CHAPTER I

INTRODUCTION
CHAPTER - I

1.1 INTRODUCTION

Today's business environment is rapidly changing with increasing turbulence and uncertainty. The external environments do not allow reliable prediction of the future in creating long-term goals. The organizations are to seek new strategies, to make quick decisions and to overcome the changes. Organizational change occurs whenever organization makes a transition from its established way of business to implement a desired future state. There is a need for fast and immediate response, which implies higher organizational flexibility. When the change is dynamic such conditions increase the importance of the involvement of talented employees and their input into the management process. Employees, who possess knowledge, skills and abilities, gain wider strategic importance (Christopher Wanyonyi Lubakaya, 2014).

Employees are the pillars of strength and the most valuable asset that contributes extensively to the success and sustainability of the organization. The organizations face the challenges of managing the employees and empowering them actively to contribute towards better performance in the organization. Organizations require creative and innovative employees who can take initiative, embrace change, stimulate innovation and cope with high uncertainty in the society with this current economic environment. Most of the employees want to work with organizations that can actively accept their ideologies. Organizations have relinquished their centralized control of management with the hope of promoting flexibility, decisiveness and enhancing the individual and organizational performance (Hung, 2008).

Economy is becoming increasingly global and the workforce becomes increasingly diverse in the organization. The competitiveness and organizational success depends on the ability to manage workforce diversity effectively in the workplace. Workforce diversity is becoming a primary concern as human resource is attracting lots of attention in today’s organizations.

Changing demographic profiles, globalization and changing work priorities have increased the diversity of the workforce. Workforce from various cultures, cultural background, different generations, nationalities and different linguistic patterns, often work together in the same organizations to achieve the organizational goals. Therefore,
it is very important for the organizations to design policies and practices to build an environment which can support and develop a harmonious workplace. Workforce diversity is a tool which can enhance the organizational effectiveness. Organizations who value diversity will definitely sustain in the dynamic global environment.

1.2 WORKFORCE DIVERSITY

Globalization has led to more interaction among people from diverse culture, beliefs and background. Diversity is considered as one of the key points in today’s business vision and mission statements. Managing diversity is not new and it has become inclusive in management. Diversity management has become a strategy to address the changing environment.

The concept of organizational effectiveness is an important innovation in business management. The Organizational effectiveness is the competing capacity of an organization in the changing environment. The Organization needs to undergo changes constantly in order to remain competitive. The Overall effectiveness of an organization has become central to an organization’s survival and success in today’s economy.

Diversity is acknowledging, understanding, accepting and valuing differences in the employees with respect to demography and psychological changes. The workforce has become increasingly heterogeneous. The Diversity of the workforce is increasingly recognized as an important organizational resource. Managing diversity occurs and has become an integral part of management. The companies are spending huge amount for diversifying the workforce in the organization.

The manufacturing industry plays a crucial role in developing economy and the workforce diversity is one of its chief assets. Efficient management of the workforce diversity is an important managerial function which can have a direct impact on the performance and success of any organization. It requires a clear understanding of individual and group behaviour. Understanding the behaviour with the help of available tools and techniques will help to motivate and develop workforce diversity. It also calls for new strategies to effectively deal with the rapidly changing business and technological environment.
1.3 JOB INVOLVEMENT

The job involvement is a process of participating and empowering employees. It is necessary to use their inputs in order to achieve higher individual and organizational performance. Job involvement is described as an attachment to one's job and how it exceeds the normal levels of expectation of employees’ performance. The employee can become so involved with their job when greater freedom is allowed in with decision making capacity. Organizations are well aware that efforts to promote job involvement among employees tend to pay off substantially. They are more likely to assist in furthering their organizational objectives. Job involvement is a degree to which employees identifies with their job and actively participate in considering their job performance. It may be influenced by the level of one’s satisfaction whether they are intrinsic or extrinsic. There is a great deal of confusion regarding the concept of job involvement. Mckelvey Sekaran has defined it as “the merging of a person's ego identity with his or her job” (Ajay Bhatia, 2012).

