generated $55.7 billion between 2002 and 2012.
**Increased Creativity and Productivity:** “Diversity in the Workplace: Benefits, Challenges, and the Required Managerial Tools”, a report published in 2008 by the University of Florida, reveals that while staffs tend to act as a unit for the company, simply respecting individual differences can increase productivity. Similarly, the study by Phillips and company finds that diverse groups tend to devise better solutions, even when individuals believe they do not work well together. She suggests that a degree of discomfort can improve results compared to ideas devised by a more familiar, comfortable and homogeneous group.

4.12. **DISADVANTAGES OF WFD IN THE WORKPLACE**

Diversity of the workforce in organizations has its benefits but below is few disadvantages of workforce diversity. Many people feel threatened by working with people of a different age, sex or culture. First, there is an increase in the cost of training. This increase comes from costs associated with seminars, programs and lectures given to promote diversity in the corporation. These types of training are given to promote diversity in the corporation. These types of training are given to all levels of staff within the organization. They teach employees how to accept the personalities and ideas or thoughts of others. These programs also teach one how to deal with conflicts and prejudice in a professional and civil manner (White, 1999).  

A disadvantage of diversity in the workplace is an increase in conflicts. Conflicts arise when two or more individuals or groups do not see eye to eye on a particular situation. Ignorance and prejudice feelings are the cause of conflicts. “This can produce negative dynamics such as ethnocentrism, stereotyping and culture clashes” (White, 1999). Superiority feeling is the major issue and it can correct by proper training (White, 1999). If conflicts can be managed and controlled creativity and performance can be increased, employers will work harder to gain acceptance by creating a solution or invention first. This can be the case when managers reconcile

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competing goals, promote in a representative manner, stand behind the minority group member and act when resources are plentiful and cultural differences are low or well understood.

Human basic nature of conflicts can be properly managed and be rectified for the betterment of organization. Increases in labor turnover and absenteeism are another disadvantage in having a diverse workplace. Research has shown that the turnover rate for African Americans in the US workforce is 40 percent greater than whites. Another study by Corning Glass stated that between the years 1980-1987, the turnover rate for women in a professional job was two times higher than males. Women also have a 58 percent higher absentee rate than men. Yet, another study shows that a person, who is not a member of the “inner group”, will be one of the first to leave a company (White, 1999). Some research contradicts the idea that flextime reduces these rates; however absenteeism and turnover can cost a company up to and over $3 million annually (White, 1999).

Workshop diversity increase labor turnover and absenteeism in organizations. Mismanaged diversity can have long-reaching effects on employee satisfaction and productivity. Employees who perceive themselves as valued members of their organization are harder working, involved and innovative. Unfortunately, minority-group members often feel less valued than do majority-group members due to stereotyping, ethnocentrism and prejudice. Mismanagement of diversity in the form of denied access or unfavorable treatment can have negative consequences, such as inhibiting workers’ abilities and motivation. This leads to lower job performance. Therefore, when an organization ignores the existence and importance of workforce diversity, conflict can emerge and neither the corporation nor its employees will realize their potential (Goetz, 2001).

4.13. REQUIRED TOOLS FOR MANAGING DIVERSITY

Effective managers are aware that certain skills are necessary for creating a successful, diverse workforce. First, managers must understand discrimination and its consequences. Second, managers must recognize their own cultural biases and prejudices (Koonce, 2001). Diversity is not about differences among groups, but rather about differences among individuals. Each individual is unique and does not represent or speak for a particular group. Finally, managers must be willing to change the organization if necessary (Koonce, 2001). Organizations need to learn how to manage diversity in the workplace to be successful in the future (Flagg, 2002).

Unfortunately, there is no single recipe for success. It mainly depends on the manager’s ability to understand what is best for the organization based on teamwork and the dynamics of the workplace. According to Roosevelt (2001), managing diversity is a comprehensive process for creating a work environment that includes everyone. When creating a successful diverse workforce, an effective manager should focus on personal awareness. Both managers and associates need to be aware of their personal biases. Therefore, organizations need to develop, implement, and maintain ongoing training because a one-day session of training will not change people’s behaviors (Koonce, 2001). Managers must also understand that fairness is not necessarily equality. There are always exceptions to the rule.

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Managing diversity is about more than equal employment opportunity and affirmative action (Losyk, 1996). Managers should expect change to be slow, while at the same time encouraging change (Koonce, 2001). Another vital requirement when dealing with diversity is promoting a “safe” place for associates to communicate (Koonce, 2001). Social gatherings and business meetings, where every member must listen and have the chance to speak, are good ways to create dialogues. Managers should implement policies such as mentoring programs to provide associates access to information and opportunities. Also, associates should never be denied necessary, constructive, critical feedback for learning about mistakes and successes (Flagg, 2002).

4.14. HR PRACTICES AND WORKFORCE DIVERSITY

HR diversity practices have broadened beyond HR diversity practices have broadened beyond AA and EEO staffing efforts. Additional best practices include establishing a visible Diversity Advisory Committee, conducting mandatory training and targeting communications to different affinity group members (Jackson, 2002). The first research stream examines the effects of adopting specific HR practices on measures of workforce diversity. For example, Goodman, Fields and Blum (2003) surveyed HR managers in several hundred employers in Georgia. Found a positive relationship between emphasizing positive relationship between emphasizing employee development and promotion and the representation of women. In a cross-

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sectional study of over 100 organizations, Konrad and Linnehan (1995)\textsuperscript{115} found that identity–conscious HRM structures – those that explicitly address demographic group representation in HR decision making (e.g. setting diversity hiring goals) – are linked to the greater representation of women and minorities in management. Reskin and McBrier (2000)\textsuperscript{116} used data from the National Organization Survey (Kalleberg, Knoke, Marsden & Spaeth, 1994)\textsuperscript{117} and found that organizations with formalized HR practices (e.g. written documents for hiring and firing) had higher percentages of women in management. They theorized that status positions or opportunities in large organizations are less likely to be distributed based on ascribed characteristics i.e. sex stereotypes of productive managers when formalized personnel practices exist (Elvira & Graham, 2002)\textsuperscript{118}.

