Chapter: 1. Introduction to the Topic

1.1 Workforce Diversity

In present time, we are moving towards globalisation. The companies are allowed to do the business across the world. The business environment across the world is highly turbulent and its factors are changing very rapidly. It is very uncertain and risky to perform the business effectively. No doubt there are many advantages of globalisation but there are disadvantages also. Every organisation performs its task with the help of resources as men, machine, materials and money. Except manpower other resources are non-living but manpower is a live and generating resource. Manpower utilizes other resources and gives output. To perform various functions in different countries, manpower is procured from various countries.

The people at work comprise a large number of individuals of different sex, age, caste, creed, language, culture, socio-religious group and different educational or literacy standards. These individuals at the work place exhibit not only similar behaviour patterns and characteristics to a certain degree but also they show much dissimilarity. The management must therefore be aware not only about organisation but also employees and their needs. Since globalisation in last two decades, diversity of workforce has become an important issue for HR managers. It is to be managed effectively so that performance of employees and organisation as a whole can be improved to get competitive advantages in global markets.

When business activities are carried out in different countries, the companies come across different economies, political systems, cultures, markets, customers, and employees. The differences are noticed in these and it is called diversity in culture and markets. Diversity is a very wide term and bit difficult to define it. It includes main elements are like sex, age, race, religion, region, work style, experience, education, values, physical and technical competencies, trust, beliefs, traditions and customs, mental caliber, personality, experiences, affiliation, economic development, per capita income, marital status, knowledge, preference and tastes for products, area of specialization etc. In Workforce America Managing Employee Diversity as a vital resource, diversity is defined as “otherness or those human qualities that are different from our own and outside the groups, to which we belong,
yet present in other individuals and groups”. In India and abroad workforce diversity is the most dominating category of diversity. There are a number of reasons for this diversity such as large percentage of working women due to increasing education of female, younger age employees, national and international mobility of manpower increasing, job opportunities across the world, and experience at international assignments etc. These elements are making the things difficult to understand the differences among employees. Management find difficult to communicate and manage these people properly.

Workforce diversity is a reality at multinational companies across the world and creating a lot of problems for management. It cannot be ignored at the cost of business. The diversity is to be managed at organisation level. Managing diversity means accepting the differences of employees and considers these differences in positive way as a valuable asset for the organisation for maximizing the capability of workforce for achieving objectives of the organisation. It would enhance healthy management practices for developing better understanding, relations and cooperation without any discrimination at individual level. The support of workforce would help the management to achieve the objectives effectively.

The organisation can develop a good reputation as a good employer with well managed diversity. It would help to attract better and talented manpower and save times, efforts and costs. High reputation of the company would help to develop diverse customers’ base for business. The ultimate goal of the organisation of high reputation is achieved through managing diversity. It becomes a long term asset of the organisation. Diversity management cannot be ignored and if done so then it is at the cost of the organisation. The losses of time, efforts, money and efficiency take place. It may lead to group differences, grievances, lower level of commitment, low productivity and quality of the products.

The reputation of the company would be affected and in future more customers and better employees may not be attracted. It affects adversely in the long run. For this management should take special care in the present competitive situation. In the diversified environment it has become necessity to manage the diversity issue effectively. There is no one solution of this problem but sincere efforts are needed in this direction. The strategies adopted for diversity management by different companies are modification in policies, cultural training of diversified workforce, clarification of job requirements, sound recruitment and selection, proper communication, equal treatment, and broader approach for living in diversity.
1.2. The Indian Automobile industry

It is only seventy years old approximately. Mainly up to independence the cars were imported in small lots from different countries. The use of car was a luxury at that time in India. Before independence, Mahindra & Mahindra Company was established by 2 brothers as a trading company in 1945, and start assembly of Jeep CJ-3A utility vehicles under license from Willys. The company soon started manufacturing of light commercial vehicles (LCVs) and agricultural tractors. After independence also the growth was slow due to license raj of the government. Up to 1970 the growth was mainly in scooters, commercial vehicles and tractor segments. Car was still a luxury for Indian public. Japanese manufacturers came to the Indian market ultimately leading to the establishment of Maruti Udyog as joint venture with Indian government. A number of foreign firms initiated joint ventures with Indian companies. A number of foreign companies entered in Indian market for manufacturing of commercial vehicles and motor cycles. Following the economic liberalization in 1991 and the gradual weakening of the license raj, a number of Indian and multi-national car companies launched operations. Since then, automotive components and automobile manufacturing growth has accelerated to meet domestic and export demands.

