

# PERCEPTION OF ORGANIZATIONAL DIVERSITY CLIMATE: A STUDY OF INDIAN IT PROFESSIONALS

By

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## ABSTRACT

*Information technology (IT) organizations are global in nature and participation of a diverse workforce is seen as a critical enabling factor for this sector's continued growth. Diversity has emerged as an issue in this industry because of imbalanced representation of heterogeneous groups in the workforce. The present study assesses overall organizational diversity climate of Indian Information Technology sector and examines how it differs across various diversity dimensions (employee groups) viz. gender, age group, career stage, marital status, parental status, and disability. A questionnaire on organizational diversity climate was completed by 500 IT professionals from across the country and data was analyzed using descriptive statistics, *t*-test, and one-way ANOVA. Results revealed that organizational diversity climate perception varied significantly among various employee groups (gender, age group, career stage, marital status, and parental status). However, no difference in perception was found on the basis of disability. This research will enable HR and diversity professionals to obtain a true picture of where they stand in terms of the current diversity and inclusion initiatives in IT sector and will make them aware of the ground they are yet to cover.*

**KEYWORDS:** diversity climate, employee groups, information technology, workforce diversity

## INTRODUCTION

The Information Technology (IT) industry in India today contributes significantly to the GDP and generates employment for thousands every year. It would not be an exaggeration to claim that this sector is the face of our country in global landscape. IT organizations are global in nature and the participation of a diverse workforce in the IT sector is seen as a critical enabling factor for continued growth of this

industry. NASSCOM (2010) [2] stresses that diversity and inclusion have become key business strategies for IT companies, who no longer view inclusion only as Corporate Social Responsibility (CSR).

Despite encouraging 40 percent out of an estimated 400 million IT workforce in the country being women, industry leaders agree that the net has to be cast wider across disability, language, geography, age and other barriers if the 10 million deficit in manpower were to be plugged. Patrick

and Kumar (2012) [4] state that the repercussions for not managing diversity would lead to lack of skills, competencies, and interests in employees, which will ultimately increase employee turnover and reduce individuals' and organizations' performance to a great extent.

Diversity management will help our global organizations create and maintain such a culture which values the differences of its employees in order for them to achieve their true potential and in turn contribute to the organization's vision and objectives.

As India's economic development becomes even more tied to the information economy, one can expect diversity with the IT labor force to grow and managing the issues arising from such diversity is a challenging area for both global IT research and practice.

## **OBJECTIVE OF THE RESEARCH**

The objective of this paper is to study the state of diversity climate in various employee groups of the Indian IT sector. The diversity dimensions examined in this paper are gender, age group, career stage, marital status, parental status, and disability.

Following hypotheses were developed to examine how diversity climate varies with employee groups.

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Gender***

H<sub>1O</sub>: There is no difference in perception about organizational diversity climate between male and female employees.

H<sub>1A</sub>: There is a difference in perception about organizational diversity climate between male and female employees.

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Age Group***

H<sub>2O</sub>: There will be no difference in perception about organizational diversity climate among employees of different age groups.

H<sub>2A</sub>: There will be a difference in perception about organizational diversity climate among employees of different age groups.

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Career Stage***

H<sub>3O</sub>: There will be no difference in perception about organizational diversity climate among employees at different stages of their career.

H<sub>3A</sub>: There will be a difference in perception about organizational diversity climate among employees at different stages of their career.

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Marital Status***

H<sub>4O</sub>: There will be no difference in perception about organizational diversity climate among employees of different marital status.

H<sub>4A</sub>: There will be a difference in perception about organizational diversity climate among employees of different marital status.

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Parental Status***

H<sub>5O</sub>: There will be no difference in perception about organizational diversity climate among employees of different parental status.

H<sub>5A</sub>: There will be a difference in perception about organizational diversity climate among employees of different parental status.

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Disability***

H<sub>60</sub>: There will be no difference in perception about organizational diversity climate between disabled and non-disabled employees.

H<sub>6A</sub>: There will be a difference in perception about organizational diversity climate between disabled and non-disabled employees.

## **METHODOLOGY**

The research design for this study was a non-experimental design using self-administered Web-based questionnaire for data gathering. Purposive sampling was used to select IT professionals from various databases available on professional networking website. The survey was conducted via email invitation to a Web-based questionnaire created on Google Docs.

