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ANALYZING THE ROLE OF WORKFORCE DIVERSITY ON EMPLOYEE PERFORMANCE WITH SPECIAL REFERENCE TO IT SECTOR

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Absrak

Penelitian ini secara khusus menyelidiki pengaruh keberagaman tenaga kerja terhadap kinerja karyawan di sektor TI, dengan fokus khususnya di Calicut Cyber Park. Dengan menggunakan teknik analisis korelasi dan regresi, penelitian ini menguji hubungan antara keberagaman tenaga kerja dan kinerja karyawan. Temuan menunjukkan bahwa keberagaman tenaga kerja berpengaruh signifikan terhadap kinerja karyawan. Parameter seperti gender, etnis, kualifikasi pendidikan, dan pengalaman kerja digunakan sebagai prediktor, dengan kinerja karyawan sebagai variabel dependen. Studi ini menyimpulkan bahwa kualifikasi pendidikan dan pengalaman kerja berkontribusi terhadap kinerja karyawan dalam organisasi.

Abstract

This research specifically investigates the impact of workforce diversity on employee performance in the IT sector, with a particular focus on Calicut Cyber Park. Using correlation and regression analysis techniques, this research examines the relationship between workforce diversity and employee performance. The findings show that workforce diversity has a significant effect on employee performance. Parameters such as gender, ethnicity, educational qualifications and work experience are used as predictors, with employee performance as the dependent variable. This study concludes that educational qualifications and work experience contribute to employee performance in organizations.

1. Introduction

In this world, workforce diversity is essential and important asset for an organization to attain its organizational success. The diversity in the population and workplace is an inherent part of organizational life which is unavoidable. The firms are continually striving to attract and retain the best human potential. People becoming the part of an organization with certain qualities, and these qualities shape their perception about the world. According to Worman (2005), employees in organizations differ in terms of their goal, motivation and sensitiveness and they guide their effort based on the remuneration given by their leaders. Age, color, ethnicity, language, religion, and gender are all examples of workforce diversity. Racial and ethnic workforce diversity presents problems for organizations seeking

to foster amicable relationships among employees. Working in an organization is also influenced by age and skill, Beliefs, values, points of view, and behaviors. All these are the examples of diversity. The workforce diversity is an advantage to an organization which leads to generation of innovative ideas and concepts in order to meet the constraints and obtain the desired goals. It also strengthens the organizational cultural values and improves the organizational goodwill and performance. The workforce diversified Organizations tend to be more productive and goal oriented than organizations with more homogeneous workforce. Individual uniqueness and the diverse array of differences and similarities between people greatly impact their perspectives and work habits.

Rijamampianina and Carmichael (2005) mentioned diversity in the primary, secondary, and tertiary dimensions. Primary dimension involves age, ethnicity, gender and disability. Secondary dimension involves Factors including Socio-economic background, sexual Orientation, thinking style, Political beliefs, Professional background, Academic background, Habits, Cultural heritage, Family dynamics, and Citizenship. Tertiary dimensions consist of Beliefs, Assumptions, Perceptions, Attitudes, Feelings, Values and Group norm. Workforce diversity has emerged as one of the major corporate challenges in the twenty-first century. The most valuable assets of the majority of enterprises are now on wheels in our technologically advanced information age. Undoubtedly, corporations are engaged in a talent war. No business can afford to obstruct its ability to hire and retain valuable people. Workforce diversity is organizations are growing more varied with the fusion of people in terms of gender, religion, age, race, and educational background. It has significant effects on management procedures and guidelines. Today it's an essential duty of organizations to satisfy the needs of both the employees and customers. The organization requires making human resource policies, addressing the issues of discrimination based on gender, religion, ethnicity, and educational background. So managing diversity is essential for an organization to ensure employee retention good work environment which consequently results into greater productivity. Overall, it will affect the organizations growth, profitability, goodwill and performance.

Gender diversity

Organizations have historically shown a preference for hiring male workers over female counterparts, often citing perceived superior performance and stronger managerial skills among males. However, Eagly and Wood (1991) discovered that groups comprising both genders outperformed those composed solely of one gender. Furthermore, research examining the impact of gender diversity in the workplace on group performance has indicated that an increase in the proportion of men within a sample had a detrimental effect, whereas an increase in the proportion of women had no discernible impact (Graen, 2003).

Ethnic diversity

Sayers (2012) defines ethnicity as a group of people who share common cultural elements such as traditions, customs, practices, attire, beliefs, and values. Makokolo (2005), on the other hand, describes an ethnic group as a gathering of tribes that have a shared historical narrative and a sense of common fate.