1.4 NEED FOR THE STUDY

Workforce Diversity and Job Involvement are the key success factors for organization’s effectiveness. The changing compositions of the workforce and job involvement influence the primary organizational activities in several ways. Medium and Large size enterprises have been engines of manufacturing industrial growth. The manufacturing company would need to play a crucial role to achieve its goal of employment generation. There is a need for a strong commitment between the employees and organization to enter the next orbit of high growth and development of the organization. It is important for the employees to enhance the quality of workforce diversity and job involvement to achieve the organizational effectiveness.

The Indian industries play a major role in the globalization. The globalization has increased the rivalry between industries to acquire better employees in their organization. They have been considering better policies and practices to reinforce organizational effectiveness that in turn would achieve competitive advantage.

The earlier research studies gave more significance on the job involvement and organizational effectiveness of the manufacturing company. The present study aims to highlight the role of workforce diversity and job involvement on organizational
effectiveness. The job involvement is an important for any industry or organizations’ growth and sustainability to face the challenges of present day economic scenario. The employees of an organization believe that their personal and organizational goals are absolute necessity for their involvement in enhancing organizational effectiveness. Organization effectiveness can be made effective by understanding employees’ needs and increasing their workforce diversity. Therefore, there is a need for more representative, broad based studies covering a large sample of employees in different regions of selected districts. The present study is an attempt in this direction.

1.5 RESEARCH GAP

There are several earlier studies have attempted to focus the relationship between the job satisfaction, employee commitment and job involvement, but the present study has attempted to find the effectiveness of workforce diversity and job involvement in the manufacturing companies from the selected districts of Tamil Nadu. Though the earlier studies have focused the workforce diversity and job involvement and organizational effectiveness, the present one has made an attempt to establish a direct relationship between the workforce diversity and job involvement and organizational effectiveness.

There are number of works done with the relationship between job satisfactions and organizational performance, but a few works have studied the employee job involvement in their organization. This present study focuses on the importance of workforce diversity and job involvement on organizational effectiveness of the Medium and Large size manufacturing companies.

The present study paves the way for future research in developing a model to address the research problem.

1.6 OBJECTIVES OF THE STUDY

1. To study the existing workforce diversity in the manufacturing company in Chennai, Kancheepuram, and Tiruvallur districts.
2. To identify the influence workforce diversity on functional expertise.
3. To analyze the factors of job involvement in a manufacturing company in the study area.
4. To find the influence of functional expertise on job involvement.
5. To analysis the impact of job involvement on organizational effectiveness.
6. To understand the influence of workforce diversity on job involvement and organizational effectiveness.

1.7 HYPOTHESES

- There is no significant relationship between functional expertise and job involvement.
- There is no significant relationship between job involvement and organizational effectiveness.
- There is no significant relationship among workforce diversity, job involvement and organizational effectiveness.

1.8 SCOPE OF THE STUDY

The Indian manufacturing company is facing challenging times. It is imperative that India should breathe life in its manufacturing sector. The manufacturing industry is focused on the integration of international markets for basic, capital, intermediate, consumer goods and employees.

World Bank Country Director has remarked that with economic reforms gaining momentum, long-term prospects for growth is bright for India. India needs to continue making progress on its domestic reforms agenda and encourage investments to realize its full potential. The government's efforts at improving the performance of the manufacturing company will lead to more job opportunities for women and men. India needs to improve manufacturing sector performance to Return to High-growth Path. More persons are successful at work, because of their interest in the goals and objectives of an organization.

The manufacturing company plays a major role in the progress of an economy. Manufacturing sectors in India and particularly in Tamil Nadu which is growing at a sustainable rate. Tamil Nadu is the second largest state economy and the second most industrialized state. Tamil Nadu is one of the well-developed states in terms of industrial development. It has enjoyed a significant position in India's geopolitical space and economic progress.
There is a relationship between the impact of job involvement on organizational effectiveness. The job involvement has a direct relation to organizational effectiveness. Hence, this research attempts to find out the impacts of workforce diversity and job involvement on organizational effectiveness in the manufacturing company and to offer suggestions for improvement.