The population of interest in this study was all the employees working in the information technology industry in India. Out of the 950 emails sent to professionals working in the IT sector, a total of 519 completed responses were received resulting in a response rate of 54.63%. Out of these 500 responses were randomly selected for data analysis.

A survey was created based on Yeo (2006) [5] dissertation which developed a multidimensional measure of climate for

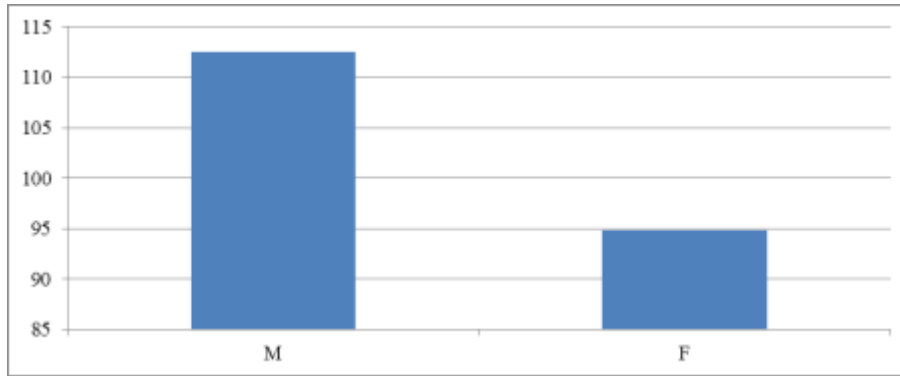
diversity. This measure is useful for researchers as an assessment tool for organizational diagnosis. The survey questions were adapted to suit IT professionals and also it was made relevant to the Indian context. Few subscales which were not relevant were removed from the original survey. Inputs were also taken from Bhagat (2009) [1].

In order to measure the diversity climate relevant in the IT sector, the researcher investigated various measures of climate for diversity which included employee perception of their organization's diversity climate, top management commitment to diversity, diversity as valued by superiors and colleagues, personal diversity experiences, organizational resources and support, attitudes about the value and importance of diversity. Thirty-three items were used to determine the organizational climate for diversity. A maximum of 165 and a minimum of 33 was possible as the score of organizational diversity climate.

## **DATA ANALYSIS**

### ***Difference in Perception of Organizational Diversity Climate on the Basis of Gender***

As can be seen in Figure 1, the average organizational diversity climate score for male IT employees is 112.477 whereas the same for their female counterparts is 94.867.



**Figure No. 1: Average Organizational Diversity Climate Value by Gender**

**Table No. 1: Group Statistics for Organizational Diversity Climate Score by Gender**

	N	Mean	SD	Standard Error Mean	t
Male	312	112.478	20.4796	1.159	<b>9.582</b>
Female	188	94.867	18.9155	1.38	

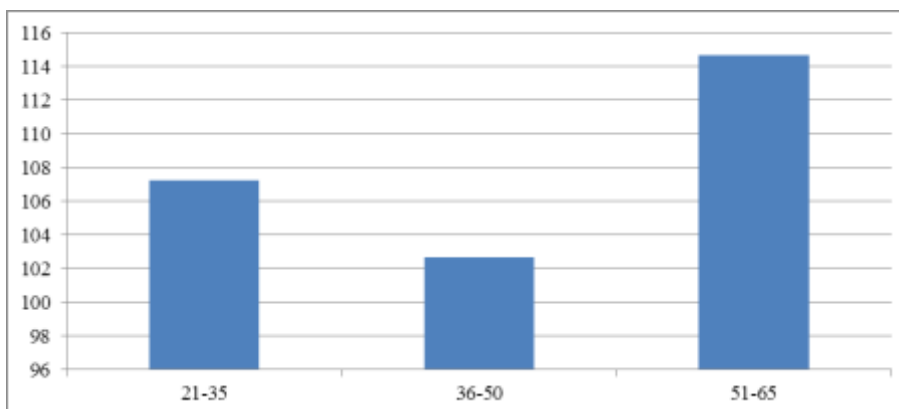
An independent-samples t-test was conducted to compare the organizational diversity climate between male and female IT employees.

There were significant differences in the organizational diversity climate scores of male (M=112.478, SD=20.480) and female (M=94.867, SD=18.916) employees;  $t(498)=9.582$ ,  $p=0.05$  (Table 1). The obtained t-value 9.582, is greater than the critical t-value 1.960 at 0.05 alpha level with 498 degrees of freedom. More specifically, these results suggest that male and female employees actually differ in their perception of the organizational diversity climate. In other words,

organizational diversity climate perception is higher in male employees than their female counterparts.

