

# DIVERSITY AT WORKPLACE: PERCEPTION OF EMPLOYEES AND ITS IMPACT ON EMPLOYEES' PERFORMANCE IN BPO SECTOR

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## Abstract

Employees at workplaces experience diversity in various forms viz gender, age, ethnicity, education, etc. The way they observe and experience diversity at organizations influence their performance at work for e.g. men and women may have different perceptions about diversity management in their organization, married people in organization may feel there are differences in advancement opportunities given to men in comparison to women etc. This difference in perception may lead to increase or decrease in performance levels. This study examines the relation between perceptions about diversity in organization and reveals that workplace diversity and employees' performance are related. It also identifies important factors of various forms of diversity that effect performance of employees. Findings of study will certainly allow organizations to frame appropriate diversity management policies, which can result in increased productivity.

**Keywords:** diversity, workplace, employees, performance, age, educational, gender, ethnicity.

## INTRODUCTION

Workplaces these days are diverse in nature. Employees from different backgrounds caste, creed, race, gender, age, and cultural backgrounds work in organizations. Diverse individuals have different perspectives on an issue. Diverse people think about an issue from different angles which in gaining holistic view of the problem. This not only improves decision-making but also generates a feeling of inclusiveness. In addition, it becomes easy to implement these decisions, as people/groups participating in decision-making will not oppose the decisions. Diverse views also lead to out of the box solutions. New ideas, creativity, innovation, and fresh insights can be achieved through diversity. This gives a cutting edge to any organization in today's VUCA environment. Employees and their creative ideas define the success of the company today. However, diversity comes with its bundle of problems. Individuals from various cultural backgrounds come with their preconceived notions, which

can lead to conflicts. Sometimes people become so rigid in their approach and behavior that it hampers the team spirit. It is also observed that at the surface level, there may be different types of people working in the organization but internally they may differ in their personality, values and attitudes. Diversity may lead to groupism in organizations. Favoritism and biasness for group members may creep in if not managed properly. Diversity may lead to several issues such as older employees not giving opportunities to younger employees and vice versa, groupism based on culture, caste, race etc. leads to majority dominating minority, qualified employees misbehaving with employees having less qualification, gender discrimination at workplaces etc. Recently, a woman BBC newsreader sued the company for discriminatory pay.

She won the case and the company has been asked to compensate. Any kind of discrimination is demotivating for the employees and affects their performance

adversely. So, if not managed properly diversity can prove very fatal to the company's survival. Diverse teams should concentrate more on differences than similarities to become more productive. This study focuses on the employees' perception about the age, gender, ethnic and educational diversity prevalent in their organizations and its impact on their performance.

#### OBJECTIVES OF THE STUDY

1. To identify the level of workplace diversity in the BPO sector of Mumbai.
2. To examine the impact of workplace diversity on performances of the employees in the BPO sector.
3. To know the important factors influencing various types of diversity such as Age, Gender, Ethnic, Education.

#### HYPOTHESIS

H01: There is no association between workplace diversity and performance of employees

H1: There is an association between workplace diversity and performance of employees

H02: There is no association between various demographic factors and level of workplace diversity.

H2: There is an association between various demographic factors and level of workplace diversity.

#### RESEARCH METHODOLOGY SIGNIFICANCE OF THE STUDY

Recently, workplace diversity is given a lot of importance in the organizations, this study would bring to light the various types of diversity present in the organizations and its impact on the performance of the employees.

#### SAMPLE SIZE & SAMPLING METHOD

The study population consisted 80 employees of 14 companies of BPO sector located in Mumbai region. The sample unit of the study constituted all lower, middle & higher level staff of companies.

Convenience sampling technique was adopted in the selection of the sample units which belonged to different departments.

