Chapter 1

Introduction

1.1 Background

The tremendous growth in international business in the last three decades propelled by globalization has encouraged an enormous mobility of workforce around the world than ever before. Revolution in electronics and communication field, the opening of new markets and ease of transportation are bridging the distances of geographies, thereby, resulting in the accelerated trend of globalization and growth in the number of multinational firms. The rapid globalization of the Information Technology\(^1\) (IT) industry in recent years has focused a great deal of attention on India, whose IT industry is now considered as a powerful destination for establishment and investment for giant global IT companies. IT industry is a fast growing industry in India with the capability to transform a developing country into a modernized global economy through the institutions, technology and infrastructure that it supports. IT industry in India presents the case of an internationally competitive high technology industry with diversified workforce\(^2\). The emergence of India as a leading information technology destination has created tremendous job opportunities for the Indian population\(^3\). The industry has become highly competitive in the global economy and created a new global image of India with its success and enormous growth. The growth of IT industry has also led into the process of globalization, stimulating workforce diversity in search of global talent. Increased magnitude of competition is forcing IT organizations to recruit the best talent worldwide. Hence, workplaces of IT firms have become increasingly diverse with employees of different culture, gender, nation, language, qualifications, age, and lifestyle. Diverse employees allow synergetic effects to organizations, where the variety of experiences, attitudes and viewpoints

\(^1\)IT industry refers to all type of Information Technology Services industry, including all types of software, hardware, enabled services, and business process outsourcing industries.


\(^3\) Government of India, Ministry of Communications and Information Technology, Department of Information Technology, ‘Eleventh Five Year Plan, 2007-12’, New Delhi, India.
lead to better team performance (Cox and Blake, 1991). Demographics, competition for talent, marketplace demands and the changing environment call for workforce diversity in IT industry. The success of the IT industry with a large pool of employees from different background has been the subject of active research for academicians and industrialists.

The challenge of IT companies to manage workforce diversity requires framing of different diversity management programs and practices. Diversity management is predicted to be one of the most significant organizational issues in the IT industry scenario, and this issue requires the knowledge of the employers towards perceptions and acceptance towards diversity among members of the organization (Cox, 1993). Interest in diversity, diversity management and implications of diversity is growing in the academic communities and in the business field (O’leary and Weathington, 2006). A large number of studies have done on workforce diversity in western countries, but, the study about acceptance of workforce diversity, in the context of non-western developing country, has been largely unexplored. The phenomenal growth of IT industry in India is an eventual consequence of globalization process, providing a multicultural perspective for the study. Over the last few years, there have been studies on the Indian IT industry analyzing it from different angles ranging from general perspectives (Arora et al., 2001), to other related works, which are more focused on innovative capabilities (Fromhold-Eisebith, 1999; D’Costa, 2002), quality considerations (Banerjee and Duflo, 2000), involvement of multi-national firms and domestic linkages (Basant et al., 2001; Patibandla and Petersen, 2002), an eventual development impact (Arora and Athreye, 2002), sociological and anthropological structure of employees in Indian IT industry (Vander Veer, 2005 and Fuller and Narasimhan 2005, 2006, 2007), work, culture and sociality in IT industry (Upadya and Vasavi, 2006), and workplace diversity issues and challenges (Patrick and Kumar, 2012). The incorporation of employees into a strong corporate culture, involvement of the employees in inter cultural programmes, and increasing importance for recruiting women activities.

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employees in workforce provide an interesting subject for the study. The inclusion of cultural and gender diversity in IT industry and differences in attitudes and perceptions of employees across various demographical factors and employers’ effort to implement diversity management practices provide a vast scope for the present research.

1.2 Definition and Concepts of Workforce Diversity and Management

Workforce diversity refers to organizations that are becoming more heterogeneous with the mix of people in terms of culture, gender, age, race, and education background (Kandola et al., 1995; Dass and Parker, 1999; Strauss and Mang, 1999; Sadri and Tran, 2002, Robbins, 2009). Diversity refers to differences among people based on gender, culture, race, ethnicity, age, religion, physical or mental disability, sexual orientation, and socioeconomic class. Cox (1993), defines diversity as the representation of people with distinctly different group affiliations of cultural significance in one social system. He acknowledges that there are several kinds of identity groups which correspond with the different dimensions including culture, gender, ethnicity, religion, age and physical ability, as these factors are not really changeable. The term is also defined as a mixture of people with different group identities within the social system (Fleury, 1999). Workforce diversity refers to the co-existence of employees from various socio-cultural backgrounds within the company. Diversity may be defined as the state of being diverse (Patterson, 1990), and multidimensional (Thomas, 1996). While describing trend of workforce diversity in organizations, Thomas, (1991) defines in a broader outlook. According to him, diversity includes everyone; it is not something that is defined by race or gender. It extends to age, personal and corporate background, education, function and personality. It includes lifestyle, sexual preference, geographic origin, tenure with the organization, exempt or non-exempt status, and management or non-management. A commitment to diversity is a commitment to all employees, not an attempt at preferential treatment, per se. Thus, it is understood by his definition that workforce diversity is a synonym for inclusion of all people within the enterprise. Thomas attaches inclusion to people in special groups with cultural, racial or other attributes typically viewed as not part of the mainstream. This definition of Thomas calls for the acceptance of employees from diverse background within all spheres of society. It is very commonly accepted approach by many employers. Another approach to the definition of diversity explains diversity includes age,
national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status (Wentling and Palma Rivas, 2000). Diversity is also understood in terms of different dimensions such as race, gender, age, colour, physical ability, ethnicity, etc. (Kundu and Turan, 1999). Diversity requires a type of organizational culture in which each employee can pursue his or her career aspirations without being inhibited by gender, race, nationality, religion, or other factors that are irrelevant to performance (Bryan, 1999). Managing diversity means enabling diverse workforce to perform its full potential in an equitable work environment where no one particular group has an advantage or disadvantage (Torres and Bruxelles, 1992). Esty et al. (1995), define diversity as acknowledging, understanding, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, culture, gender, physical and mental ability, race, sexual orientation, spiritual practice, and public assistance status.

Diversity exists in an organization when its members differ from one another along one or more important dimensions (Thomas and Ely, 1996). Kochan (2003) gives an elaborated definition of diversity with a broad outlook. Here, diversity is defined in terms of particular dimensions, most commonly as gender, race and ethnicity. The important dimensions include age, religion, social class, sexual orientation, personality, functional experience (finance, marketing and accounting, etc), and geographical background (different provinces of a state). According to him, any characteristic that would influence person’s identity or the way he or she approaches the problems, is important to consider when defining diversity. Diversity is the variation of social and cultural identities among people existing together in a defined system. According to Kreitner and Kinicki (2001), diversity represents the multitude of individual differences and similarities that exist among people. This definition emphasizes three important issues about diversity and managing diversity:

1. Diversity applies to all employees and do not only encompass certain arbitrary differences but, the entire spectrum of individual differences that makes people unique. Therefore diversity cannot be viewed as only racial or religious differentiation, but, as all differences combined.

2. The concept of diversity describes differences among people as well as similarities. The discipline of managing diversity requires that these two facets are managed simultaneously.
3. Managers are expected to integrate the collective mixture of similarities and differences between employees into the organisation.

Thus, workforce diversity is understood as the collection of many individual differences and similarities that exist among people at workplace, and the challenge of diversity is not simply to have it, but, to create conditions in which its potential to promote positive working environment in organizations.

1.3 Dimensions of Workforce Diversity

Diversity is variety, which includes all the characteristics, experiences, and differences of each individual. Dimensions of diversity can be identified as physical characteristics such as skin color and gender, or it may be differences in culture, skills, education, personality type, or upbringing. Each of these traits brings their own perspective to the workplace. Diversity is dealing with a collective mixture of differences and similarities in a given group. Broadly speaking, it includes age, background, education, function, personality, lifestyles, sexual orientation, geographic origin, tenure with an organization, management and non-management values, beliefs, opinions, etc. Diversity in terms of primary and secondary dimensions has been explained by Rosener and Loden (1991), which gives us a broad view of diversity concept and Figure 1.1 depicts the dimensions of diversity. As such, diversity is a multidimensional concept and can include aspects such as gender, sexual orientation, race, ethnicity (cultural origins), nationality, class, religion, age, and disability. The primary dimensions of diversity are those factors that are inborn and exert extraordinary influence on early socialization. These factors that are either inborn or make up the essence of who we are as human beings. They define us to others, and because of how others react to them, these factors also define to ourselves. These characteristics are enduring aspects of our human personality, and they can present extremely complex problems to managers. Secondary dimensions of diversity include factors that matter to us as individuals, define us to others to some extent, which are less permanent than primary dimensions and can be adapted or changed. These include educational background, geographical location, income, marital status, military experience, parental status, religious beliefs, work experience, etc. These factors may influence any given individual as much as the primary dimensions.
Milliken and Martins (1996) distinguish between observable, readily detectable attributes such as race, ethnicity, sex or age and less visible attributes such as personal attitudes, education, technical skills, socio-economic background and values. Extending this distinction, Harrison et al. (1998) introduced surface-level diversity and deep level diversity. Surface level differences, most of the time, are reflected in physical features and include culture, race, age, sex and the ethnicity. These characteristics are easily observable and comparable, and consensus about their attributes can be reached. Deeper level disparities are harder to observe and can only be recognized through verbal and nonverbal communication or through monitoring behavior, where as an intensive examination of other values, beliefs and attitudes is necessary. Accordingly, cultural diversity is a highly complex field with multiple distinctions and the majority of attributes cannot be discovered immediately. Workforce Diversity is also explained in terms of surface level or visible attribute diversity based on

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demographic characteristics such as gender, age, race, ethnicity, nationality, etc. or deep level diversity based on attitude, beliefs, values, etc (Harrison, Price and Bell, 1998). Thus, workforce diversity can be interpreted in several dimensions, as it explains the heterogeneous mix with respect to employee groups. As such, by Kreitner diversity has been described as having four layers (Kreitner, 2001). He describes the four layers of diversity as,

- **Personality**: This describes the stable set of characteristics that establishes a person’s identity.
- **Internal dimensions**: These are characteristics that strongly influence people’s attitudes, perceptions and expectations of others.
- **External dimensions**: These dimensions are personal traits that we can assert a certain amount of control or influence over. They are factors such as income, personal and recreational habits, religion, education, work experience, appearance, marital status, and geographic location.
- **Organisational dimensions**: These dimensions pertain to the organisation itself and include factors such as work field, division or unit, seniority, union affiliation, management status and functional level.

