The Impact Of Workforce Diversity On Sustainable Development: A Study Among Selected IT Companies In Odisha

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ABSTRACT

Diversity is important because it contributes a wide range of experiences, ideas, backgrounds, and perspectives to the conversation, which improves decision-making. These days, executives are concentrating on implementing inclusion policies and appreciating the benefits of a diverse workforce. Maintaining equal opportunity and other fundamental diversity ideals is the foundation of inclusivity; but it also focuses on treating each individual member of the organization as an individual and giving them access to the chances they deserve. Inclusion and diversity are great assets for any business pursuing sustainability. They facilitate better decision-making, increase productivity and efficiency. The need to live harmoniously with nature has become vital for the modern society. Thus, sustainability becomes pivotal in strategizing the operational procedures of an organisation. As businesses are considered agents of environmental, social and economic changes, the managers as leaders need to understand the repercussions and bring about necessary practices to cope with such changes. In this context, it is pertinent to examine how diversity and inclusion can contribute meaningfully towards a sustainable growth.

Purpose – The purpose of this paper is to find out the functioning of work force diversity and inclusion in Indian IT companies as a tool to achieve Sustainable development.

Methodologies of the Study – Data for this paper will be collected from both primary and secondary sources. Secondary data includes brochures, newsletters and reports which are used for workforce diversity practices. Primary data will be collected from the employees of IT companies. Relevant statistical tool will be applied to draw a meaningful conclusion.
Managerial implication- The findings of the study may prove to be relevant for managers of organizations for practicing workforce diversity to have sustainable development.

*Keywords:* workforce diversity, sustainable development, inclusion

**Introduction**

In an organizational setting, the idea of sustainability is based on the idea of improving the social, environmental, and economic systems in which a company functions (White, 2009). It has to do with the thought that companies give their environments and how their actions affect the general well-being of the environment. Thus, this implies the necessity of organizing and planning in order to fundamentally provide commodities and services that meet human requirements. It is envisaged that meeting these needs will have a long-term, consistent, progressive impact on the environment and society. This implies that every organization's overarching objective is to continuously expand and endure over the long run (White, 2009).

Ogbo, Eneh, Agbaeze, Chukwu, and Isijiola (2017) define a sustainable economy as one that prioritizes the needs of future generations in addition to being successful in the short term. According to their opinion, sustainability is achieving our goals without endangering the capacity of coming generations. Sustainability of social and economic resources is necessary in addition to the natural and mineral resources present in the environment (Steiner, 2008). Therefore, sustainability is more than just environmentalism; according to Ogbo, Eneh, Agbaeze, Chukwu, and Isijiola (2017), sustainability in this context refers to "the ability to sustain" for social justice, the environment, and economic progress.

Studies indicate that favorable organizational outcomes like innovativeness and change receptivity are strongly correlated with successful management policies and corporate culture orientation toward workforce diversity (Ozbilgin & Tatli, 2008). If businesses are to thrive in a multicultural environment, they must also pay close attention to the cultural content of the organizational context. Thus, Hofstede (1998) argued that while it is necessary to grasp the national personalities, management philosophies, and mind-sets of the people, it is also necessary to study the customs, courtesies, and business protocols of other countries.

Despite this, discrimination based on diversity has been widely documented in all of its manifestations. As a result, according to Thompson (2016), differences in terms of race, ethnicity, gender, class, sexual orientation, age, language, disability, religion, and so forth are only a few of the aspects of diversity that can so readily lead to discrimination. Consequently, diversity in the workforce is essential to the organization's health since, if ignored, it might impede its ability to grow and develop. In this direction, a lack of collaboration among individuals within a varied workforce may lead to the collapse of other organizational outcomes, such as profitability, competitive edge, and product quality.

This study contributes to the body of research on corporate sustainability by analyzing the role of workforce diversity in the corporate sustainability concept of Nigerian oil and gas businesses, in light of the observed effects of workforce diversity on organizations.
In order to promote justice and fairness in the workplace, many businesses now view workforce diversity as a crucial strategic pillar (Ng & Sears, 2012; Mor Barak, 2015). The workforce has emerged largely because of the equal opportunity concept, which guarantees that diversity can be beneficial to increase the efficiency and effectiveness of organizations rather than losing bright people based on these distinctions (Henry & Evans, 2007).

