

## A COMPARATIVE STUDY OF WORKFORCE DIVERSITY IN SERVICE AND MANUFACTURING SECTORS IN INDIA

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### ABSTRACT

The workforce diversity mainly is to further the availability equal opportunities in the workplace in context to organizations in India. This 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. Diversity brings with it the heterogeneity that needs to be nurtured, cultivated and appreciated as means of increasing. This study reviews the definitions of diversity, diversity in organizations as well as various approaches by organizations towards diversity. This paper analyses & compares the different perspectives expressed by employees from service sector & manufacturing sector on Workforce diversity management & various diversity factors.

**KEYWORDS:** Workforce Diversity, Talent, Heterogeneity

### INTRODUCTION

Organizations differ in their ability to capitalize on the diverse characteristics of their workforce, the result in part of well-established, long-held attitudes and practices. Diversity encompasses any characteristic used to differentiate one person from others. The conception of diversity includes differences across gender, race, age, physical ability, sexual orientation, religion, skills, and tenure in the organization. This listing reflects major sources of contention over diverse characteristics in organizations today.

In a stage of growth, organizations comply, at best, with legal requirements regarding the composition of the workforce. Diversity may be addressed at a surface level, but the organization is not committed to the idea that diversity has advantages. The organization's routines and practices continue much as they always have. In a tolerance stage, diverse members of the organization are actively sought and included in the daily practices and routines of the organization, but the skills and talents of these members may not be fully utilized.

Work place diversity refers to the variety of differences between people in an organization. That sounds simple, but diversity encompasses race, gender, ethnic group, age, personality, cognitive style, tenure, organizational function, education, background, and more. Diversity involves not only how people perceive themselves but also how they perceive others. Those perceptions affect their interactions. For a wide assortment of employees to function effectively as an organization, human resource professionals need to deal effectively with issues such as communication, adaptability, and change.

Owing to the increasing workforce diversity which is mainly the result of the management's acknowledgement of the fact that diverse workforce results in innovative ideas and higher overall organizational efficiency, more and more organizations are seriously considering the diversity management techniques to maintain harmony among the workers.

On comparing workforce in the present with that of the past, we see a considerable demographic shift in terms of nationalities, ethnic background, socio-economic status etc.

Although the management of late has recognized the importance of diversity management, it has not been easy for them to implement. It calls for changing the organization so that it is acceptable to the diverse work force. Affecting a Diversity Management program is often accompanied by resentment from the dominating group because of their perception that the new policies will make the minority dominant and will not be supportive to their interests. Also, organizational change is in itself a complex task. In the context of workforce diversity, it involves creating an inclusive work environment that is aligned with a firm's mission and strategy. In this kind of work environment employee differences are respected. It should not be considered as a legal obligation. Rather it should be seen as machinery for increasing overall organizational productivity.

## **LITERATURE REVIEW**

### **Workforce Diversity Defined**

Broadly, defined diversity management as the systematic and planned commitment by the organisations to recruits, retain, reward and promote a heterogeneous mix of employees.

Theories and techniques of diversity management have been developed and enthusiastically supported by a growing number of chief executives, training specialists, diversity consultants and academics (Saji, 2004). Diversity can improve organisational effectiveness. Organisations that develop experience in and reputations for managing diversity will likely attract the best personnel (Carrel et al., 2000).

Diversity refers to the co-existence of employees from various socio-cultural backgrounds within the company. Diversity includes cultural factors such as race, gender, age, colour, physical ability, ethnicity, etc. The broader definition of diversity may include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status (Wentling and Palma- Rivas, 2000). Diversity requires a type of organizational culture in which each employee can pursue his or her career aspirations without being inhibited by gender, race, nationality, religion, or other factors that are irrelevant to performance (Bryan, 1999). Managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has an advantage or disadvantage (Torres and Bruxelles, 1992).