### 1.4 Importance of workforce diversity and diversity management

Thomas, (1990) was one of the first to bring attention to diversity management, calling on organizations to draw upon diversity as strength and competitive edge. He defines as, “Managing diversity is a planned, systematic and comprehensive managerial process for developing an organisational environment in which all employees, with their similarities and differences, can contribute to the strategic and competitive advantages of the organisation, and where no one is excluded on account of factors unrelated to productivity”. He initiated an expanded notion of what diversity entailed, moving beyond a discussion of diversity as simply race and ethnicity. He argued that managing diversity means managing all differences, whether they are based on race, culture, ethnicity, gender, education, or function. This meant focusing on making sure all groups of employees had what they needed in order to succeed at work, moving the emphasis on large part to post-recruitment processes.

While many organizations have embraced diversity, others still consider it merely an issue of compliance with legal requirement (Kandola, 1995). Effective diversity management has
historically been used to provide a legally defensive position that is a firm with diverse workforce could argue that they were not guilty of discrimination based on their demographic ratio. They identify that in more recent years, the view of diversity has dramatically changed to a more proactive concept and many business leaders are beginning to believe that diversity has important bottom line benefits (Dobbs, 1996). Diversity in the workforce will be a competitive advantage because different viewpoints can facilitate unique and creative approaches to problem solving, thereby increasing creativity and innovation, which in turn leads to better organizational performance (Allen et al., 2004).

Workforce diversity has become an important area in today’s organizations, as organizations are becoming considerably diverse with respect to their workforce (Sadri and Tran, 2002). Embracing diversity is one of the key challenges faced by both small and large organizations. Recognizing, understanding and valuing difference is key, particularly in light of the dual trends of globalization and the increasing participation rates of diverse groups in the workplace (Moore, 1999). Changes in the cultural make-up of organizations have been so vast that it has become imperative for leaders and supervisors to understand diversity and to implement different types of diversity management programs to reap the benefits of diverse workforce. Diversity today is being viewed as a key means to strengthen the human capital of an organization and improves overall performance (Wright, Ferris, Hiller, and Kroll, 1995; Gudmundson and Hartenian, 2000). More than ever, companies compete on the basis of how effectively they can integrate and synthesize the knowledge of their individual members, raising essential questions about ways to coordinate people of different backgrounds to promote organizational goals. The issue of diversity has, therefore, moved from being a social ideal to becoming a practical business mandate, especially as more organizations operate beyond national borders (Lattimer, 1998). Numerous companies have discovered increasing the diversity of their workforce pays off in terms of improved performance, happier customers and more satisfied employees (Dobbs, 1998). By bringing a greater pool of talent to the workforce, diversity is expected to bring results with better decision making, better performance and knowledge sharing among employees.

Organizational diversity can emerge on various dimensions where no organization is realistically able to avoid heterogeneity (Cox, 2008). Diversity not only involves how people
perceive themselves, but, how they perceive others. Those perceptions affect their interactions and working environment. If the diversity in workforce is not managed well, employees will suffer with group conflicts which may affect the smooth functioning of the organization (Dass and Parker, 1999; Berzukova, 2004). To respond to changing workplace needs, a new model of organizational management, the "diversity model", began to emerge in the late 1980s, and gained momentum in the 1990s. According to scholars (Jamieson and O'Mara 1991, Thomas 1991, Loden and Rosener 1991; Cox 1993; Gentile 1996), the diversity model is intended as an intervention and a proactive approach to fully and equitably utilizing, integrating, and rewarding workers of different cultural and gender backgrounds. This model not only advocates that organizations actively recognize, accept, and value diversity at workplaces, but, also advances the philosophy that diversity is a desirable goal in itself (Dooley and Rice. 1995; Mathews 1998). Managing diversity is about ensuring that all employees have the opportunity to maximize their potential and enhance their self-development and their contribution to the organization. Diversity management, simply speaking, refers to valuing differing perspectives of people in organizations.

Managing diversity is about ensuring that all employees have the opportunity to maximize their potential and enhance their self-development and their contribution to the organization. Diversity management, simply speaking, refers to valuing differing perspectives of people in organizations. In a broad sense, Diversity management is seen as a process to develop an environment that facilitates maximization of the potential of all employees involved in the working of an organization; thus, implying focus on valuing different qualities among organizational members (Thomas and Ely, 1996).

For the increasing trend of diversity worldwide, several factors are responsible. One factor that has contributed to increased diversity is changing demographics in the workforce. More and more women are entering the workforce and gender diversity has become prominent issue today. Increasing level of education among rural population and female employees, young technical graduates, accessibility for mobility of human resource from one nation to another,
are responsible for changing the demographic structure of the workforce\(^8\). More and more women are entering into the workforce and gender diversity has become a prominent issue today. Table 1.1 provides a brief view of trend in male and female participation in total labour force in different regions of the world.

Table 1.1: Male and female labour participation rates (region wise)

<table>
<thead>
<tr>
<th>Region</th>
<th>Male labour force participation rate (%)</th>
<th>Female labour force participation rate (%)</th>
</tr>
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<tbody>
<tr>
<td>Developed economies and European Union</td>
<td>71.8</td>
<td>69.4</td>
</tr>
<tr>
<td>Central and South Eastern Europe (Non EU)</td>
<td>74.1</td>
<td>68.0</td>
</tr>
<tr>
<td>South East Asia</td>
<td>82.6</td>
<td>82.8</td>
</tr>
<tr>
<td>South Asia</td>
<td>84.8</td>
<td>83.3</td>
</tr>
<tr>
<td>Latin America and the Caribbean nations</td>
<td>82.5</td>
<td>80.3</td>
</tr>
<tr>
<td>Middle East</td>
<td>77.6</td>
<td>73.8</td>
</tr>
<tr>
<td>North Africa</td>
<td>77.4</td>
<td>74.1</td>
</tr>
<tr>
<td>Sub Saharan Africa</td>
<td>79.1</td>
<td>76.5</td>
</tr>
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Another factor, which is related to diversity, is the increased awareness by organizations, that they can improve the overall quality of workforce by hiring and promoting the most talented people available. By casting a broader net in recruiting and looking beyond traditional sources for new employees, organizations are finding more broadly qualified and better qualified employees from all the segments of society. Thus, organizations are finding that diversity can be source of competitive advantage. Another reason for increasing diversity has been legislations and legal actions that have forced organizations to hire more broadly (Mor Barak, 2005). Now, without any discrimination, organizations are hiring on the basis of the qualifications. One more contributing factor to increased diversity in organizations is the globalization movement. Organizations that have opened offices and related facilities in other countries have to learn how to deal with different customs, social norms and behaviors. Strategic alliances and foreign ownership have also contributed because managers today are more likely to have job assignments in another country and to work with foreign managers within their own countries. As employees and managers move from assignments to assignment across the national boundaries, organizations and their subsidiaries within each country thus, become more diverse. Hence, many factors like globalization, rapid technological change, increasing demand for new skill sets and education, cultural diversification, advancement in women education, mobility of workforce across the countries, are now changing the employment landscape. The recognition of diversity, as a business imperative, has generated enormous interest across organizations globally. Talent shortage has been a prime driver for organizations to actively seek talent from diverse background and hence, diversity has been a prominent issue in organizations worldwide.

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10 Legislations about equal employment opportunity, equal rights, anti discrimination, and affirmative action policies are adopted by USA and other nations in the world, and these laws specify the rights and responsibilities of both associates and employers in the workplace and hold both groups accountable.
1.5 Impact of diversity in organizations

1.5.1 Diversity and social change
As organizations are becoming more and more diverse, diversity can have a significant impact on organizations as a force for social change (Denisi and Griffin, 2009). This change generally occurs at the composition of organization’s workforce gradually begins to mirror the composition of its surrounding labor market. For example, if a manager in an organization learns to interact effectively with a set of diverse set of people at work, it follows logically that she or he will be better equipped to deal with a diverse workforce in other settings. And conversely an individual who is comfortable interacting in diverse settings should have little problem with diversity at work. Thus, diversity in organizations both facilitates and is facilitated by social change in the environment. Another way that organizations affect social change is through the images they use to promote themselves and their products. Diversity programs can open up social mobility opportunities not only to individuals but to whole groups of society and can potentially create a society-wide change in group and individual social identity (Mor Barak, 2005).

1.5.2 Diversity and competitiveness
Many organizations are finding that diversity can be a source of competitive strength in the marketplace (Cox and Blake, 1991; Robinson and Dechant, 1997). In general, six arguments have been proposed for how diversity contributes to competitiveness. Cost argument, resource acquisition argument, creativity argument, systems flexibility argument, problem-solving argument and marketing argument are very popular arguments in favor of diversity in organizations. This has been illustrated in Figure 1.2.
Figure 1.2: Diversity and Competitiveness (Source: Ricky, W. Griffin, Management, 7th ed, 2002)

The cost argument suggests that organizations that learnt to cope up with diversity will generally have higher levels of productivity and lower level of turnover and absenteeism (Kim and Anthony, 1981). Organizations that do a poor job of managing diversity, will suffer from problems of lower productivity and higher levels of turnover and absenteeism. Because each of these factors has a direct impact on costs, the former organization will remain more competitive than will the latter. The resource acquisition argument for diversity suggests that organization, that manages diversity effectively, will become known among women and minorities as good places to work (Zeitz and Dusky, 1988). These organizations, thus, will be in a better position to attract qualified employees from women and minority groups. Given the increased importance of these groups in the overall workforce, organizations that can attract talented employees from all segments of society are likely to be more competitive (Joel Dreyfuss, 1990).

The marketing argument suggests that organizations with diverse workforce will be able to understand different market segments better than less diverse organizations (Redding, 1998). The creativity argument for diversity suggests that organizations with diverse workforce generally will be more creative and innovative than less diverse organizations (Triandis et al., 1965; Cox et al., 1996; West, 2003). If an organization is dominated by one population segment, its members will generally adhere to norms and ways of thinking that reflect that population segment. They will have little insight or few stimuli for new ideas that might be derived from different perspectives. The diverse organization, in contrast, will be characterized by multiple perspectives and ways of thinking and is therefore more likely to generate new ideas and ways of doing so.

Related to the creativity argument, is the problem-solving argument. Diversity carries with it an increased pool of information. In almost any organization, there is some information that everyone has, which is unique to each individual. In an organization with little diversity, the larger pool of information is common and smaller pool of information is unique. But, in a more diverse organization, the unique information is larger. Thus, if more information can be brought to bear on a problem, the probability is higher and better solutions will be indentified (Fiol, 1994). The systems flexibility argument for diversity suggests that organizations must become more flexible as a way of managing diverse workforce. As a direct consequence, the overall organization system will also become more flexible. Organizational flexibility enables the organizations to respond better to changes in its environment. Thus, effectively managing diversity within its workforce, an organization simultaneously becomes equipped to address its environment (Douglas Hall and Victoria Parker, 1993).

