

# Opportunities and Challenges of workforce diversity Management: A study of selected Organizations of southern Rajasthan.

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## **Abstract:**

*In modern organizations, workforce diversity is one of the major challenges for human resource management. This paper on workforce diversity studies the literature established for the study done on the topic of workforce diversity. This chapter consists of reviews of secondary data that researchers have collected from other journals, books and primary data. The major aim of this paper is to present a review of literature on workforce diversity among employees. Writing and theories relating to diversity have evolved over the years. In this chapter we will look at what research, concepts and opinions relating to workforce diversity and diversity management exist.*

**Key Words:** *Workforce diversity, opportunities, challenges.*

## **Introduction:-**

In business and for workplace success diversity is an important component that should be valued by everyone. Diversity in the workplace involves recruiting process, training as well as enabling a work environment to achieve the full potential of its people. In today's organizations, workforce diversity has become a very important issue. Core dimensions of diversity include age, ethnicity and culture, gender, race, religion, sexual orientation, and capabilities ( Das, and Wagar, 2007). Diversity includes factors such as race, gender, age, colour, physical ability, ethnicity, etc. ( Kundu and Turan, 1999). By adopting diversity at the workplace in an organization can help the organization to become more creative and open to change. In today's business world, people come together from all walks of life. Workforce diversity refers to

organizations that are becoming more heterogeneous with the mix of people in terms of gender, age, race, and education background ( Robbins, 2009).

### Review of literature

**Bhatnagar, D. (1987)**, the research study is conducted to investigate about attitudes towards women managers in banks. Women hold a much more favorable attitude than men, female responses are not equivalently positive. The research shows that the purpose of the study is to understand the role played by women managers in banks, by identifying the unique strengths of women managers as they see themselves and by uncovering the barriers they face as they progress in their careers. The research also identifies differences in attitudes of male and female employees towards the females in managerial positions. It also identifies that the conflict between maternal and work roles are reasons for the slow entry and rise of women in corporate sector.

**Ulrich and Lake, (1990)**, the contemporary companies must seek ways to become more efficient, productive, flexible and innovative, under constant pressure to improve results. The traditional ways of gaining competitive advantage have to be supplemented with organizational capability i.e. the firm's ability to manage people. Organizational capability relates to hiring and retaining competent employees and developing competencies through effective human resource management practices (Ulrich and Lake, 1991).

**Cox (1993)**, the study explains the importance of managing diversity in workplace. Managing diversity can create a competitive advantage. Increasing and improving workplace diversity has become an important issue for management in the recent years due to the recognition of how the workplace is changing. Cox defines the goals of diversity management and also discusses the importance of managing diversity in the organizations. Managing diversity in workplace means accepting people's differences and recognizing these differences as valuable; it helps in preventing discrimination and promoting inclusiveness. It maximizes the ability of all employees to contribute to organizational goals.

**Waterman (1994)**, the research study is conducted for what makes a firm best is not just technology, bright ideas, masterly strategy or the use of tools, but also the fact that the best firms are better organized to meet the needs of their people, to attract better people who are motivated to do a superior job. In this manner the management of human resources become very crucial.

**Jain and Verma, (1996)**, the study is an increasing need to understand more about workforce diversity, which is deeper than what we see at the surface level. This can give managers an understanding as to what can go wrong in a diverse team. The 1990s saw the development of a new trend in the form of workforce diversity mainly because of the liberalization and globalization of markets.

**Ratnam and Chandra (1996)**, this research study was conducted on case based review of selected organizations across the spectrum of Indian firms, detailing the varied aspects of diversity in the Indian context (like age, gender, caste) and the study further highlighted related challenges of equity and equality for employees as well as HR practitioners in the backdrop of managing these diversity factors. The equal opportunity philosophy is aimed at ensuring that organizations make the most out of the difference from a diverse workforce rather than losing talent which might assist the organization to be more efficient and effective. Their research study has detailed challenges of HRM related to coping with issues of workforce diversity while strategizing its resources to deal with issues of employment and sustainable development for the organization.

**Kramar, (1998)**, identifies four notions of diversity management, managing differences and similarities of individuals, managing differences and similarities within a collective, the process of managing inclusion rather than assimilation of differences in a dominant culture, and specifying the dimensions of diversity. According to Kramar (2001) diversity is managed at three levels in organizations, namely at strategic, managerial and operational levels. Building the desired organizational culture, improving management systems and developing leadership competences are described as actions taken at strategic level. At managerial levels it involves designing HR policies to support values and the desired culture and at operational levels it involves implementing the policies and processes developed (Kramar 2001).

**Zgourides et al. (2002)**, the differences in cultural characteristics were predictive of team scores, which can be interpreted as the advantage of having ethnically different views for team problem-solving resulted in increased team performance after the teams learned how to utilize these differences to their benefit.

**Kundu (2003)**, a comprehensive study conducted on Indian employees of both sexes across racial and social categories attempted to understand the aspect of diversity related perception amongst Indian employees. Men often get higher salary offers than women vying for the same title in the same organization. Female employees felt that they were less likely to be given preferences in promotions, salary increases or working facilities. The study also outlines the perceptual status towards women in a pre-dominantly male dominated society like India, wherein women themselves tend to feel disadvantaged in the career sphere.