#### **Difference in Perception of Organizational Diversity Climate on the Basis of Age Group**

Figure 2 depicts that the organizational diversity climate score is highest for the age group of 51-65 years (114.667) followed by the age group of 21-35 years (107.276). The least score is of the employees of the group 36-50 years (102.698).



**Figure No.2: Average Organizational Diversity Climate Value by Age Group**

**Table No. 2: Summary of One-way ANOVA for Organizational Diversity Climate Score by Age Group**

Source of Variation	Sum of Squares	df	Mean Squares	F-Ratio	p
Between Age Groups	4,098.761	2	2,049.380	<b>4.436</b>	p<.05
Within Sets	229,626.967	497	462.026		
<b>Total</b>	<b>233,725.728</b>	<b>499</b>			

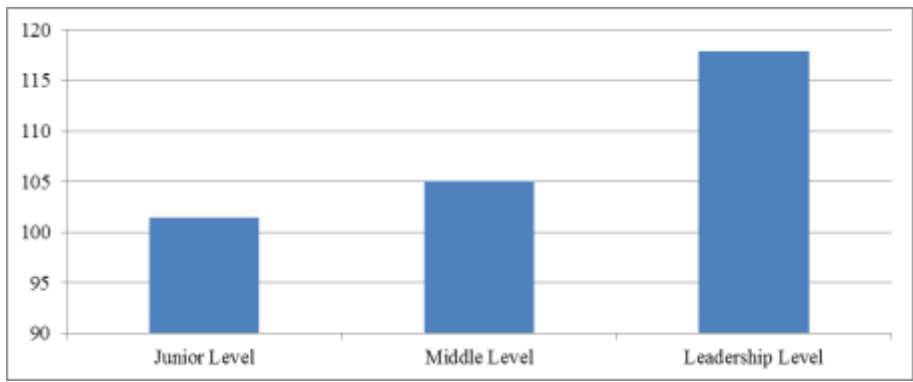
A one-way ANOVA test was conducted to compare the organizational diversity climate among the IT employees of various age groups.

There were significant differences in the organizational diversity climate scores of employees the three age groups (F(2,497)=4.436, p=0.05) (Table 2). The obtained F ratio 4.436, is greater than critical F- ratio 3.014 at 0.05 alpha level with 2 and 497 degrees of freedom. More specifically, these results suggest that employees of different age groups actually differ in their perception of the organizational diversity climate. In other words, employees of the age group 51-65 years have the most positive perception of their organization diversity climate,

followed by employees belonging to the age group of 21-35 years, whereas the employees of age group 36-50 have the least positive perception of their organization diversity climate.

**Difference in Perception of Organizational Diversity Climate on the Basis of Career Stage**

As seen in Figure 3, the average organizational diversity climate score is highest for the employees which belong to the Leadership Level in their career stage (117.861). Thereafter, the score for Middle Level employees is 105.113 and the least scoring group is the Junior Level employees with an average organizational diversity climate score 101.456.



**Figure No. 3: Average Organizational Diversity Climate Value by Career Stage**

**Table No. 3: Summary of One-way ANOVA for Organizational Diversity Climate Score by Career Stage**

Source of Variation	Sum of Squares	df	Mean Squares	F-Ratio	p
Between Age Groups	11,959.398	2	5,979.699	<b>13.401</b>	p<.05
Within Sets	221,766.979	497	446.211		
<b>Total</b>	<b>233,726.376</b>	<b>499</b>			

A one-way ANOVA test was conducted to compare the organizational diversity climate among the IT employees at various

careers stages i.e. Junior Level, Middle Level, and Leadership Level employees.

There were significant differences in the organizational diversity climate scores of employees belonging to different career stages (F(2,497)=13.401, p=0.05) (Table 3). The obtained F ratio 13.401, is greater than critical F- ratio 3.014 at 0.05 alpha level with 2 and 497 degrees of freedom. More specifically, these results suggest that employees at different stages of their career truly differ in their perception of the organizational diversity climate. In other words, leadership level employees have the most favourable perception of their organization diversity climate, followed by middle level employees. However, the least favourable perception is of the

employees who are at the junior level of their career stage.