Workforce diversity is also on the rise as the number of people working in different countries increases due to immigration and globalisation, and natives who have never worked abroad face different people with different backgrounds and cultures when working in local businesses and organizations. Workforce diversity has always been a complex topic in the workplace. Johnston (1991), Kundu (2003), Adler (1997), Henry & Evans (2007) defined workforce diversity as “the presence of several characteristics among employees.” Organizational academics and managers have started to focus on workforce diversity as a hot topic in the wake of globalization. Cho (2017), Ahraemi (2017), Mor Barak (2017).

In the context of an organization, diversity is the existence of commonalities and differences between its members in terms of sex, age, colour, culture, disability and physical abilities (see Saxena, 2014). For researchers interested in practically any area of management, the ultimate dependent variable is organizational performance. The survival and profitability of a modern corporation depends on the performance of its organization in the competitive market for consumers, inputs and capital. This is why the construct is now the main focus of contemporary industrial activities. The last criterion for evaluating marketing, HR, operations management and strategy is the contribution to organizational performance.

Managers and researchers need to measure individual management decisions, the competitive position of firms, and the development and performance of firms over time (Richard, Devinney, Yip, & Johnson, 2009). Many studies have shown the benefits that diversity can bring to an organization, including benefits related to role stress, organizational commitment, retention and innovation (Gonzalez and DeNisi, 2009; Richard, Roh, and Pieper, 2013; Findler, Wind, and Barak, 2007; Cho and Mor Barak, 2008; Hobman, 2003). However, Choi and Rainey (2010) showed that employee diversity can have a negative impact on organizational and overall success.

The following researchers have conducted many studies to examine how workforce diversity affects organizational performance in the context of age, gender, culture, race and ethnic diversity (Fredette and Bernstein, 2019; Vairavan and Zhang, 2020; Orazalin and Baydauletov, 2020; Bennouri, Chtioui, Nagati and Nekhili, 2018; Hassan, Marimuthu and Johl, 2017; Hong, 2015; Hogan and Huerta, 2019). However, existing studies have not provided conclusive evidence. To examine the impact of age, gender, culture, race, and ethnic diversity on firm performance, this review article provides a comprehensive review of research over the past two decades.

The classification of most researchers who choose narrow perspectives to define the concept argue that the concept of workforce diversity should be limited to specific cultural categories such as race and gender (Cross, Katz, Miller, & Seashore, 1994). Therefore, Esty, Griffin and Hirsch (1995) defined diversity in the
workplace as recognizing, understanding, accepting and appreciating people's differences in terms of age, class, race, ethnicity, gender, disability, etc. Some have argued that diversity based on race, ethnicity and gender cannot be understood in the same way as diversity based on organizational functions, skills or cognitive orientations (Nkomo, 1995).

Furthermore, according to Littrell, Billingsley, and Cross (1994), the main problems with diversity are those that result from prejudice against and exclusion of particular cultural groups from traditional organizations like the Nigeria Public Service. As such, if diversity is understood to encompass all people, then it could be exceedingly challenging to recognize discriminatory behaviors in a particular setting. This perspective's primary worry is that an expansive interpretation of the idea can imply that all individual distinctions are equivalent. As a result, diversity studies would ultimately come to the conclusion that everyone is unique. Should management science academics accept this conclusion, diversity may thus be reduced to "nothing more than a benign, meaningless concept" (Nkomo, 1995).

The difficulty with limiting the definition of diversity, however, is that research focuses only on one aspect of cultural variety at a time—race, age, ethnicity, or gender. A limited definition of diversity would be inadequate if it ignored the relationships between a cultural diversity factor and other aspects of diversity (Michaela, Deanne, Paul, & Janique, 2003). However, some scholars define diversity in the workplace more broadly, arguing that it includes all conceivable distinctions between individuals—not simply those based on language, religion, ethnicity, or culture (Jackson, May & Whitney, 1995). These experts contend that differences exist among people for reasons other than just race, gender, age, and other demographic characteristics. These differences also include differences in values, aptitudes, organizational roles, tenure, and personalities. They contended that a person possesses numerous identities and that an organizational environment cannot separate the various dimensions. Individuals bring not only their color, age, ethnicity, and gender to the workplace, but also their unique knowledge, personality, and cognitive style. Therefore, it is necessary to consider the interacting consequences of multidimensional diversity in order to comprehend the dynamics of a heterogeneous workforce.