Leck and Saunders (1992)\textsuperscript{119} has identified and studied compliance with Canada’s Employment Equity Act the legislation to increase workplace representation of women, disabled persons and minorities. It is found that the employers had not formalized programs hiring more women. Regression analyses showed the strongest effects on Employment Equity Program (EEP) observance and the representation of managerial women are concurrent to the larger sign of women and minorities in management. Reskin and McBrier (2000) used data from the National Organization Survey (Kalleberg, Knoke, Marsden & Spaeth, 1994) and found that organizations


with formalized HR practices had higher percentages of women in management are less likely to be distributed based on ascribed characteristics i.e. sex stereotypes of productive managers when formalized personnel practices exist (cf. Elvira & Graham, 2002). French (2001)\textsuperscript{120} formulated a typology of effective equal employment implementation for the entire population (n = 1976) of large Australian private sector organization and identified four equity profiles: traditional (non-compliance), anti-discrimination, AA and EEO. Only the AA approach to equity management resulted in increases in women in management across all tiers. Major unpublished Ford Foundation study of non-profit boards shows a flow effect in hiring practices (Burbridge, Diaz, Odendahl & Shaw, 2002)\textsuperscript{121}. By hiring more than one female or minority board or staff member, a cascade effect followed as these hires make following recruitment easier through their access to networks and talent pools. This development shaped institutional cultures and made retention easier.

Few of the researches, HR diversity practices have not been associated with increases in diversity. Society for Human Resource Management (SHRM) members, Rynes and Rosen (1995)\textsuperscript{122} initiate little support for the notion that the adoption of diversity on training correlates with top management diversity or increases in workforce diversity. Linnehan (1995) found that there is no relationship between formalized HRM structures and percentage of minorities at higher ranks of management. Moreover, Blum, Fields and Goodman (1994) found that companies which have more women and blacks sometimes can be worse places to work eg. Lower salaries, more turnovers highlights that primary characteristic variables is not a proxy for diversity initiatives. Furthermore, academics and practitioners outcomes,


hope that diversity initiatives will have positive outcomes, there are occasionally undesirable impacts – those that perpetuate disparate treatment of women and minorities.

Firms that have diversity has greater marketing capability by mirroring increasingly diverse markets Cox and Blake (1991). By matching customers and service providers on racial characteristics (Brief, 1998)\(^{123}\) shows how Shoney’s restaurants enacted the business case argument to the loss of black employees. In this process, 75% of black employees held jobs in three low-paying, non customers – contract positions. Senior leadership adopt the business by low-paying, non customer-contract positions. Thus the senior management take on the business and justify that the restaurant’s white customers preferred to be served by the white employees.

Collins’ work (1997)\(^{124}\) addressed that unplanned cost. 76 most successful executive in Chicago had been interviewed and examined about their job role and has been coded them into racialized, if the position had some link to African American issues, or mainstream if the job involved roles without racial implications. This shows that the documents of these executives are often consign to what the author calls as ‘racialized roles’ in their organizations. Undeniably, many leading companies have been effective in hiring women and minorities to mirror their increasingly diverse markets and win over new customers (Perlman, 1992)\(^{125}\); but they have been less successful in retaining and promoting those hired (Blum, Fields & Goodman, 1994; Goodman et al., 2003).


Viewing this trend (Thomas, 1990) expectant the employers to shift ‘From affirmative action to affirming diversity’, and arguing that women and minorities no longer need a boarding pass, they need an upgrade’. For this reason, Cox (2001) recommends the companies to measure the identity profile or demographics of defined work groups. By using the data, an intercession may be designed to increase the minorities and women in top management, in line functions that have direct profit and they loss responsibility, or in functions where they have been historically under-represented such as engineering. The author Thomas and Gabarro (1999) recommend that firms address specific racial barriers to advancement at each work stage. Overall, the studies in the research stream have generally shown a positive association between formalized HR practices and WFD.

4.15. ASSOCIATION OF WORKFORCE DIVERSITY WITH INDIVIDUAL, GROUP AND ORGANIZATIONAL OUTCOMES

Workforce Diversity and Individual Outcomes

New generation thinks overt prejudice against women and minorities as socially and organizationally unacceptable. They believe that organizational decision-makers hold the same beliefs and therefore view discrimination as an outdated issue. According to “Modern racist” there is no need of special scheme for women and minorities as they have also equal powers (Brief & Barsky, 2000). Regarding workplace relations, modern racism does not result in hate towards minorities and

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women, but rather discomfort fear and avoidance by majority members (Brief, 1998), which lessens majority members’ commitment to the diverse group and organization. Studies shows people are more comfortable with diversity in workforce. Kossek and Zonia (1993) found that regardless of one’s individual demography, faculty in work groups with greater gender diversity had more favourable attitudes toward organizational efforts to increase diversity, relative to individuals in other units with less diversity. Kanter (1977) emphasized how a minimum number of employees, who represent a minority in a group creates a critical mass that can protect the minority members from negative stereotypes. Ely (1995) More women participation in upper management will decrease the stereotype. Kossek, Market and McHugh (2003) note the importance of identifying tipping points, defined by Kanter (1977) as having a sufficient critical mass of minorities in groups for effectiveness in diversity change strategies. Webber and Donahue (2001) suspect the relationship between amount of group diversity and performance may be curvilinear; too little or too much diversity may be detrimental to group functioning Tsui and Gutek (1999) concluding that higher the diversity lower the conflicts among the employees. Leck, Onge and LaLancette (1995) found that there no much wage gap in women in the managerial positions in Canada.


