

## A Study of Barriers in Managing Workforce Diversity

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**Abstract:** *A diverse workforce is a reflection of a changing world and marketplace. It is a process of creating greater wealth through increased creativity and productivity. Diversity is about all of the various differences each person brings to the workplace or customer base. Considering today's competitive & globalized world, the research study was conducted with the objectives of, Evaluating the barriers for the proper diversity management based on the outcome of the survey & Suggesting innovative solutions to overcome the challenges identified, in the following organizations:*

*Ranbaxy Laboratories*

*Vardhman Mills Ltd*

*Shiva Tex Fab for various organizational levels. With the help of a structured questionnaire focusing on the following **Five** key areas: Humane or Psychological Barriers, Workforce Demographics Barriers, Training & Development Barriers, Leadership Development Barriers & Organizational Cultural Barriers. Potential barriers were identified, also Chi-square testing showed that the male & female population are independent with respect to the above mentioned parameters and a **respective Scorecard** was formulated that laid down the objectives, measures and the initiatives which can be measured from time to time to review the success of the initiatives taken.*

## Introduction

“Workplace diversity can be defined as the set of individual, group, and cultural differences people bring to the organization”.

**Meaning: On the surface**, people differ in their demographics, such as gender, race, age, disability status, and appearance. In addition to surface-level differences, people bring different sets of abilities, skills, qualifications and achievements, which they can choose to, contribute to the organization fully or less so. **At the deepest level**, which is often difficult to perceive without regular interaction over a period of time, are the differences people bring in terms of values, beliefs, cultures, and cognitive and behavioral styles. **From the Modern perspective**, Diversity can be understood as **the varied perspectives and approaches to work** that members of different identity groups bring. Women, immigrants, aged population; these groups bring different, important, and competitively relevant knowledge and perspectives about how to actually **do work**. Managing workplace diversity is one of thorniest challenges for HR managers in India today. **Sources of Diversity in the workplace:** Age, gender, race, ethnicity, religion, sexual orientation, socioeconomic background

& capabilities/ disabilities. The **impact of diverse workforce** can manifest itself by generating new ideas, improving firm’s growth, hiring valuable human resources & enhancing firm’s image.

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## Review of Literature

- **Konrad (2003)** has stated **three** primary arguments in the business case for diversity: **First**, Competition for the best talent requires organizations to reach out and embrace an increasingly diverse labor pool. **Second**, a global economy requires that organizations have a diverse workforce so that they can effectively deal with an increasingly diverse customer base. A **third** argument is that demographic diversity unleashes creativity, innovation, and improved group problem solving, which in turn enhances the competitiveness of the organization. **Tajfel & Turner**,

**1986:** A substantial body of literature has demonstrated that social identities are so important to people that they will work to enhance the status of the social groups to which they belong in order to maintain a positive self image. **Jackson, Brett, Sessa, Cooper, Julin, & Peyronnin, 1991;** Retention can become a problem in diverse workplaces, and research has shown that

workgroup members who are demographically different from most of their coworkers are more likely to feel disconnected to the group and to leave. **Fitzgerald, Drasgow, Hulin, Gelfand, & Magley, 1997:** A study of 459 women working for a public utility linked experiences of sexual harassment with reduced job satisfaction, reduced life satisfaction, increased mental health distress, and even post-traumatic stress disorder. **Loughlin & Barling, 2001, Kyles, 2005; Yang & Guy, 2006:** The aging of the workforce in industrialized countries means that workers are likely to remain actively

involved in the labor force for a longer time period. As a result, it is becoming more common for two and three generations of people to work together in the same organization. As such, workers must interact across generational differences in beliefs, attitudes, values, and behavioral style. **Ramsey, 2004:** Immigrants can provide value-added to the workplace because they are often highly motivated, eager to learn, and able to provide a host of new ideas and new ways of doing things. **Crossan & Olivera, 2006:** Business trends toward globalization mean that business activities span countries and continents, so that workers find themselves engaging with their counterparts from other cultures in other parts of the world. In addition, the development of international cross-enterprise relationships such as joint ventures, strategic business alliances, partnerships, and organizational networks means that workers often interact quite closely with global partners.