1.5.3 Diversity and obstacles
Organizations working to institute effective diversity management programs face a number of obstacles; they create roadblocks to diversity inclusive work place (Bobo, 2001). The common obstacles to diversity are prejudice, stereotypes, and discrimination (Harris, 2005). Prejudice is the tendency to form an adverse opinion, just because people who are different from the mainstream, in terms of their gender, race, ethnicity, or any other definable characteristic. Prejudice is a negative attitude towards a person based on his or her membership of a particular group. This is one of the obstacles, which, refer to unfair negative
attitudes people hold about others who belong to cultural, gender groups other than their own (Dovidio et al., 1997; Mor Barak, 2005). People may also be unwilling to accept other people, who are different from themselves because of prejudices. The low acceptance of diversity in workplace causes misunderstanding, misinterpretation, and inappropriate interactions between people of different groups (Flake, 1998). Personal bias and prejudices are very harmful to diversity inclusion and serve as obstacles to diversity inclusion and management, leading to stress, poor performance, feeling of injustices, and poor organizational commitments (Dipboye and Colella, 2005). Resistance to work is another barrier, which is the result of ethnocentrism. This belief resists people to work with others, because of the notion, that considers one’s own group or subculture is naturally superior to other groups or subcultures (Davoe, 1999). This behavior tends to produce a homogeneous culture. It is a tendency to regard one’s own group culture, or nation as superior to others (Esty et al., 1995; Harris, 2005). Some societal, corporate values and traditional beliefs may also work against maintaining diverse workforce. The management should perform an audit of organization to determine if existing values or beliefs, rules, procedures and practices work against inclusion of diversity (Janis et al., 1997). Policies and practices regarding human resource management issues such as hiring, training, promotion, compensation and retirement, layoffs must be examined to make sure that diverse people are not unfairly treated (Balabanis and Demantopoulos, 2004). These obstacles will cause different types of conflicts in workplace resulting in dissatisfaction and low level of acceptance of diversity in organizations (Janice, Joplin, and Daus, 1997).

Another roadblock in diversity inclusion is stereotyping. Stereotypes are generalized set of beliefs about the characteristics of a group of individuals. Stereotypes are unrealistically rigid, often negative, and frequently based on factual errors (Cox, 1993). When individuals engage in stereotyping, they believe that all or most members of a group have certain characteristics or traits. Stereotyping is difficult to stop for several reasons, as they are very difficult to dispel and they seem to be a human quality (Crocker, Fisk, Taylor, 1984). Stereotypes are set of beliefs about a group that is applied universally to all members of that group, such as ‘all poor people are uneducated’ or ‘all Asians are good at mathematics’. Stereotyping, whether positive or negative, is not good because one statement may not hold true for all members of a
group. As stereotypes can drive behavior and lead to unrealistic and false assumptions about member of other groups, they can have detrimental effects on interpersonal relations. They can also have direct effect on individuals’ careers by causing unfair treatment. Then there is possibility of arriving to faulty decisions (Heppel et al., 1995). Stereotype and prejudices are very common obstacles to cultural and gender diversity in organizations (Flake, 1998). Harassment due to cultural differences and backlash are commonly creating unfriendly work environment. Harassment means consciously shunning verbally or physically and abusing an individual because of membership of a particular group. Backlash is negative reaction to the gaining of power and influence by members of previously underrepresented groups and leads to fear, resentment, and reverse discrimination (Lau and Keith, 1998). Recognizing and reducing these obstacles must be considered while framing diversity programs and practices.

There is a strong stereotypic belief in society that leader is perceived to be male, and therefore, women do not perceive themselves as leader and might face a lot of difficulties to get senior management positions and male managers are stereotyped to be suitable to work in the fields of production, sales and marketing (Carli and Eagly, 1999). They have been stereotyped as good bosses and decision makers; and carry out hard field work and challenging assignments. On the other hand, female managers are stereotyped to work predominantly in HR, public relations, administration, at subordinates or junior levels, and in soft fields like fashion, clothing and beauty products. These stereotypes have adversely affected women's career prospects (Khandelwal, 2002). However, common stereotypic traits associated with gender beliefs (Table 1.2), often limit one’s ability to work closely and effectively with the opposite sex. Managing diversity in organizations requires an understanding of these beliefs.
Discrimination is another important obstacle persisting in organizations (Sequeira, Bell and McLaughlin, 2002). Discrimination means barring an individual from membership of an organization or from a job because of his or her membership to a particular group. Discrimination occurs in terms of cultural and gender issues (Hofstede, 1993; Flake, 1998). There is discrimination between men and women in getting the powerful executive jobs in organizations. It is found that, men hold more than 50% of the top administrative and managerial positions, which is an invisible obstacle that separates women from leadership positions (Hoobler, Lemmon and Sandy, 2011). The percentage of female employees (at all levels) in private companies varies greatly from one country to another. According to the research report\textsuperscript{13}, India is the country with the lowest percentage of female employees (23%) and in almost all countries, there is a clear pattern across the levels of positions (entry level, middle level, senior management and board positions). Female employees tend to be concentrated in entry or middle level positions, that is, the more senior the position, the lower the percentage of women.\textsuperscript{14} Evidence of glass ceiling is seen in concentration of women at the

\begin{table}[h]
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\begin{tabular}{|c|c|c|c|}
\hline
Male & Female & Male & Female \\
\hline
Aggressive & Affectionate & Individualistic & Illogical \\
\hline
Autocratic & Complaining & Loud & Mild \\
\hline
Capable & Cooperative & Objective & Passive \\
\hline
Competitive & Emotional & Opportunistic & Sensitive \\
\hline
Coarse & Easily influenced & Reckless & Subjective \\
\hline
Decisive & Forgiving & Tough-minded & Tactful \\
\hline
Humorous & Indecisive & Unemotional & Weak \\
\hline
\end{tabular}
\caption{Stereotypic traits associated with gender beliefs.}
\end{table}


\textsuperscript{14} Ibid.
all levels of the corporate ladder, where the skills and talents of women are not being utilized properly (Arfken, Bellar and Helms, 2004). If the work environment is hostile, lonely, unfriendly, it leads to feelings of alignment and despair, resulting in frustration in working environment. This in turn leads to job dissatisfaction and high turnover among minority groups (David and Hermsen, 2001). Diversity practices towards eradicating stereotypes and prejudices, discrimination will pave the way for positive diversity climate (Kalev et al., 2006). There exist some problems like resistance to change, communication problems, harassment and frustration due to differences at workplace of organizations (Hopkins, 1994; Kundu and Turan, 1999). These have impact on accepting diversity in organizations. People are more highly attracted to and feel more comfortable with others, who are similar to themselves. It stands to reason that diversity efforts may be met with considerable resistance when individuals are forced to interact with others unlike themselves. Managers should be prepared for this resistance rather than simply assuming that everybody supports diversity. Another obstacle for accepting diversity is lack of interaction and communication. Cultural diverse groups may encounter special challenges in terms of communication barriers. Misunderstandings may occur that can lower work group effectiveness. Conflicts can also arise and decision making may take more time (Cox, 1993).

Organizations are facing some special problems related to gender diversity. Sexual harassment and abuses are the issues making diversity inclusion more complex in organizations\(^\text{15}\). Sexual harassment means any type of bullying or coercion of a sexual nature or the unwelcome inappropriate promise of rewards in exchange for sexual favors. Approaching a person in an unwanted, uninvited way and interfering with that person’s productivity or advancement is also considered as sexual harassment. In most modern legal contexts, sexual harassment is illegal. The Indian Supreme Court has laid down comprehensive guidelines that must be followed by all public and private sector organizations so as to ensure prevention of sexual harassment against women\(^\text{16}\).

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\(^{15}\) Information has been collected from article “Women in IT”, published online on 15\(^{th}\) October, Dataquest, 2007

\(^{16}\) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is a legislative act in India that seeks to protect women from sexual harassment at their place of work. The Act
Despite the efforts of the higher judiciary, the incidence of covert and unreported sexual harassment in India is quite high (Saini, 1999). Also, as many respondents in a recent study pointed out, the considerations of sexual favors are becoming important in appointment and promotion matters (Budhwar, Saini, and Bhatnagar, 2005). Work-life conflict is another problem which may have impact on acceptance of gender diversity. The women have been assumed to take responsibility of childcare, household work, and taking care of elder people in home, which cause stress and work-life conflict among employees.

Women have been discriminated in India for centuries in matters of civil liberties and economic and social matters. In fact, the Indian woman has enjoyed a paradoxical status (Budhwar, 2001). Although she is given respect in Indian society, stereotypes against women’s independence have been deeply rooted in Indian society and this has resulted in discriminating women in society and at workplace. These stereotypes reflect traditional patriarchal male dominated corporate structure in organizations (Woodard and Saini, 2006). Thus, all these problems have become obstacles to diversity and limit one’s openness and have major influence in acceptance of gender diversity among employees in organizations.

