



INNOVATIVE PRACTICES IN DIVERSITY MANAGEMENT OF INDIAN IT COMPANIES: A HRM PERSPECTIVE

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Abstract

Diversity and diversity management in multicultural workforce is increasingly becoming a vital concern in the era of globalization. Within an organization the effect of cultural diversity depends on the environment and the strategy in which it functions. (Alder, 1997) the cultural diversity has marked its significance in the recent years as many companies trying to cross the geographical barriers and function globally with multinational strategies. For gaining a competitive edge managing cultural differences has become more imperative. It affects the productivity and efficiency of the workforce in general. There is need for organizations to manage a diversified workforce through Human resource practices. The article aims to focus on the practices and strategies being adopted by companies for managing workforce diversity. Newspaper articles, surveys, and diversity reports and the company websites were used to trace the diversity management practices.

Keywords: workforce diversity, Human Resource management practices, globalization.

INTRODUCTION:

In globalization, the businesses need to manage workforce diversity effectively as firms are functioning with varied demographic workforce where teamwork is much preferred to individual work by creating effective diversity management strategies (Taylor, 2001). Creating awareness about workforce diversity and the strategies complementing the firm operations are essential for the growth of organizational performance. (Waiganjo, Mukulu, Kahiri, 2012).

A Diverse workforce is a collaboration of people from different socio- cultural backgrounds such as gender, age, race, ethnicity, physical ability etc work within a company for achieving common goals. (Kundu and Turan, 1999). As diversity includes different people at different levels the organization culture has to facilitate its employees in pursuing their goals and aspirations and not discriminated by gender, age, religion or any other factors that doesn't relate to performance. (Bryan, 1999). (Torres and Bruxelles, 1992) opine that enabling a diverse workforce to perform outstandingly in an unbiased work place. A diverse workforce brings in different viewpoints, interests, talents and skills that can move the organization towards dynamism (Simmons, 1996).

The organizations should follow holistic strategies to address any diversity issues raised within the employees and improve the organizational performance.

In late 1980's, the term diversity was originated in U.S where the organizations to provide equal employment opportunity and shrink discrimination have initiated concept of diversity to gain competitive advantage.

Problem statement:

Many Indian companies have adopted Workforce diversity management as a unique strategy for boosting performance and employee morale. Numerous efforts and diversity initiatives are taken by the organizations but they are rarely reaching the expected benefits. Human resource management practices should be in alignment with the diversity management



goals. This paper provides an overview of strategies under each HR practices undertaken to embrace and manage diversity.

Objective of the study

- To study the innovative practices of diversity management in IT sector.
- To find the strategies under HRM perspective to manage diversity.

Research Methodology

The research is focused on the studies of diversity management practices in IT sector. The research method is based on secondary data collected from newspaper articles, surveys, diversity reports of companies, company public websites available in print and from electronic sources.

Literature Review

Due to the increasing importance of diversity management many organizations are trying to focus on the strategies used to best for implementing diversity management effectively. In theory the concept of managing workforce diversity appears well but is very complex and costly on practical basis. Though the organizations hugely invested on diversity initiatives but ended up with low results (Daniel & Bushardt, 2005). Diversity can improve the performance provided with diverse ability people. Failure to manage diversity can affect the organization's social and economic health (McArthur, 2010).

Ozbilgin and Tatli, (2008) has empirical evidence that successful diversity management and organizational performance are positively correlated in a group's perspective and can provide a superior customer service base. The organizations should increase motivation, satisfaction and commitment of diverse workforce by providing a facilitating work environment and relate the diversity with HR practices like recruitment, selection, performance management, career planning, compensation and rewards (Cascio, 1998).

Innovative practices to manage workforce diversity through HRM perspective:

Diverse workforce is viewed as competitive advantage to the organization as it brings diverse capabilities. But to achieve maximum benefit of diversity, it needs to be managed well. The following HRM practices are explored to reduce the diversity differences.

Recruitment and selection process:

Managing diversity promotes competitive edge by recruiting the best people for the job, regardless of ethnicity, age, gender etc (Cornelius, 1999).

India Inc. appreciates diversity by recruiting women, physically disabled and from other groups to take the benefit of inclusivity. IT sector is playing a leading role in making the workforce even more inclusive through tapping different segments where physically disabled people from social and economic challenged background. In 1914, IBM has hired its first person with disability. Wipro has enrolled many disabled students into the Wipro Academy for Software Excellence and employed over 300 disabled people.

NOIDA deaf society in partnership with Mphasis are supporting 250 deaf youth in English literacy and also training them in skills that would lead to their becoming employable (Aparna, 2012). There has been found a change in mindset happening among Indian companies as well which are now gearing up towards putting in place firm diversity policies on issues ranging from gender and disability to those including sexual minorities like bisexual, gay, lesbian and transgender categories.