Researchers have suggested that diversity has enhanced performance by broadening the group's perspectives. There is a strong empirical confirmation that successful diversity management and a resulting improvement in organizational performance are positively correlated (Ozbilgin and Tatli, 2008). The creativity of teams that were homogeneous on a series of attitude measures was compared against teams with heterogeneous attitudes. Problem solution creativity was judged on originality and practicality. Results indicated that as long as the team members had similar ability levels, the heterogeneous teams were more creative than the homogeneous ones (Cox & Blake, 1991). The biggest driver for higher level diversity strategy is the need to tap the creative, cultural, and communicative skills of a variety of employees and to use those skills to improve company policies, products, and customer experiences. Diversity executives cite the importance of having an open mind because the job requires them to come out of their comfort zone and experience things that they may not be familiar with or drawn to (Rodriguez, 2006). A team that does not develop the connections among their members, which enable it to coordinate effectively, faces an uphill battle. However, when such

networks remain concentrated among homogeneous sets of individuals, the team fails to generate the learning that can only come from interaction among different individuals (Reagans & Zuckerman, 2001).

Organizations with a diverse workforce can provide superior services because they can better understand customers' needs (Wentling and Palma-Rivas, 2000). Hiring women, minorities, disabled, etc. will help organizations to tap these niche markets (Mueller, 1998) and diversified market segments (Fleury, 1999). As all the segments of society have a stake in the development and prosperity of society as a whole, creating and managing a diverse workforce should be seen as a social and moral imperative (Mueller, 1998). As the economies are shifting from manufacturing to service economies, diversity issues will gain importance because in a service economy effective interactions and communications between people are essential to business success (Wentling and Palma-Rivas, 2000).

Diversity will increase significantly in the coming years, and successful organizations recognize the need for immediate action and are ready and willing to spend resources on managing diversity in the workplace now. It is in this context that the present study was conducted to explore the diversity dimension in the Indian context with the study of manufacturing and service sector.

The organization should link concerns for diversity to human resource management decisions around recruitment, selection, placement, succession planning, performance management, and rewards (Cascio, 1998). The organization should create such a working environment as will increase the motivation, satisfaction, and commitment of diverse people. Performance standards must be clearly and objectively established, effectively communicated, and used on objective criteria without any bias. Identify desirable and undesirable behaviors that must be based upon performance feedback discussions involving a diverse workforce.

## **OBJECTIVE OF STUDY**

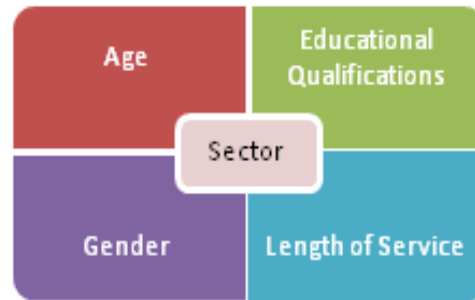
- To study the diverse workforce employability in service and manufacturing organizations.
- To understand the difference in the workforce diversity in service and manufacturing organizations.
- To find the impact of working on selected demographic factors.

## **RESEARCH METHODOLOGY**

The research is focused on the studies of service and manufacturing sectors. 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.

The research is done by taking interviews of 30 employees working in service and manufacturing sectors, on random sample collection. A questionnaire was filled by the respondents, giving their response to the related areas on diversity impact practiced in their organizations.

The findings and analysis is base on the demographic factors like age, gender, educational qualifications, tenure of service in the service and manufacturing sectors. The data collected is tabulated in Microsoft Excel and total and mean is calculated and used for the comparative study. A two way ANOVA is calculated to study if there are any variations in the responses to the questions across the manufacturing and service sector domains.