1.5.4 Diversity and management programs, practices

Diversity management programs address diversity on many dimensions and constitute the varied diversity management functions at organizations, including mentoring opportunities, training programs, family-friendly policies, and advocacy groups (Pitts, 2006). They are often meant to change the organizational culture to be more inclusive to enable and to empower all associates. In addition, they focus on developing employees’ ability to work together. Diversity management should not be interpreted as equal employment opportunity, or in terms of affirmative action programs. In fact, they have completely different meaning. The focus of the workforce diversity issue has changed from equal employment opportunity to effectively managing workforce diversity as an organizational imperative (Torres and Bruxelles, 1992). Equal Employment Opportunity (EEO) means treating people fairly and equitably and taking actions that do not discriminate against protected classes on the basis of some illegal criterion.

came into force from 9 December 2013. It has now been published in the Gazette of India, Extraordinary, Part-II, Section-1, dated the 23rd April.
Affirmative Action Programmes (AAP) imply that an employer needs to take positive steps to ensure equal employment and promotion opportunities. Diversity management implies achieving heterogeneous workforce and valuing employee differences in the interest of business, local as well global community (Barak, 2005). Diversity management places a much heavier emphasis on recognizing and appreciating differences among people at work and attempting to provide accommodations for those differences to the extent that is feasible and possible. The global thinking of diversity management focuses on diversity as a business case, a critical aspect of Human Resource Management (HRM), and thus, a source of competitive advantage. Diversity management programs and practices are to create an inclusive work environment where all associates are empowered to perform their best (European Commission, 2005). The organizations, which recognize the globalization of labour as a positive trend and facilitate the flow of workforce, will benefit most (Johnston, 1991). The key idea behind diversity management is to ensure fair representation of women and other diverse groups in the workplace. Diversity management programs address diversity on many dimensions. They are often meant to change the organizational culture to be more inclusive and to enable and empower all associates. In addition, they focus on developing people’s ability to work together. Because of their different goals, these programs differ from Affirmative Actions in several ways, (Thomas, 1992) as summarized in Table 1.3.
Table 1.3: Difference between Affirmative Action and Diversity management

<table>
<thead>
<tr>
<th></th>
<th>Affirmative Action Programs</th>
<th>Diversity Management Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose</strong></td>
<td>To prevent and/or remedy discrimination</td>
<td>To create an inclusive work environment where all associates are empowered to perform their best</td>
</tr>
<tr>
<td><strong>Assimilation</strong></td>
<td>Assumes individuals will individually assimilate into the organization; individuals will adapt</td>
<td>Assumes that managers and the organizations will change (i.e., culture, policies and systems foster an all inclusive work environment)</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>Recruitment, mobility, and retention</td>
<td>Creating an environment that allows associates to reach their full potential</td>
</tr>
<tr>
<td><strong>Cause of diversity problems</strong></td>
<td>Does not address the cause of problems</td>
<td>Attempts to uncover the root causes of diversity problems</td>
</tr>
<tr>
<td><strong>Target</strong></td>
<td>Individuals identified as disadvantaged (usually racial and ethnic minorities, women, people with disabilities)</td>
<td>All associates</td>
</tr>
<tr>
<td><strong>Time</strong></td>
<td>Temporary until there is appropriate representation of disadvantaged groups</td>
<td>Ongoing permanent changes</td>
</tr>
</tbody>
</table>

Indian law does not necessitate framing of a formal diversity policy. Hence, diversity management programs and practices are framed by organizations to create an environment that allows all associates to reach their full potential. Especially, multinational companies have started forming a diversity committee to drive home the philosophy of diversity management, and have set benchmarks towards achieving the stated objectives. Thus, Indian employers' short term approach of complying with law is likely to focus on valuing diversity in the long run.

Diversity management is a process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an organization's strategic goals and objectives. This refers to referring different perspectives of people in organizations. Diversity Management is seen as a process to develop an environment that facilitates maximization of potential of all employees working in organization and focuses on valuing qualities that are different between groups and individuals. Diversity Management takes differences among people related to culture, gender ability, physical ability, education, and experience, and even in broad sense, it takes into consideration differences in opinions, beliefs, personalities, value systems, thought process, talents, socio-economic status, parental status, skill etc. (Ely and Thomas, 2001). Thus, diversity management can be explained as a process which ensures equal opportunity in all perspectives in an organization.

In a diverse workforce, managers are compelled to recognize and manage the similarities and differences that exist among the people in the organization. Employee’s conceptions of work, expectations of rewards from the organization, and practices in relating to others are all influenced by diversity. Managers of diverse work groups need to understand how the social environment affects employees' beliefs about work, and they must have the communication skills to develop confidence and self-esteem in members of diverse work groups. There are many expectations of positive outcomes of diversity management activities. They include

17 Dataquest, November28, 2006.
enhanced personal effectiveness and interpersonal communications among employees, responsiveness to social and demographic changes, reduction of litigation and quicker resolution of disputes, climate of fairness and equity, greater productivity on complex tasks, increased employee competencies in global companies (Jamison et al., 1991; Kramar, 1998; Barak, 2005). It is an opportunity to develop and utilize all of the human resources available to the organization for the benefit of the workers and organization. Demographic changes like women in the workplace, organizational restructurings, and equal opportunity legislation will require organizations to review their management practices and develop new and creative approaches to managing people (Moore, 1999; Sadri and Tran, 2002).

Diversity management practices may be focusing on entire organization, which, assume organization itself must play a significant and fundamental role. Creation of diversity forums, networks, employee affinity groups, workshops, seminars and conferences are the diversity management strategies, which are framed to enhance diversity awareness. Organizations can also accommodate flexible working hours, provision for swap in holidays, community outreach programs, cultural events and religious holidays, fixing diversity quotas from recruitment to retention etc, to get success in diversity management. Diversity management practices and programs in an organization may also focus on individual employees of organizations, which assume that an individual can play an important role in managing diversity. These diversity practices are designed based on understanding, empathy, tolerance, and communication concepts. Mentoring, counseling, employee feedback sessions are individual focused diversity management practices, which are commonly adopted in multicultural organizations. Another very important type of diversity management practice in companies is providing diversity training. Many organizations are finding that diversity training is an effective means for managing diversity and minimizing its associated conflicts (Kulik, 2008). Diversity training is specifically designed to enable members of an organization to function better in a diverse workplace. This diversity training can take various forms (Hilderbrand, 1996). The training includes language training, cross cultural awareness training, communication training and also gender sensitivity training. The objective of diversity training is to help people learn more about their similarities and differences and to enhance skill and awareness to deal with diversity issues. Thus, the diversity management
programs and practices are designed to create a culture of accommodating ongoing permanent changes in diversity climate. These practices should enhance organization’s commitment in managing diversity and its culture.

1.6. Overview of Information Technology industry

Information Technology (IT) refers to the study, design, development, implementation support and management of any computer based information system and deals with using electronic computers and software to convert, store, protect, process, retrieve with security or transmit any information (Proctor, 2011). IT has been described as a vital resource and critically important capital asset that is extensively used in the workplace. With IT being a major facilitator of the global marketplace, employers are becoming aware of the benefits of their organizations having a diverse workforce that is as expansive as the customer base (Moody, Woszczynski and Beise, 2003). IT industry plays an imperative role in almost every aspect of our lives. The world today has become one global village due to the widespread use of Information Technology. IT has revolutionized the way businesses are conducted today, and it is hard to imagine functioning without it. It has become an ever increasing resource with which organizations have created and sustained their competitive advantages. The IT industry basically consists of software and services, hardware segments, and Information Technology Enabled Services-Business Process Outsourcing units (ITES-BPO). All these have jointly contributed expansively towards the development and growth of all the countries in the world. The growth of IT industry has not only helped in generating large scale employment in number of countries but, also helped a number of developing nations to take a step forward towards developed nations.

The Indian information technology industry is one of the promising sectors of the Indian economy, showing rapid growth and promise. According to NASSCOM the Indian IT industry is poised to become a US $ 225 billion industry by 2020. According to McKinsey

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18 NASSCOM, National Association of Software and Services Company, is a strong IT industry lobbying body. This is a trade association of Indian Information Technology (IT) and Business Process Outsourcing (BPO) industry.
report, titled, ‘Perspective 2020: Transform Business, Transform India’\textsuperscript{19}, the exports component of the Indian IT industry is expected to reach US $175 billion in revenue by 2020. The IT sector has become one of the most significant growth catalysts for the Indian economy. In addition to supporting development of India’s economy, industry is influencing lifestyle of people by contributing to the improvement in standard of living through generation of enormous opportunities of employment.

Indian Information Technology industry can be broadly classified into two categories:

\textbf{i. IT Services:} This category includes Information Services (IS), packaged software support and installation, systems integration, processing services, hardware support and installation, IT training and education and industrial, mechanical and electronic system design.

\textbf{ii. ITES-BPO Services:} This category includes Business Process Outsourcing (BPO), IT Enabled Services (ITES) that use of telecom networks or the internet such as remote maintenance, back office operations, data processing, and call centers, etc.

IT industry is an industry which is growing at a very rapid rate, providing wide variety of employment and economic activities in India. India’s software sector presents the case of an internationally competitive high-tech industry in the context of a rapidly developing economy. The Indian Information Technology (IT) services and Information Technology enabled services (ITES) go hand-in-hand in every aspect. The industry has not only transformed India’s image on the global platform, but also, boosted economic growth by energizing higher education sector, especially in engineering and computer science. ITES is form of outsource service which has involvement of information technology in different fields like finance and banking, insurance, telecommunication. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organizations, enhanced focus by the government and emergence of business models help IT industry to become one of the key drivers of Indian economy. The industry has helped India transform from a rural and agriculture-based economy to a knowledge based economy. The efforts of the industry towards the holistic development of the Indian economy and society have positive impact on

changing lives of people. Further, the industry has acted as socially responsible corporation playing an active role in regional development across India, empowering diverse human assets. Thus, IT industry plays a significant role in Indian economic development and has great potential of longstanding economic progression through greater productivity in different aspects of the economy. IT Industry is attracting considerable interest not only as a vast market, but also, as potential production base by international companies. Therefore, India is considered as a pioneer in software development and a favorite destination for IT-enabled services. The rapid growth in the sector is a consequence of access to trained English-speaking professionals, cost competitiveness and quality telecommunications infrastructure. India has the second largest English-speaking scientific professionals in the world, second only to the United States of America\(^20\).

The IT industry is playing a key role in putting India on the global map. As shown in Graph 1.1, there is a sharp rise in the growth of IT services segment in Indian domestic market.

**Graph 1.1**: Total domestic market of IT industry in India (NASSCOM Strategic Review, 2012)\(^21\)


IT services sector is growing by 18 per cent in domestic market of India, to reach ₹589 billion, driven by increasing adoption from all customer segments including government, enterprise, consumers from small business units. BPO segment has growth by 17 per cent in FY2012, to reach ₹149 billion, driven by demand from voice-based (including local language) services and increasing adoption by both traditional and emerging verticals, including the government. The domestic software products segment is set to grow to ₹180 billion in FY2012, a growth of 13 per cent over FY2011. Domestic hardware market to cross ₹615 billion in FY2012 with a growth rate of 15%, driven by rapid uptake in notebooks/net books/tablet computers, mobility devices, improved connectivity tools, etc.