#### DATA COLLECTION

Primary and secondary sources of data were used for data collection. A questionnaire consisting of 28 questions was prepared for collection of primary data (Kyalo, J, Gachunga H., 2015). Questionnaire was sent to 150 employees working in BPO companies of Mumbai. Out of 150 only 80 returned the questionnaire. Interviews were taken wherever found necessary. Secondary data was collected through books, articles, journals, and handouts on human resource development.

#### LITERATURE REVIEW

Increasingly, workplaces are employing diverse workforce. Women and minorities form a substantial part of the workforce in India. People from different backgrounds, culture, gender, age, ethnicity, educational level, race, etc. work together in organizations. However, to what diversity should be promoted in organizations. People have diverse views on this. It is argued that diversity in the workforce can increase or decrease the performance of the employees. If managed properly it can lead to innovation, creativity, and new ideas in an organization. Unmanaged, it can cause behavioral impediments that can reduce cooperation amongst employees. Diversity issues include stereotyping, discrimination, tokenism, and ethnocentrism. (Gary Dessler, Biju Varkkey, 2018). Whereas, a study indicates that a team which is diverse in terms of functional background and education proves to be more innovative than other teams ( Van Dijk et al. , 2012). It is also claimed that gender diversity can be effective and its disadvantages can be nullified in an inclusive organization environment (Nishii, 2013). It has a positive impact on employee productivity particularly in the service industry. ( Ali, Kulik, and Metz, 2011). Organizations, where employees feel that they are discriminated based on age, have lower levels of emotional attachment (Hassell and Perrewe, 1993) with the organization and that in turn adversely impacts their performance (Florian et al, 2013). Gonzalez and DeNisi (2009) observed that when environment of the organization is unfavorable, ethnic and gender

diversity is inversely related to productivity and return on investment. However, opposite is true under favorable conditions. Meyer and Schermuly (2012) established that when the employees of an organization are pro- diversity i.e. the environment is positive and there is high task motivation, the faultlines ( i.e. diversity in terms of gender, age, and educational background) is positively related to the performance of the employees. A study entitled "Workforce diversity and organizational performance" reveals that organizations that are a minority – friendly outperformed those, which are not (Bergen, et al., 2005).

This study looks at diversity viz. education, gender, age, and ethnicity as experienced by the employees of the BPO industry and its impact on their performance. Majority of the employees join BPO at a very young age (21 years – 22 years) so usually, there is a lot of age difference between the high-level managers and young candidates who join the organization. In addition, there is a gap in the educational levels of the employees. Some of the employees who join BPO are not even graduates and others may have completed their Post-graduation. Because of sex ratios improving in our country, a significant number of women have joined the workforce and a lot of women work in the BPO industry. One out of three employees joining the \$143-billion Indian IT-BPO industry is a woman, according to NASSCOM report (NASSCOM,2017). It is a well-known fact that India is a land of diverse cultures and the organizations are considered as miniature societies. Therefore, the workforce in India is composed of people who belong to different

backgrounds and cultures. Therefore, a need for such a study was felt which could examine the impact of diversity on the employees' performance, particularly in the BPO industry.

#### DATA ANALYSIS AND INTERPRETATION

Data was collected from 14 companies of the BPO sector located at Mumbai. Out of 80 respondents 77.5% were below 30 years of age (young), 17.5% belonged to the age group 30-45yrs (middle age) and 5% of employees were above 45 yrs of age (old). About 39 employees were female and 41 male. The sample constituted 33% married and 67% single staff. There were 68% of graduates, 24 % post-graduates, and 10% diploma holders in the workforce sample, which has been taken. The sample included 67% Hindus, 14% Muslims and 18% of employees from other religions. About 64% of the employees have 1-5 years of experience and 29 % have less than 1 year of experience, 2.5% have 6-8 years of experience and 3.8 % have experience of above 8 years.

#### HYPOTHESIS TESTING

1 )Alternate Hypothesis H1: There is an association between the level of employee performance and the level of workplace diversity.

Null Hypothesis H0: There is no association between the level of Employee performance and level of workplace diversity.