Work Experience Diversity:

Workplace experience encapsulates the skills, insights, and proficiencies acquired through an individual's professional trajectory within a particular domain (Carr et al., 2006). According to Pinder (2014), seasoned employees within an organization contribute significantly to its profitability, emphasizing their role in generating organizational success rather than mere output.

Educational Diversity:

Watson, Johnson, et al. (2002) affirm that companies typically seek candidates whose qualifications, work experience, and educational attainment align adequately with the demands of specific job roles. This underscores the importance employers place on the educational backgrounds of their employees. A robust educational foundation is essential for effective job performance and the ability to secure positions that suit individuals appropriately.

Employee Performance:

Employee performance is a critical factor contributing to the success of any organization. As noted by Mathis and Jackson (2009), it encompasses the assessment of both the quality and quantity of work produced, job attendance, as well as proficiency and success in task completion.

Research Objectives:

To investigate the influence of workforce diversity on employee performance among IT sector employees.

2. Literature review

In the modern market, companies giving greater importance on workforce diversity. Organizations have different type of employees who are diverse in terms of age, gender, education, and ethnicity. This diversity might result in variances in the employees' perspectives, interests, and attitudes. If this diversity is managed, it can spur progress; if not, it might incite conflict.

In their study, Daniel and Wodhams (2000) came to the conclusion that there is a positive approach to employees' differences within management of diversity, which recommends the valuation of the person and the rejection of group-based equality programmes. This strategy is very helpful for hiring impaired workers. The study makes the case that the managing diversity approach to equality and the disparities among disabled persons make them essentially nonliteral. Jackson, Joshi, and their colleagues (2003) define diversity as the presence of distinctions among members of a specific social group. The workforce has become increasingly diverse in terms of factors such as gender, age, religion, ethnicity, as well as the diverse backgrounds and individuality of the general public including their distinct personalities, lifestyles, needs, customs, traditions, norms, and values in the workplace (Wong, 2001).

According to Chanda (2006), Workforce diversity, is a major challenge in today's organisations. He discovered that managers lack sufficient knowledge of the diversity management strategy, which is crucial for the success of any firm, as well as awareness of it.

In their study, Hoogendoorn and Praag (2012) evaluated the effect of ethnic diversity on the effectiveness of business teams. The experiment was carried out between 2008 and 2009. The study provides evidence that teams with greater levels of ethnic diversity perform better than those with lower levels of ethnic diversity in terms of sales and earnings. The research done by the World Bank

Group in 2012 states, experienced employees are vital to the success of the organization as they have undergone various training programs that enhance their performance. Their expertise and experience reflect their dedication, stability, and continuous professional growth, which all contribute to the overall performance of the institution.

According to Kumari, Muthamilarasan et al. (2013), a sufficient quantity of gender variety can provide you a competitive edge over your rivals, whereas a high level of gender diversity may negatively affect organizational performance. Delancey (2013) used a sample size of 164 MNC employees in his study to understand how employees at multinational businesses in Singapore perceive multiculturalism and diversity. The results of applying chi-square, correlation, and regression analysis to the data gathered using the questionnaire approach revealed a strong association between the productivity of the firm and the employees' perceptions of a diverse and multicultural workforce.

Kunze et al. (2013) conducted study on the association between age and resistance to change in job performance. A total of 2981 employees from various companies made up the sample size. The moderate indirect model is investigated using bootstrapping techniques. The results showed that resistance to change is adversely correlated with age. The boundary conditions for this relationship are accepted to be employment status and tenure. Individual job performance is linked to resistance to change, establishing an indirect intervening mechanism between age and job performance through the use of resistance to change. The acceptance of gender diversity in IT firms, as well as its practices and programs and associated barriers, were all examined by Rao and Bagali (2014). The sample of 600 respondents was gathered from 15 Bangalore-based IT organizations and 15 ITES-BPO services providers. Analysis of the responses gathered using the questionnaire method demonstrated a strong relationship between gender diversity acceptance and diversity management methods.

According to Prasad (2017), diversity initiatives in the field of human resources are thought to improve both employee and organisational performance. He researched how the variety of the workforce affected the efficiency of several banks in Ethiopia's Tigray Region. He discovered that the factors (age, gender, tenure, religion, education, race, and culture composition) coupled in various ways to affect the efficiency of the organization. The findings of the study conducted by Ayega and Muathe (2018), which analyzed data from five organizations located in Ghana and Finland, revealed that diversity exerts a significant influence on organizational dynamics, albeit with variations across different contexts.