**Graph 1.2:** Total revenue from IT industry in India (NASSCOM Strategic Review, 2012)
According to NASSCOM strategic review report 2012, domestic IT-BPO revenues, including hardware, at about US $ 31.7 billion, growing by over 9 per cent export revenues, including hardware, estimated to reach US $ 69.1 billion in FY2012, growing by over 16 per cent. Aggregate IT software and services revenue, excluding hardware, is estimated at US $ 88 billion, and to reach 100 billion at the end of FY2012. Software and services revenues, excluding hardware, comprising nearly 87 percent of the total industry revenues, expected to reach US $ 87.6 billion in FY2012; estimated growth of about 14.9 per cent over FY2011. The industry continues to be a net employment generator, expected to added 2,30,000 jobs in FY2012, providing direct employment to about 2.8 million, and indirectly employing 8.9 million people. As a proportion of national GDP, the sector revenues have grown from 1.2% in FY1998 to a 7.5% in FY2012. The share of exports of the industry (merchandise plus services) increased from less than 4% in FY1998 to about 25% in FY2012. IT-BPO sector accounts for 14% of Indian total exports and accounts for 10% of India’s service sector revenues (NASSCOM Strategic Review, 2012).
Furthermore, Indian firms, across all other sectors, largely depend on the IT and ITES service providers to make their business processes efficient. The Indian IT and ITES industry has continued to perform its role as the most consistent growth driver for the economy. Service, software exports and business process outsourcing (BPO) remain the main stake of the sector. Over the last five years, the IT industry has grown at a remarkable pace. A majority of the Fortune 500\textsuperscript{22} and Global 2000\textsuperscript{23} corporations are sourcing IT/ITES from India and it is the premier destination for the global sourcing of IT and ITES accounting for 55\% of the global market in offshore IT services and engineering, 35\% of the ITES/BPO market.

### 1.6.1 IT Industry in Bangalore

Bangalore is the capital city of Karnataka State in India and is referred as the silicon valley of India, because of the phenomenal development of IT industry. Today, Bangalore has the largest concentration of IT organizations in India and considered as the role model for the rest of the country. The location map of Bangalore city is displayed in world map (Figure 1.3), India with Karnataka map (Figure 1.4) and location of Bangalore in Karnataka State (Figure 1.5)

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\textsuperscript{22} The Fortune 500 is an annual list compiled and published by \textit{Fortune} magazine that ranks the top 500 U.S. private and public corporations.

\textsuperscript{23} The Forbes Global 2000 is an annual ranking of the top 2000 public companies in the world by \textit{Forbes} magazine. The ranking is based on a mix of four metrics: sales, profit, assets and market value.
**Figure 1.4:** Map of India and Karnataka State. **Figure 1.5:** Location of Bangalore city.
According to KIG 2020 Report\textsuperscript{24}, Karnataka’s relentless pursuit of IT as the growth engine has been at the core of its success in building its global reputation as an IT hub and contributing more than 35% of the national exports. Several venture capital companies from the original Silicon Valley in California have a local branch with staff working in Bangalore. Dozens of global companies also have their own research and development centers in the city, e.g. Bosch, Siemens Information Systems, SAP Lab\textsuperscript{25} India, Intel Development Center, Accenture, IBM, Cisco Systems, Oracle, etc. The city has become a popular outsourcing and offshoring destination due to the large numbers of highly skilled people, working for comparatively low wages. In fact, the cost of running a business and hiring staff in Bangalore is significantly lower than in the USA or the European nations\textsuperscript{26}.

About 20% of the Indian IT industry has been situated at Bangalore. Within top 10 leading IT companies on Forbes Global 2000 list, 9 companies have based the headquarters of their India operations in Bangalore. Karnataka’s IT sector has attracted 44.6% of total investments in the national IT industry in 2010-11. Further, more than 400 out of the Global Fortune 500 Companies were outsourcing IT Services from Bangalore. During this unprecedented rapid growth, the number of companies in Bangalore has grown to around 2,200 with total exports of around US$ 17 billion, contributing to around 35% of national exports. Bangalore had around 85 chip design houses and more than 366 R&D houses. With more than 6 lakh IT Professionals, Bangalore has become the second largest technology cluster in the world. Bangalore has balanced development amongst high technology operations (VLSI design\textsuperscript{27}, telecom software, and embedded software) and business IT applications development and complete back office business outsourcing. More than 30% of the total exports from Bangalore are high technology intensive like VLSI Design, telecom Software, and embedded

\textsuperscript{24}KIG Report is the Karnataka ICT 2020 final report, prepared by the Karnataka Information and Communication Technology Group 2020 team about Karnataka’s historical strengths in IT and submitted to the Government of Karnataka in 2013. Retrieved from www.bangaloreitbt.in
\textsuperscript{25}SAP Lab stands for Systeme, Anwendungen, Produkte in der Datenverarbeitung (German: Systems, Applications & Products in Data Processing Laboratories)
\textsuperscript{26}http://en.wikipedia.org/wiki/List_of_minimum_wages_by_country.
\textsuperscript{27}VLSI stands for Very Large Scale Integration. This is a technology for producing complex electronic circuits in a very small area.
Hence, over the years, Karnataka has led the way by developing technology, processes and manpower to build a cost-effective IT industry. Here is some information about top Information Technology Companies in Bangalore, which have operations in IT services, BPO Services, Engineering and technology services with high growth in revenue and employment. The Table 1.4 provides a list of top IT companies, working in Bangalore.

**Table 1.4: The list of top IT companies in Bangalore**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of Company</th>
<th>Sl. No</th>
<th>Name of Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tata Consultancy Services Limited</td>
<td>11</td>
<td>Cisco Systems India</td>
</tr>
<tr>
<td>2</td>
<td>Infosys Limited</td>
<td>12</td>
<td>Oracle India</td>
</tr>
<tr>
<td>3</td>
<td>Wipro Limited</td>
<td>13</td>
<td>Dell India</td>
</tr>
<tr>
<td>4</td>
<td>Hewlett-Packard India</td>
<td>14</td>
<td>Intel India</td>
</tr>
<tr>
<td>5</td>
<td>Cognizant Technology Solutions</td>
<td>15</td>
<td>Accenture India</td>
</tr>
<tr>
<td>6</td>
<td>IBM India Limited</td>
<td>16</td>
<td>Sap India</td>
</tr>
<tr>
<td>7</td>
<td>HCL Technologies</td>
<td>17</td>
<td>Mahindra Satyam</td>
</tr>
<tr>
<td>8</td>
<td>iGATE Solutions</td>
<td>18</td>
<td>Tech Mahindra Limited</td>
</tr>
<tr>
<td>9</td>
<td>Ingram Micro India</td>
<td>19</td>
<td>Microsoft India</td>
</tr>
<tr>
<td>10</td>
<td>Redington India</td>
<td>20</td>
<td>Polaris Financial Technology Ltd</td>
</tr>
</tbody>
</table>

A number of other IT companies like Mphasis Private Ltd, Mindtree Ltd, and Infinite Computer Solutions etc are also recording considerable growth in field of Information Technology Industry, with headquarters in Bangalore. There are a number of reasons behind the software companies being centered at Bangalore. A very favorable climate, excellent infrastructure facilities, availability of human resources, international quality research and

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28 Information is collected by KIG Report (2013)
development centers, cosmopolitan ambiance, favorable government policies contribute Bangalore to be a big hub of information technology industry. Cultural life in Bangalore has been undergoing transformation with constant influx of people from all over the world. Bangalore seems to thrive on cultural diversity and has been greatly enriched by the multiculturalism, and rightly named as global city. Numerous IT experts are currently working at technology enterprises in Bangalore. Corporate giants such as Google, Dell, IBM, Siemens, and Amazon take up a significant share of the sector and working as the big employers of IT specialists. Every week, a few new technology start-ups join the IT cluster in town.

1.7 Workforce diversity in IT Industry

IT companies are diversified with the employees of different countries, different age groups, races, languages, ethnic groups and gender. People from various countries and societies bring varied culture to the workplace. The increasing diversity among the employees in IT industry is a reflection of increasing educational facilities and increasing educational levels of people in various developing countries. Social change, social shifts of various regional groups, career orientation among women, and increasing aspirations for work and career etc, boosted cultural diversity and gender diversity in IT industry. This is more visible in India after 1990s due to enhancement of career opportunities for women and talent acquisition from different parts of the world.

Indian IT industry, while recruiting, goes in search of global talent, which is essential for their global competitiveness. While recruiting, IT organizations try to maintain a balance between male and female workers, creating a culture of comfort and compelling place to perform. This is not certainly for the opposite gender appeal in the workplace, rather it is more for replicating a environment of global talent, mutual cooperation and support. However, with the rise in literacy levels and betterment of the position of women due to economic and social development, the position of women in many spheres has been becoming better. The significant factors that contributed for the workforce diversity in Information Technology industry are explained below.

Increase in Educational opportunities: Along with liberalization, globalization and privatization towards the spread of educational facilities through a number of institutions
there is a lot of improvement in number of aspirants for technical education and managerial education in all the developing countries including India (Agarwal, 2006). Consequently governments of most of the countries have allowed and encouraged educational facilities through private and public institutions. India, Malaysia and South Korea are the best examples of spread of educational opportunities. These educational institutions design and offer programs that have job demand in international business. In fact, each year India produces around 8 lakh engineering graduates in the country; out of them 30% possess both technical competency and English speaking skills. Karnataka state alone produces around 60,000 engineering graduates each year of in the country. Especially, Karnataka state is popularly known as the hub for the country’s leading engineering and research organizations such as Hindustan Aeronautics Ltd (HAL), Indian Space Research Organization (ISRO), and around 50 scientific and research organizations. These phenomenal shifts in educational opportunities helped the people of India to acquire qualifications in their disciplines that are in demand like information technology and to join the workforce.

**Changing gender roles:** Historically, women’s role has been confined to raring children, taking care at home and assisting men in domestic activities. Therefore, role of women in formal labor market in general was limited. But, the mindset of significant number of women towards career took remarkable shift in recent years due to increase in their educational levels, positive thinking towards economic independence and utilizing their skills and talents. The suitable jobs for women have been increasing particularly in software industry and research and development organizations. These shifts resulted in increase of married and unmarried women workforce entering in IT industry.

**Globalization and mobility of human resources:** The current phase of globalization, aim at the growth and development of world economies in a balanced way in order to enhance the employment opportunities and the living standards of the population. So multinational companies, including IT companies started locating their manufacturing and business centers

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30 This information has been collected from [http://www.aicte-india.org/ictit.htm](http://www.aicte-india.org/ictit.htm) retrieved on 12/01/2013.

31 Karnataka ICT 2020 report (2013)
in their potential markets like China, India, Brazil etc, in addition to strengthening their operations in advanced countries. Globalization aims at free flow of all kinds of resources across the countries in order to meet the needs of the companies. Consequently money, material, machines and the manpower picked up the mobility of higher speed. By this, people across the globe shifted to new places based on demand for skills. This resulted in diversity of workforce in different companies. In particular, IT companies view the need for the best talent for their operations. Thus, diversity and diversity management are crucial issues, in context of IT industry.