To test the above hypothesis Chi-square test is applied. Results of the test are given in table1 and table2

Table 1

Level_of_Workplace_Diversity * Level_of_Employee_Performance Crosstabulation					
Count					
		Level_of_Employee_Performance			Total
		High	Low	Medium	
Level_of_Workplace_Diversity	High	4	1	10	15
	Low	1	5	9	15
	Medium	9	1	40	50
Total		14	7	59	80

Table 2

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.523 <sup>a</sup>	4	.004
Likelihood Ratio	12.600	4	.013
N of Valid Cases	80		
a. 5 cells (55.6%) have expected count less than 5. The minimum expected count is 1.31.			

1. The above table indicates that the p-value of the Chi-square test is 0.004 which is less than the standard table value 0.05. Therefore, the test is selected.

2. Hence the Null hypothesis is rejected and the alternate hypothesis is selected

3. The conclusion is there is an association between the level of employee performances and the Level of workplace diversity.

Contingency Co-efficient is calculated to know the strength of the association between the two variables. (refer table 3)

Table 3

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Contingency Coefficient	.403	.004
N of Valid Cases		80	

Symmetric Measures

$$C = \sqrt{\chi^2 / (n + \chi^2)}$$

n= sample size=80

$$C = \sqrt{15.523 / (80 + 15.523)} = 0.40311$$

Lower limit of the contingency coefficient ( $\chi^2$ ) =0

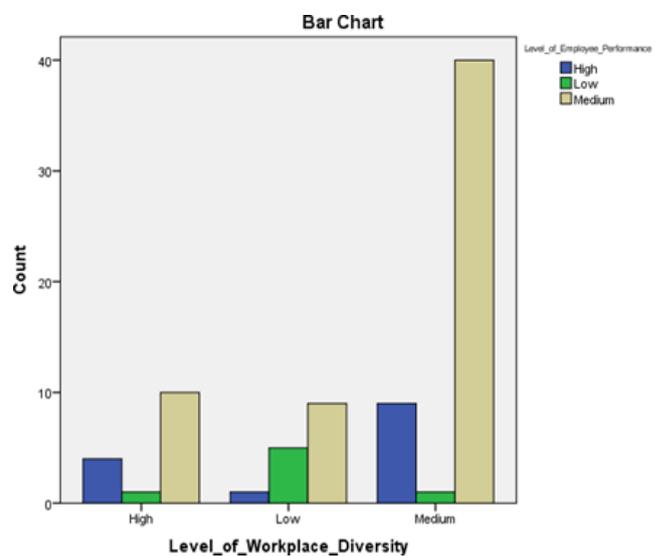
The upper limit of the contingency coefficient

$$\sqrt{r-1/r} = (\sqrt{3-1})/3 = 2/3 = 0.816$$

r= no. of rows

As calculated, the contingency coefficient value is .403 which is approximately midway between 0 and 0.816. This means there is a moderate relationship between the variables workplace diversity and employees' performance. The same is depicted in bar chart 1

Chart 1



2. Alternate Hypothesis H2: There is an association between the level of employee performance and the level of gender diversity as per the employees.

Null Hypothesis H02: There is no association between the level of Employee performance and level of workplace diversity.

To test the above hypothesis Chi-square test is applied. Results of the test are given in table 4 &5

Table 4

Level_of_Agreement_Gender_Diversity * Level_of_Employee_Performance Crosstabulation					
Count					
		Level_of_Employee_Performance			Total
		High	Low	Medium	
Level_of_Agreement_Gender_Diversity	High	5	1	5	11
	Low	2	3	3	8
	Medium	7	3	51	61
Total		14	7	59	80

