

Role Of Diversity On Employee Engagement And Productivity

Milind Malik

Symbiosis Institute of Management Studies, Pune

ABSTRACT

As the geographic and demographic composition of companies in India shifts rapidly, organizations are shooting with methods to manage and capitalize on diversity in their workspace. The definition of diversity in India is not very holistic when it comes to on-ground consideration and implementation in organizations, only a minority know what constitutes diversity, for the majority it is still just related to gender equality and ethnicities. There are many more attributes and factors that constitute diversity, including, education background, culture, sexual orientation, equal pay, fair pay, open communication, nationality, age, etc.

Upon reading numerous papers, what stood out was the lack of study done in India, and organizations functioning in India. There are papers which prove a relationship between employee engagement, performance, productivity, innovation with cultural diversity, and using this previous literature and a questionnaire, this study aims to throw some light on the role of diversity on employee engagement and productivity.

The responses from the individuals have been used as fillers to fill the gaps from prior studies and to reach some conclusion. The questionnaire tries to see how employee engagement is related to performance and diversity. The results show that there is a strong dependence on performance over diversity, i.e. higher the diversity in an organization, higher is the employee engagement and higher is the productivity and performance.

Keywords

Diversity, foresight, future analysis, cultural diversity, performance, India, innovation, productivity, employee engagement, role of cultural diversity, role of diversity

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Introduction

Diversity is the differences and similarities amongst individuals with respect to: Age, Religion, Culture/Ethnicity, Nationality, Gender, Sexual Orientations, Disability, Veteran Status, Language, Different attitude and perception, Socio Economic Class etc.

In the present scenario, organizations employ individuals or groups of individuals on contractual bases on the experience they have and/or the skill set they possess, regardless of the diversity background they have. Human resource is the most important form of resource an organization can have, and one should treat it as human capital.

Maintaining a diverse employee base is important as it is a reflection of the society and helps human interaction and engagement and hence the sync between different cultures, age, geographies, mindsets and experience is what gives an organization the edge it requires in a competitive market to excel. The more diverse ways of tackling a problem are brought to the table, the more chances are that the problem is solved, and more importantly in the most efficient way possible.

Generations and vastly different mindsets go hand in hand, and the transfer of knowledge and experience from one generation to another is absolutely crucial, it is now common to see the millennials teaching the gen X about implementation of current technologies.

Literature Review

Diversity Driving Performance and Employee Engagement: Diversity can be interpreted in many ways, some say that it's an issue of fairness, while others argue that it's a driver of performance and at the base of it all to some extent covers employee engagement.

To contemplate further, the author conducted a study, to under the relationship between the aspects pertaining to cultural diversity and managerial-style diversity and the presence of conditions that enable such as support from leadership for the diversity and other innovation-based outcomes (Rocio Lorenzo, Martin Reeves, 2018).

Approximately, 1,600 companies across the US, France, Germany etc. (i.e. 8 countries) and a vast variety of industries and company size, were surveyed. Measurements included parameters such as:

Age, Gender, Nationality, Origin, Career Path, Industry Background, Education.

The correlation was examined both individually and cumulatively, with the % of revenues coming from sales as a proxy for innovation impact from the past 3 years.

Therefore, the author concluded that there was a significant statistical relationship between diversity and innovation in all the selected countries. They noted that the more dimensions of defined diversity they included the stronger the relationship was found to be, even though the patterns of diversity and in-org performance were very different across all cultural ethnicities and countries.

The final conclusions gave the result that the most diverse companies were in-fact the most innovative, this was done by measuring the freshness of the mix of revenue.

Other conditions that enabled related to diversity, included:

- Fair practices like, fair pay
- Leadership participation
- Support from managers for diversity and cultural diversity

- Open-communication practices

Furthermore, they also noted that less than 40% of the firms were taking care and implementing the above, and to no one's surprise the organisations that practised these attributes of diversity had a much better diversity score, and

as a result of this they were better at innovation and performance at a whole.

This strongly suggests “diversity” represents a “tangible missed opportunity” and a significant potential, for most organisations. Furthermore, globalisation and technology are drivers of performance, and their impact was also mapped. They found that diversity impact was the highest for companies that had a relatively high emphasis on digital innovation. The measures used to calculate this result were: digital expenses as a percentage of op expenses. This is not at all surprising given the fact that there is a low internet penetration and degree of maturity of digital technology.

The relationship between the two attributes were major in all the countries, although the vivid-picture painted was drastically different in each scenario.

Case 1: “Educational diversity” for example was noticeably less in Germany compared to India.

This could probably be due to higher education levels overall. They emphasised on dimensions like age and gender in developed countries v/s more acquired dimensions like: which industry and educational-background for developing countries,

Case 2: Terms of “impact”: vast diversity of national backgrounds for developed countries v/s diversity of industrial backgrounds in developing countries.