1.9 LIMITATIONS OF THE STUDY

The study ponders the general overview with regard to perception of workforce diversity and job involvement on organizational effectiveness. The focus of research is restricted to manufacturing industries in Chennai, Kancheepuram and Tiruvallur districts. The study is limited to perception of workforce diversity and job involvement of manufacturing company employees of the selected units.

The research is focused on the Medium & Large size companies in the selected districts. The study has considered the Top & Middle level management employees, whose nature of job is administrative. The period of the study is from 2013 to 2016.

1.10 RESEARCH METHODOLOGY

This chapter describes research design, data collection and questionnaire development efforts used in this research. The sampling plan used for the final research is discussed in detail along with data collection procedures and data analysis procedures used in pre-test, pilot test and the final research. The study uses both analytical and explorative types of research. The study is based on primary and secondary data. Survey method is used to collect data from the respondents. A preliminary pilot study follows the main study in this process.

1.10.1 Study Area

Tamil Nadu has a diversified manufacturing company that is a leader of several industries like Automobiles, Engineering, Pharmaceuticals, Garments, Textile Products, Leather Products, Chemicals, Plastics, etc. It ranks first among the states in terms of the number of factories and industrial workers. The survey is conducted among the manufacturing company employees in Chennai, Kancheepuram and Tiruvallur districts.
The selected districts hosts a number of manufacturing companies making the study realistic and meaningful. These districts consists of manufacturing giants, medium and large scale manufacturing units as well. As manufacturing companies have entered the economic arena, their high level of pay has raised the economic standard of young and educated professionals. These districts, being the major city, truly represent employees belonging to various strata of the society.

1.10.2 Population

The following table provides the number of Medium & Large level manufacturing companies in Chennai, Kancheepuram and Tiruvallur districts who are registered with the Tamil Nadu Districts Industries and Commerce.

<table>
<thead>
<tr>
<th>Description Manufacturing units in District wise</th>
<th>Medium &amp; Large Units</th>
<th>Total number of Top &amp; Middle level employees</th>
<th>Circulated Sample of Top &amp; Middle level Employees</th>
<th>Sample of Medium &amp; Large units</th>
<th>Sample of Top &amp; Middle level Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chennai</td>
<td>35</td>
<td>1002</td>
<td>110</td>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td>Kancheepuram</td>
<td>250</td>
<td>4122</td>
<td>412</td>
<td>13</td>
<td>248</td>
</tr>
<tr>
<td>Tiruvallur</td>
<td>180</td>
<td>2660</td>
<td>293</td>
<td>9</td>
<td>154</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>465</strong></td>
<td><strong>7784</strong></td>
<td><strong>815</strong></td>
<td><strong>24</strong></td>
<td><strong>462</strong></td>
</tr>
</tbody>
</table>

**Source:** Tamil Nadu District Industries and Commerce, MSME – 2014-2015.

Out of 35 medium and large scale units, the researcher collected responses from 2 medium and large scale units in Chennai district. Out of 250 medium and large scale units, the researcher collected 13 medium and large scale units in Kancheepuram district. Out of 180 medium and large scale units, the researcher selected 9 medium and large scale units in Tiruvallur district.

1.10.3 Sampling plan

The manufacturing industry was selected as a suitable setting to test the proposed model. Mainly the focus was on the relationship among workforce diversity, job involvement and organizational effectiveness. The main reasons for selecting this industry are: (1) availability of a higher number of manufacturing industry employees’, and (2) availability of a number of ‘top – middle level employees’ contacts in the industry. The unit of analysis in this study is the “top-middle level employee”. So
identifying the dyads that would provide the needed information is the key to this research. In order to ensure higher number of dyads, a total of 7784 top & middle level employees in manufacturing companies in selected districts was selected as the place setting for the following reason: (1) A study area is hub of many manufacturing companies. The employees in those company have different demographic and organizational background.