### Difference in Perception of Organizational Diversity Climate on the Basis of Marital Status

As can be seen in Figure 4, the average organizational diversity climate score is the highest at 112.336 for employees who are single. This is followed by the scores of divorced/ separated employees whose average score is 103. The least scoring group is the married employees who score 100.279 on organizational diversity climate.

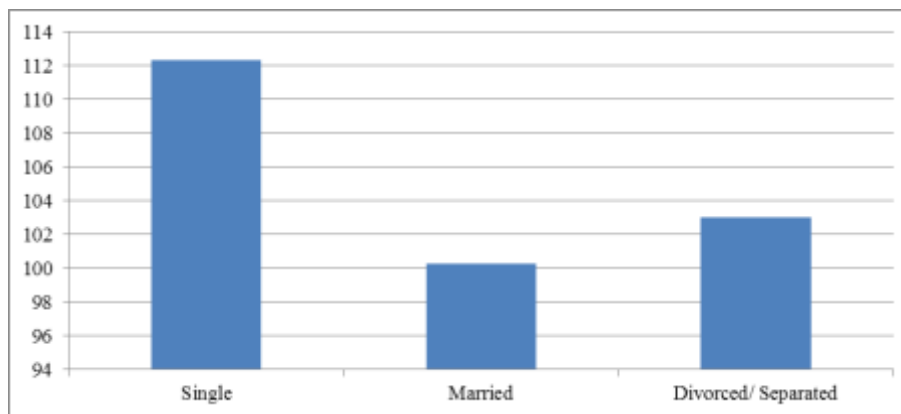


Figure No.4: Average Organizational Diversity Climate Value by Marital Status

Table No. 4: Summary of One-way ANOVA for Organizational Diversity Climate Score by Marital Status

Source of Variation	Sum of Squares	df	Mean Squares	F-Ratio	p
Between Marital Status	17,815.233	2	8,907.617	<b>20.504</b>	p<.05
Within Sets	215,912.608	497	434.432		
<b>Total</b>	<b>233,727.841</b>	<b>499</b>			

A one-way ANOVA test was conducted to compare the organizational diversity climate among IT employees of different marital status.

There were significant differences in the organizational diversity climate scores of employees of different marital status (F(2,497)=20.504, p=0.05) (Table 4). The obtained F ratio 20.504, is greater than critical F- ratio 3.014 at 0.05 alpha level with 2 and 497 degrees of freedom. These

results suggest that employees having different marital status actually differ in their perception of the organizational diversity climate i.e. single employees have the highest perception of diversity climate, followed by divorced/ separated employees. However, married employees have the least favourable perception of their organization's diversity climate.



### Difference in Perception of Organizational Diversity Climate on the Basis of Parental Status

Employees who look after only Children as care provider score the least on perceived organizational diversity climate and score 96.298 on the same (Figure 5). Employees who support both Children and Elderly Parent(s) score 100.224 on

organizational diversity climate. This is followed by employees who neither have Children nor Elderly Parent(s) to support (110.434). The highest scoring category is of the employees who do not have Children to support but do have Elderly Parent(s) to look after. This group has an average organizational diversity climate score of 112.

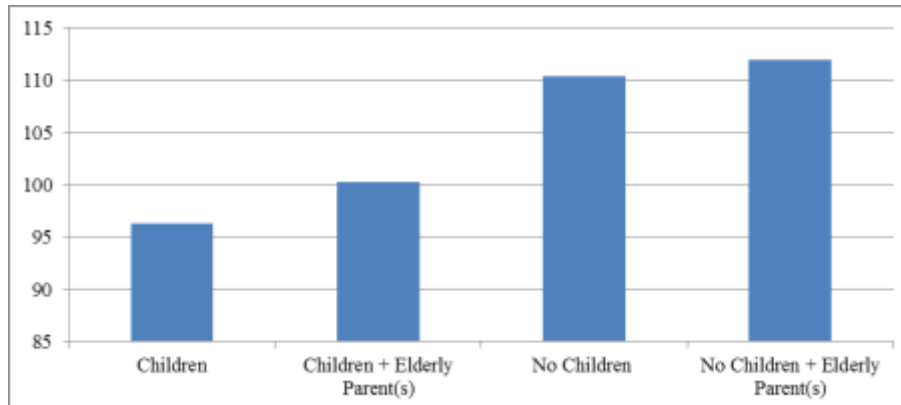


Figure No. 5: Average Organizational Diversity Climate Value by Parental Status

Table No. 5: Summary of One-way ANOVA for Organizational Diversity Climate Score by Parental Status

Source of Variation	Sum of Squares	df	Mean Squares	F-Ratio	p
Between Marital Status	21,986.328	3	7,328.776	<b>17.168</b>	p<.05
Within Sets	211,738.704	496	426.893		
<b>Total</b>	<b>233,725.032</b>	<b>499</b>			

A one-way ANOVA test was conducted to compare the organizational diversity climate among IT employees having different parental status.