Table 5

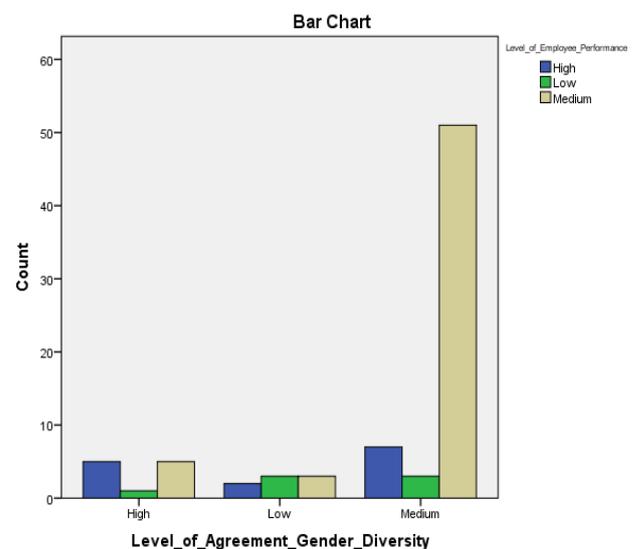
Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.440 <sup>a</sup>	4	.001
Likelihood Ratio	14.312	4	.006
N of Valid Cases	80		
a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .70.			

1. The above table indicates that the p-value of the Chi-square test is 0.001 which is less than the standard table value 0.05. Therefore, the test is selected.

2. Hence the Null hypothesis is rejected and the alternate hypothesis is selected

3. The conclusion is there is an association between the level of employee performances and the Level of Gender diversity. Same is depicted through bar chart 2

Chart 2



3) Alternate Hypothesis (H3): There is an association between gender and level of

Employee performance with respect to work-place diversity.

Null Hypothesis(H30): There is no association between gender and level of Employee performance with respect to work-place diversity.

To test the above hypothesis Chi-square test is applied. Results of the test are given in table 6 & 7.

Gender \* Level\_of\_Employee\_Performance Crosstab

Table 6

Crosstab					
Count					
		Level_of_Employee_Performance			Total
		High	Low	Medium	
Gender	Female	11	4	24	39
	Male	3	3	35	41
Total		14	7	59	80

Table 7

©©©			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.719 <sup>a</sup>	2	.035
Likelihood Ratio	7.016	2	.030
N of Valid Cases	80		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 3.41.

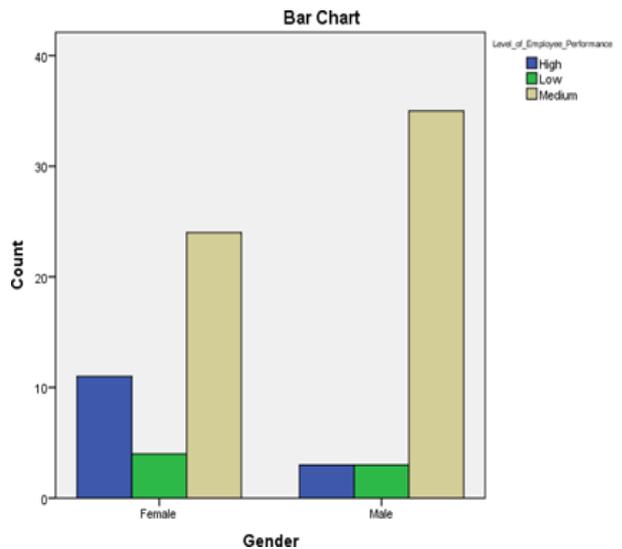
Table 8

Level_of_Agreement_Gender_Diversity * Gender Crosstabulation				
Count				
		Gender		Total
		Female	Male	
Level_of_Agreement_Gender_Diversity	High	8	3	11
	Low	4	4	8

1. The above table indicates that the p-value of the Chi-square test is .035 which is lesser than the standard table value 0.05. Therefore, the test is Selected.

2. Hence the Null hypothesis is rejected and the alternate hypothesis is accepted.

3. The conclusion is there is an association between Gender and Level Of Employee Performance.( refer chart no.3)



4) Alternate Hypothesis(H4): There is difference in perception of males and females regarding level of Gender diversity present in organization.