Many Indian automobile manufacturers such as Tata Motors, Maruti Suzuki and Mahindra & Mahindra, expanded their domestic and international operations. India's robust economic growth led to the further expansion of its domestic automobile market which has attracted significant India-specific investment by multinational automobile manufacturers. The growth of automotive industry in India picked up the momentum mainly in last two decades. At present the automotive industry in India is one of the largest in the world and one of the fastest growing globally. India manufactures over 17.5 million vehicles (including 2 wheeled and 4 wheeled) and exports about 2.33 million every year. It is the world's second largest manufacturer of motorcycles, with annual sales exceeding 8.5 million in 2009. India's passenger car and commercial vehicle manufacturing industry is the seventh largest, with an annual production of more than 3.7 million units in 2010.

According to recent reports, India is set to overtake Brazil to become the sixth largest passenger vehicle producer in the world, growing 16-18 per cent to sell around three million units in the course of 2011-12. In 2009, India emerged as Asia’s fourth largest exporter of passenger cars, behind Japan, South Korea, and Thailand. It is the second fastest growing segment in the globe. Indian Automobile Manufacturers has stated that annual car sales are
targeted to raised up to 5 million vehicles by 2015 and more than 9 million by 2020. By 2050, the country is demanded to top the world in car volumes with approximately 611 million vehicles on the national roads. The data show that at present only 10 percent of Indian are having car which is very less in comparison with the developed countries. There is a huge potential for the growth. To avail the business opportunities in Indian automotive industry many foreign companies have entered in various segments of the industry.

1.3. Workforce Diversity in Indian Automobile Industry

Indian automotive industry is growing very fast in various segments. Due to the robust economic growth of Indian economy there is huge potential for further growth and mainly in suburban and rural areas. The companies involved in manufacturing cars are having their operations in various countries. Considering this fact the car manufacturing segment is focused in this research study. To meet the requirement of manpower it is not possible to procure the manpower from one or two countries. They are to be procured as per the location and requirement. Due to this the workforce has been diversified to a good extent. This situation is providing a great challenge for management to understand the people and get their best at work so the competitive edge can be achieved and maintained in the global markets. The strong need for diversity management for managing diversified workforce is felt. It cannot be ignored at any cost. That is why this topic of Workforce Diversity Management Strategies under Present Global Scenario in Leading Car Manufacturing Companies in Indian Automobile Sector has been selected.

1.4. Rationale of the Study

In present situation, the need for managing workforce diversity has been felt strongly worldwide to achieve the predetermined goals. The diversified workforce is to be understood, developed, motivated to get the best cooperation and contribution towards accomplishment of various objectives of the organisation. It is helpful for the company to manage its business more effectively, efficiently, profits, reputation and market positions. The managing workforce diversity is playing a very significant role in developing manpower, performance, profitability and reputation of the company. The company can excel in the business performance. The importance in present time of managing diversified workforce is rapidly increasing. Its importance in future would be increased further. That is why the topic Workforce Diversity Management Strategies under Present Global Scenario in Leading Car
Manufacturing Companies in Indian Automobile Sector has attracted me a lot and selected it for the research.

1.5. Scope of the Study

Globalisation has great opportunities and challenges for the organisations. Globalisation has great impacts on finance, socio-cultural aspects, trade investments and capital markets. Here concern of the study is about the cultural background of workforce and strategies for managing workforce diversity. There is strong need to manage the diversified workforce. The management cannot ignore it at any cost in present highly competitive situation. They are to be understood properly, trained, motivated; create willingness to shoulder the responsibility so that their effectiveness at work and overall effectiveness of the organisation can improve. That is why the focus in on management of diversified workforce and for this purpose the leading car manufacturing companies from Indian automobile sector has been taken for the study. The scope of the topic is limited to management of diversified workforce in leading car manufacturing companies located at different locations in Indian automobile sector only.

1.6. Contributions of this Research Study

Following are the expected contributions of this research study in present and future:

1. The research study of this topic has contributed in clarifying the all concepts relating to human resource importance in present global scenario, diversified workforce management and its strategies and other related areas to the research scholar to a great extent. After study of the topic in depth the fundamental concepts are made very clear.

2. The second immediate contribution from the study would be benefits to management of the companies in which the research study was conducted. It will clarify all aspects related to the topic and when they would implement the suggestions. Further, it would bring positive impacts on workers perception and attitude, sense of cooperation and team spirit, skills development, performance, motivation levels, job satisfaction, support in problems solution, qualitative and quantitative improvement on production and service of the company, business performance and overall effectiveness of the organisation, competitive advantage to the company over its competitors, improvement of image, business and reputation of the company in future.
3. Third contribution or benefit of this study would go the academicians and prospect research scholars those may refer this research work and understand the theoretical concepts related to the topic of the study in future. This would contribute in delivery of lectures, publications and research works.

4. Next contribution of the research study would provide benefits to the practicing managers in different companies when they refer it for dealing with workforce diversity in their companies. They would be in position to understand the concept of workforce diversity, problems faced and steps to be taken for solution of the problems in the respective companies.

From the study of contributions of this research work it can be said the contributions or benefits would be multidimensional for above mentioned parties.