There were significant differences in the organizational diversity climate scores of employees of different parental status ( $F(3,496)=17.168, p=0.05$ ) (Table 5). The obtained F ratio 17.168, is greater than critical F-ratio 2.623 at 0.05 alpha level with 3 and 496 degrees of freedom. More specifically, these results suggest that employees having different parental status actually differ in their perception of the organizational diversity climate. In other words, employees who only support their elderly parent(s) have the highest

perception of organization's diversity climate, followed by employees who neither have children nor have their elderly parent(s) as dependents. Employees with children and elderly parent(s) to support follow next and the group with least favourable perception is of employees who have only children to support.

### Difference in Perception of Organizational Diversity Climate on the Basis of Disability

Figure 6 illustrates that the average organizational diversity climate score for IT employees with disability is 101.692 whereas the average organizational

diversity climate score for IT employees

without disability is 105.967.

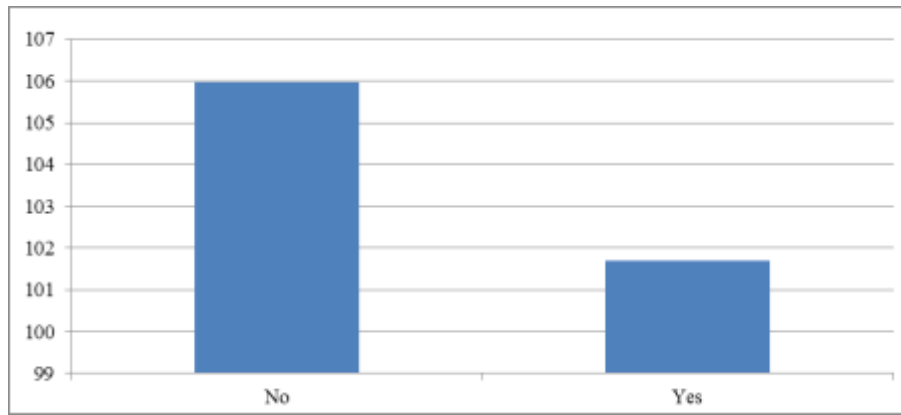


Figure No. 6: Average Organizational Diversity Climate Value by Disability

Table No. 6: Group Statistics for Organizational Diversity Climate Score by Disability

	N	Mean	SD	Standard Error Mean	t
Disability	13	101.692	18.7189	5.192	<b>0.702</b>
No Disability	487	105.967	21.7208	0.984	

An independent-samples t-test was conducted to compare the organizational diversity climate between employees with and without disability.

There were no significant differences in the organizational diversity climate scores of employees with disability (M=101.692, SD=18.719) and employees without disability (M=105.967, SD=21.721);  $t(498)=0.702$ ,  $p=0.05$  (Table 6). The obtained t-value 0.702, is lesser than the critical t-value 1.960 at 0.05 alpha level with 498 degrees of freedom. More specifically, these results suggest that employees with disability and employees without disability do not truly differ in their perception of the organizational diversity climate. In other words, there is no difference in perception of organizational diversity climate between disabled and non-disabled employees.

## RESULTS AND DISCUSSION

This study aimed to determine whether organization diversity perception varies with various diversity dimensions of

employees. The diversity dimensions used in this study were: Gender, Age, Career Stage, Marital Status, Parental Status, and Disability. Six hypotheses were developed to study this research problem.

### *Hypothesis 1*

Hypothesis 1 addressed whether there was a difference in perception about organizational diversity climate between male and female IT employees. The t-test indicated a statistically significant difference in the organizational diversity climate perception of male and female IT employees. Therefore, the null hypothesis ( $H_{10}$ ) is rejected and the alternate hypothesis ( $H_{1A}$ ) is accepted. Thus, the evidence suggests that male and female employees differ in their perceptions of organizational diversity climate, with male employees having a better perception than their female counterparts.