Null Hypothesis (H40): There is no difference in perception of males and females regarding level of Gender diversity present in organization.

To test the above hypothesis Chi-square test is applied. Results of the test are given in table 8 & 9

	Medium	27	34	61
Total		39	41	80

Table 9

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.028 <sup>a</sup>	2	.220
Likelihood Ratio	3.113	2	.211
N of Valid Cases	80		
a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 3.90.			

1. The above table indicates that the p-value of the Chi-square test is .0220 which is greater than the standard table value 0.05. Therefore, the test is rejected.

2. Hence the Null hypothesis is accepted and the alternate hypothesis is rejected.

3. The conclusion is there is no difference in male and female perception of level of Gender Diversity present in the organization.

5) Alternate Hypothesis(H5): There is an association between Marital Status and level of Age diversity.

Null Hypothesis (H50): There is no association between Marital Status and level of Age diversity.

To test the above hypothesis Chi-square test is applied. The results of the test are provided in table 10 & 11

Marital status \*  
Level\_of\_Agreement\_Age\_Diversity

Table 10

Crosstab					
Count					
		Level_of_Agreement_Age_Diversity			Total
		High	Low	Medium	
Marital status	Married	0	3	23	26
	Single	9	10	35	54
Total		9	13	58	80

Table 11

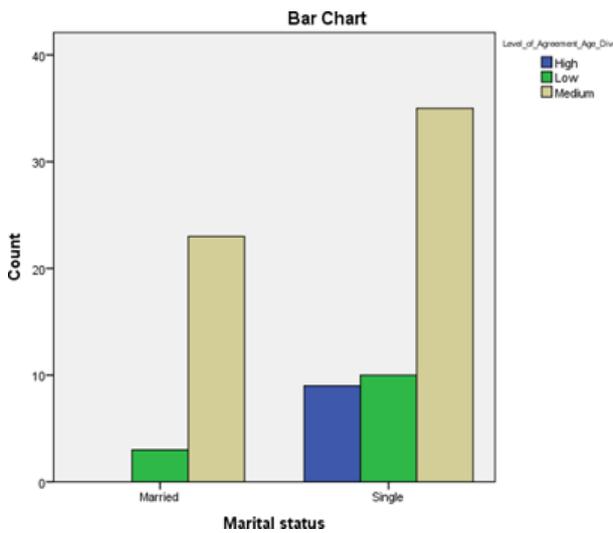
Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.213 <sup>a</sup>	2	.045
Likelihood Ratio	8.943	2	.011
N of Valid Cases	80		
a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.93.			

1. The above table indicates that the p-value of the Chi-square test is .045 which is lesser than the standard table value 0.05. Therefore, the test is Selected.

2. Hence the Null hypothesis is rejected and the alternate hypothesis is accepted.

3. The conclusion is there is an association between the Marital status and Level of age diversity.(Refer chart no. 4)

Chart 4



6) H6: Alternate Hypothesis: There is an association between Marital status and level of Gender diversity prevalent in the organizations.

H60:Null Hypothesis: There is no association between Marital status and level of Gender prevalent in the organizations.

To test the above hypothesis Chi-square test is applied. The results of the test are given in table 12 & 13

Marital status \*  
Level\_of\_Agreement\_Gender\_Diversity

Table 12

Crosstab					
Count					
		Level_of_Agreement_Gender_Diversity			Total
		High	Low	Medium	
Marital status	Married	0	3	23	26
	Single	11	5	38	54
Total		11	8	61	80

Table 13

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.141 <sup>a</sup>	2	.046
Likelihood Ratio	9.471	2	.009
N of Valid Cases	80		