Furthermore, Azam and Waheed (2018) identified specific relationships regarding the effects of workforce diversity in their research. They found that organizational performance exhibited an inverse relationship with age and gender diversity. Specifically, they noted that a higher level of age and gender diversity, indicated at a level of 0.132, corresponded to lower organizational performance.

3. Research Methodology

Every research study necessitates a structured research methodology to systematically and logically address the research problem at hand. Research, as defined by Kothari (2010), embodies the objective and scientific pursuit of knowledge aimed at resolving specific issues. In this study, descriptive research methods are employed to assess the impact of workforce diversity on employee

performance. The study focuses on IT employees situated in Calicut Cyber Park. A total of 241 respondents were selected as the sample through a self-structured questionnaire, utilizing a simple random sampling technique. After disregarding some non-responses, data from 221 respondents were considered for analysis.

Various tools have been utilized in this study to analyze the data and accomplish the research objectives. Statistical software for social science (SPSS version 20) was employed to implement analytical procedures. Both descriptive and inferential statistics were utilized for data analysis. Mean scores of all indicators were calculated to determine the level of employee performance concerning the different workforce diversity variables considered, including gender, job experience, ethnicity, and educational background.

Multiple regression analysis was conducted to ascertain the impact of workforce diversity parameters, namely gender, work experience, ethnicity, and educational background, on employee performance within organizations. These parameters were treated as independent variables, while employee performance was treated as the dependent variable. Untuk memudahkan pemahaman dan pembacaan, hasil penelitian dideskripsikan terlebih dahulu, dilanjutkan bagian pembahasan. Subjudul hasil dan subjudul pembahasan disajikan terpisah. Bagian ini harus menjadi bagian yang paling banyak, minimum 60% dari keseluruhan badan artikel.

4. Data analysis and Discussion

Before the survey was administered, reliability and consistency of the measurement tool was determined using the Cronbach Alpha coefficient.

Table 1 – scale reliability

Category	Number of item	Cronbach's alpha
Diversity	16	0.915
Employee performance	8	0.869

Table shows that the CA value that is greater than the acceptable degree of internal consistency (i.e. 0.60). (Sekaran, 2003; Ahmad, S., & Fazal ur Rahman.2019).

Table 2 - Socio demographic profile of respondents

Variables		Number of respondents	Percentage of the respondents
Gender	Male	145	65.6
	Female	76	34.4
	Total	221	100
Age	up to 30	101	36.7
	31-40	40	27.1
	41-50	46	20.8
	Above 50	34	15.4
	Total	221	100
Educational Qualification	Graduate	105	47.51
	Post Graduate	45	20.36
	Professional	71	32.13
	Total	221	100
Work Experience	Up to 5 years	77	34.8
	6-10 years	75	33.9
	11-15 years	39	17.6
	Above 15	30	13.6
	Total	221	100

Table 2 shows that majority of (N = 221) respondents, that is 145 (65.6%) are males followed by 75 (34.4%) belongs to females. In addition, majority of respondents are belongs up to 30 years old. Table also revealed that out of 221 respondents 77 (34.8%) were having maximum 5 years work experience, followed by 75(33.9%) having work experience of 6 to 10 years. 47.51% of the total participant having highest qualification of graduation, followed by 45 (20.36%) having the qualification of post-graduation.

Table 3 - Pearson's correlation analysis

Correlations		Gender diversity	Work experience	Ethnic diversity	Education al diversity	Employee performance
Empl oyee perfor manc e	Pearson					
	Correlation	.447**	.799**	.317**	.798**	1
	Sig. (2-tailed)	0.00	0.00	0.00	0.00	
	N	221	221	221	221	221

** Correlation is significant at the 0.01 level (2-tailed).

The results presented in Table 3 indicate a significant relationship between variables, as evidenced by the p-values being less than 0.05. Specifically, the Pearson correlation coefficient between employee performance and work experience is 0.799, while the correlation coefficient between employee performance and educational qualification is 0.798. This suggests a strong positive correlation between employee performance and both educational qualification and work experience.

Additionally, gender diversity exhibits a correlation of 0.447 with employee performance, indicating a moderate correlation between these two variables. Similarly, ethnic diversity shows a correlation coefficient of 0.317 with employee performance, indicating a low positive correlation between these variables. In conclusion, the diversity factors of gender, work experience, ethnicity, and educational qualification demonstrate a significantly positive relationship with employee performance.

