

**AN EMPIRICAL STUDY ON IMPACT OF WORKFORCE DIVERSITY ON  
EMPLOYEE PERFORMANCE WITH REFERENCE TO I.T SECTOR ENTERPRISES  
IN HYDERABAD: A PROPOSED RESEARCH FRAMEWORK**

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**ABSTRACT**

*Diversity and Inclusion can't remain just as a policy document on paper. They need to be accepted, implemented successfully, and above all, taken seriously. In the context of workforce diversity, HR Managers need to raise certain key questions and seek meaningful answers. Some of the important questions that need to be addressed are as follows: (i) How does diversity come into play in the context of a workplace? (ii) What do workplace leaders need to do to understand Diversity and Inclusion? (iii) What are the workplace Diversity and Inclusion mandate? (iv) How can workplaces know when to create appropriate Diversity and Inclusion interventions in the workplace? (v) Do Diversity and Inclusion mandates change for different workplaces, say for instance, Different for startups, mid-size, enterprises, etc.? (vi) Can Diversity and Inclusion be measured or derived through data? and (vii) What will the Diversity and Inclusion Pulse do for organizations? In order to be able to suggest a set of guidelines to the practicing HR Managers, we need to have empirical evidence that supports them. In this background, an attempt is made to suggest a **Research Framework** for the prospective Research Scholars intending to take up and pursue research in the area of 'Diversity and Inclusion' that would finally be leading to the award of a Doctoral Degree.*

**Keywords:** *Workforce Diversity; Inclusion; Gender Diversity; Information Technology (IT) Enterprises; and Research Design.*

**INTRODUCTION**

Diversity is the unique combination of various attributes that makes each of us different from and similar to others. Those diversity dimensions can include, but are not limited to, age, gender, ethnic heritage, race, culture, physical or mental abilities, sexual orientation, values, religion or spiritual practice, income, family status, education, geographic location, and a myriad of other factors.

Inclusion in a workplace is something where everyone feels respected and valued for being who they are, people trust that they can speak up and receive the same treatment as everyone else, and they share a sense of belonging. Inclusion is not a steady state. We continuously create it through the ways we behave and the organization operates.

In an inclusive workplace, people can do their best work, and organizations can gain the full benefit of a diverse workforce. In other words, diversity is the "what" and the "who"; inclusion is the "how". Diversity and inclusion interventions in today's work culture are directed towards making every organization a great place to work where inclusivity is practiced and diversity is valued. The moment we think Diversity, what comes to our thought is "Gender Diversity".

However organizations have moved few steps forward in hiring diversified people from groups like:

1. Physically disabled
2. Hearing impaired
3. LGBT

#### ➤ STATEMENT OF THE PROBLEM

Many instructive studies have examined the ways in which demographic differences in age, gender, race, culture, handicap, and personality affect business outcomes. However, there is less evidence about the effect of the aforementioned elements on productivity in the workplace. Furthermore, none of these studies have measured the effect of organizational culture, work experience, educational background, age, gender, and religion diversity on employee performance in the Telangana state capital of Hyderabad.

#### ➤ RESEARCH QUESTIONS

1. Do Workforce diversity and inclusion practices influence employee engagement in the organizations?
2. Do workforce diversity and inclusion practices influence job Performance?
3. What are the enabling factors that create the Diversity Segments in IT Sectors?
4. How does IT sector go about launching and growing employee resource groups?
5. Do they form organically or does HR department create them?

#### ➤ LITERATURE REVIEW

- **Mahmud, M. S., et al., (2020):** The study results indicate that successfully managing diversity produces tremendous benefits for the company. Furthermore, employees can share expertise and new ideas through effective communication; for this reason, diversity management is critical.
- **Itam, U., et al., (2019):** Companies recognize the value of diversity and inclusion at their workplaces, and upgraded commitment scores ensure growth at the individual, community, and organizational levels producing excellent outcomes.
- **Cletus, H. E., et al., (2018):** The research work outlines the key issues affecting workplace diversity in today's organizations all over the world. It examines the various diversity benefits and challenges. The results found that diversity in the workplace enhances the overall performance of employees.
- **Sundari, R. (2018):** In this Paper, the analysis was done to know the impact of workforce diversity and its impact on employee performance and the author concluded that workforce diversity fosters creativity and enthusiasm in the workplace which overall enables the performance of the employees working in the organization.
- **Kundu, S. C. (2017):** Employee perceptions of diversity and their effect on perceived organizational performance. Participating in diversity activities with male workers will help them understand the many challenges faced by female employees and ethnic groups, as well as help them.