1.10.4 Sample Size

<table>
<thead>
<tr>
<th>Description</th>
<th>Circulated</th>
<th>Received</th>
<th>Rejected</th>
<th>Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium &amp; Large size Manufacturing Units</td>
<td>815</td>
<td>565</td>
<td>103</td>
<td>462</td>
</tr>
</tbody>
</table>

The primary data is collected by questionnaire through survey method. The Survey is conducted using well-structured questionnaire. Convenience sampling method is adopted for selection of samples in study units. A total number of 815 questionnaires were circulated among respondents and 565 responses were collected. 462 were found effective and the rest 103 are not completed in its full form hence they are not considered for further analysis. The sample size of the research is 462. Comprising Top & Middle level employees of selected manufacturing companies in three districts.

1.10.5 Questionnaire Design

The pretest enabled the selection of manufacturing companies and the responses of employees were obtained through a well-framed questionnaire. The questionnaire was based on the initial research model and proposition. The received data were collected by the questionnaire survey method through a structured questionnaire and administered to the respondents. Their perception of the workforce diversity and job involvement was obtained. The questionnaire is divided into four parts. The first part of the questionnaire has demographic factors. The second part comprises the questions about the job related diversity as well as the statements about the functional expertise. The third part consists of statements regarding the role of job involvement. Likert’s five point scale is used to evaluate the responses. The fourth part of the questionnaire is
related to organizational effectiveness. Respondents are selected on the basis of willingness and availability. The completed questionnaire is used for tabulation and interpretation. Respondents were selected on the basis of willingness and availability.

1.10.6 Scale Development

Two different scales are employed for measuring the respondents’ perception of respondents about the workforce diversity and job involvement on organizational effectiveness. Each scale has its own range and options. The variety and number of scales are Likert’s five point scale and Bipolar scale (e.g. Yes / No type).

The questionnaire used comprises both optional type and statements in Likert’s five point scale. The responses of these section were obtained from the manufacturing companies’ employee in the five point scale, which ranges as follows: 5 – Strongly Agree. 4- Agree. 3 – Neutral. 2 – Disagree. 1- Strongly Disagree.

1.10.7 Secondary Data

The secondary data were collected from Tamil Nadu Industries and Commerce, MSME, SIPCOT annual reports, journals, magazines, publications, reports, books, dailies, periodicals, articles, research papers, websites, company publications, manuals, booklets etc. and it used at appropriate places in research study.

1.10.8 Pilot Study

A Preliminary investigation was carried out to check the reliability and validity of the Research data. The researcher adopted the test of reliability for both independent and dependent variables. The internal segments form the normal distribution with less than 5% errors in the case of independent variable. At the same time, the Cron Bach Alpha co-efficient for each segment in the dependent variable was found to be above 0.75. Therefore, the researcher considers the research instrument highly reliable and proceeds to the next stage of the main study. Finally, the pilot study provided some degree of confidence that the proposed model is appropriate as are the constructs and measurement scales.
1.10.9 Reliability Analysis

The reliability is very important aspect for the research instrument to prove the right direction of research. The researcher applies two types of approach to prove the reliability of questions in the research instrument. Normal distribution method is applied to check the reliability of the optional type questions. It is found that all the optional type questions formed normal distribution with less than 5% admissible errors. In the case of five point Likert’s scale statements the researcher applied Cron Bach Alpha method and details are given in the table below.