Workforce Diversity and Group Outcomes

Results from studies examining effects of diverse group composition on group attitudes and performance are mixed. McLeod, Lobel and Cox (1996)\textsuperscript{136} found that more diverse groups had better-quality solutions on a brainstorming task, relative to homogeneous groups and displayed more cooperative behavior (Cox, Lobel & McLeod, 1991). Yet major reviews of the diversity literature (Milliken & Martins, 1996);\textsuperscript{137} Tsui & Gutek, 1999; Williams & O’Reilly, 1998\textsuperscript{138}) conclude that the greater the demographic diversity in groups, lower the social cohesion. Members who are different from others are more likely to exhibit turnover, as Elvira and Cohen’s (2001)\textsuperscript{139} examination of the personnel records of employees at a Fortune 500 company suggests. Women are likely to work with fewer women in the workplace. Webber and Donahue’s (2001) found that there is no much relationship between diversity and performance. When individuals get well each other in workforce, no room for negative effect of diversity (Watson,Kumar & Michaelsen, 1993)\textsuperscript{140} and congruence in values is important (Harrison, Price & Bell, 1998).Benschop (2001)\textsuperscript{141} observes study shows positive results in diversity only it narrowed to colleges and


laboratory studies etc. (Cox et al., 1991; Watson et al., 1993) we need more elaborate studies.

**Workforce Diversity and Organizational Outcomes**

Diverse workforce is a boom for an organization (Richard, Kochan & McMillan-Capehart, 2002). Organization with greater workforce diversity will perform better (Richard, 2000). Drawing on federal records, Cordeiro and Stites-Doe (1997) showed that women managers could lead the firm to success.

Catalyst (2004) study shows higher the diversity higher the profit but according to Kochan et al., 2003 there is not much role of diversity in firm performance. Richard’s (2000) workforce diversity directly proportional. Frink et al. (2003) suggest there a connection with gender composition and performance so as women participation increases since it was low earlier firm performance increases. Richard et al. (2002) almost all studies in workforce diversity results in positive firm performance.

The analysis was conducted at four major US companies that were leaders in supporting workforce diversity (Kochan et al., 2003). Research progressively

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suggests that the link between the presence of diversity and organizational performance might depend upon the sort of strategy followed (e.g. innovation, growth). Richard’s\textsuperscript{147} (2000) survey of over 500 banks found that those with more racial diversity and a growth strategy experienced higher return on equity and net income per employee, relative to organizations with a diverse workforce and a no-growth or downsizing strategy. Richard and colleagues resurveyed a subset of this sample several years later, and found a moderation effect on workforce racial diversity only significantly improved performance when the firm followed an innovation strategy (Richard et al., 2003). Frink et al. (2003)\textsuperscript{148} recommend an inverted U-shaped relationship between gender composition and performance that may vary by industry. Relying on several national datasets, found that increases in the representation of women are related to perceptual measures of productivity per employee and profitability when an equal proportion of jobs are held by men and women – no higher.

4.16. HR PRACTICES & INDIVIDUAL, GROUP & ORGANIZATIONAL OUTCOMES

Cox and Blake (1991) argues that heterogeneous organizations that valued diversity would have higher –quality group decision making, greater creativity and innovation, more organizational flexibility due to the possession of divergent thinking, greater ability to attract and retain the best talent, and greater marketing capability. These objectives can be realized via organizational change strategies and interventions and such interventions are as altering in selection process (individual focus), conflict management (group focus) and top management commitment.


(organizational focus) might all contribute to the effect that the diversity has on firm effectiveness. Interventions target not only formal bottom-line outcomes, such as turnover and productivity, but also intermediate and informal process-oriented outcomes, such as the cultural experiences and quality of member interactions, teamwork and cooperation, and individual commitment and identification with organizational goals.

HRM Strategies to Change Individuals

Workplace diversity generally impacts organizational – level outcomes indirectly through effects that begin at the individual level (Rynes & Rosen, 1995). Training for Diversity is the best ever motivation for employees in a firm (SHRM Diversity Surveys, 1998, 2000, 2002). The author (Ford and Fisher’s, Ford, 1996) review states that training programs aim to change employee’s attitude and perception to value diversity. (Nkomo & Kossek, 2000) elaborated the importance of training programme and how to train the employees to impart diversity in workplace. (Lobel’s, 1999) review described the importance of work force diversity in an organization. Using a survey of SHRM members, (Rynes and Rosen, 1995) found the effectiveness of diversity training in the workplace. In that, only 9 % of

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respondents believed on training in diversity and 75% of respondents states that with their positive attitudes they left the program, similarly, 68% believed that employees are sceptical prior to training, whereas only 7% stated that disbelief after training. In diversity training program, HR managers play an important role in implementing diversity training to alter their attitude related to their roles. Diversity training should be a mandatory for increasing diversity in the workplace and also it is used to run the business for long-term. Besides, these positive perceptions, only one-third of the organizations viewed diversity management has having lasting change (MacDonald, 1993)\textsuperscript{154}.