- **Ravichandran, Sabthami. "Generational Diversity at Workplace":** The authors in their Abstract have stated: *“The article briefs upon the multiple ways TVS has been engaging its employees for generations. Employees share their experiences and take immense pride in becoming the brand ambassadors of this century-strong and value-filled organization. From practicing a culture of innovation to building an ecosystem that encourages the entrepreneurs, TVS has left its legacy by creating an inclusive and conducive work environment for its employees. The article details on how employees consider being part of the TVS family as a pride of association and further states the revolutionary measures initiated in terms of employee well-being and welfare.*
- **Morgan, John, and Felix Várdy "Diversity in the Workplace":** The authors in their Abstract have stated as follows: *We study minority representation in the workplace when employers engage in optimal sequential search and minorities convey noisier signals of ability than mainstream job candidates. The greater signal noise makes it harder for minorities to change employers' prior beliefs. When employers are selective, this leads to minority underrepresentation in the workplace. Diversity improves when the cost of interviewing, the average skill level of candidates, or the opportunity cost of not hiring increases. Reducing the cost of firing also increases minority representation. When employers are sufficiently unselective, the rigidity of employers' beliefs leads to overrepresentation of minorities.*
- **Peters, Eileen, and Silvia Maja Melzer "Immigrant–Native Wage Gaps at Work: How the Public and Private Sectors Shape Relational Inequality Processes."** The authors in their Abstract have stated as follows: *“We investigate how the institutional context of the public and private sectors regulates the association of workplace diversity policies and relational status positions with first- and second-generation immigrants' wages. Using unique linked employer–employee data combining administrative and survey information of 6,139 employees in 120 German workplaces, we estimate workplace fixed-effects regressions. Workplace processes are institutionally contingent: diversity policies such as mixed teams reduce inequalities in the public sector, and diversity policies such as language courses reinforce existing inequalities in the private sector. In public sector workplaces where natives hold higher relational positions, immigrants' wages are lower. This group-related dynamic is not detectable in the private sector.”*

#### ➤ **RESEARCH GAP**

The purpose of this research study is to empirically explore, examine, and provide an insight into the impacts of Diversity Management practices in select organizations drawn from the IT Sector in Hyderabad, Telangana State. A thorough survey on the available literature available on the research problem as stated above reveals that the research studies carried out earlier are very few and empirically validated research evidence is very scanty leaving a huge research gap for the future researchers to explore the phenomenon in greater detail.

#### ➤ **OBJECTIVES OF THE STUDY**

*This research study is aimed at:*

1. Examining all of the organization's diversity challenges
2. Determining how various forms of diversity in the workplace may impact productivity
3. Reaching the overarching goal of learning more about how employees feel about diversity efforts in the workplace
4. Examining how various forms of diversity affect productivity among staff.

➤ **RESEARCH HYPOTHESES**

- **Null Hypothesis ( $H_0$ ):** There is **NO** significant effect of Workforce Diversity Practices on the Performance of the Employee
- **Alternative Hypothesis ( $H_1$ ):** There is a significant effect of Workforce Diversity Practices on the Performance of the Employee

➤ **SOURCES OF DATA**

This study makes use of both primary and secondary data

- **Primary Data:** Primary source of data will be collected from the respondents through structured questionnaire and interviews.
  - **Secondary Data:** Secondary Data will be collected from various Journals Periodicals such as Magazines, Business newspapers, subject related books, and websites.
- **PERIOD OF STUDY:** The study period for Secondary Data will be the immediately preceding 10 years starting from this current year viz., 2022.

➤ **SAMPLING METHOD**

Standard questionnaires used in earlier research studies are used as the guidelines in designing a questionnaire to be used for the present research study. Such a questionnaire is going to be used for measuring the dependent variants of a research. A survey with a standard questionnaire preparation is going to be conducted to establish its reliability and validity to find out the interrelations and dependencies between Diversity and Inclusive workforce and employee performance. A stratified random sampling method is going to be employed to collect the data from the chosen respondents. Sample size is going to be around 700.

➤ **THE SCALE TO BE USED**

Likert Scale of summated rating would be applied for the questionnaire. The scale so used would have points ranging from "Strongly Agree" to "Strongly Disagree". Against each item there are five responses among which the employees need to choose any one response which describes their best response. Where, 1= Strongly Agree, 2=Agree, 3 =Neutral, 4=Disagree, 5=Strongly Disagree are used for all positive items and the same is reversed for negative items.

➤ **TOOLS FOR DATA ANALYSIS**

Data analysis and interpretation is done based on both Qualitative and Quantitative techniques and tools. The statistical application software of "SPSS Version 2.0" would be used for calculating and drawing various statistical tools and techniques. For the present study, Sample frequency distribution, frequency distribution converted into percentages (i.e., ratio), average,

and chi-square test are going to be used. The data is interpreted and analyzed with the help of statistical tools and techniques such as frequency, percentage, average, tables, and charts.

➤ **LIMITATIONS OF THE STUDY**

- **First and foremost**, the present research study is going to rely upon a ‘Self-report Survey’ for data collection and is susceptible for common-method bias. Moreover, as the sample is going to be drawn from IT Organizations operating from only one City viz., Hyderabad, the findings and conclusions may not be generalized to other sectors and Cities/geographies. It is expected that the findings from the proposed research study, among other things, are likely to positively acknowledge the prevalence of diversity and diversity management and highly value diversity practices. They are likely to also suggest that the employees’ perceptions of promotion of gender diversity are positively related to perceived organizational performance of firms from the IT Sector based in Hyderabad. If it were to be so, in addition to investing in initiatives for promoting diversity, especially gender diversity, IT organizations need to ensure positive perceptibility of these initiatives by employees.
- **Second**, to foster acceptance and effectiveness of gender/diversity initiatives in IT organizations, managers need to ensure men and majority group employees are part of these initiatives.
- **Third**, IT Sector organizations need to reassess their hiring strategies and should design diversity programmes with goals in mind, if not quotas, to hire and retain diverse employees to explore their potential contribution.
- **Finally**, it is hoped that inclusion of employees of the Hyderabad-based IT industry of different categories definitely add value to the existing knowledge on diversity management theory, and practice.

➤ **CHAPTERIZATION**

**Chapter-I:** Introduction

**Chapter -II:** Review of Literature

**Chapter -III:** Research Methodology

**Chapter-IV:** Data Analysis and Interpretations

**Chapter -V:** Findings, Conclusions, and Suggestions

**Chapter -VI:** Scope for Further Research Work

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