1.7.1 Glance of cultural and gender diversity in IT industry: An Indian Experience

It is imperative to comprehend the Indian perspective of diversity and the need for diversity practitioners to enhance the acceptance of diversity in industry. Managerial functions differ in organizations of various cultures. Culture is seen as a basic variable that would explain these perceived differences in workplace behavior. The Indian perspective on life tends to differ most sharply from that of Europe and USA in the value that it accords to the discipline of philosophy (Saini and Woodard, 2006). The hierarchical principle of social organization has been central to the conservatism of Indian tradition. India tends to cluster with countries having a high degree of power distance32. Indians tend to work with lifelong friends and work performance is more relationship oriented than contractual in nature and would like to minimize risk. Work in the Indian system was not a tool to realize one’s self but, a means to fulfill family responsibility. The basic difference in the approach to work creates a situation of cultural conflict that is unique to the Indian business in the global context. Linguistically speaking, it has a variety of languages, dialects, and cultures. It is a country representing every major religion, almost two thousand ethnic groups, and four major language families containing a total of 216 languages, 544 dialects with and more than 10,000 native speakers and a strong social hierarchical structure unparalleled by any country other than the continent of Africa in terms of linguistic, social and cultural diversity33. The constitution recognizes

sixteen languages including Hindi and English that are the two official languages. India has one of the largest English speaking populations in the Asia-Pacific region. India is a large country and comprises 29 states and 6 union territories. The cultural diversity is the hallmark of Indian society; very few other countries in the world might be as diverse as India. The population comprises six main religious groups: Hindus (83.2 percent), Muslims (11 percent), Sikhs (2 percent), Christians (2 percent), Jains and Buddhists (less than 1 percent). Amongst Hindus, there are over 4000 castes (Budhwar, 2003). In the past two decades or so, social change in India is in dramatic contrast to the expectations from traditional Indian culture. These changes have led to Indian families giving education opportunities to girls, accepting women working outside home, pursuing a career, and opening the possibility for women to attain managerial roles in corporate India. The change is slow, yet the scale of cultural change can be sensed from the fact that of India's 397 million workers, 124 million are now women (Lockwood, 2009).

IT industry puts India in global map by the presence of starting ventures in 52 countries worldwide. More than 60,000 foreign nationals are working in Indian IT industry. 58% of the employees are from 2nd and 3rd tier cities. Around 30% of the employees are women and 74% of the employees are from below 30 years of age. 5% of the workforce in Indian IT industry is from economically backward classes. The multinationals may not face cultural problems in some respects in India. As this country had been a British colony for a long time, people in general can understand and speak English language that is an international language. There is no problem relating to business communication while dealing at least with western countries. But, it may not be so while dealing with other countries (Kundu, 2001). The gender diversity is a prominent diversity dimension, which IT industry addresses in India. As the industry began as a knowledge-intensive sector and equal opportunity employer, it has been actively hiring women in its workforce over the past decade. There is a steady growth of women employees in IT industry from 20% in FY2004 to 30% in FY2012 (NASSCOM Strategic Report, 2012). This has been depicted through graphical presentation in 1.3.

34 Nancy Lockwood (2009). "Perspectives on Women in Management in India", Society for Human Resource Management, the world's largest human resources association with members in 140 countries.
35 The information is collected from http://www.nasscom.in/impact-indias growth
Graph 1.3: Percentage of women in Indian IT industry

This shows that the percentage of women in IT industry is in uptrend and there is an increase of women percentage from 20% in FY2004 to 30% in FY2012 (NASSCOM Strategic Report 2012).

Global companies in IT industry are reflecting the diversity of the world it serves. Employees represent the widest possible variety of cultures with different nationalities, gender identities, employment histories, and levels of physical ability. Companies are recruiting employees from global talent pools and provide paths for professional growth to all members of society. Within such diverse companies, people bring to the workplace contrasting opinions and worldviews. As these people interact, they develop new ideas, methods and perspectives.

To quote some of the examples, Infosys Technologies, a major Bangalore based IT company, has diverse employee base from 89 nationalities working in 32 countries (www.infosys.com). Another prominent Indian IT company, Wipro Technologies, has diverse pool of employees from 98 nationalities working in 54 countries (www.wipro.com). Tata Consultancy Services, another major IT company has a large reservoir of diverse employees from 113 nationalities working in 42 countries (www.tcs.com). HCL has been one of the fastest growing technology companies not only in India, but, in the world and is a major recruiter of diverse employees working in 31 countries (www.hcl.com). Genpact actively fosters inclusivity.
across business units and company offices with recruitment of employees from more than fifty countries. Talent diversity is the key to propel business growth engines and sustain momentum in all the IT companies (www.genpact.com). By giving the elaborated view of workforce in TCS (Tata Consultancy Services Limited), we can get a wide view of different nationalities present in Indian IT companies. The diversified workforce in Indian giant IT company, like TCS has been explained through the Graph 1.4, which shows the global workforce of the company (excluding home country nationals).

![Graph 1.4: Global workforce in Tata Consultancy Services Limited](image)

Indian IT company, TCS (Tata Consultancy Services Ltd) has improved its workforce diversity through an equal-opportunity global recruitment program and as outcome of strategic initiatives like mergers and acquisition (www.tcs.com). As of March 31, 2012, women constituted 31% of the TCS Company’s workforce. The company employed employees from 113 different nationalities. (TCS-Annual Report, 2012)
There has been a major change in the Indian IT sector in the past two decades, particularly after the liberalization of the economy in 1991. The fact that India’s economic growth is impacted by its large pool of talent that highlights the importance of the resource based view. As more women leaders come up, women in the country look forward to make major contributions in the corporate world. IT Services and ITES-Services sector has adopted high profile gender inclusivity through gender councils and other mechanisms. The Indian IT industry mirrors the availability of women engineers in professional colleges. In the middle of 80s, only 5-8 per cent of students in engineering colleges and approximately 25-30 per cent of the population entering the IT industry were women. The dramatic growth of the IT industry in the decade of 1990 in Bangalore, inspired a larger percentage of women to obtain higher education, and after 2005, 40.4% of the entrants into institutions of higher education are women. Further, the share of enrolment of women into higher education had increased to 49.2% in 201136.

This trend has a direct impact on the positions filled by women in IT, the bottom-line of workforce having favorable gender ratios. Since then, the number of women employed in the Indian IT industry has increased, and the IT and ITES-BPO Services of India has been at the forefront of gender diversity inclusion. The sector was initially perceived to be a taboo for women, as unlike the banking sector, it demanded long and odd working hours, including night shifts. The IT and ITES-BPO sector introduced secure working atmosphere, higher salaries, gender neutral policies, free pick-up and drop facility to home, part time and flexible time, as well as flexible career policies. All these efforts made IT industry as a favorable destination for women to work. Infosys, for instance, built a satellite office in Bangalore for pregnant women and young mothers to spare them to commute to the main office on the outskirts of the city.

36 This information has been collected from the source, “Share of population - Census 2011” and “India Human Development Report 2011”, recorded in the report Annual status of Higher Education of States and UTs of India, 2013. This report is published by Ministry of HRD, Government Of India and Confederation of Indian Industry
The Indian IT industry is a major player of gender diversity. The following graph shows the percentage of women employees in major IT companies in India. According to Dataquest\textsuperscript{37}, the Indian top companies have 25\% to 35\% of women workforce and have different kinds of diversity programs based on the need and suitability. Some facts about gender diversity in major IT companies are explained below\textsuperscript{38}. Graph 1.5 displays the percentage of women in major Indian IT organizations.

**Graph 1.5: Women workforce in Indian IT organizations**

![Graph showing women workforce in Indian IT organizations]

(Source: Dataquest, 30\textsuperscript{th} January, 2013)

\textsuperscript{37} Dataquest is an IT magazine, published from India. Present information is collected from the article “TCS, Infosys and Wipro are top Indian IT employers of women” published on 30\textsuperscript{th} January, 2013. Information has been accessed from http://www.dqindia.com/dataquest/feature/173729/tcs-infosys-wipro-indian-it-employers-women.

\textsuperscript{38} The present information has been collected from Dataquest, “TCS, Infosys and Wipro are top Indian IT employers of women”, online published on 30\textsuperscript{th} January, 2013.
• TCS has 254,076 total employees and out of which women constitute 31%. Their board size is 13 with no women representation;
• Infosys comes second in the lead with 35% of women employees out of their total employee base of 153,761. Their board consists of one woman and 14 men;
• Wipro is third in having maximum number of women employees. Their total employee strength is 140,569 out of which 28% are women;
• HCL's total employee strength is 85,335 out of which 24.6% are women. HCL is fourth in the list. They have one women representation in their board, which consists of total 10 members;
• Cognizant has total employees base of 150,400. 32% of it is women employees;
• Tech Mahindra has total employee base of 50,479. Out this 25% are women employees;
• Mahindra Satyam has 25% of women representation in their total employee base of 36,787. They have one board member as women out of total strength of 1;
• Genpact has total employee strength of 60,000 out of which 40% are women employees;
• iGate company has total employee base of 30,000 out of which 25% are women;
• Mindtree has 28% of women employees out of their total employee base of 10,580.

**Diversity at Infosys:** A prominent IT company in India, Infosys Technologies Ltd, actively fosters inclusivity across business units and company offices. Company encourages employees to focus on their commonalities and de-emphasize differences. This diversity inclusion policy made the organization ultimately for more informed and sensitive which can serve customers better. Infosys was the first Indian IT company to establish an office for diversity and inclusivity. Its workforce comprises people from 89 nationalities working from 32 countries, with 35% of women and a multi-generational representation. Talent diversity is the key to propel business growth engines and sustain momentum (www. Infosys.com). Global workforce in Infosys is not only for the success, but also, an important factor in attracting and retaining top talent. Workforce diversity in India has typically started with gender diversity. After having robust gender inclusivity programmes in workplace, organizations are applying the same template to cultural and generational diversity and
inclusion of the differently-abled. The recognition of diversity, as a business imperative, has generated enormous interest across organizations globally. Infosys is committed to provide a work environment free from discrimination and harassment. Company has equal opportunity for all employees and believes in equal work opportunities for all employees. It does not agree with favoritism or appearance of favoritism in workplace. These are included in the code of conduct and ethics of the company. Along with legal policies, internally the company has an ‘Infosys Women’s Inclusivity Network’ (IWIN), sponsored by the non-executive chairman. The objective of IWIN is to create a gender sensitive and inclusive work environment and to help women in their career lifecycle and to develop women for managerial and leadership roles, thereby maintaining gender ratios at all levels in the organization (Infosys Annual Report, 2011-12). IWIN was launched in 2003 to create a gender sensitive and inclusive work environment at Infosys. This network addresses the work life balance and developmental needs of women employees. A special mentoring program for women was launched in 2008 to support and recognize employees’ volunteerism. Infosys continues to partner with major gender networks and forums across the globe to benchmark practices in inclusivity and publish research papers. Family Matters Network was launched in 2008 to help employees with parenting and work-life balance issues. Employees are given online expert counseling and provided referral services on daycare and information on schools for their children.