L.REVIEW

The findings of earlier research on the effect of worker diversity on organizational performance are not entirely consistent. Further research into the relationship between diversity and performance is necessary to clarify the impact that workplace diversity has on organizational performance. The literature review appears in the next section of the study. The approach comes next, then the discussion and outcomes, and finally the conclusion and recommendation. Mahadeo, Soobaroyen, and Hanuman (2012) demonstrated that age diversity had a favorable impact on the return on assets of forty-two Mauritius organizations through the use of a cross-sectional archive. Research on 95 US S&P 500 businesses revealed that age diversity has a negative impact on corporate social performance (Hafsi & Turgut, 2013).
Similarly, Lu, Chen, Huang, & Chien (2015) found that age diversity gives rise to the effectiveness of the human resource system, which will acquire and develop the resources to have desirable behaviors that ultimately help to enhance an organization's performance. They did this using 93 German companies and 14,260 employees. In order to investigate the effects of age diversity in Belgium, De Meulenaere, Boone, and Buyl (2016) employed a panel data estimation technique and a sample of 5892 organizational observations. The study's findings indicated that age diversity improves a firm's performance if it is large and has high job security.

Backes-Gellner & Veen (2009), however, discovered that age diversity does not result in a drop in business productivity after conducting a study on 18,000 firms and two million employees. Additionally, it has a favorable effect on businesses in terms of innovation and creativity, which boosts business performance. Using data from 128 German enterprises, Kunze, Boehm, and Bruch (2011) demonstrated that age diversity contributed to the experimental firms' poor performance. Furthermore, Abdullah & Ku Ismail (2013) demonstrated how age diversity detracts from a company's performance using 100 non-financial Malaysian enterprises. Information from 422 companies that were listed on the Australian Securities Exchange between 2002 and 2005 was used by Ali, Kulik, and Metz (2009).

The results of the regression analysis showed a positive correlation between gender diversity and business performance. A corporation may benefit monetarily from an increase in gender diversity. A longitudinal study methodology was used by Ali, Kulik, and Metz (2011) to gather data from publicly traded manufacturing and service companies. The results showed that there is a positive linear association between gender diversity and business performance. Gender diversity and profits in US firms are positively correlated, according to Srinidhi, Gul, and Tsui's (2011) analysis of 2480 observations of US organizations.

Furthermore, Badal & Harter (2014) used data from more than 800 business units of two different organizations in the retail and hotel industries to find that gender diversity has a favorable impact on company performance at the business unit level. Nonetheless, Haslam, Ryan, Kulich, Trojanowski, & Atkins (2010) used panel data from 2001 to 2005 that was archived for the UK FTSE 100 companies and found that, in contrast to return on assets and return on earnings, gender diversity had a negative relationship with the market value of the selected businesses. Using data from 1200 Norwegian firms and panel data from 1989 to 2002, Bøhren & Strøm (2010) shown that there is a negative correlation between gender diversity and Tobin's Q, market return on the stock, and return on assets.

Brown (2002) demonstrated that more racial diversity was associated with improved organizational performance by analyzing data from 121 executive directors of nonprofit organizations in Los Angeles. In a study conducted in 45 US states, Richard, McMillan, Chadwick, and Dwyer (2003) shown that racial diversity improved the performance of the chosen banks that implemented an innovation approach. According to a 1998–2003 study by Roberson & Park, (2004), ethnic diversity improved the performance of 100 Fortune 500 organizations. Cunningham (2009) examined whether racial diversity had a favorable
impact on an organization's overall performance using Hierarchical Regression Analysis on data collected from 75 NCAA athletic departments.

Conversely, Roberson & Park (2007) proposed that business performance will decline beyond a certain point when ethnic minorities achieve a leadership position in 100 corporations from Fortune's list between 1998 and 2003. Additionally, Choi & Rainey (2010) used the 2004 Federal Human Capital Survey and the Central Personnel Data to find that diversity was inversely correlated with organizational performance. Using data from the NHS National Staff Survey, which included 142 hospitals in the UK, King, Dawson, West, Gilrane, Peddie, & Bastin (2011) found that ethnic diversity was positively associated with the courtesy felt by patients, which enhanced organizational performance.

An analysis of 100 non-financial Malaysian public companies' performance showed a strong positive correlation between the firms' success and their ethnic diversity (Marimuthu, 2008). However, ethnic diversity had a detrimental impact on the performance of the examined banks, per a study that surveyed 743 employees from 131 US banks and it suggests that the effectiveness of the unit and the members' work experience can be enhanced by avoiding issues associated with potential status discrepancies (Leslie, 2017).

**Research Methodology**

**Objective**
The study makes a modest attempt to analyze The Impact of Workforce Diversity on Sustainable Development.

**Data and Method**
Scope of study: The data is collected from Bhubaneswar based IT companies. Variable selection: After a systematic literature survey a list of workforce diversity components was prepared. The list of factors was drafted with the help of expert opinion (Delphi Method). As pilot survey the questionnaire was circulated among 30 respondents and their responses were recorded. The pilot survey passed both reliability and validity test.