(Tung, 1993)\textsuperscript{155} examined that training programmes are not effective because it focus only on the norms and regulation of the firm and effective training systematically conduct assessment, raise awareness about the skills need to be imparted (Kulik and Pepper’s, 2003). The training context may be different enough from the ongoing work context so as to make it difficult for trainees to exhibit behaviours similar to those learned in training (Ford & Fisher, 1996). A third reason may relate to insufficient skill levels of diversity trainers. Roberson, Kulik and Pepper’s (2003)\textsuperscript{156} examined that companies should methodically conduct training and that needs assessment. Additionally, training objectives – whether to raise awareness or develop multicultural skills or both – need to be clarified. Social psychological research on stereotyping and linkages to prejudice reduction might also be more tightly incorporated into training design.


Devine (1989)\textsuperscript{157} conducted several lab studies and found that change processes to support prejudice reduction were most likely to occur when a person was able to make active associations between both their personal belief structure and their stereotype structure. Mentoring is another strategy targeting change at the individual level, with the objective of enabling under-represented demographic groups to move through ‘glass ceilings’ – the traditional, invisible barriers to advancement (Ragins, 2002; Thomas & Gabarro, 1999). Formal mentoring programs create a structure for pairing individuals; informal mentoring programs evolve from interactions individuals establish in the course of working together Ragins, Cotton and Miller (2000)\textsuperscript{158}. Post hoc analyses showed that although both men and women received similar mentoring information and had similar levels of satisfaction, women in formal programs had lower career commitment, suggesting that the selection of effective mentors though informal processes may be especially critical. Formal HR diversity strategies may be less effective for members of traditional out-groups, unless supported informally.

Ragins (2002)\textsuperscript{159} urged firms to recognize to incorporate principles from research on intergroup contact, attitude change, persuasion and stereotype reduction may increase effectiveness. Developing ‘affectivities’ with out-group members, which increases information and empathy regarding the out-group and fosters social connections, reduces prejudice (Pettigrew, 1998)\textsuperscript{160}. Rather than designing diversity initiatives to focus only on task issues such as imparting information, include


opportunities to enhance social interaction. Petty and Cacioppo (1990) argue that when persuasion depends on emotional appeals and values such as equality, it is less likely to produce lasting change. Individuals are more favourable toward affirmative action if it is framed as equal opportunity and not reverse discrimination (Bosveld, Koomen & Vogelaar, 1997).

Wood (2000) says that behavioral influence strategies are more effective in changing attitudes and for shifting relevantly private influence strategies are more effective. For example, using ‘affinity group celebrations’ as an example of an object, having Hispanic–American employees design activities for an Asian–American affinity month (Jackson, 2002). In this way, attitudes toward affinity group celebrations may become a source of pride for those outside the affinity group, and yield not only a better cross-cultural understanding of others, but also a new outlook and personal definition of how diversity is honoured from such celebrations. Richard and Kirby (1999) explain the case for implementing a program for diversity. We need more studies on employee perceptions of workplace diversity programs, and additional constructs such as respondents’ legal knowledge of AA programs (Little, Murry & Wimbush, 1998). In total HRM practices such as diversity training and mentoring have the capacity to alter career and attitude outcomes of employees.


HRM Strategies to Change Groups

Given evidence showing that work group diversity can lead to short-term, increased conflict (Pelled, Eisenhardt & Xin, 1999)\(^{166}\), focused training may help the group to achieve higher levels of productivity in a shorter time. Training can target methods resolves difficult interpersonal, business and/or team-related process issues. HR interventions at the group level involve identity-based networking groups, which are formal or informal associations of employees with common group identities. Friedman (1996)\(^{167}\) notes these separate affinity groups provide opportunities to connect socially and professionally to reduce their isolation.

Friedman and Holtom (2002)\(^{168}\) analyzed cross-sectional survey data from 20 networking groups for Asian, African American or Hispanic employees. Turnover intentions of managerial-level minority employees in networking groups were significantly lower than the intentions of minorities not in groups. Argued that more firms should establish networking groups, as these groups may have outcomes that extend beyond group members. For example, a case study at Digital Corporation found that the presence of valuing diversity discussion groups does seem to improve a company’s reputation (Walker & Hanson, 1992)\(^{169}\), ‘backlash when minorities are seen as attempting to develop power by individual or collective means’ (Chemers,


Oskamp & Constanzo, 1995)\textsuperscript{170}. Flynn (1999) analysed for formal mentoring and networking groups for white men, which may be perceived as unfair and ‘reverse discrimination’, who do not see themselves as contributing to a problem (Flynn, 1999). Caproni’s management skills text (2001) notes that cultural barriers become exacerbated in virtual teams and cross-cultural communication training are conducted and need research to identify how programs targeted at the individual or organizational level impact groups. Chatman, Polzer and Neale (1998)\textsuperscript{171} found that groups in organizations that promote a collectivist culture, to reap the benefits of diversity.

\begin{quote}
\textbf{HRM Strategies to Change Organizations}
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A successful diversity strategy must address organizational culture that nurtures teamwork, participation and cohesiveness (Dwyer, Richard & Chadwick, 2001)\textsuperscript{172}. Cox (2001) identifies that what success in a multicultural organization might look like. Diversity should be strategically integrated with the business objectives (Richard, 2000). Top management should model leadership behaviours such as conducting the feedback sessions of the results of an organizational diversity climate survey. If diversity efforts lack the involvement of top managers and fail to address overall work processes, their long-term effectiveness in transforming the organizational culture is likely to be limited (Nkomo & Kossek, 2000). Thomas and Gabarro’s (1999) opinionated diversity efforts such as mentoring, or recruitment of minorities for top jobs, organizational diversity and upward mobility efforts were easier and more effective.