Infosys has a culture of inclusivity and diversity in workforce included people from multi countries (Annual sustainability Report, Infosys, 2012). In 2007, the Infosys Diversity office was set up as a part of the department for Human Resources (HR), under the mentorship of N. R. Narayana Murthy (Chief Mentor for Infosys Technologies Private Limited). It was decided that the Vice- President, HR, will be the Head of the Diversity Office. The bouquet of programmes offered by IWIN was to be centrally strategized and managed by the Diversity Office. In keeping with the belief that feedback, criticism, and multiple perspectives were essential to the efficient functioning of the Diversity office, the Global Advisory Council was formed. This council, with representative membership from across the globe, would

39 The information has been collected from http://www.infosys.com/sustainability/diversity/Documents/diversity-inclusion-approach, retrieved on September 06, 2013.
benchmark best practices and lobby with the management to create the most gender sensitive policies. Apart from these measures to build accountability at every level and to obtain senior management support for IWIN, other measures had also been institutionalized. Diversity was made a crucial track in the Infosys Sustainability Initiative which was based on the Global Reporting Initiative (GRI) indicators. Diversity and its outcomes were included in the Infosys Scaling Outstanding Performance (ISOP), which was a business excellence benchmarking initiative based on the Malcolm Balridge National Quality Award (MBNQA). This framework assessed every business unit and supported them in reaching higher standards of excellence and meeting various growths. (www.infosys.com).

Diversity at Wipro: One of the leading Information Technology organizations in India, Wipro Technologies Limited has been engaged in several activities to support diversity as the IT industry has expanded and matured. Company started gender inclusivity approach with three major themes underlying the needs of women in different life cycle periods, like exposure, flexibility and empowerment. ‘Women of Wipro’, popularly known as WOW driven by the senior leadership, action groups which were formed in every location and business unit. Ranging from programs like informal coffee sessions of high performing women with women leaders in Wipro, self-defense workshops, summer camps to introducing policies like half day working, extended maternity leave to a period of nine months, tie-ups with crèches, the focus has been to nurture and develop women employment to the fullest. Despite security measures, comfortable facilities and a supportive management and working culture, the number of women in senior positions was far lower compared to their male counterparts. The problem with fewer women engineers joining the company, with their numbers decreasing at every level of the organization. To understand the root cause of the issue, Wipro conducts global employee perception survey every 2 years. Diversity score in the employee perception survey of 2011 is not only one of the top drivers, but also, has shown substantial increase as compared to 2009 survey. The results of these surveys indicated that there were many issues which were specific to women belonging to specific age groups.

40 This information has been collected from “Wipro’s Women Focused Initiatives” 2012, retrieved from http://www.indousstf.org/pdf/Wipro.pdf.
Based on this, the company embarked on the segmented approach towards gender inclusivity, with three major themes according to the life-stage of the employees. Underlying the needs of women, three major themes of initiatives are designed in Wipro to encourage and inspire women, namely, exposure (early career stage), flexibility (mid career stage) and empowerment (advanced career stage). These initiatives are to make work more meaningful and comfortable for women. Once the women enter Wipro, they undergo the same training and project assignments as their male colleagues. Moving from one project to another, they gain expertise and experience, while the rigorous competency evaluations in Wipro ensure that they were updated about the latest technology. After the initial 4 to 5 years as an engineer, the employees began to explore beginner level managerial roles, like leading a team. Governance framework about support to women in Wipro has been depicted in Figure 1.6.

**Figure 1.6:** Governance framework of diversity at Wipro (Company Data)

Over the last decade, three organizations, namely Wipro, TCS and Infosys had emerged as clear winners in IT services in India. The competition was intense with middle players like Tech Mahindra, Cognizant, as well as multinational corporations like IBM, Accenture and Genpact. All IT companies are trying for the talent pool in the labor market, including the
hundreds of smaller IT companies, who are carving niche spaces in the service delivery models and growing. The war for talent is huge, and multi-skilled, flexible employees were tempted to switch companies, with job offers ranging from 50 per cent to 150 per cent over current salaries. The number of women to progress as managers was less than 50 per cent of the starting population. Marriage and relocation were among the primary reasons for this. As women employees left the organization, it was difficult to recruit women employees in the market, consequence of which the gender ratios kept dipping. The drop from the middle manager level to the senior leader level was even more acute. Typically, this was after 7 to 8 years of an individual’s career, and the responsibility of children and elderly people in the family often restricted women from taking up stretch roles which would enable growth and visibility in their career (Wipro Sustainability Report, 2011-2012).

**IBM: commitment to diversity**

International Business Machines Corporation (IBM) was incorporated in 1911. In its hundred years of existence, this global technology and innovative company has expanded its operation to cover over 170 countries. As the business stretched across the globe, the company had to interact with clients and local workforces of diverse ethnicity, attitudes and sensibilities. Gradually understanding and responding to these diverse stakeholders became central to the company’s growth in the global market. As the management realized the significance of recognizing and promoting diversity, IBM took a proactive stance towards diversity initiatives and made them integral part of its business model. IBM defined diversity as recognizing, appreciating, and utilizing the unique talent and contributions of all employees, irrespective of their race, gender, ethnicity, sexual orientation, age, socio-economic status, beliefs and ideologies. IBM had hired its first woman employee way back in 1935. IBM’s founder T. J. Watson had promised women the same kind of work for equal pay in 1953. Company had committed itself to understand the needs of women and to provide services. This made possible for female employees to meet their professional commitments efficiently, while fulfilling family related and personal obligations. Since then, IBM has acknowledged as a world leader in its commitment to women, both in and out of the corporation. As a diverse

41 Present information is collected from IBM website, www.ibm.com
company with strong values, at IBM believes diversity and inclusiveness are two sides of the same coin. IBM was one of the first companies in history to hire qualified personnel regardless of the race, color, gender or creed. IBM's diversity policy was written in 1954 (at the very start of the Civil Rights movement in USA). IBM proactively engages employees and fosters inclusion and diversity in all activities within the company. IBM employees all over the world spend over one million hours each year in community service and volunteer work, personally helping the world work well.

IBM recognized the advancement of women as the cornerstone of its diversity strategy in its operation in India. IBM India has been making its mark as an employer of choice for these diverse groups (Kaur and Guptha, 2013). In fact, IBM India won the NASSCOM Corporate Award\textsuperscript{42} for excellence in gender inclusivity in 2008. Following the global heritage of excellence in diversity, IBM India has developed many initiatives that drive inclusivity in the workplace, and also lay a strong foundation for career success for women and people with disabilities. Kalpana Margabandhu\textsuperscript{43}, chairperson of the IBM Indian Women’s Leadership Council (IWLC) from its inception until 2009, driving various initiatives to enhance the technical, professional and personal development of women employees at IBM India. The objective of diversity council which is popular as IWLC (Indian Women Leadership Council) is to get visibility with senior leaders and to build up women leaders from all the business levels.

IBM Daksh\textsuperscript{44} has been established with service delivery centers in India and Philippines and has become an important part of IBM’s Business Process Outsourcing (BPO) and business

\begin{footnotesize}
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\item \textsuperscript{42} NASSCOM Corporate Awards for Excellence in Gender Inclusivity” is India’s only award that honours companies that promote diversity and inclusion, which recognizes and honours IT and BPO organizations that have adopted and implemented policies, practices to promote diversity. This has created a platform for hundreds of organisations to share their experience and initiatives in enabling diversity and inclusion.
\item \textsuperscript{43} Kalpana Margabandhu, IBM Director for Web Sphere Development. With over 25 years of industry experience, Kalpana leads the Web Sphere mission in IBM India's Software Lab. She also leads Adapters, WPG (Web Sphere Partner Gateway), WDI (Web Sphere Data Interchange) and AIM (Application Integration Management) development in India.
\item \textsuperscript{44} IBM Daksh, also known as IBM Global Process Services, is a business process outsourcing (BPO) firm that was formerly known as Daksh eServices.
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\end{footnotesize}
transformation outsourcing global delivery network. In IBM Daksh, business imperative of an active diversity policy was understood, a comprehensive need assessment was undertaken to identify the concerns of women employees at various managerial levels-early career, mid-management, senior leadership. Focused initiatives like focus group discussions were conducted across locations with different stages of career.

Diversity Network Groups (DNG) which consists of IBM employees, who voluntarily come together with the ultimate goal of enhancing the success of IBM's business objectives by helping their members become more effective at the workplace. DNGs had been refreshed with the induction of senior women leaders nominated by the business, with the aim of enabling them to participate beyond their business roles and facilitate their own personal branding. This had brought a fresh perspective to DNGs, injecting them with increased passion and energy to find solutions and effectively implement them for the members.

**Figure 1.7:** Focus areas for gender diversity at IBM Daksh (Company Data)

Another very important initiative IBM Daksh, actively followed is identification of women with executive potential and initiation of global mentoring thereby impacting the overall goal of strengthening the women leadership pipeline. IBM Daksh focused on attracting women talent through 'Women only' recruitment drives, payment of higher referral bonuses for referring diversity candidates, and an enterprise-wide focus on growing women leaders from
within. Programmes such as ‘Mindset’, ‘Diversity and Inclusive Leadership’ (D & IL), and ‘Shades of Blue’ helped to educate managers about the importance of diversity among employees. Women employees have been impressed much by the initiatives on recognizing and facilitating the special needs of women through effective policies and practices to enable work-life integration. A substantial number of former women employees chose to rejoin IBM Daksh and the key factors to return to the home company, stated by these employees, were work-life balance and flexible work options, which enabled them to perform more effectively. In fact, women employees could avail of flexible work option schemes to meet sudden emergencies, simply by discussing with their managers. IBM Daksh senior leadership plays an active role in diversity initiatives as executive sponsors. The business leaders demonstrated active leadership and knowledge of business imperative and were routinely involved in the creation of an environment that promoted and encouraged inclusion. Senior leaders, including the CEO, actively participate in all major diversity events, celebrations and training programmes.