To further assess the impact of workforce diversity on employee performance, multiple regression analysis was employed.

Table 4 – Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.816 ^a	0.666	0.66	0.49265	1.52

a. Predictors: (constant), gender diversity, work experience diversity, ethnic diversity, educational diversity

b. dependent variable: Employee performance

In the model summary table 4, the multiple correlations (R) is 0.816, with corresponding value R² of 0.666, suggesting that 66% variance in employee performance is explained by the set of work force diversity factors (gender diversity, work experience diversity, ethnic diversity, educational diversity). The column on the right side gives the Durbin Watson statistics of 1.52, since the value is around 2, it is assumed that there is no autocorrelation.

Table 5 – ANOVA

Model		Sum of Squares	df	Mean square	F	Sig.
1	Regression	104.679	4	26.17	107.825	.000 ^b
	Residuals	52.425	216	0.243		
	Total	157.104	220			

a. dependent variable : Employee performance

b: Predictors: (constant), gender diversity, work experience diversity, ethnic diversity, educational diversity

The ANOVA table indicates the significance of the R^2 value. With a calculated level of significance less than 0.05, it suggests that the regression model is significant at the 5% level of significance. This implies that workforce diversity has a significant impact on predicting employee performance.

Table 6: coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	1.117	0.219		5.112	0
GENDMEAN	0.012	0.051	0.011	0.241	0.81
OTMEAN	0.426	0.099	0.461	4.294	0
ETHDMEAN	-0.087	0.049	-0.08	-1.796	0.074
EDMEAN	0.364	0.1	0.399	3.651	0

The column on the left side of the coefficient table gives information concerning the regression coefficient. When all other variables are assumed to be constant, Table 5 displays the regression coefficients that indicate how much the employee performance varies with the predictors. A standardized regression coefficient indicates how much outcome variable will change when there is one standard deviation change in the independent variable. The beta coefficient indicates the relative importance of causing variable in explaining the variation in outcome variable.

In the coefficient table provided, the significant value column indicates whether different variables of workforce diversity significantly predict employee performance. According to the results, both work experience ($t = 4.294$, $p < 0.05$) and educational diversity ($t = 3.651$, $p < 0.05$) are significant predictors of performance among IT employees at Calicut Cyber Park. This finding is consistent with the conclusions of other researchers, such as Muhammad Rizwan et al. (2016), who have similarly reported a positive relationship between work experience and educational diversity with employee performance. However, it's worth noting that gender diversity ($t = 0.241$, $p > 0.05$) and ethnic diversity ($t = -1.796$, $p > 0.05$) are not significant predictors of employee performance in this study.

The unstandardized beta coefficients show how much the employee performance varies with respect variation in its predictors. Beta coefficient is 0.426 for Work experience, which means that every one percentage increase in the work experience leads to 0.426 % increase in the employee performance. Beta coefficient of educational diversity is 0.364, which means every one percentage increase in educational diversity results into 0.364% increase in the performance of IT employees at Calicut Cyber Park.

4. Conclusion

Diversity is the integral part of our nation. India is a home for various religions, languages, ethnic groups and cultural traditions. Workforce diversity explains how employees are different and similar in terms of various parameters. Each employee is coming from different background and each of them has different way of thinking and performing jobs. So this diversity should be managed and respected by organization because it will affect their performance in one or another way. In the modern business world, integrating diverse workforce and employee perspective is one of the challenging tasks of every organization. The organizations who successfully manage workforce diversity will get more committed, satisfied, cooperative, innovative as well as better-performing employees (Rosemary and Palma-Rives, 1998). Anyhow the result of this study The diversity factors like work experience and educational qualification has great influence on employee performance of the organization. So the managements should take this into account while framing policies and decisions regarding workforce diversity management in their concerned organizations.

The organizations should show equity and equality towards all diverse groups in the organization. And there should not be partiality or favouritism towards a particular group of employees in terms of their gender, caste, ethnicity etc. The employees should be treated in such a way that they should feel that they are getting equal treatment from their organization irrespective of their caste, gender, religion etc. The organizations can conduct various programs which will improve the ability of employees to accept diversity.

This study has conducted only among IT employees working at Calicut Cyber Park. Further studies can be conducted in other areas like banking, manufacturing etc. this study was mainly based on for parameters of workforce diversity – gender, ethnicity, work experience and educational qualification. There are number of other parameters of workforce diversity, further studies can be conducted using other parameters in different sectors.

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