**Mellahi and Guermat (2004)**, the study was conducted related to age. The impact on managerial values amongst Indian managers found that amongst two generations of managers, the younger generation cohort did have different managerial values and practices. Young generation also valued the opportunity to work with a diversity of people, of cultures, ideas, perspectives, backgrounds, identities, etc. The Indian managers are generally well equipped to deal and manage people from diverse linguistic, cultural, ethnic and religious background has been evidenced earlier based on their social upbringing. The aspect of generational differences is clearly visible in the managerial values and practices of two generations with the younger

generation being more tuned to collaborating and experimenting on varied methods of doing the work than their older counterparts from earlier generations.

**Jonathan, David and Aparna (2004)**, the research on workplace diversity suggests that diversity can be either detrimental or beneficial for workgroup performance (Williams and O'Reilly, 1998). For instance, workgroup diversity is positively associated with creativity and problem-solving skills ( Bantel and Jackson, 1989; Jehn, Northcraft, and Neale, 1999) and negatively related with cohesiveness and cooperation ( Pelled, Eisenhardt, & Xin, 1999). Good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance (Adler, 1986).

**Budhwar (2005)**, a research study was conducted on Indian women managers at management levels in the new economic order of business, detailing perspectives and challenges being faced by women management professionals at the higher echelons of management. Women are born master jugglers who learn this art early on in their life right from planning, organizing, budgeting, conflict management, etc. But when it comes to the corporate world their competencies often subjected to special scrutiny and barriers. This is one of the reasons why women are underrepresented across organizations. Women have generally been deprived of responsible roles at managerial levels due to cultural factors and societal viewpoint.

**Woodard and Saini (2005)**, the study identify much of the diversity management discourse in India is at the stage of equal opportunity. The study also shows the gap between the legal promise and actual implementation is very wide. The position of women's rights is not clearly defined in India and still there is unfavorable discrimination from society, employers and superiors towards women. In India, now women are entering formerly 'male-dominated' professions in ever-increasing numbers and are making visible marks. The rise in literacy levels and betterment of the position of women due to economic and social development, the position of women is improving.

**Shen J., Chandra A., D Netto B. and Monga M. (2009)**, this research study is related to managing diversity through human resource management. The study states worldwide adoption of HR diversity practices and to develop a conceptual framework of HR diversity management linking HR diversity strategies at the strategic, tactical and operational levels with issues and objectives. Less attention has been paid to valuing, developing and making use of diversity. Through the strategic deployment of a diverse workforce, organizations seek to achieve competitive advantage. There are a range of objectives organizations wish to achieve through effective HR diversity management. The study also shows that inequality and discrimination still widely exist.

**Cooke and Saini (2010)**, analyzing case study of 24 Indian firms of different ownership patterns tried to understand the concept of diversity and its meaning in context of HRM. Human resource management is both an academic theory and a business practice that addresses the theoretical and

practical techniques of managing a workplace. In this case study, they found that there existed a differing viewpoint in which diversity is viewed by either western MNC managers or their Eastern counterparts- the Indian managers. In the study of organizational behavior related to Indian organizations, most researchers have agreed upon Indian employees displaying a mixed set of values and characteristics adapted from both Indian and western cultures. Women comprise one-third of the Indian workforce with about 40% graduates in the country belonging to the fairer sex. The low representation of women in the workforce seems to be reflected even in research conducted on diversity aspects of women inclusion in the workforce.

**NASSCOM–PWC (2010)**, the study is conducted to explain diversity in Indian organizations by collecting information by doing extensive survey. Efforts are being made to proactively support women employees with policies and systems through these phases. As per the report, flexible working and extended maternity leave as policy or practice are dependent on the size and business requirements of the organizations. Predominant thread of diversity in the Indian context is gender, unlike the west, where cultural diversity is the most dominant thread. Development is never complete unless it is across all sections though participation and inclusion of people irrespective of their gender, creed or color. Survey was done in 2011 and it was a gender neutral survey inviting responses from men and women. The majority of the respondents agreed that there is the necessity of fair recruitment process without discrimination with respect to gender diversity and need of facilities and infrastructure support to women.

**Kulik. Et al. (2011)**, the research study is about a positive relationship between gender diversity and performance. Promoting gender diversity helps in enhancing the organizations performance. Different proportions of organizational gender diversity have different effects on organizational performance. The study also shows that the organization context can strengthen or weaken the effects of organizational gender diversity on performance.

**Tracy and David, (2011)**, the research study found that employers commonly reject employing employees whose training, experience, or education is judged to be inadequate. On the other hand, this is meant that education background is important to employees. Employees cannot find a job and perform well without adequate education background.

**Rao (2012)**, the research study is related to impact of religion in the Indian workforce and the study also outlines the presence of employees from major religious faiths working alongside with varying interpretations of ‘value of work’ based on their religious beliefs. Religion is one of the crucial factors that underlie national culture. The study is Analyzing religion in the Indian workplace in order to develop our knowledge of managing global diversity in religion. Further in the study the Indian workforce incorporates members of varied race, caste, religion and language into its organizational framework, this aspect of diversity does not have a major impact on the processes of the organizations.