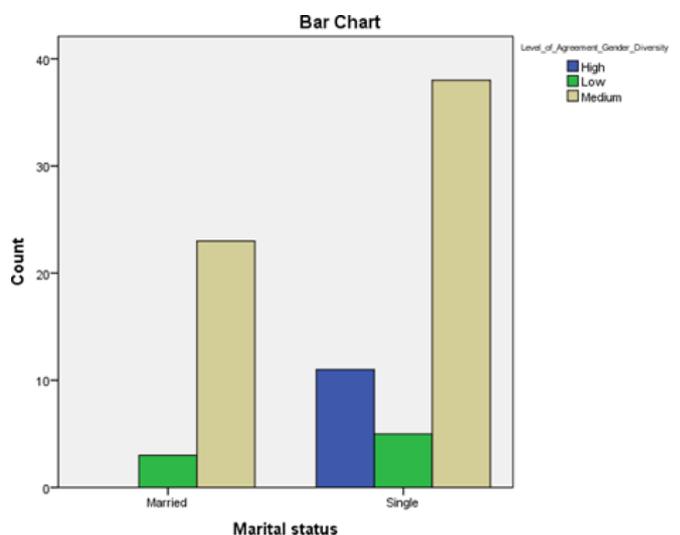
a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is 2.60.

1. The above table indicates that the p-value of the Chi-square test is .046 which is lesser than the standard table value 0.05. Therefore, the test is Selected.

2. Hence the Null hypothesis is rejected and the alternate hypothesis is accepted.

3. The conclusion is there is an association between Marital status and the Level of Gender diversity. (Refer chart no.5)

Chart 5



Major factors influencing diversity & employees' performance at organizations.

Mean of various factors contributing to Education Diversity (Fig.1) , Ethnic Diversity(Fig.2), Gender Diversity (Fig.3) and Age Diversity (Fig.4) was calculated to know which factor contributes more towards these diversities in BPO organizations (Low means indicate a low level of presence of those factors in the organization.) .