Establishing a formal measurement system is the process to serve as a baseline for the current climate for diversity (Cox, 2001). Cox stresses the importance of measuring the right indicators and identifies key organizational-level measures. These include the workforce identity profile to highlight demographic differences of defined work groups, cultural values and norms, power distribution between identity groups, whether employee acculturation fosters assimilation or pluralism, openness of informal social and communication networks, and HR policies and practices related to recruiting, promotion, pay, development, work schedules and the physical work environment.

The outcome of diversity efforts should be systemic and structural organizational transformation (Litvin, 2002). Long-term culture change requires a significant commitment of resources and leadership (Cox, 2001). Organizations and researchers need to conduct regular employee attitude surveys about diversity and measure performance of managers (Kossek & Zonia, 1993), existing research provides some support for a contingency perspective on the effectiveness of diversity interventions targeting organizational outcomes (e.g. innovation). The extent to which racial diversity will positively influence firm performance is contingent upon the firm’s strategy and environment demands (Richard, 2000). Business case for diversity suggests that a diverse workforce and a supportive culture can bring about increased creativity. A diverse workforce, then, becomes a source of competitive advantage for firms that strive to achieve a high level of innovation.

Richard and Johnson (1999) investigated organizational advantages of formal diversity practices and found that the adoption of formal diversity practices reduced turnover, diversity practices correlated with improved productivity and market performance for firms following innovation strategies. Turning to effective AA,

Wright, Ferris, Hiller and Kroll (1995)\textsuperscript{174} stated that while AA and managing diversity are not the same, discriminatory practices and guilty verdicts are examples of ineffective diversity management, showed that having an award-winning AA program was associated with better financial performance and having discrimination lawsuits related to worse performance.

Arthur (2003)\textsuperscript{175} found diversity as a positive linkage organizational change and development, Benschop (2001) supports the spectrum of minimal diversity strategies to all-inclusive HRM diversity strategies and Ely and Thomas (2001)\textsuperscript{176} acknowledged three different perspectives governing how organizations respond to diversity. They are: equality and fairness perspective equates diversity with increasing the number of women and minorities on the payroll. The legitimacy perspective emphasizes that it is critical to mirror key customer demographics. Under the integration and learning approach, majority members assume they can learn from the minority members and the culture can be changed to reflect two-way adaptation and learning.

4.17. MANAGING DIVERSITY FOR SUCCESS

Industries that fail to effectively manage diversity will suffer economic and social consequences. A workplace culture that allows low morale, employee turnover, harassment, discrimination, absenteeism, and disruption to work teams results in a loss of productivity. When individuals are marginalized or isolated by their co-workers and/or managers because of cultural differences, the outcome is a loss of productivity, business opportunities and the potential for charges of harassment and


discrimination. Companies with an effective diversity strategy will have a leading edge in employee productivity and retention. At a time when the pending retirement of the baby boomers will strip the workforce of massive numbers of skilled workers, businesses will experience a shortage of workers to replace retirees. An inclusive work environment is simply good business. The loss of one employee due to poor management practices is too many!

Managing Diversity for Success is a strategy that goes far beyond valuing individual differences or developing human resources policies. It takes into account the globalization of the world economy, as well as changes to the domestic demographic characteristics of the population (diversity). Business leaders that recognize these changes as a business and social opportunity to increase productivity and growth will invest the time and money needed to develop, implement, monitor, and review a diversity strategy that will have a positive effect on business, employees, suppliers, customers, products, and services. Businesses taking a strategic approach for Managing Diversity for Success will be in a position to gain a competitive advantage. Managing Diversity for Success is a four-step process:

- Recognizing the economic consequences to the business.
- Developing an effective strategy for managing diversity.
- Implementing an action plan for organizational change.
- Evaluating the diversity strategy.

❖ Step 1 - Recognizing the economic consequences to the business

Businesses that do not have an effective strategy for managing diversity will likely experience all or some of the following consequences: loss of productivity, employee turnover, lost opportunities, and potential employment law mistakes. To avoid these consequences, decision makers need to recognize this deficiency as a business problem and acknowledge the need to develop an effective strategy for managing diversity for success.
Step 2 - Developing an effective strategy for Managing Diversity for Success

**Communicating with employees:** Communicating with employees begins when management commits to the four-step process for managing diversity for success. The method used to communicate will vary depending on the number of employees and locations. Informing employees of the diversity efforts the business will undertake will position the MDS process as an opportunity to enhance productivity and growth. As well, communicating with employees at this step of the process will prevent or lessen opportunities for the circulation of misinformation and rumours that could undermine the MDS process.

**Assigning responsibility:** It is the responsibility of management to develop, implement, monitor, and review the organization's diversity efforts. Significant consideration is required in the selection of the individual who will lead the strategy for Managing Diversity for Success. When selecting the individual to lead this process, be sure that the person is a respected employee who consistently demonstrates a commitment to the principles of inclusion, and that the person is a decision maker with the authority to lead and act on recommendations.