They concluded that although stereotypically diversity is depicted as a normative concept, diversity as a whole can drive innovation and performance in different countries. (Rocio Lorenzo, Martin Reeves, 2018)

The employee engagement has numerous evolutions over the most recent three decades and is comprehended as an extremely imminent and substantial build for its positive representative achievement and association achievement (Bhuwaneshwari P., 2003). Responsibility is both a disposition and an arrangement of practices that can decrease turnover, bring down truancy, and increment profitability (Jernigan, Beggs, and Kohut, 2002). Those representatives who are most dedicated perform 20% better and are 87% more averse to leave the association— showing the criticalness of engagement to authoritative execution (Council. 2004). Among the main 25 drivers of worker engagement recognized by the Council, the most imperative driver is an association between a representative's activity and authoritative technique (Council. 2004)

Employee engagement is characterized as an uplifting state of mind that the representative holds towards the association and association esteems relying upon the level of help they get from the association. (Robinson, Perryman and Hayday, 2004)

Engagement is a mind boggling idea about a representative's sense of duty regarding something/somebody in the association and about how much they function and to what extent they remain because of that dedication. Cognitive is one of the three sorts of engagement which partners representatives with convictions about the company, its pioneers and the work environment culture (Aon Hewitt, 2017)

The emotional engagement relates on how workers feel about the firm and their associates. Intellectual prowess, additional time and vitality. The drivers of employee engagement recognized were administrator representative relationship, working environment culture, hierarchical

correspondence, 8 organization notoriety, access to preparing and vocation openings, strengthening to settle on choices and work-life adjust (Lockwood, 2007).

Noticeable distinction between people matured in their 20s and people in their 40s is their set of values (Stauffer, 1997). The contemporary workforce can be segregated into three divergent groups. There are the:

- Baby Boomers, X Generation (Xers) and
- Y Generation (Dot com age) (Yu. H.C., 2005)
- Gen Z

Xers have a tendency to be more self-directed, self-spurred and independent. Baby Boomers have a tendency to be more determined at “work” and are inclined toward a steadier workplace (Loomis, 2000).

Generational shift is assuming a noteworthy part in moulding the eventual fate of the working environment (Donna Suk., 2005). Tulgan (2004) directed that by 2006, for every two primogenital workers leaving the workforce, one fresh employee joins. The ensuing generation is becoming the mature personnel with 10,000 turning 55 years of age every day, thereby leaving the two fledgling associates (Generations X and Y) to overwhelm the prime-age workforce (Tulgan, 2004). Tulgan (2004) anticipated that Generations X and Y labourers will change the work environment and free it from the customary profession way, out-dated supervisory strategies, obsolete standards, and inadequate work designs. The most widely recognized components that drive youthful learning specialists to leave for another activity are: all the more difficult work, better area, better working association with their administrators, and higher compensation (Bova and Kroth, 2001; Horwitz, Chan, and Quazi, 2003).

Research Methodology

The research will be carried out with the help of a questionnaire. The nature of the study is an analytical approach. The methodological review of the paper is a framework of the methods employed so as to find out the impact of diversity on Employee Engagement in an organization.

A well-defined synchronization was made between qualitative and quantitative approaches.

- First method was a qualitative approach wherein various research papers and secondary data was collected and studied in regard to the relevance of the topic.

- Secondly, a questionnaire was prepared which collected the primary data responses to fill in the gaps and back up the secondary data found, the questionnaire had 100 responses which is the sample set for the study.

Further gaps were filled by telephonic conversations and personal interviews.

Sample Characters: The respondents are individuals that have work experience and are spread across all industries, including the public sector

Tools Used: Microsoft Excel, Google Forms

Sample Size: 100

Geographies – Pan India

Basic Demographics:

Age(frequency/percentage):

[18- 25 = 48], [26- 30 = 30]

[31- 35 = 8], [36- 40 = 2]

[41- 50 = 5], [Above 50 = 7]

Marital Status:

- Married = 29
- Unmarried = 71

Qualification:

- Post Graduate = 56
- Graduate = 42
- None of the above = 2

Data Analysis And Interpretation

The above distribution is from individuals who have work experience, freshers were excluded from this study as their views about diversity in an organisation would be second hand. The following attributes would help us determine the impact of employee engagement on performance in their organisation

The majority chunk of individuals lie in the age group of 18 to 35, which is the prime working years in any organisation

The CTC brackets are as follows:

- Below 3,00,000 – Pre/Post Graduation
 - 3,00,000 to 5,00,000 – Basic Freshers salary after Graduation
 - 5,00,000 to 10,00,000 – Basic Freshers salary after work ex. or post-graduation
 - 10,00,000 to 20,00,000 – Salary for an individual working professionally for a considerable amount of time
 - Above 20,00,000 - Salary for an individual working professionally for a considerable amount of time
- The average annual CTC varies for an individual in the public sector and the private sector, and furthermore, to help ease of study and analysis the above CTC brackets have been considered.

Figure SEQ Figure * ARABIC1: Annual Salary

The above figure shows the annual CTC the individuals of the study have, and we can see that the majority is 5,00,000 to 10,00,000.

21 individuals in the age group of 18-25 have a CTC of 5,00,000 to 10,00,000, which is the majority out of the 37 who have the same CTC bracket, which might show that the year on year CTC has increased in India.

