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Workforce Diversity: A Key to Improve Productivity

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Abstract

Workforce diversity means similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, gender, and sexual orientation. No two humans are alike. People are different in not only gender, culture, race, social and psychological characteristics but also in their perspectives and prejudices. Society had discriminated on these aspects for centuries. Diversity makes the work force heterogeneous. In current scenario, employing diversified workforce is a necessity for every organization but to manage such diversified workforce is also a big challenge for management. This paper critically analyses the workforce diversity and its impact on productivity of an organization. The researcher after examining the literature and various research papers, concluded that workforce diversity is strength for any organization but people still stick to their views related to caste, religion etc and so consider diversity as a problem but if managed properly, can increase the productivity.

1. Introduction

As we enter the 21st century, a fundamental shift is occurring in the world economy. We are moving towards a world in which barriers to cross border trade and investments are tumbling, perceiver distance is shrinking due to advances

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in transportation and telecommunications technology in short we can say that day by day the world is becoming a global village due to globalization. In this interdependent global economy, an American might drive to work in a car designed in Germany that was assembled in Mexico, components made in the United States and Japan that were fabricated from Korean steel and Malaysian rubber. From Indian perspective also, the world has now recognized India as one of the prime economic driver in the global scenario. Various companies are coming India to explore this opportunity. In order to survive in this type of cut throat competitive world the organizations have to hire an effective an efficient workforce that can handle such competitive environment. Employing diversified workforce is a very essence for every organization. In the current scenario the organizations that employ quality and competitive workforce regardless of their age, attitude, language, gender, religion, caste can only compete at the marketplace. Human resource is an important asset for any organization. Capital and physical resources, by themselves, cannot improve efficiency or contribute to an increased rate of return on investment. On the basis of above statement, researcher has prepared the following model.
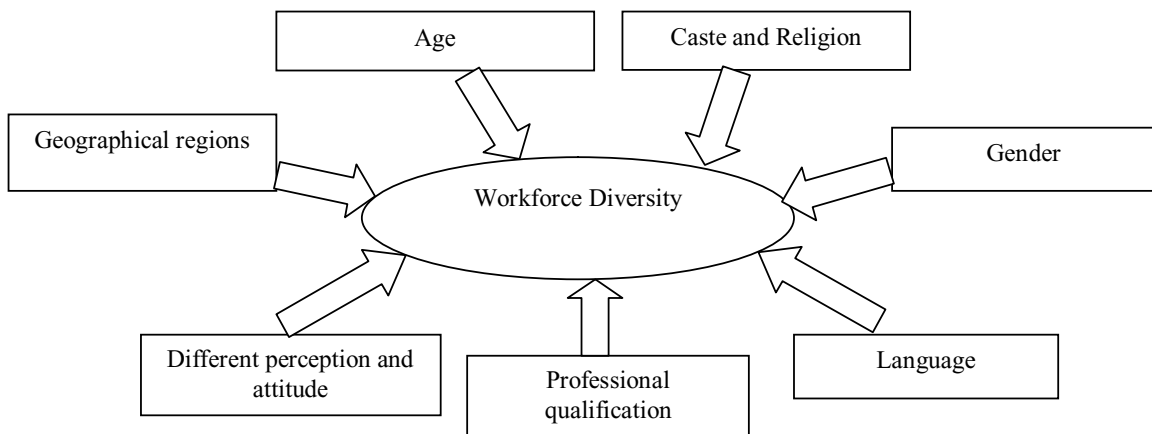

Fig.1 Workforce Diversity

It is through the combined and concerted efforts of people that monetary or material resources are harnessed to achieve organizational goals. But these attitudes, efforts and skills have to be sharpened from time to time to optimize the effectiveness of human resources and to enable them to meet greater challenges. Without employees, the organization cannot move an inch. Therefore, the management of this resource is also an important issue. Human resource management is concerned with managing 'human aspect' of the organization in such a way that organizational objectives are achieved along with employee development and satisfaction. When the organizations employ human resource having different age, gender, perception, attitude, caste, religion, region then it will be very

difficult for the management as well as for the employees to manage and adjust with that environment. To manage diversified workforce is a big challenge for any organization.