**Allocating financial resources:** There are costs to implementing the four-step process for Managing Diversity for Success. Demonstrating a commitment to this process requires management to allocate a budget in order to ensure that the diversity action plans are not subject to shifting priorities and efforts. Allocating a diversity budget sends a clear message to employees, suppliers, and customers that management is serious about bringing about changes to enhance productivity and opportunities for growth. Costs can include the diversity council, communication, diversity assessment, and employee training.

**Establishing a diversity council/task force:** Does the organization require a diversity council or task force? Generally, a task force is time and task specific, ending with a report of the findings prepared for management. The diversity council is an integral business partner in the development, implementation, monitoring, and review of the action plan. Establishing a diversity council is an opportunity to directly
involve employees who often are the company's "diversity champions." Many factors need to be considered when selecting committee members and determining the committee's goals.

**Building accountability:** Building accountability into the organization's diversity efforts begins with a clear statement from the CEO stating his/her expectations and outcomes for the diversity strategy. A business leader that sets standards and leads by example in organizational and personal actions demonstrates commitment to employees, suppliers, and customers about the importance of diverse ideas, opinions, knowledge, and skills. Although achieving diversity business success is the responsibility of all employees, long-term sustainability is achieved by holding management accountable for integrating diversity within all business functions, and by evaluating managers based on their ability to achieve diversity goals.

**Step 3 - Implementing an action plan for organizational change**

**Communicating the action plan:** The components of an organization's diversity action plan will vary depending on corporate strategic goals, size of the organization, time for committee work, and human and financial resources. One of the key components for success is communicating with employees throughout the Managing Diversity for Success (MDS) process to deliver a clear message: MDS is an on-going process, not a quick fix program. The process utilizes the diverse knowledge, thinking, and talent of employees and community alliances to meet business diversity goals. Be aware that the organization is now potentially exposed for its shortcomings; it is time to walk the walk. If senior management, advisory boards, and directors do not reflect the diversity of society, change is required, or very quickly employees and the public will know that there is no commitment or action for real organizational change.

**Conducting the initial diversity assessment:** Now that employees are informed about the MDS process, it is time to conduct an organizational diversity assessment. The diversity assessment results will give insight into the perceptions of employees relating to the workplace environment, management's contribution to
creating a harmonious and productive workplace, and employee working relationships, as a whole as well as its employee groups, i.e., position, age, gender, years of service, race, sexual orientation, etc. The diversity assessment results provide a baseline of information to measure future progress. Utilizing the diversity assessment results to plan future initiatives ensures the organization's diversity efforts are developed based on a solid foundation of information.

**Setting diversity business goals:** Achieving diversity means a shift from a non-diverse business (workforce, suppliers, products, customers) to one that reflects the demographic characteristics of the population within all functions and organizational levels. Achieving diversity requires management to set specific, measurable, achievable, and realistic goals based on business needs and by selecting key areas where diversity can help move the business forward.

**Providing employee training and development:** Memos and team discussions clearly state that achieving diversity is the responsibility of all employees. Opportunities for diversity training must be provided for employees to further develop their understanding of diversity and to learn the necessary skills to achieve diversity business goals. Good diversity training gives employees the skills that they can use to deal with workplace diversity, its implications and effects. Begin with awareness building to ensure that all employees understand the business and ethical reasons for implementing a diversity strategy. At the second-stage diversity program should further develop employees’ skills and knowledge to contribute to business success in a meaningful way.

❖ **Step 4 – Assessing – The Diversity Strategy**

To restate, managing diversity for success is an ongoing process, not a program. The goal for MDS is to establish diversity as an organizational and business value. To achieve MDS, it is imperative that management evaluates each component of the diversity strategy to determine successes, setbacks, and new opportunities in order to revise the diversity strategy. Communicating the outcomes and future goals of the diversity strategy should be expanded beyond employee groups and the purpose
of the communication strategy at this point is to talk about business goals and achievements relating to the diversity strategy for managing diversity for success. The goal is to be recognized by employees, suppliers, customers, and the public as an inclusive organization that places a high value on diversity that is reflected in the business products and services.

4.18. ADVANTAGES & CHALLENGES TO IMPLEMENTING DIVERSITY INITIATIVES

Pursuing to modify the business culture is not a minimal task and also not so easy to implement diversity in the workplace and those efforts to do so will have some emerging pains involving and modification down the way. Most of the training efforts, like diversity training cause an increase in discrimination and claim as employee responsiveness towards company policy and unfairness laws to increase along with that. Though employees suffer from the predetermined concepts about diversity in particular and these opinions are often very strongly held, the incidence of claims (particularly reverse discrimination claims) following diversity training may be higher than with other kinds of training. In addition to reverse discrimination claims by white males, complaints by non-Black minorities and African Americans are also possible according to a recent study that revealed that approximately half of non-Black minorities believe that only African Americans benefit from diversity and 37% of African Americans believe that diversity initiatives have not done enough177. Exclusively, bias claims could be brought if such statistics show an under-representation in certain group and the business either utterly fails to act on the information, or introduces a diversity inventiveness or sets internal goals which they fail to achieve. Finally, communication problems, anger and conflict can occur in the workplace if inclusion is not made part of the diversity initiative.

Despite these drawbacks, diversity initiatives can create closer ties among the company, its employees, customers and the communities it serves. These ties can generate synergies that create market growth opportunities.