With the aim of fostering gender diversity, several popular programmes have been introduced. Mentoring is a diversity programme, where senior management was encouraged to mentor women employees. Along with individual mentoring, group mentoring sessions were regularly conducted around topics such as work-life balance, adopting to change, breaking the glass ceiling and career planning. Intervention programmes are included the Human Resources Leadership Development Programme (HRLDP), namely, ‘Next Gen’, ‘Talking the Stage’, ‘Emerging Leaders Programme’ and ‘Global Executive Resources Programme’. Another initiative by IBM Daksh is named as ‘IConnect’, which provides a forum of roundtables that are facilitated by senior women leaders to encourage learning through sharing of experiences. The facilitators offered participants an insight into business practices along with information on career opportunities and skills development. They also conduct sessions on specific topics such as work-life integration, networking, skills enhancement, mentoring and personal branding. A comprehensive policy called Prevention of Sexual Harassment (POSH) has been formulated based on the guidelines by the Supreme Court of India.

45 http://www.ibm.com/in/en, company data
India. The policy was aimed to generate awareness among employees about issues of sexual harassment in the workplace. A special email address was created on the organization’s intranet to increase participation in creating a safe workplace environment and to address concerned people about harassment and discriminatory or inappropriate behaviour.

Influencing the employees to accept diversity is a challenge. This sensitization to diversity is very important to build an inclusive organization culture. Awareness and educational programs such as ‘Diversity and Inclusive Leadership’, ‘Mindset’ and ‘Shades of Blue’ were deployed to meet this objective. There will be a two-day experiential lab offered periodically throughout the year, to increase awareness about the diversity. It also aimed to develop an action plan for enhanced personal and organizational impact, within each employee’s sphere of influence. All managers had to attend this learning lab at least once during their career with IBM Daksh. ‘Mindset’ is a workshop that advocated, as a business imperative, the advancement of women professionals. ‘Shades of Blue’ is an awareness programme that highlights cultural diversity and offers insight into diversity in a global culture. In 2010, the organization introduced online certification of trainers from IBM Daksh to conduct workshops on sensitivity.

Thus, gender diversity is a prominent issue in IT companies. Standing at approximately 50% of any given population, the focus on women as a valuable group of talent to attract and retain is self explanatory and is the subject of strategic discussions in most organizations. A fall out of this has been the heightened awareness around gender issues in the business arena (a subject that was otherwise relegated to the social sector) and proactive efforts to and enabling cultures is a key focus for most organizations. The fact that most women face greater challenges to career advancement than men is well documented46. The socialized acceptance of carrying the greater burden of family responsibilities is often the strong reasons that limit the career options of women. While it is important to accept and respect the socialized role expectations and subsequent choices men and women make, there is merit in organizations

working more proactively to create structures, policies and a culture that is sensitive to the differing needs of women. Developing and retaining women is a significant competitive advantage, and this calls for special policies and programs that can help level the playing field for women at work. Several organizations in India have adopted high profile diversity initiatives through gender councils and other mechanisms. Table 1.5 provides a list of mechanisms adopted by various IT companies to manage gender diversity in organizations.
<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Organization</th>
<th>Mechanism</th>
<th>Stated Objectives</th>
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<tbody>
<tr>
<td>1</td>
<td>Broadridge India</td>
<td>Gender Inclusive Indian Council (GIIC)</td>
<td>Set up simple and innovative practices which allow men and women to play their different, but, equal roles (<a href="http://www.broadridge.com">www.broadridge.com</a>)</td>
</tr>
<tr>
<td>2</td>
<td>Capgemini India</td>
<td>Capgemini Women’s Council</td>
<td>Support the goal of achieving a more enriched and diverse work environment: reinforce commitment to invest in people and serve as a key element of the strategy to be the employer of choice for women (<a href="http://www.in.capgemini.com">www.in.capgemini.com</a>)</td>
</tr>
<tr>
<td>3</td>
<td>Cisco India</td>
<td>Women’s Action Network (WAN)</td>
<td>Connect women employees with each other through various programmes, development, outreach and mentoring/coaching initiatives to make a business impact across Cisco (<a href="http://www.cisco.co.in">www.cisco.co.in</a>)</td>
</tr>
<tr>
<td>4</td>
<td>HCL Technologies</td>
<td>Women First Council</td>
<td>Provide women employees with a forum to express their creativity concerns and share new action ideas (<a href="http://www.hcl.com">www.hcl.com</a>)</td>
</tr>
<tr>
<td>5</td>
<td>IBM India/IBM Global Process Services India</td>
<td>India Women Leadership Council (IWLC)</td>
<td>Enhance the technical, professional and personal development of women in IBM India (<a href="http://www.ibm.com/in/isl/diversity/inclusivity">www.ibm.com/in/isl/diversity/inclusivity</a>)</td>
</tr>
<tr>
<td>6</td>
<td>Infosys Technologies Private Limited</td>
<td>Infosys Women Inclusivity Network (IWIN )</td>
<td>Recognize the unique aspirations and needs of women and promote a gender sensitive work environment (<a href="http://www.infosys.com/sustainability/diversity">http://www.infosys.com/sustainability/diversity</a>)</td>
</tr>
<tr>
<td>7</td>
<td>Shell India</td>
<td>Diversity and Inclusion</td>
<td>Support efforts to increase the number of women in senior positions (<a href="http://www.shellindia.com">www.shellindia.com</a>)</td>
</tr>
<tr>
<td>8</td>
<td>Tata consultancy services (TCS )</td>
<td>Diversity and Women’s Network (DAWN)</td>
<td>Encourage diversity and inclusion in the workforce (<a href="http://www.shellindia.com">TCS Annual Report, 2010</a>)</td>
</tr>
<tr>
<td>9</td>
<td>Wipro Ltd</td>
<td>Women of Wipro (WOW) Council</td>
<td>Empower women to create their future (<a href="http://www.shellindia.com">Wipro sustainability report, 2011</a>)</td>
</tr>
<tr>
<td>10</td>
<td>GE. India/ Genpact</td>
<td>General Electricals Women’s Network (GEWN)</td>
<td>Opportunities for women to engage with GE leaders and to learn from experiences. (<a href="http://www.shellindia.com">GE Annual sustainability report, 2011</a>)</td>
</tr>
</tbody>
</table>
1.8 Present study
The business cases and detailed exploration of IT industry provides big scope for research for the diversity reporting and diversity management field. Cultural diversity and gender diversity are the prominent diversity dimensions addressed by Indian IT companies. The present study is to investigate the acceptance of cultural and gender diversity in IT industry. Organizations in IT industry are trying to manage diversity through different diversity practices and programs. In this context, it is useful to investigate the diversity in terms employee perceptions. An important empirical question, then, is to explore and determine the extent to which employees of IT organizations accept pronounced diversity and how they receive diversity as an important issue. Hence, the present study focuses on employees’ perceptions about the salience of diversity and provides useful results from exploring the acceptance of diversity among the employees in IT industry. Though the diversity management practices are incorporated as a strong basis in organizations, if there is low acceptance of diversity among employees, the practices will not be effective in managing diversity.

1.9 Need and significance of the study
The Indian information technology industry is playing a key role in putting India on the global map. The merits of the workforce diversity has been debated everywhere throughout the world. Workforce diversity and management is on the emerging trend in Indian organizations. Diversity Management has already begun in the Indian IT industry and numerous companies have multiple locations abroad and are realizing the need to develop a global workforce. The need of the talent mix pressurizing the employers of IT companies to attract and to retain diverse workforce. Employers are interested in managing diversity through diversity management initiatives, because there will be adverse effect on workplaces, if the diversity is not managed well. Though Indian law does not make diversity policy as a mandatory policy to the organizations, employers are being urged to embrace diversity and advised against neglecting it. Management scholars warn that while organizations may run the risk of losing their competitive advantage and innovativeness by failing to effectively utilize and manage diversity. The projected changes in organizational demographics combined with employers’
concerns about motivating and obtaining satisfactory levels of performance from a diverse group of employees has created an urgency to understand and recognize the value of diversity in all organizations. Information Technology Industry in India has been witnessing tremendous change in their working style, employee resources and managing style. IT industry is one of the major industries in India, which has incorporated workforce diversity as a strategy to remain competitive, innovative and productive in the face of changing demographics and the rapid globalization of business.

In keeping view of national and international trend and raising importance in the area of workforce diversity and management, the present research has been conducted in the emerging IT field. Most of the IT organizations have implemented some form of diversity (cultural diversity with inclusion of employees from different nations and regional states with different language groups and religions, and gender diversity with inclusion of 30% of female employees) in organizations and implemented different form of diversity management practices. The goal of effectively managing workforce diversity depends largely on an organization’s diversity climate (Cox, 1993). Diversity climate will be determined by a variety of individual groups and organizational factors (Soni, 2000).

The research study is very significant because of the mentioned reasons, there with:

1. IT industry provides career options of choice for many educated Indians, including a large number of female employees, traditional middle class of people, for whom it offers salaries unknown in other sectors as well as an opportunity to lead a comfortable life. Software engineers, BPO workers, and others employed in IT-related occupations can be said to constitute a new kind of workforce, constituting highly educated, well-paid, mobile, and closely linked into the global services economy, whether working in India or abroad. Moreover, work in this industry is distinctive in that it is not only catering to the global market, but, diversity climate has created new kind of workplaces, work cultures, and employment issues. The rise of the IT industry, supported by the ongoing processes of globalization, has been stimulating significant transformations in the urban middle classes and in the cultural milieu of cities such as Bangalore. The inclusion of diversity in IT organizations needs acceptance of diversity among employees to create conflict free organizational environment. Thus, it is important to systematically identify the difference in
acceptance of diversity among employees, so that employers may expect successful results in diversity management.

2. This study throws light on the importance of diversity practices and programs to be designed by the companies which have influence on the acceptance of diversity among employees. Employers, while framing diversity initiatives, should think about the influence of initiatives on diversity acceptance to create healthy workplaces. Hence, the study on the acceptance of diversity is very significant to frame effective diversity management practices.

3. There may be many obstacles to diversity in any organization. The systematic study on the relationship of obstacles to diversity acceptance helps the employers by giving broad ideas about intensity of obstacles. Employers may focus on minimizing the obstacles to enhance the effectiveness of diversity.

4. The research has significant contribution by exploring the diversity acceptance of employees and diversity management programs and practices present in IT industry, which can be applied and adopted to other sectors of economy.

5. While talking about job and occupation choices, more and more graduates, both men and women are attracted towards IT industry in Bangalore, and there is a big impact on social and economic life of Bangalore. If diversity is not managed properly, it will have adverse effect on the life of employees, which in turn influences the entire society.

Hence, the present research has significance in the area of workforce diversity study, especially in the growing field of IT industry in Bangalore, India.