Each individual is different from each other because of their different religion, educational background to which they belong, age and the perception. When different types of people in terms of thinking, perception, generation come together to work at the same place then definitely a situation may come where all these different types of people may not agree at the same point. At that point, of time it is going to affect the interpersonal relationship among people. The researcher has taken some aspects, which are a part of diversity among workforce they are age, gender, caste, experience, professional qualification and the employees coming from various geographical regions. On the basis of above statement, researcher has prepared the following model.
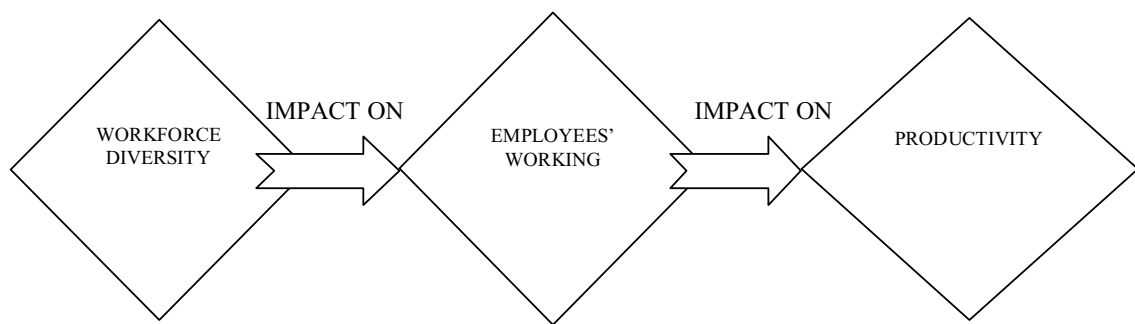
WORKFORCE DIVERSITY — IMPACT ON → EMPLOYEES' WORKING — IMPACT ON → PRODUCTIVITY

Fig. 2 Impact of Workforce on Productivity

Due to the increased rate of globalization, privatization and liberalization we can view the change at our workplace also, gone were the days where the people of same age, same professional qualification, same experience and same religion come together to work in an organization. Now day's females are also working in the equal ratio with males. Therefore the researcher is focusing over these critical aspects of diversified workforce that affects the working of employees. Next aspect that affects the work climate is language. People may speak different languages at work place because of different geographical region to which they belong. Due to which the people may find some problem. Employees coming from various geographical regions with their different mindset create contradiction among employees. Gender discrimination is also a major problem at Indian workplace.

Cordial interpersonal relationship among the employees is one of the major ingredients for smooth functioning of an organization. Organization is a network of people who work together to achieve some common objective and if this network has some loopholes then it would be very difficult for any organization to achieve those objectives effectively. On the basis of above statement, researcher has prepared the following model.
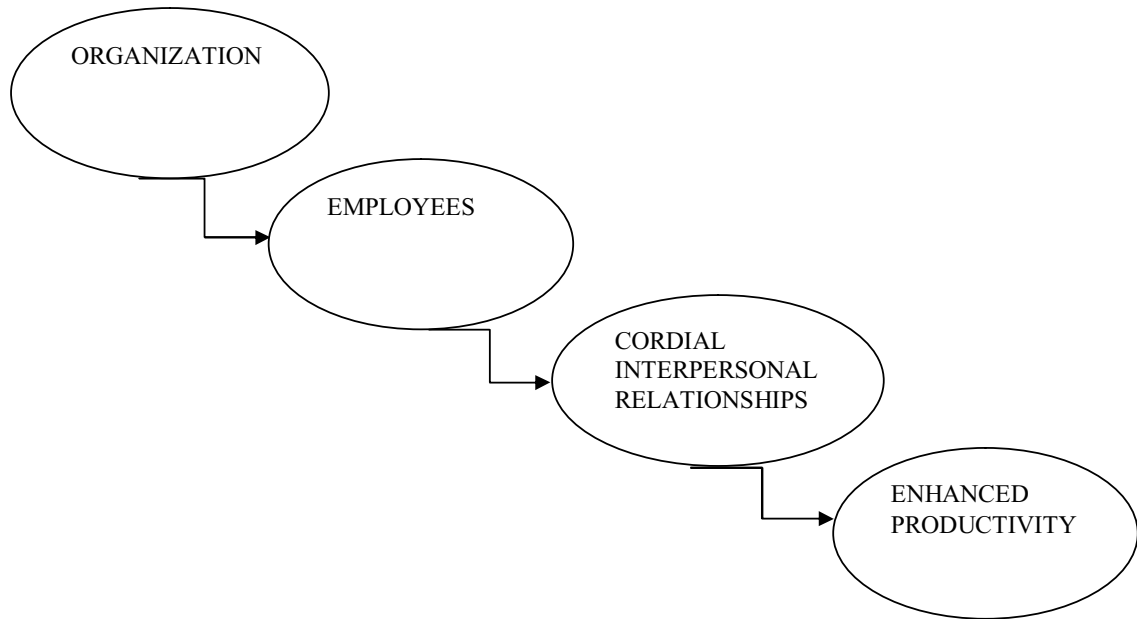
Fig. 3 Interpersonal Relationships