4.19. GLIMPSE OF SERVICE SECTORS IN INDIA

“…… it is the services sector which has kept the GDP growths around 6.0 per cent in the 1990s when industry and agriculture sectors did not perform relatively well” - Reserve Bank’s Report\textsuperscript{178}

The growth of service sector in India has progressed from the year 1990s. The contribution of the service sector has massive growth and the GDP has risen at 65.1 per cent in 1990 from 43.6 per cent in 1980s. From 1990s, on comparing, the emergence of information technology and its related services has a remarkable growth in services sectors. According to the central statistical organization (2001), the services sectors is the most dynamic sector than other sectors (primary & secondary) in the Indian economy and also it can be represented as a knowledge-based economy. In the concern of Indian growth process, it is observed that the sequence of growth and employment are both seeming imbalance between the two. In Economic times, it is stated as the service sector is an added strength for GDP and not a weakness, and at the same time on comparing to the industrial sector, the service sector can’t be a fast and sustained growth like this.

In India, Service sector also branded as the tertiary sector as the services sector is a sign for the development of a country's economic improvement. The services sector is considered as a dynamic factor of its economy in India, as it presently contributes to around 60 per cent of its gross domestic product (GDP) and it has full-fledged growth noticeably during the last few years and has been globally recognized for its high growth and development. Among the service sectors, predominantly the growth in the IT sector in India is expected to be around 5.6 per cent in the FY15. In

\textsuperscript{178} Source: Reserve bank report on currency and finance
India, the service sectors are mounting in a wide array of activities such as communication, insurance, financial, business services, trade, transportation and real estate, social and personal services. On an outcome of this, the employee of this sectors are most important and added as an asset for the organization. For an effective and competent workplace, employees’ are to be treated equally and taken care to the utmost for the beneficial of the organization as well as the growth of the Indian economy. Recently it is gripped down by a low-growth syndrome in Indian service sectors because of the sign in recession in 2012-2013 and pointing towards the global political and economic environments looks volatile.

Table: 4.1 GDP Growth of different sectors

![GDP Growth Chart]

Source: Central Statistical Organization, 2012-2013

4.20. WORKFORCE DIVERSITY IN INDIAN SERVICE SECTORS

Although, India is considered to be a vast diversified by its population, size, religion and language, etc. the workforce diversity in service sectors is on base of the dependent of higher and lower age group, based on the education qualification, past experiences, gender balances, location, language, nativity, etc., makes the differences of each individual and dissimilarities possess and most predominantly the issues found in Indian service sectors are the status quo, position, title, background and gender discrimination. Fragmentation of the ideas and thoughts, vast diversities in the demographic profile, work pressures for the targeted growth adds fuel to the problems in workforce diversity in service sectors. Towards this endeavour, Indian firms have initiated to take measures on placing utmost importance to implement workforce diversity in the workplace.
Internationally, numerous researches have been conducted in the field of workforce diversity and in Indian scenario, the influence of diverse workforce started slowly in service sectors like IT/ITES. Like western countries, Indian firms have not tuned workforce diversity in par with their western and other counterparts. This attributes to the fact that foreign studies on workforce diversity have yielded strong theoretical knowledge but this cannot be replicated to Indian context blindly. Results on workforce diversity of the western authors have to be suitably customized to aptly suit to the Indian environment.

This requires a comprehensive study on the various factors which impact workforce diversity of Indian firms and the inter-relationships of these factors have to be studied closely by giving due importance to Indian context. The proposed research aspires to address the research gap existing in India by providing a theoretical framework regarding the various components related to workforce diversity in India and their impact on the organizational performance of the service sectors in India.

4.21. WFD AND SELECTED SERVICE SECTORS IN THE STUDY

According to NASSCOM, IT- BPM organizations enhance the employability and accessing for the skilled talent pool for competitiveness world. On comparing to the other service sector (primary & secondary), IT / ITEs service sector accounts in the contribution of providing through social security, community work and formation of local employment and creates the value for the customers in worldwide. According to survey of NASSCOM report on diversity inclusion denotes that constructing diversity in the workplace builds the gap between the employee and the employers and increasing the performance level and the cross sectional workforce leads to the contribution of the growth of the industry.

From the economic survey it is found that India’s services sector is considered as the power house of nation’s economy growth and the contribution of workforce in services sector is about 58 per cent in total India’s GDP (Central Statistical Organization, 2010). Consequently, the studies focused on workforce diversity in service sectors are aptly suited to study closely by giving due importance to Indian
context. Hence, the study is made to find the impact of workforce diversity in the following selected service sectors in South India (that is: IT, ITES, BPO, Supply chain management, Engineering and R&D and Custom application services).

4.22. GEOGRAPHICAL CONTEXT OF THE STUDY AREA & SELECT SERVICE SECTORS IN SOUTH INDIA

GEOGRAPHICAL CONTEXT OF THE STUDY

South India was selected as the geographical context of the study. The data was collected from four major cities viz. namely Trivandrum, Bengaluru, Chennai and Hyderabad. The reason for selecting South India:

The striking point about the South India is that the contribution of service sectors is higher than the primary (agriculture and mining) and secondary sector (manufacturing industries). The service sectors of South India (Bengaluru, Chennai, Trivandrum and Hyderabad) contribute to 50% of the Gross State Domestic Product (GSDP), according to the CSO\textsuperscript{179}, the IT/ITES industries contributes of more than 58% to the India’s Gross Domestic Product (GDP) (Indiastat and CMIE) and the service sector has the highest growth rate 40-50% found increases due to the use of mobile technologies; therefore, India has accounted as services-oriented economy\textsuperscript{180} and is the least volatile sector, whereas the growth is particularly marked in public service, IT and financial services. The service sector employs about 30% of Indian workforce and it is a supporting arm for the other sectors (primary and secondary). It can be found that there is some degree of correlation between the labor workforce engaged in the service sector and the sector’s contribution to GDP, which is a healthy scenario. Hence, the researcher felt that the service sector in South India shall be the appropriate for the proposed study on the effect of belief, attitude and perceptions of employees towards workforce diversity. These four cities were selected for data collection.