### Method

Initially reviewing the past literature on Workforce Diversity Management, helped to get a clear perspective on the topic. The objectives of the study were set up and the research methodology determined. The structured questionnaire was printed and distributed to the employees of the three organizations. The collected data was summarized and organized in such a manner that it answers the research questions. The data analysis was done on excel to derive relevant information from the data collected. Data was interpreted and inferences were drawn and transformed into meaningful information to help management to get a vivid picture and to make accurate decisions therefore. This is a descriptive type of study. The broad purpose of descriptive research is to study the present problems and to suggest some solutions to these problems.

### Research Objectives

- To evaluate the barriers for the effective diversity management
- The **second objective** of the study was to suggest innovative ways of overcoming barriers of diversity management

### Research Design

- **Data source:** Data collected was primary as it was collected through filling in of questionnaires by the employees.

**Research Instrument:** Structured questionnaire. **Likert Scale**, a five point scale is used in the questionnaire administered for the studies ranging from strongly disagree to strongly agree,

- **Research Approach:** survey
- **Target Universe:** Ranbaxy Laboratories Ltd, Mohali Division, Vardhman mills & Shiva Tex Feb
- **Target Population:** Employees at the Management, Executive & officers level. The sample count of **100** was taken for the analysis which included **64 men** and **36 women**.

### Analysis

Frequency distribution & bar diagrams were used to present the general results of the study. Chi square testing was employed to confirm the major parameters defining the whole questionnaire.

## Results

### **Humane or Psychological Barriers:**

Most of the respondents are in the favor of the statement as 70% (agreeing) and 15% (strongly agreeing) that they develop good working relationships with culturally & demographically similar people. In response to the statement the respondents seem to be divided as 46% of respondents disagree that Deep level Similarities can overcome surface level similarities as against 43% who agree, indicating humane or psychological factors act as one of the barrier. Most of the respondents were in the favor of the statement as 58% (agreeing) and 21% (strongly agreeing) that company of members of in group enhances productivity the company of the members of the out group.

**Workforce Demographics:** With 87% of the respondents feeling that Recruitment is based on Experience & skills of a person & not on ethnicity whereas 13 % respondents feel that recruitment is done on the bases of ethnicity. **While** 61% respondents agreeing & 29% strongly agreeing that key positions Hiring for key positions often involves tapping the networks of internal organizational members/employees.

**Training & Development:** 62% of the respondents seem to be satisfied with the existing performance appraisal system. Most of the respondents are in the favor of the statement as 62% (agreeing) and 19% (strongly agreeing) that if training programs are designed at managing workforce diversity, productivity can be enhanced.

**Leadership development:** 50% males and 80% females believe that Mentoring reduces diversity gaps. Analysis shows that the respondents the age groups of 25-34 agree that mentoring programs help reduce diversity gaps. 85% of the respondents think that employees are promoted based in skills and not on ethnicity & experience in the field. Around 84% of male employees think that women get equal opportunities.

- 86% of female employees think that Equal Promotion opportunities to both men & women help better manage diversity scenario

**Organizational Culture:** 74% of respondents agreeing the workforce diversity can be fully utilized by inculcating flexibility to change in the systems of organization. 65% of the respondents feel that employee recognition programs provide employees the right motivation to work & grow. 83% of the respondents feel

that when employees accept Diversity as their core value of the organization, it helps them to function effectively. 82% of the respondents are in the favor that older employees can be an asset to the organization as they have the experience that when transferred to younger employees help in increasing their productivity. 88% of the respondents feel that Equal employment opportunity policy of the organization has helped create good image of the organization in the society. 70% of the employees feel satisfied to work with the people of different Ethnicity as it helps in generating new ideas.

Confirmatory *Chi-square test of independence* showed that males and females are independent with respect to the following five barriers:

- Humane or psychological
- Workforce Demographics
- Training & Development
- Leadership Development
- Organizational culture

#### Discussions:

- Considering the **Humane or Psychological barrier**, Overcoming intergroup competition and stereotyping requires individuals to go through a long-term social

identity development process, which would mean developing a friendship with an out-group member.