Productivity shows whether the activity of an organization is efficient and effective. Though the terms like productivity, efficiency and effectiveness are used together and practicians sometimes alternate their meanings, however we must not identify productivity with efficiency and/or effectiveness. Productivity requires both efficiency and effectiveness, because a certain activity will not be productive if it is only efficient, but not effective, or effective, but not efficient. Productivity in economic position is defined as the relation between output and input. Input element in an organization consists of resources used in the product creation process, such as labour, materials, energy. Output consists of a given product, service and the amount of both. The amount of output per unit of input (labor, equipment, and capital). A measure of the efficiency of a person, machine, factory, system, etc., in converting inputs into useful outputs is known as productivity. There are many different ways of measuring productivity. For example, in a factory productivity might be measured based on the number of hours it takes to produce a good, while in the service sector productivity might be measured based on the revenue generated by an employee divided by his/her salary.

2. Literature survey

This study tries to assess the impact of workforce diversity on productivity. From past years, many researchers have studied different aspects of workforce diversity in various organizations and various other areas not only at all India level but also at international level. The various findings of past researches were of great help for the researcher to

sort out the different factors to be used in the study. This review also helped in finding out the differences between the past researches and the current research on the same topic. Let us look at glance on the earlier researches.

(Jeffery Sanchez-Burks and Michal E. Mor Barak, 2005) the researcher has discussed one's perceptions, values, and behavior in such situations reflect deep-seated beliefs about the nature of interpersonal work relationships. He further emphasized that to understand and manage these differences requires understanding the nature of workforce diversity and how it influences relational and communication styles. **(Ashok Chanda, Dec 2006).** In this article the author says that workforce diversity is a hot and burning issue in every organization of current scenario. Every human resource manager has to take care in managing this diversity and finally he concluded that there is a lack of awareness towards diversity management approach, the manager don't have sufficient knowledge and competency to manage diversified workforce. **(Sharbari Saha, Dewpha Mukherjee Patra, 2008)** in this the authors have focused over the requirements due to globalized market and benefits of workforce diversity further they said that if the organization is not employing the diversified workforce then that organization is not competitive enough and the sales managers can make their diversified workforce effective and competent by providing them training. **(Asmita Jha, 2009)** in this article the author said that the most important asset of any organization is diversified workforce because the diversified workforce is good at problem solving as they provide different and creative ideas and gives competitive advantage to the organization. Further the author focused over making the workforce happier by proper understanding of the expectations and needs of each individual. **(Kulin Patel and Anuradha Sriram, Oct 2010)** in this article the author explore the role of managing diversified workforce in the case of mergers and acquisitions. The author said that the merger and acquisitions among the organization is just like a marriage which means that the compatibility among the employees of both the organizations having different cultures is most important for this the culture assessment of both the organizations is necessary. **(Saumya Goyal, Aug 2009)** In this article the author has depicted four models to understand the dimension of diversity they are diversity wheel in this model the author has classified the model into two dimensions first is primary which includes age, gender, mental/ physical abilities, race, ethnic heritage, sexual orientation and the secondary dimension includes geographic location, work experience, income, religion, first language, organizational role and level, communication style, family status, work style, education, military experience. Next model is four layers of diversity in this the author adds on two more layers with the diversity wheel they are personality at the core and external dimension includes work field, division, seniority, work location, union affiliation, management status, organizational dimensions. Third model is diversity iceberg in this the author adds one more dimension in diversity wheel which is tertiary dimensions like beliefs, assumptions, perceptions, attitude, values, group norms. And the last model is kaleidoscope perspective of the individual in this the author has described various attributes like age, region, gender, qualification, caste, family status. **(K Mallikarjunan, 2007)** in this the author is saying that each and every individual is different, everybody is having their own perception, attitude and thoughts and to manage such type of different individuals require a specific skill because of the complexities involved in this process. **(Radha Mohan Chebolu, 2007)** in this article the author says that the culturally diversified workforce is really competent but to manage such a talent is not an easy task it requires