\textsuperscript{179} source: Central Statistical Organization of India

\textsuperscript{180} source: The role of the service sector in the Indian economy, Jennymackness
collection because they constitute 50% of the total service sectors available in India. Further, data collection in these cities is convenience for the researcher and also, due to resource and time constraint data collection couldn’t be extended to other cities of India because of its diversity, vastness and population size. The detailed reason for the selection of these four cities is discussed below:

Trivandrum is one of the fastest growing cities in India and the growth of the service sector was well developed because of its education and this state leads first in the high literacy rate amongst the other states in India. This state also leads in primary sector (agriculture) and the largest manufacturer of pepper, coconut and coir and rubber. On comparing to the annual growth of the state, its GSDP (gross state domestic product) rose around 13.8 percent between 2004-2005 and 2011-2012 and in particular the growth in pepper and rubber contributes at 87.3 percent and 79.1 percent in the year 2011 -2012\(^\text{181}\). Remarkably, in education sector it stood first among other states and on comparing this, also started emerging its IT/ITES based industries and providing various services to the customers. However, as this state reveals that higher education people are more and more and they are focus to work in the service sectors like TCS, Wipro, etc. Besides this, the people are working from various parts of places with different cultures in the service sectors can be found and hence there exists the workforce diversity in the workplace.

Bengaluru is called as the ‘Silicon Valley of India’ and hub of large number of MNCs, 47 Information technology companies, Information technology enables services sectors (SEZs), 3 software technology parks, business process outsourcing (BPO) is located and functioning here and also it is the fourth largest technology cluster in the world. In the year 2011 – 2012, it is accounted nearly 41.6 percent of growth in Electronics and software exports in India. Following of the growth of this state was contributed up to 5.5 percent (GSDP) in the year 2012-2013 in India. Though it is also called as Hi-Tech city, where the wide array of business network

takes place and the people working in these service sectors are generally varied in atmosphere. Apparently, MNCs /IT /ITEs sectors have larger possibility for recruiting people for diverse kinds of skills for different operations, such skills may be as technical, non-technical, decision making, authority based, team leader, ground level, front end, etc. Besides this, the workplace in service sectors, the employees were working of different kinds, such as education, gender, age, religion, community, language, experience, marital status, ethnic, etc. from this there exists the dissimilarities which affect the workplace as well the performance of the organization and growth.

Chennai is the fourth largest state of India and has a wide range of manufacturing industries (secondary sector) like automobiles, logistics, garments and textile products, leather goods, chemicals and plastics and hub for companies like IT, ITEs, MNCs, software business, telecom services, financial services, logistics, supply chain management sectors, and etc., and the factories and industrial workers ranks first in terms other services among the other states and also can found that it is the center place for all types of businesses takes place because of its transport communication and so, employees from all parts of states can possibly to reach and work. Its (GDP) is accounted as 7.6 percent in India and as annual growth rate of (GSDP) accounts 16.5 percent between the year 2004–2005 and 2012-2013 and rank third highest position in foreign direct investment (FDI) inflows from April 2000 to September 2013 amounted to US$ 12.2 billion\textsuperscript{182} and also ranks third position in terms of investments in fixed capital. Especially, like growing telecom density, growth of internet and IT, large number of projects’ are carried out in Chennai and people from all kinds of backgrounds (language, religion, age, gender, etc.) are engaged in work for the development of the self, business and economy of the nation. Among the other states, Hyderabad has 39 operational special economic zones (SEZs) and has top global corporations recorded with 56 SEZs (2012-2013)\textsuperscript{183}. It is the


fourth largest IT exporter in India. The growth of the state accounts 12.5 percent in
total IT exports. Electronic Hardware Policy in India (2012-2017) was the first state to
develop in India and also the government plans for setting up more than 200
electronic manufacturing clusters in the state. The emergence of the workforce will be
more and more in the diverse workplace where the people of all regions are started to
move across the regions for work and the frequency of work pressure is more and
more increasing day by day. Employees feel insular in the workplace and the
differences signs as a slowdown in the work, with the expansion of service sectors put
pressures on the employees and this makes the shrinking in the progress of work and
the performance.

4.23. CONCLUSION

Workforce diversity in India are the victims for the multiple socio-economic
and cultural factors. Workforce diversity is the pre-requisite for nation’s economic
development and social upliftment. The role of workforce diversity in India is very
limited. They are needed to be focused and enabled in the workplace and should
viably organized by the management/ managers. It is an outfit to lay out to the
employees (individual/ peer groups) for the purpose of making them innovative and
heartening to the sustainable growth. Workforce diversity in the workplace would
give benefits not only to the individual/ peer groups but also to the management and
community as a whole through collective action for development. Workforce
diversity in not just for meeting their economic needs, but, also more holistic social
development.