#### Workforce Demographics Barrier:

Organizations that build a more diverse feeder pool- by supporting training programs in the local schools and/or creating a set of internships for high school and university students & also at the time of selection use a diverse team to interview job candidates and ensure that a structured interview technique is used so that all candidates are asked the same set of questions.

- **Training & Development:** To overcome training & development barriers, employees feel that Organizations can institute high potential programs, which involve identifying people with the ability to rise at least two levels in the hierarchy and connecting them with training, mentoring, and development opportunities to help them move up. Ensuring that each cohort of high potential employees includes at least some individuals who are not members of the dominant majority builds an internal feeder pool for creating a

diverse top management team  
in the future.

**Leadership Development:** leadership development barrier can be easily overcome by Mentoring programs, Trainings to make leaders aware of the significance of diversity management and various implementation strategies. **Also** Feedbacks and measurements to improve the approach of the leader to handle diversity aspects.

- **Organizational Culture:**  
Organizations that take allegations of harassment seriously and impose meaningful sanctions on the perpetrators reduce both the incidence of harassment and the negative consequences resulting from harassment. Human resource practices and systems must be modified to create a steady flow of diverse candidates through the organization's career system by focusing on the three principles of:
  - 1) Hiring the best,
  - 2) Knowing that talent is equally distributed among all demographic groups,
  - 3) Valuing the unique qualities and skills a diverse group brings to the organization to tackle this barrier.

### Statistical Test

For the purpose of research study, **chi-square test for Independence** was performed.

1. Hypothesis tested for the Parameter, '**Humane or Psychological barriers**' was as follows:

**Null Hypothesis:** Males and females are independent with respect to the Humane or Psychological barriers.

**Alternate Hypothesis:** Males and females are dependent with respect to the Humane or Psychological barriers.

#### **Contingency Table:**

Responses	Female(Actual)	Male(Actual)	Total
Strongly Disagree	3	4	7
Disagree	25	53	78
Neither agree nor disagree	3	5	8
Agree	53	108	161
Strongly Agree	14	22	36
	98	192	290

#### **Expectancy table:**

Responses	Female(Expected)	Male(Expected)	Total
Strongly Disagree	2.3655172	4.6344	6.999
Disagree	26.35	51.64	77.99
Neither agree nor disagree	2.73	5.29	8.02
Agree	54.4	106.59	160.99
Strongly Agree	12.165	23.8344	35.999
	98.01	191.988	290

**Result:** The  $c^2$  statistic for the data above is **0.927799066** with 4 degrees of freedom and is less than the critical value (9.488). Therefore we accept the null hypothesis that Males and females are independent with respect to the **Humane or Psychological barriers**.

2. Hypothesis tested for the Parameter, '**Workforce Demographic barriers**' was as follows:

**Null Hypothesis:** Males and Females are independent with respect to the Workforce Demographic barriers.

**Alternate Hypothesis:** Males and females are dependent with respect to the Workforce Demographics barriers

**Contingency Table:**

Responses	Female (Actual)	Male (Actual)	Total
Strongly Disagree	0	0	0
Disagree	7	13	20
Neither agree nor disagree	3	0	3
Agree	45	76	121
Strongly Agree	17	39	56
	72	128	200

**Expectancy Table:**

Responses	Female (Expected)	Male(Expected)	Total
Disagree	7.2	12.8	20
Neither agree nor disagree	1.08	1.92	3
Agree	43.56	77.44	121
Strongly Agree	20.16	35.84	56
	72	128	200

**Result:** The  $\chi^2$  statistic for the data above is **0.102708738** with 3 degrees of freedom and is less than the critical value (7.851). Therefore we accept the null hypothesis that Males and females are independent with respect to the **Workforce Demographics barriers**.