Data Collection method: Early literature showed three prominently used method of collecting data on workforce Diversity. They are questionnaire method, interview method and case study approach. Mostly researchers in foreign countries have used interview method and case study approach to study work force Diversity. For substantiating the objective of the current paper, it was crucial to use quantitative technique. Direct approach was not suitable. Keeping time and money in mind, questionnaire method was adopted, without compromising the objective of the study

Sample size: 109 responses were analyzed with 57 male and 52 female respondents. The age group of the respondents falls between 20 to 40 years.
Data Analysis

Figure 1-The Leadership at this company encourages diversity.

66.7% of respondents strongly agree that management encourages diversity through its actions. However, 33.3% of respondents remained neutral in their opinion.

Figure 3-This company is committed to improving the diversity of employees.

Improving diversity in the workplace is beneficial for both the company and its employees. 66.7% of employees strongly agreed, 16.7% agreed, and 16.7% remained neutral.
This Company fosters a workplace that allows employees to be themselves at work without fear.

Majority of the respondents are of the opinion that their organization has given them autonomy but interestingly 1/3 of the respondents remained neutral.

This Company respects individuals and values their differences.

All most all the respondents are opined that their organization respect individuals and value their differences.

The leadership at this company treats all employees fairly.

All most all the respondents are opined that their organization treats all employees fairly.
Figure 7 - At this company employee appreciate others whose backgrounds, beliefs and experiences are different from their own.

50% employees are strongly agreed, 16.7% are agreed and 33.3% remained neutral about accepting others with different backgrounds, beliefs and experiences.

Figure 8- This Company takes active measures to seek a diverse candidate pool when hiring.

33.3 % respondents are equally strongly agreed, agreed and neutral towards the company taking active measures to seek a diverse candidate pool when hiring.

Figure 9- Employees of different backgrounds are encouraged to apply for higher positions

All employees are agreed that company motivates employee of different backgrounds to apply for higher positions.
42.9% respondents are strongly agreed and agreed where as 14.3% are remained neutral towards Employees of different backgrounds are treated fairly in the internal promotion process.

57% of respondents have developed more understanding towards differences among co-workers, 28.6% respondents have developed understanding where as 14.3% of respondents remained neutral.

28.6% respondents each are strongly agreed and agreed towards accepting others but 42.9% respondents are remained neutral.
All the employees strongly accepted that their company's policies or procedures encourage diversity, equity and inclusion.

Figure 14 - I am aware of and understand the procedures for reporting incidents of discrimination and/or bias in the workplace.

All the respondents are of opinion that they are aware about the procedures for reporting incidents of discrimination and/or bias in the workplace.

Figure 15 - I believe the company will take appropriate action in response to incidents of discrimination and/or bias.

71.4% respondents are strongly agreed, 14.3% respondents are agreed and 14.3% respondents are remained neutral towards the belief that the company will take appropriate action in response to incidents of discrimination and/or bias.
57.1% respondents are strongly agreed, 28.6% respondents are agreed and 14.3% respondents are remained neutral towards the company providing an environment for the free and open expression of ideas, opinions and beliefs.

Figure 17-Racial, ethnic, sexual and gender-based jokes or slurs are not tolerated at this organization.

57.1% respondents are strongly agreed, 28.6% respondents are agreed and 14.3% respondents are remained neutral towards the company not tolerating Racial, ethnic, sexual and gender-based jokes.

Figure 18- Employees of different ages are valued equally by this organization.

All the respondents are of opinion that employees of different ages are valued equally by the organization.

Figure 19-My supervisor is committed to, and supports, diversity, equity and inclusion.

All the respondents are of opinion that their supervisor is committed to and supports diversity, equity and inclusion.
66.7% respondents are strongly agreed, 16.7% each are agreed and remained neutral towards Company providing educational programs that promote diversity, equity and inclusion in our workplace.

Conclusion

Workforce diversity is a crucial aspect for any organization, as it brings together individuals from various backgrounds, experiences, and perspectives. This fosters a more innovative, creative, and adaptable environment, which can lead to better problem-solving, increased productivity, and improved decision-making. Moreover, promoting workforce diversity encourages a more inclusive and equitable workplace, which positively impacts employee satisfaction, retention, and overall organizational success. Embracing and valuing workforce diversity is essential for businesses to thrive in today's global and dynamic market.

References