Figure 1

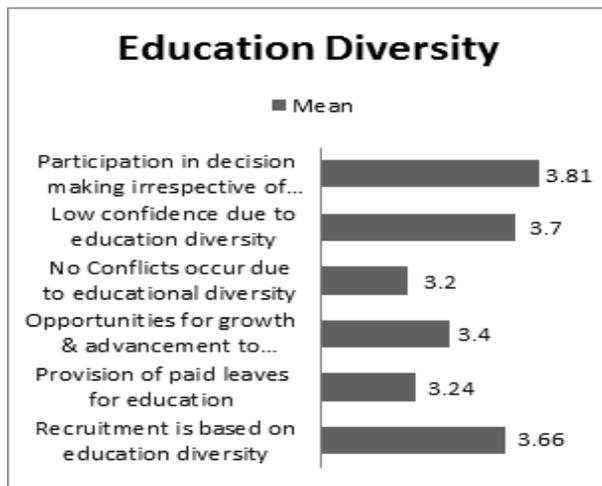


Figure 2



Figure 3

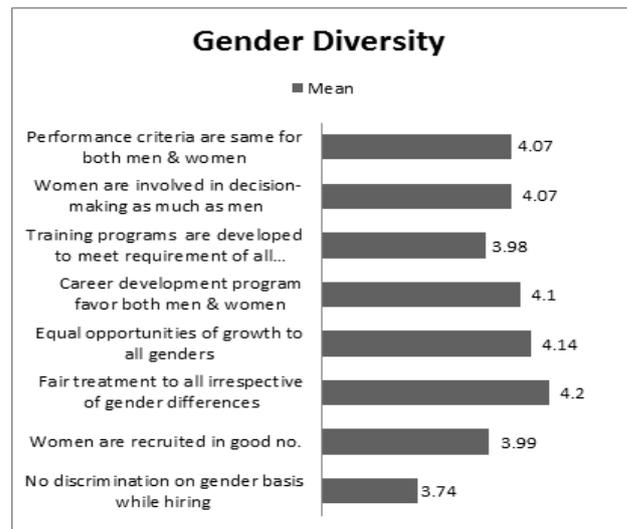
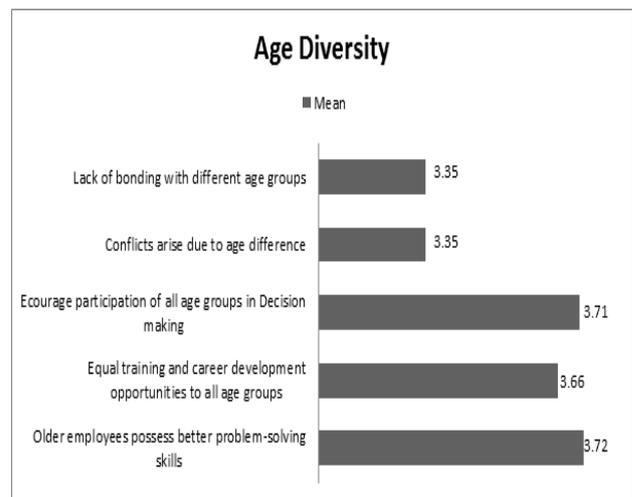


Figure 4



## RESULTS & DISCUSSION

Major findings of the present study are:

1. Employees understudy perceive that organizations have good level of ethnic diversity.
2. About 30% of the employees perceive that their organization's paid leave policy for pursuing further education should be made better.
3. There was a good amount of gender diversity in BPO sector. Growth opportunities were available for all employees irrespective of gender differences
4. 21% of employees felt that age difference caused group conflicts

5. 31% of the employees felt that cultural differences are related to low self-esteem at workplace.

6. The level of the job performance of female employees is more than the job performance of male employees.

7. Married people were not satisfied with the age diversity present in organizations.

8. 63% of employees were of view that their employer does not discriminate based on gender while hiring and recruiting employees.

Researcher found that diversity management policies in most of the organizations under study require considerable improvements.

This study was conducted to know how workplace diversity affects employee performances in the BPO sector and how it helps the employees to perform better in their areas. In light of the summary of findings listed above, the following recommendations are made:

1. Organizations should provide paid study leave to their employees working in the organization to improve issues related to education diversity.

2. Equality and diversity training should be provided to the employees so that the awareness about issues related to diversity can be increased which will help these companies in effectively resolving conflicts which emerge due to diversity

3. Group-ism based on culture, region, caste, race, the color should not be allowed at workplaces as it adversely affects the self-esteem of the employees.

4. Since the majority of the workforce belongs to a younger age group, immediate supervisors should organize events, retreats where employees of all the age groups can mingle with each other. This will help in the creation of bonding between the various age groups.

## CONCLUSION

The study reveals that workplace diversity has a positive correlation with the employee's performance. However, it is easy to have diverse workforces in the organization but to manage

those diverse set of employees is very difficult. Diverse workplaces consistently pose new challenges to organizations. Therefore, there is a need for organizations to realize the importance of diversity management strategies. Organizations should train their employees so that they can overcome their prejudices, break stereotypes, cross narrow cultural boundaries, and raise themselves to a level where organizations' goal take prominence above everything else. If proper diversity training is given to the employees, it can certainly improve their performance. Diversity conflicts if mitigated, will result in better decision making in the organizations.

Organization policies should be designed keeping in mind the diverse workforce employed. Group-ism and domination on any grounds should be discouraged as this results in lower morale. Diverse teams working together in synergy can achieve results that are beyond the scope of any ordinary team. Equal opportunities for growth and inclusive environment result in increased productivity at all levels.

## FURTHER RESEARCH

Previous researches suggest that impact of diversity management on employees' performance is mediated by variables like organization's culture, conflicts in the team, openness to experience of employees, job satisfaction etc. Therefore, the role of mediating variables needs to be explored and accounts for further research in this area.

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