3. Hypothesis tested for the Parameter, 'Training & Development barriers' was as follows:

**Null Hypothesis:** Males and females are independent with respect to the Training & Development barriers.

**Alternate Hypothesis:** Males and Females are dependent with respect to the Training & Development barriers.

**Contingency Table:**

Responses	Female (Actual)	Male(Actual)	Total
Strongly Disagree	2	2	4
Disagree	15	27	42
Neither agree nor disagree	7	2	9
Agree	43	81	124
Strongly Agree	5	16	21
	72	128	200

**Expectancy Table:**

Responses	Female (Expected)	Male ( Expected)	Total	
Strongly Disagree	1.44	2.56	4	
Disagree	15.12	26.88	42	
Neither agree nor disagree	3.24	5.76	9	
Agree	44.64	79.36	124	
Strongly Agree	7.56	13.44	21	
	72	128	200	

**Result:** The  $\chi^2$  statistic for the data above is **0.071671428** with 4 degrees of freedom and is less than the critical value (9.488). Therefore we accept the null hypothesis that Males and females are independent with respect to the Training & Development barriers.

4. Hypothesis tested for the Parameter, '**Leadership Development barriers**' was as follows:

**Null Hypothesis:** Males and females are independent with respect to the Leadership Development barriers.

**Alternate Hypothesis:** Males and females are dependent with respect to the Leadership Development barriers.

**Contingency Table:**

	Female(Actual)	Male(Actual)	Total	
Strongly Disagree	0	19	19	
Disagree	8	18	26	
Neither agree nor disagree	1	111	112	
Agree	92	32	124	
Strongly agree	3	12	15	
	104	192	296	

**Expectancy Table:**

Responses	Female(Expected)	Male(Expected)	Total	
Strongly Disagree	6.67	12.32	18.99	
Disagree	9.135	16.86	25.99	
Neither agree nor disagree	39.35	72.64	111.99	
Agree	43.56	80.43	123.99	
Strongly agree	5.27	9.729	14.99	
	103.95	191.979	296	

**Result:** The  $c^2$  statistic for the data above is **5.42745** with 4 degrees of freedom and is less than the critical value (9.488). Therefore we accept the null hypothesis that Men and women are independent with respect to the **Leadership Development barriers**.

5. Hypothesis tested for the Parameter, '**Organizational culture**' was as follows:

**Null Hypothesis:** Males and females are independent with respect to the Organizational culture.

**Alternate Hypothesis:** Males and females are dependent with respect to the Organizational culture.

**Contingency Table:**

Actual Observations Table			
Responses	Female(Actual)	Male(Actual)	Total
Strongly Disagree	20	0	20
Disagree	36	25	61
Neither agree nor Disagree	135	27	162
Agree	25	297	322
Strongly Agree	0	35	35
	216	384	600

Expectancy Table			
Responses	Female(Expected)	Male(Expected)	Total
Strongly Disagree		7.2	12.8
Disagree		21.96	39.04
Neither agree nor disagree		103.68	103.68
Agree		115.92	206.08
Strongly Agree		12.6	22.4
		261.36	384
			645.36

**Result:** The  $c^2$  statistic for the above data is 3.081 with 4 degrees of freedom and is less than the critical value (9.488) , therefore we fail to reject the null hypothesis i.e. Males and females are independent with respect to the Organizational culture.

## Conclusion

- The survey has been done with the full cooperation of the employees and the management. It has revealed the areas of improvement which the organization needs to cater. From the earlier studies and with the help of barriers in managing workforce diversity survey, it can be concluded that the first objective of evaluating the barriers for the proper diversity management based on the outcome of the survey with most of the employees agreeing that there are potential barriers in managing workforce diversity ba & quantitative analysis has been done thereby identifying the barriers in the following **five key areas** from the organization perspective:
  - Humane or Psychological Barriers
  - Workforce Demographics Barriers
  - Training & Development Barriers
  - Leadership Development Barriers
  - Organizational Cultural Barriers

Also, by the means of **Chi-square testing** it has been proved that:

- Males and females are independent with respect to the **Humane or Psychological barriers**.
- Males and females are independent with respect to the **Workforce Demographics barriers**.
- Males and females are independent with respect to the **Training & Development barriers**.
- Males and females are independent with respect to the **Leadership Development barriers**.
- Males and females are independent with respect to the **Organizational culture barriers**.