This difference can be explained by the fact that, workforce in general and the Indian society has been male dominated. Though IT industry has come a long way in addressing the gender diversity issue, women still constitute a minority even in this industry. Women might have a



perception that there needs to be more organizational support provided to them to strike a healthy work-life balance. NASSCOM - a trade association of Indian IT and BPO industry, through its annual 'Corporate Awards for Excellence in Gender Inclusivity' has created a platform for hundreds of organizations to share their experience and initiatives in enabling Diversity and inclusion.

eWIT (Empowering Women in IT) is another 'forum for interchange of ideas and for pioneering initiatives so as to unleash the potential of women and drive their growth in the IT industry'. Multinational companies have also started realizing the potential of the women workforce and are striving to attract, nurture and groom women managers into leadership positions. Companies are also creating programs to attract women who had to leave the workforce due to personal reasons like marriage, childcare, or relocation. Most of the organizations have initiatives such as crèche, flexi-working schedule, telecommuting, women's forum in place to facilitate a healthy work-life balance for their women employees. Even though environment for women in IT is becoming conducive, women are yet to break the glass ceiling and increase their overall representation in the IT sector.

### ***Hypothesis 2***

Hypothesis 2 addressed whether there was a difference in perception about organizational diversity climate among IT employees of different age groups. One-way ANOVA indicated a statistically significant difference in the organizational diversity climate perception among employees of various age groups. Therefore, the null hypothesis ( $H_{20}$ ) is rejected and the alternate hypothesis ( $H_{2A}$ ) is accepted. Thus, the evidence suggests that employees belonging to different age groups differ in their perception of organizational diversity climate, with the

age group of 51-65 years having the highest perception, followed by the age group of 21-35 years, whereas the least favorable perception of the employees belonging to the age group of 36-50 years.

Multi-generational diversity and inclusion is another emerging focus area for the Indian workforce in general, with IT sector being no exception. Organizations need to leverage the skills of various generations to create value. The positive aspect of our finding is that the age group of 51-65 years has the most positive perception of the organizational diversity climate although their representation is only 4 percent of the sample. The positive perception can be due to the fact that elders in general are given a lot of respect in the Indian society. Also, 80 percent of these respondents belong to the leadership level. Organizations however, still need to improve the representation of this age group in the IT sector. The age group of 36-50 years, which has the least favorable perception of diversity climate, has several work as well as family responsibilities. Employers should understand the needs of this age group and address their concerns.

The NASSCOM report 'Perspective 2020' released in 2009 reports that 70 percent of the workforce is in the age group of 26 – 35 years. There is a need to focus on what challenges and opportunities arise out of the changed demographics and the identification of different practices that can be used to address them. NASSCOM and CGI (2011) [3] suggest that policies and processes to address generational diversity can only be useful if they are incorporated into the standard behavior of individuals in the workforce. For this each generation needs to be profiled to understand their weaknesses, strengths, and mind-set.

### ***Hypothesis 3***

Hypothesis 3 addressed whether there was a difference in perception about

organizational diversity climate among employees at different stages of their career. One-way ANOVA indicated a statistically significant difference in the organizational diversity climate perception among employees at different career stages. Therefore, the null hypothesis ( $H_{30}$ ) is rejected and the alternate hypothesis ( $H_{3A}$ ) is accepted. Thus, the evidence suggests that employees at different stages of their career truly differ in their perception of the organizational diversity climate, with the leadership level employees having the most favorable perception, followed by junior level, and then the middle level employees.

Leadership level employees would in general have a higher perception of organizational diversity climate because like any other initiative, the diversity initiative for any organization is also driven from the top. Thus, leadership level employees would believe that their company is taking sufficient steps to promote a diverse and inclusive culture. Comparatively, middle and junior level employees would witness many of their women colleagues leaving work to take care of family responsibilities. Also, they are the ones who would be more aware of any cases of discrimination or prejudice in the team. Consequently, they form an opinion that the diversity climate is not conducive to all the employee groups. Organizations need to address the concerns of middle and junior level employees in order to improve their perception of the organization diversity climate.

#### ***Hypothesis 4***

Hypothesis 4 addressed whether there was a difference in perception about organizational diversity climate among employees of different marital status. One-way ANOVA indicated a statistically significant difference in the organizational diversity climate perception among employees of different marital status.