Out of these 21, 15 have Postgraduate Degrees.

29.3% people say that their company does not have a diversity and inclusion statement, whereas, a majority of 44.4% say that they do, followed by a sizable chunk of 26.3% who say that the organisation may or may not have one.

96% feel accepted, comfortable and safe within their organisation, whereas the remaining 4% of the individuals also say that their organisation does not have a Diversity and Inclusion statement, furthermore they say that diverse identities, ideas and ways of thinking and working are not valued in their organisation.

We can see a relationship between the organisations which are considerate towards diversity at work places v/s the organisations which are not.

The very same organisations don't even have sensitization during orientation regarding Gender Identity and Sexual Orientations, which stereotypically are the bases of Cultural Diversity or Diversity as a whole in India. Although, even with the organisational shortcomings the individuals feel that a diverse team composition helps perform better in projects.

51% of the individuals believe that diverse identities, ideas and ways of thinking and working are valued in their organisation and apart from 0.5% of this 51% all of them also feel that a diverse team composition helps perform better in projects. 46% have taken a Neutral stance whereas 3% disagree

84% believe that their organisation's workforce reflects the diversity of the community, 83% of which feel accepted, comfortable and safe within the organisation. This in turn shows that diversity as understood to countries except India cannot be used to analyse the situation in India.

3 out of 4 individuals who didn't feel comfortable and accepted in their organisations feel that their organisation's workforce does not reflect the diversity of the community.

88% individuals feel that their organisation has a clear definition of what is considered a respectful workplace, whereas 29.3% from the same say that their organisation does not have a diversity and inclusion statement.

59% of the respondents say that their company regularly evaluates its physical plants/operations for disability access, which is one of the major factors of diversity according to the respondents in India.

The remaining 41% including individuals from the public sector say that their organisation does not evaluate its physical plant(s)/ operations for disability access.

8% feel that their organisation does not promote diversity through its recruitment practices, furthermore say that their company doesn't use images depicting a diverse population for organisational advertisements, nor do their organisations D&I policy include gender identity or sexual orientation.

Similarly, 10% feel that their organisation does not promote diversity through IJPs.

One of the factors that keeps the individuals engaged in an organisation is the fact that others think well of their organisation and this factor is proved by the below statistics:

67% of the individuals say that their organisation uses images depicting a diverse population in the office for advertisements, and through telephonic interviews it was found that they like to see their organisations being advertised in a pro diversity light and that it keeps them motivated to their work in the organisation.

59% say that their company's diversity/inclusion policy includes sexual orientation

The statistics show that organisations in India till date consider only ethnicity and gender as the main constituent in diversity. The organisations are still new to the holistic definition of Diversity.

56% of the individuals say that they have someone in their organisation who manages D&I.

Whereas, 44% do not.

Philanthropic activities and spendings also help employees get motivated and stay engaged, from our study we see that 68% companies actually map their spendings whereas, 32% do not.

A whopping 91% individuals strongly believe that a diverse team composition helps perform better in projects

67% say that their company's D&I policy includes gender identity, which could either mean that the companies are not documenting and lack integration or the employees or internal customers and stake holders lack awareness.

Finally, after the gap analysis and asking the questions pertaining to India majorly, we see that individuals feel that a diverse workforce does help increase productivity, which is in line with the literature reviewed.

Conclusion

Awareness about diversity in India is progressing, and organizations are finally realizing the importance of having a diverse workforce. The public sector may not have a statement for a sensitization during orientation, or an orientation period at all, but they do know the importance of diversity, take the Indian Armed forces for example, after telephonically and personally speaking with a few officers from the Indian Army and Indian Navy, they confirm that each and every task is done more efficiently because of the cultural diversity in the force.

The private sector on the other side, in India, has started to appreciate the different positives a diverse team brings to the table. Individuals in the study and otherwise agree to the fact that there is a high relation between diversity and performance, higher the diversity in the team and in turn the organization, higher is the employee engagement as people interaction increases, and transfer of knowledge takes place, and hence higher is the productivity and performance of the employees. Different generations have a different way of absorbing and assimilating information, and hence this sync of experience from the older generation

Implications

The private sector on the other side, in India, has started to appreciate the different positives a diverse team brings to the table. Individuals in the study and otherwise agree to the fact that there is a high relation between diversity and performance, higher the diversity in the team and in turn the organization, higher is the employee engagement as people interaction increases, and transfer of knowledge takes place, and hence higher is the productivity and performance of the employees.

This study can be used as a base for future studies, and entrepreneurs and already established companies can use this to improve productivity and employee engagement.

Limitations, Future Scope

There is some scope for further research on this topic, considering that we only limited our study to only 100 individuals and took limited parameters.

Innovation could also be a parameter which can be checked to measure employment engagement. One could study the role of diversity on employee engagement on innovation, and further study the impact on employee turnover and retention.

Since the study has taken individuals based on ease of access and convenience, a larger sample can be taken based on age and geographies. Different age groups portray different mindsets and different geographies may have different priorities in focus when it comes to employees

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