The **second objective** of the study was to suggest innovative ways of overcoming the barriers which has been done with the help of **Scorecard Formulation** which can be further measured & evaluated from time to time to review the success of the suggested initiatives.

Thus, organizations should ensure that the current employees have understood the management's plan to create a diverse workforce and linking to business goals. This

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involves having training programs, a recruitment strategy, and building a cadre of diversity aware managers who are over and above the “**Barriers in managing the diverse workforce**”

Finally, creating a diverse workforce takes time and even longer to reap the benefits. The Management and leaders must not lose focus and interest in creating a diverse workforce – due to the lack of immediate returns.

### **Limitation**

*Bias Response:* there may be errors due to bias response by the respondents.

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**Annexure****Barriers in Managing workforce diversity: Questionnaire**

Name:

Designation:

Age:

Sex:

Objective:

- This is sent to you as a part of my MBA dissertation project which I am undertaking in this organization on the topic '**Barriers in Managing workforce diversity**' from Human Resource perspective.
- From the organizational point of view this questionnaire is a part of development exercise to know what all factors act as barriers in effectively managing the diverse workforce & various ways through which diverse workforce can be leveraged to improve organizational effectiveness.

Please rate the statements using the Likert Scale:

Strongly Disagree	1
Disagree	2
Neither agree nor disagree	3
Agree	4
Strongly agree	5

**Meaning:**

Q1. A multicultural organization means offering a welcoming and inclusive environment to members of all demographic and cultural groups.

1                    2                    3                    4                    5

**Humane or Psychological Barriers:**

Q2 .Culturally and demographically similar groups develop good working relationships more quickly than dissimilar heterogeneous groups.

1                    2                    3                    4                    5

Q3. Similarities (in terms of values, beliefs, cultures, and cognitive and Behavioral styles) can overcome surface- level differences (such as gender, race, age, disability status, and appearance.)

1                    2                    3                    4                    5

Q4. Company of members of the in- group enhances the productivity more than company of members of out-group.

1                    2                    3                    4                    5

**Organizational Barriers to Diversity:****Workforce Demographics:**

Q5. Recruitment is done based on requirement of experience and skills instead of ethnicity.

1                    2                    3                    4                    5

Q6. Hiring for key positions often involves tapping of internal organizational members/employees.

1            2            3            4            5

**Development & Learning:**

Q7. Existing performance appraisal systems capture the unique competencies that new groups/ generation of employees bring to the organization.

1            2            3            4            5

Q8. Mentoring programs help reduce diversity gaps.

1            2            3            4            5

Q9. On job training programs designed according at managing workforce diversity improve employee productivity.

1            2            3            4            5

**Leadership Development to handle diversity scenarios:**

Q10. Employees are promoted based in skills& experience in the field and not on ethnicity.

1            2            3            4            5

Q11. Equal Promotion opportunities to both men & women help better manage diversity scenario.

1            2            3            4            5

**Organizational Culture:**

Q12. In order for the organization to realize the full benefits of diversity, it needs the ability to recognize and value new ideas and the flexibility to change its systems accordingly.

1            2            3            4            5

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Q13. Employee Recognition programs provide motivation to the employees to perform better.

1                    2                    3                    4                    5

Q14. Organizations where Diversity should be accepted as one of the core values of the organization work smoothly.

1                    2                    3                    4                    5

Q15. Older employees have essential knowledge and experience which if transferred & shared with new employees help organizations need to function effectively.

1                    2                    3                    4                    5

Q16. Equal opportunity Employer, by providing opportunities to under represented groups of the society, brings helps create good image of the organization..

1                    2                    3                    4                    5

Q17. Working with the people of different ethnicity helps generate new ideas & is an effective way of problem solving.

**Open ended question:**

Q18. Please indicate the initiatives taken by your company/ department in managing workforce diversity.