Career planning and Development:



As diverse employees are involved in more tasks they often do not perceive any career paths or just neglect. Employee development programs can address this situation, by elevating employees to the higher positions that motivate them to work more and enhance employee morale. Women of Wipro (WoW) an initiative of Wipro & IWLC of IBM enhances the development of women technically, professionally and personally.

As a part of the strategy many Indian companies have focused on development programmes specifically for disabled. IBM India has undertaken several initiatives like PwD Network-enablers, a forum where PwD can participate and exchange their views on any concerns especially when they are new to IBM. Similarly Infy-ability at Infosys for differently abled employees makes a subtle and inclusive work environment by helping them in developing and provide an infrastructure that is accessible by them (Infosys-Diversity, 2012).

Training

Workforce diversity can be effectively managed not only by recruiting a diverse workforce but also by providing training. Suitable training and opportunities for development can retain employees and reduce turnover rates.

For multicultural employees, training needs to cover the different values, norms and cultures so as to increase the benefit rather than the conflicts arising in a multicultural workplace. Training should facilitate employees with a good understanding of various cultures, behaviors and must develop a sense of respect towards other cultures (Coleman, 1994).

In 2008, TCS to profile different countries has launched a 'culture Meter'. Culture Meter talks about a specific country's culture, and senior employees share their experiences working with other countries. And also constantly provides "Cultural Sensitization" and "Relocation training" to the employees are assigned to work outside their home countries (Rao, 2012).

Taking ethnic background as the basis, IBM trains its employees on coping up with the cultural differences including valuing diversity, respecting disabilities, culture shock through e-learning and face to face learning classes. Companies with multilingual employees have to provide language training to their employees. Foreign Language Initiatives (FLI) group in TCS emphasizes on language training and cultural integration through culture focused workshops, English-language teaching programmes and local language learning programmes for expatriates. (Rao, 2012).

Performance management:

For adequate management of a workforce organizations have policies to provide equal opportunity to all the employees and reward based on their performance. These policies based on the principles of respect, transparency, honesty, privacy, and freedom (Jabbour and Santos, 2008), all of which can provide more safety in the workplace, improve quality of worklife and help qualified candidates in advancing upward in the organizations.

For instance, IBM is committed to creating a workplace culture and environment where employees can balance their responsibilities to work, family, education and other personal needs. They have a long standing commitment to creating a flexible work environment that gives employees more flexibility and control over where, when and how work is done in order to achieve business objectives and meet personal needs. Work-from-home, part-time work, extended maternity leaves, crèche facility, education and training, onsite medical check-ups, security guards in transport, an Ombudsman process and



conciierge have been implemented by Mphasisto create a favorable work-life environment for women and WoWof Wipro provides crèches to enable work life balance.

Compensation and Rewards

A good remuneration system ensures that there is directrelationship between efforts and rewards. Performance –basedpay would be effective in producing desirable results. Payingsenior management on the based on their performance indiversity recruiting and retention would enhance diversityinitiatives (Tipper, 2004).

Moreover, diversity laid as a keyresult area can become an assessment tool for the leaders by increasing accountability and prioritizing diversity objective. (Carter et al., 2001)For example, BhaskarPramanik;AvinashVashistha, chairman, Microsoft India, Accenture India country managingdirector; ShantanuKhosla, P&G India M.D; Shanker AnnaSwamy, IBM M.D and their leadership team have diversity ontheir performance scorecard. In a similar context RoopaKudva, MD and CEO of CRISIL said “The word diversity wasnot in the vocabulary of companies when I started out 25 yearsago. Today it is on the agenda of management and boards”(Bhattacharya, 2012).

Arnold (1997) provides initiatives to raiseawareness on diversity.

- a) Multicultural workshops- designed to improveunderstanding and communication between groups.
- b) “Core groups” - to confrontstereotypes and personal biases regularly.
- c) Support groups, mentoring,relationship networksfor minorities.

Conclusion

Diversity management aimsat creating and maintaining anaffirmative workplace where the similarities anddifferences of individuals are valued, to reach their higher potential and highly contribute to anorganization's strategic goals and objectives. Indian IT companies are quick to realize and value diversity andare continuously focused on creating a truly inclusiveworkplace to accommodate labor from diverse background.

These organizations are markedly respecting diversity and constantlyrevising their HR practices to derivethe maximum from their workforce. They are managing and valuing the diversity through HRM Practices, various programmes, policies and strategies inorder to leverage diversity, with major concentration onwomen and people with disability.

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