**Vaidya, R., Wanjari V., Shirigirwar N. (2013)**, the research study is conducted to identify the aspect of cultural diversity and the study has also discussed how it can be taken up as strength by Indian organizations. A diverse workplace makes excellent business sense of attracting employees from a wide range of possible backgrounds, so that the talented and quality workforce can be selected by the organizations. To remain competitive, organizations must develop long-term intervention strategies and should remove the barriers which prevent the organizations from developing and allow the workforce to achieve its full potential.

**Priscilla Dike (2013)**, the research study is conducted to examine the different ways to dealing with workplace diversity and provide management for effective diversity management in small and big International companies. The study also focuses on the impact of workplace diversity on organizations. Diversity management and workplace diversity have been substantial and as such have forced companies to embrace these concepts in their companies with the aim of increasing productivity and profit. It was found that big companies have organized resource groups, diversity library but they also faces numerous challenges due to the size of the company whereas in small companies, they avoid such facilities/ provisions and their challenges are less due to its size.

**Babalola, S., Lilita Marques, L., (2013)**, the study is conducted is conducted to study the role of HRM and organizational management in creating conducive work environment, accurate and expansion of selection criteria for workplace diversity. Organizations have to take a stronger stance regarding valuing diversity, which should be reflected in the organizations culture, design and policies. In promoting diversity, organizations have to look beyond traditional criteria for recruitment and selection to include diversity- sensitive criteria. HRM may be able to achieve these goals through an integrated approach with the combined broader role of organizational management. Workforce diversity should be of increasing concern for HR managers, as its central objective cannot be separated from business strategy. It is important to view diversity from an investment perspective.

**Meena and Wanka (2013)**, an exploratory research work by **Meena and Wanka (2013)**, throw light on the practices and strategies being adopted by big IT organizations, which are recognized for commitment to diversity & inclusion in India. By taking the examples of Infosys, Wipro, Sap India limited, Sodexo India Ltd and Genpact companies, authors explore different diversity programs. Their study reveals that diversity training, mentoring, diversity networks, diversity forums and diversity councils as the important diversity programs of the Indian Organizations. The paper concludes that Indian companies are quick to realize and value diversity and are continuously focused on creating a truly inclusive workplace to accommodate employees from diverse background.

**Bedi, P., Lakra, P., Gupta, E., (2014)**, the study is conducted to explore how companies manage workforce diversity and its consequences to the companies existence in 21<sup>St</sup> century. Today's organization need to recognize and manage workforce diversity effectively. Workforce

diversity has become an essential business concern. It is believed that organizations should put in place strategies to enhance workforce diversity. Managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals.

**Foma, E., (2014)**, the research study is conducted to discuss and analyze the impacts of a diverse workplace and the benefits, challenges and solutions to a better work environment. Organizations employing a diverse workforce can supply a greater variety of solutions to problems in service, sourcing and allocation of resources. Companies that encourage diversity in the workplace inspire all of their employees to perform to their highest ability. An organization's success and competitiveness depends upon its ability to embrace diversity and realize the benefits. The study showed that a moderate relationship exists between diversity and employee job satisfaction and diversity demographics can potentially impact diversity awareness.

**Rao S., Bagali M. (2014)**, the study is conducted on relationship between diversity management practices, obstacles and acceptance of gender diversity among employees in IT industry. The focus of this study is on several programs and practices adopted in IT industry and it also examines the influence on the acceptance of gender diversity in industry. There is a significant relationship between acceptance of gender diversity and obstacles to gender diversity. The study also emphasizes on diversity practices, programs to gender diversity. And If more and more gender diversity management programs will have a positive and significant influence on acceptance of gender diversity in organizations.

**Deshpande, A., (2014)**, a research study is conducted on workforce diversity in service and manufacturing sectors in India. The study analyses and compares the different perspectives expressed by employees from service sector and manufacturing sector on workforce diversity management and various diversity factors. Diversity management intends to create and maintain a positive work environment where the similarities and differences of individuals are valued. The data for the paper was selected through secondary data and the empirical study was done in the research conducted, correlated to the business expectations. The study focuses around the diverse beliefs and the impact of it on the workforce.

**Abbas, S., (2015)**, the comparative study is conducted on Indian employees to understand the diversity awareness level of the employees in Indian Organization. Various demographic and regional dependent variables are tested to understand the attitudinal element of employees working in different Indian organizations of northern and eastern parts of India. In study it was found that employees are well acquainted with the concept of diversity Management. Both the regions perceive that diversity is valued in their organizations. It is responsibility of all employees to manage diversity in organizations in eastern part of India.

## Conclusion

Workforce diversity has been one of the key drivers for sustaining competitive advantage. Today organizations are realizing the need for valuing diversity in the workforce. For growth in the organizations, they need to take important steps for diversity in the workplace. In this world of globalization, no organization can survive without workforce diversity. As Workforce diversity is becoming one of the most popular way to work in a diverse workplace for growth of the organization, to evaluate employee performance in an organization in recent years.

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