such a leader that have an organizational vision and an attitude that are line in culture. **(Arpita Saha, 2007)** in this article the author says that due to the increased globalization the world is shrinking day by day. Hence the organizations have to recruit cross cultural employees but it is very difficult for the employees to adapt and adjust with a new environment and culture. At this point of time a manager can play a very important role like a leader by providing the employees with training, interactive sessions so that they come to know about the rituals, dressings, mannerisms, food habits of different people. **(Joyendu Bhadurya. E. Joy Mightyb, Hario Damarb, 1 June 1999)**. In this paper the researcher says that there are various political, social and economic factors that are responsible for increasing the diversity of workforce so the writer has depicted certain ways for increasing the effectiveness like to make people of different backgrounds work on common projects so as to facilitate understanding and communication between them. The researcher has also depicted one model which assumes that the population is classified into `families' where individuals within a family are `similar' with respect to the diversity criterion being used but are very different from individuals in other families. This enables the researchers to formulate their problem as a network flow problem. **(Jakob Lauring, 2009).** In this paper the author says that in today's scenario workforce diversity is a necessity for the development, both in terms of economic growth and satisfactory intellectual, emotional and moral existence. Further he explained that in business firms the workforce diversity among employees not merely means differences in languages, perception, and attitude but also the managed differences of skills and knowledge, because knowledge sharing is an important aspect to improve productivity among the organization which is guided by social interaction. **(Janice L. Dreachslina, Robert Weech-Maldonadob, Kathryn H. Dansky, 2004)**. In this research paper the researchers have predicted a three leg stool model in order to reduce racial and ethnic disparities at workplace. The model is: Public policy: to ensure a legal and regulatory environment designed to eliminate disparities in access and health status; clinical practice: to ensure patient satisfaction and loyalty and improve treatment outcomes through the cultural competence of clinicians; and organizational behavior: to ensure that leadership, staff, and the culture of the health services organization represents and values the communities they serve. Further the authors have concluded that the third leg that is organizational behavior is the most effective tool to manage diversity at workplace because by implementing these management practices it is going to give positive outcomes on individual, group and organizational levels. **(Emiko Magoshi a, Eunmi Chang, 2008)**. In this paper the authors says that diversity management is an important issue in current scenario due to increasing globalization. In order to make these diversified employees as competitive resources the organizations have to manage them effectively. Further the authors have concluded by saying that if the organizations will focus over managing the diversified employees then the employees will become more committed. **(Marie-Élène Roberge , Rolf van Dick, 2010).** In this paper the authors says that on one hand diversity among workforce results in positive affects like creativity, problem solving, innovation but on other hand diversity may results in some negative aspects like increasing conflicts, decreasing group performance and decreasing group cohesiveness. Further the authors have depicted a multi level model to improve the group performance by considering individual- (i.e., empathy and self-disclosure), and group-level (i.e. communication, group involvement

and group trust) mechanisms which underlie the process of learning from one another's identity within a group. **(Patricia A. Kreitz, 29 January 2008).** In this paper the author says that in today's scenario the organizations are facing diversity challenges from many areas like demographic changes in the workforce and customer populations, combined with globalized markets and international competition. The researcher focuses over the ways to manage diversity strategically. Further the researcher added that successful diversity management requires HR managers to possess skills in leadership, organizational development, change management, psychology, communication, measurement, and assessment. **(Maria Riaz Hamdani, M. Ronald Buckley, 2010).** In this paper the researchers are saying that the diversified workforce should not be merely treated as a means for generating economic benefits for an organization but we should also pay attention towards the factors that promote diversity at workplace. Further the researchers have focused that we can promote diversity by understanding the complex dynamics of workplace diversity. And to understand the complex dynamics of workplace diversity institutional factors like regulatory structures, governmental agencies, lawmakers, courts, professional organizations, interest groups, and the general public must be considered. **(Daniel Vloeberghs", 2005)**. The researcher says that managing diversified workforce is a biggest challenge in front of the human resource management department of the organizations. Further the author says that diversity can affect an organization's functioning through four ways first is diversity can have affective consequences, like lower organizational commitment or lower satisfaction, because people prefer interactions with similar others. Second, cognitive outcomes refer to an increase in creativity and innovation because through diversity people get an opportunity to interact with various people. Third, a diverse organizational workforce is a symbol of equality. And last, diversity also has clear implications on the communication processes within a group or organization, i.e. communication effects which means that workforce diversity has both positive as well as negative results. **(Janice R.W. Joplin and Catherine S. Daus, 1997).** In this paper the author emphasizes that various companies are focusing over capitalizing the skills of a diverse workforce but they have to face many challenges like diverse opinion, lack of empathy, differences in perception, lack of participation. Further the author has concluded that these challenges can be faced by effective leadership style instead of implementing traditional methods. **(Taylor H. Cox, 1991).** In this paper, the writer has suggested that organizations should value diversity to enhance organizational effectiveness. Diversified workforce provides various advantages like creativity, problem solving, and flexible adaptation to change that may leads to competitive advantage But the management of such diversified workforce is an important issue and can be done by adopting key components like leadership, training, research, analysis and change of culture and human resource management systems and follow-up activities like additional training, discussions about diversity issues with the group members.