**Table 1.3 Showing Reliability Analysis**

<table>
<thead>
<tr>
<th>Factors</th>
<th>No. of items</th>
<th>Cron Bach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional Expertise</td>
<td>9</td>
<td>0.806</td>
</tr>
<tr>
<td>Job Involvement</td>
<td>31</td>
<td>0.934</td>
</tr>
<tr>
<td>Organizational Effectiveness</td>
<td>25</td>
<td>0.940</td>
</tr>
<tr>
<td><strong>Total Average</strong></td>
<td></td>
<td><strong>0.893</strong></td>
</tr>
</tbody>
</table>

*Source: Primary data*

From the above table, it is found that dependent variable namely functional expertise, job involvement and organizational effectiveness individually possess Cron Bach Alpha value above 0.75 on the average and also the Cron Bach Alpha value exceeds 0.75. Therefore, it is concluded that the research instrument is highly reliable. Hence, the researcher considered the same questionnaire to complete the research.

1.10.10 Validity

The present research is based on three subsequent validity namely face validity, content validity and discriminant validity.

The face validity is attained through continuous interaction with expert and HR personnel in many manufacturing companies. The upshot of these interaction revealed that the variables involved in the research are well-known to the employees and they are able to reflect their perception. These ensure the existing of face validity in this research.

The content validity is done through a pilot study by circulating questionnaire among different types of employees in manufacturing companies. After completion of
the pilot study, it is found that the respondents are able to more than 93% questions in the questionnaire. This gives the respondent rate to be 93%.

The discriminant validity is done through both exploratory and confirmatory factor analysis. In this analysis the researcher identify the possible and meaningful grouping of the variables. This satisfied the discriminant validity notion of research instrument.

1.11 DATA ANALYSIS

All the data analysis was conducted using SPSS version – 17. Sample means, standard deviation and N are presented in the analysis chapter for all the variables of the study. The data were screened in order to obtain the variance between various factors of workforce diversity, job involvement and organizational effectiveness. Factor analysis, Cluster analysis, One way analysis of variance, Multiple regression analysis, Chi-Square analysis, Ranking analysis are discussed here.

The Primary data collected were analyzed by using the SPSS (Statistical Package for Social Sciences) computer packages.

The Statistical tools used for obtaining results are as follows:

- The simple percentage analysis is used to describe the descriptive statistics Demographic and Organizational details of the employees.
- Factor analysis by the principal component method is found suitable to reduce the variable of Functional Expertise, Job Involvement and Organizational effectiveness into predominant factors.
- Linear multiple regression analysis is used to find the influence of Workforce Diversity and Job Involvement on Organizational Effectiveness.
- The ‘K’-means cluster analysis. It is exploited to classify the sample unit of respondents into heterogeneous group based on the perception towards Workforce Diversity, Job Involvement and Organizational Effectiveness.
- One-way analysis of variance is broad to bear on the problem of relating independent variable on dependent factor.
- Non-Parametric Chi-Square analysis of association contributes to find the distribution of cluster over the Demographic and Organizational details.
Structural Equation Model (SEM) is used to establish the dependent and independent relationship among Functional Expertise, Job Involvement and Organizational Effectiveness.
CHAPTER ARRANGEMENT

The broad layout of the chapters of this research will be as follows:

❖ **CHAPTER I:** An explores the concepts of workforce diversity, job involvement and organizational effectiveness, objective of the research, scope and significance of the study, research methodology of the study, limitations and chapterization.

❖ **CHAPTER II:** This chapter discusses the literature review related to three major dimensions of workforce diversity, job involvement and organizational effectiveness.

❖ **CHAPTER III:** It deals with the conceptual framework of workforce diversity, job involvement, organizational effectiveness and profile of manufacturing sector in selected districts.

❖ **CHAPTER IV:** This chapter deals with analysis of data based on questionnaire circulated to employees of manufacturing companies on elements of workforce diversity and job involvement in selected districts.

❖ **CHAPTER V:** This chapter deals with analysis of data based on questionnaire circulated to employees of manufacturing companies on impact of workforce diversity and job involvement on organizational effectiveness.

❖ **CHAPTER VI:** The findings of the research have been highlighted. Besides, this chapter also contains the recommendations. Scope for further research have been suggested in this chapter, which has been identified during the writing of thesis. This chapter brings out the conclusion of the study.

The Appendix Sections contain the following:

1. Bibliography
2. Questionnaire