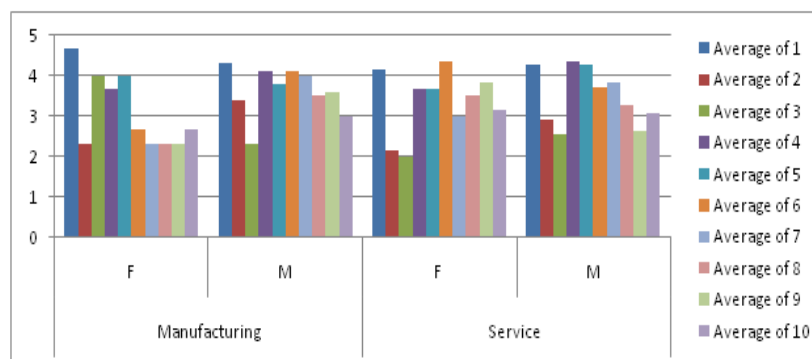


**Figure 1**

## FINDINGS AND ANALYSIS

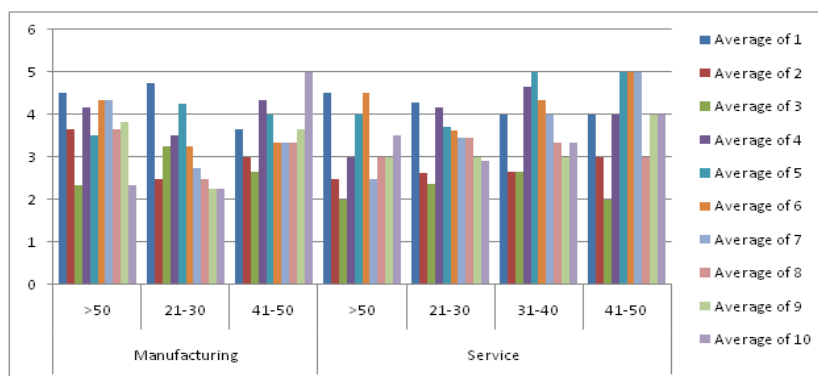
The questions stated below were asked in the questionnaire to the respondents from the service and manufacturing sectors.

- Does experience has influence on the work environment?
- Has your organization implement the diversity programs in the workplace?
- Have any of your co-workers mistreated you in the workplace?
- Does your organization employ a diverse range of people?
- Does your organization allow celebrating the holidays/ festivals, of various communities, etc
- Does your organization provide equal opportunities to all the employees?
- Does your organization treat all the employees equally?
- Does your organization recognise the one kind of skill / quality of the person?
- Is age as factor influence diversity in the workplace?
- Does your organization employ more female employees?
- The response to the questions by the workforce according to gender in the manufacturing and service sectors is shown graphically below through bar diagrams:



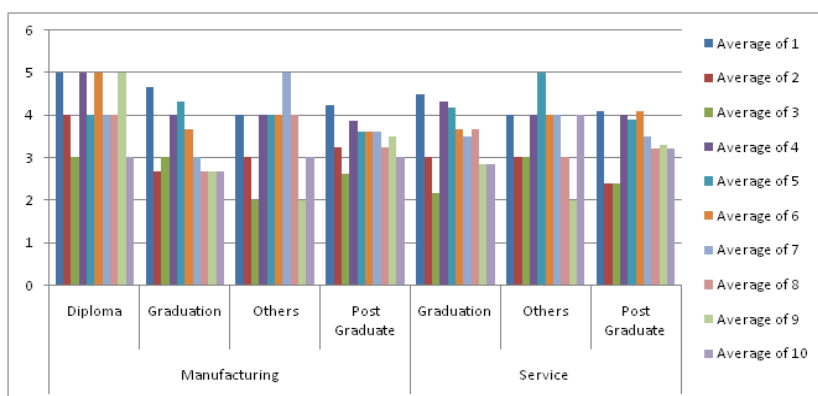
**Figure 2**

- The response to the questions by the workforce according to age in the manufacturing and service sectors is shown graphically below through bar diagrams:



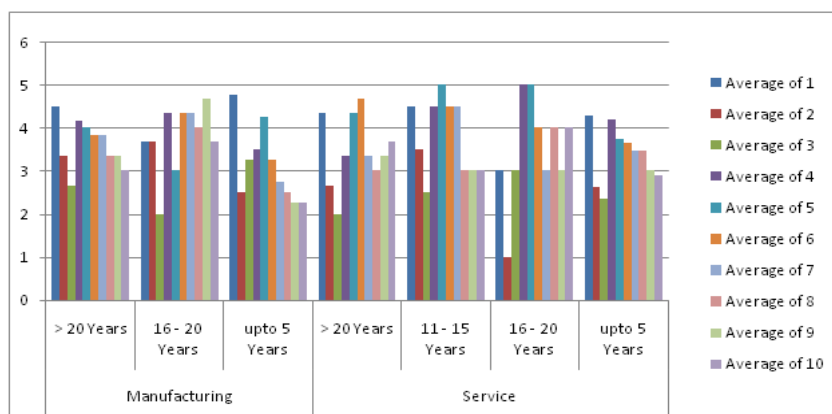
**Figure 3**

- The response to the questions by the workforce according to qualifications in the manufacturing and service sectors is shown graphically below through bar diagrams:



**Figure 4**

- The response to the questions by the workforce according to length and tenure of service in the manufacturing and service sectors is shown graphically below through bar diagrams:



**Figure 5**

**The ANOVA Table**

Two way analysis of the domain and the responses given to the questions by the sample in the manufacturing and service sectors

Table 1

	Q 1	Q 2	Q 3	Q 4	Q 5	Q 6	Q 7	Q 8	Q 9	Q 10	Domain Totals
Manufacturing	4.385	3.154	2.692	4.000	3.846	3.769	3.615	3.231	3.308	2.923	34.923
Service	4.235	2.647	2.353	4.118	4.059	3.941	3.529	3.353	3.059	3.118	34.412
<b>Qs Totals</b>	<b>8.620</b>	<b>5.801</b>	<b>5.045</b>	<b>8.118</b>	<b>7.905</b>	<b>7.710</b>	<b>7.145</b>	<b>6.584</b>	<b>6.367</b>	<b>6.041</b>	<b>69.335</b>

Correction Factor	240.366
Sum of Squares Between Questions	5.964
Sum of Squares Between Domains	0.013
<b>Total Sum of Squares</b>	<b>6.266</b>

Table 2

Sources of Variation	Sum of Squares	Degree of Freedom	Mean Squares	F-Ratio	F-Table @ 5%
Between Questions	5.964	9.000	0.663	20.603	3.179
Between Domains	0.013	1.000	0.013	2.460	5.117
Residual	0.289	9.000	0.032		
	<b>6.266</b>	<b>19.000</b>			

### Response to Questions is Varying Significantly and No Significant Difference in Response to Questions across Domains is Observed

The diverse workforce employability in service and manufacturing organizations is significantly there in both the sectors. The average responses show that the male and female respondents feel similar about the experience required in the workplace as the averages of the responses is all more than 4.2. The responses vary significantly to the diversity programs conducted by manufacturing sector than the service sectors. Male employees are more optimistic towards diversity in the service sector than in manufacturing.

The impact of working on selected demographic factors is as per the responses given it is seen that the average observations for equal opportunities, skill recognition, treatment of employees, age and gender employability is low in both the sectors. Organizations need to implement diversity programs in workplace especially in the service sectors more as they are directly responsible to the results due to direct interaction with the customers, as seen that experience matters major in case of service sector. The difference in the workforce diversity in service and manufacturing organizations is mainly due to experience, age and qualifications of employees. The employees feel responsible and committed working in these sectors as they gain experience.

### LIMITATIONS OF THE STUDY

There are some limitations inherent in the study. The sample size was small used for the study, the sample was a convenient sample among the professionals in service and manufacturing organizations in India. Thus, the sample may not be a truly representative sample, and the results of the study cannot be generalized across the entire industry. The limitations of the study suggest several prospects for further research. There is vast scope for further study of the factors affecting workplace diversity in service and manufacturing organizations, as well as other industries. Furthermore, diversity management practices can be compared between industries, and their impact on employee productivity and job satisfaction can be studied. There is also a vast scope for studies of perceptions of workplace diversity in different ethnic groups, religion-based groups, and marginalized groups.

## CONCLUSIONS

Diversity management intends to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an organization's strategic goals and objectives. Diversity management ensures that all employees have the opportunity to maximize their potential and enhance their self-development and their contribution to the organization. It recognizes that people from different backgrounds can bring fresh ideas and perceptions, which can make the way work is done more efficient and make products and services better. Managing diversity successfully will help organizations to nurture creativity and innovation and thereby to tap hidden capacity for growth and improved competitiveness. In this study of the service and manufacturing sectors we find that how the demographic factors like age, gender, educational qualifications, tenure of service in the service and manufacturing sectors effect the employees requirements of been monitored and equally given an opportunity to work.

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