3. Advantages of diversified workforce

An organization's success and competitiveness depends upon its ability to embrace diversity and realize the benefits. When organizations actively assess their handling of workplace diversity issues, develop and implement diversity plans, multiple benefits are reported such as:

- Diversity stimulates innovation and productivity and creates a world class culture that can outperform the competition.
- A multicultural organization is better suited to serve a diverse external clientele in a more increasingly global market. Such organizations have a better understanding of the requirements of the legal, political, social, economic and cultural environments of foreign nations (Adler, 1991).
- In research-oriented and hi-tech industries, the broad base of talents generated by a gender-and ethnic-diverse organization becomes a priceless advantage. "Creativity thrives on diversity" (Morgan, 1989).
- Multicultural organizations are found to be better at problem solving, possess better ability to extract expanded meanings, and are more likely to display multiple perspectives and interpretations in dealing with complex issues.
- Organizations employing a diverse workforce can supply a greater variety of solutions to problems in service, sourcing, and allocation of resources.
- Employees from diverse backgrounds bring individual talents and experiences in suggesting ideas that are flexible in adapting to fluctuating markets and customer demands.
- A diverse collection of skills and experiences (e.g. languages, cultural understanding) allows a company to provide service to customers on a global basis.
- A diverse workforce that feels comfortable communicating varying points of view provides a larger pool of ideas and experiences.

4. Statement of the problem

Diversified workforce is the latest and current trend in every organization today. Moreover, the major concerned for every organization is to improve its productivity because organizations are economic activity and can only survive by competing in this cutthroat competitive world by increasing their profits. Due to the diversified workforce in some or the other way, people are facing lot many problems at the workplace. As if the diversified workforce may experience less cooperation from some of their colleagues but to achieve the organizational goals each member must be effective in terms of its functioning in the particular department. However, firing is not the solution. . The main consent of this research is to examine critically the impact of workforce diversity on the productivity of the organization from previous researches. A second contribution of this chapter is to suggest the ways to manage the diversified workforce in such a way that people can easily work with the diversified workforce and can bring quality results altogether.

5. Findings & suggestions

After critically examining the literature and various research papers from different authors related with workforce diversity and its impact on productivity, it has been found that: An organization's major objective is to earn profit and to enhance its productivity, no doubt that almost all the authors are saying that employing diversified workforce is the very essence in today's scenario but to manage such a diversified workforce is a big challenge in front of the management. Hiring diversified workforce will definitely leads to improved productivity, but may prove to disaster if not managed properly because not only the management but employees are also feeling some problems like language problem (which is acceptable and is not due to thoughts of the employees), attitude clashes, and difference in perceptions, which is directly related to human behavior which ultimately affects the productivity of any organization.

After considering all the findings in the research it becomes a compulsion for the researchers to suggest, the ways to handle the shortcomings found during the survey. It is really a big matter of concern for all HR professionals as one side we say that we should include new trends in HR policies and on the other hand, the latest trend like workforce diversity is treated as a problem. However, this problem can be solved by adopting various policies like:

- Encouraging the use of common language in the organization among the employees
- By conducting various motivational and mentorship programs
- By keeping the channels of communication open among the employees and employers
- By encouraging employee participation
- Further one should accept the fact it is not the matter of culture in fact it is the matter of quality. Therefore, for improving productivity, quality has to be maintained and not thrown out.

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