Therefore, the null hypothesis ( $H_{40}$ ) is rejected and the alternate hypothesis ( $H_{4A}$ ) is accepted. Thus, the evidence suggests that employees of different marital status actually differ in their perception of the organizational diversity climate, with employees who are single having the most favorable perception, followed by employees who are divorced/ separated, and the least favorable perception is of married employees.

Married and divorced/ separated employees would have more family responsibilities as compared to employees who are single. Striking work-life balance would be difficult for single parents in case of divorced/ separated employees. Also, to balance work-home responsibilities is difficult in dual income families where both the spouse are working and especially if they have children and/ or elderly parent(s) to look after. It is especially challenging for a working woman to juggle her career and household responsibilities. Organizations need to promote a family-supportive culture and try and design programs which meet employee needs.

#### ***Hypothesis 5***

Hypothesis 5 addressed whether there was a difference in perception about organizational diversity climate among employees of different parental status. One-way ANOVA indicated a statistically significant difference in the organizational diversity climate perception among employees of different parental status. Therefore, the null hypothesis ( $H_{50}$ ) is rejected and the alternate hypothesis ( $H_{5A}$ ) is accepted. Thus, the evidence suggests that employees of different parental status are different in their perceptions of the organizational diversity climate, with employees who support only elderly parent(s) having the most favorable perception, followed by employees who neither support children or elderly

parent(s), then by those who support both. The least favorable perception is of those employees who have only children to support.

Employees who support only children essentially stay in a nuclear setup and need to rely on day care centers, nannies for taking care of their children, especially if both are working parents. Even though crèches and day care centers are mushrooming all over India, finding a safe and reliable option can be a challenge for working parents. Employees have unique childcare needs and to meet them, options range from flexible working schedules, telecommuting, child care assistance, in house crèches, redesigned work weeks, and part-time employment. Recognizing the need for shared Child Care facilities that are vital for the professional growth and retention of employees, NASSCOM, as part of its Diversity and Inclusion Initiative, had entered into an understanding with ESPERANZA, to provide quality 24 hours child care facility for its members at a concise fee, in the year 2009. To support elderly parent(s) companies can offer health and wellness benefits and even give sabbatical to their employees.

### ***Hypothesis 6***

Hypothesis 6 addressed whether there was a difference in perception about organizational diversity climate between disabled and non-disabled employees. An independent-samples t-test did not indicate a statistically significant difference in the organizational diversity climate perception between employees with and without disability. Therefore, the null hypothesis ( $H_{60}$ ) is accepted and the alternate hypothesis ( $H_{6A}$ ) is rejected. Thus, the evidence suggests that employees with and without disability do not differ in their perception of the organizational diversity climate.

Apart from gender, disability has been an important focus area of IT companies over the years. The overarching theme of NASSCOM's Inclusion of people with disability (PWD) initiative is to find common ground and to understand how NGOs, corporate organizations, media and government can all work together to achieve an inclusive society where the disabled are enabled and empowered. Organizations need to attract this talent pool and improve their overall representation, prevent their discrimination, and enable assistive technology. Also, the future work spaces need to be created keeping in mind the physical needs of a diverse workforce.

## **CONCLUSION**

The study revealed that organizational diversity climate perception varied significantly among various employee groups (gender, age group, career stage, marital status, and parental status). However, no difference in perception was found on the basis of disability.

The Information Technology sector in India is one of the most proactive in adopting the diversity and inclusion initiatives. It does so not only because of the legislative requirements but because it recognizes the value and business case of having a diverse workforce as well. Having said this, even this sector has a long way to go in terms of improving the representation of all employee subgroups and categories.

Recommendations for the Indian IT organizations on the basis of diversity management literature are:

- A comprehensive diversity strategy taking into account all employee groups needs to be designed.
- This diversity strategy should include all the aspects of human resources viz. recruitment,

selection, training and development, compensation, and employee progression.

- It must be ensured that all employee groups feel engaged not only within their teams but feel a part of their organizations also.
- Participation of diverse employee groups should be increased within all levels of organizations.
- Diversity should be included as a metric in managers' key results area.
- Training of diversity management is very essential in organizations and cities where the diversity climate is comparatively weaker.
- Diversity management should not be a superficial effort but must be an integral part of the organization's DNA.

[012/04/19/2158244012444615.full.pdf+html](http://etd.ohiolink.edu/send-pdf.cgi/Yeo%20Sheauyuen.pdf?osu1141677667) [Accessed 2 October 2012]

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