



“A STUDY OF DIVERSITY OF WORKFORCE AND EMPLOYEE ENGAGEMENT ON ORGANIZATIONS PRODUCTIVITY”

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Key Words:

Workforce Diversity, Employee Engagement, Correlation, Diverse team, Organizational Productivity

Abstract:

This research paper examines the relationship between workforce diversity, employee engagement and organizational productivity through secondary data analysis. These three variables are studied by various specialists, researchers, and authors and here research scholars have used these hypotheses and approaches as base. With the increasing emphasis on diversity and presence in the workplace, understanding how diversity impacts employee engagement and productivity is crucial for organizational success. Many studies indicate a positive correlation between workforce diversity and employee engagement. Furthermore, research scholars found that workforce diversity and employee engagement comprehensive practices tend to experience greater productivity levels. Diverse teams tend to exhibit higher levels of engagement. Furthermore, it indicates that organizations with more engaged employees tend to demonstrate greater productivity levels. These findings emphasize the importance of fostering a diverse workforce and to enhance employee engagement and ultimately improve organizational productivity. This study contributes to the growing body of literature on diversity and provides valuable guidance for organizations seeking to navigate diverse workforce management.

I. Introduction:

Work force diversity is seen in the organization which includes age, race, culture, language, religion, sex in the organization. The organizations are group of heterogeneous people. Two different gender is seen and woman now more independent and educated and they can be seen in each sector. Various scholars have studied this tangible factors and even intangible diversity factors likes beliefs, values, principles, viewpoints, and ways of behaving etc. also important one.

1.1 Workforce diversity refers to inclusion of individuals from various backgrounds, cultures, genders, ages, religions, abilities, and experiences within an organization. It includes the acknowledgment and appreciation of variances among employees, aiming to create a workplace that values and leverages the unique perspectives and talents everyone brings. Diversity in the workforce helps in nurturing innovation, creativity, and better problem-solving, leading to enhanced organizational performance and a more inclusive workplace culture. The status of workforce diversity lies in its ability to drive innovation, enhance problem-solving, and improve organizational performance. Workforce diversity affects organization culture which leads to more creative solutions and approaches to challenges. Additionally, a diverse workforce reflects the diverse customer base and community, allowing organizations to better understand and meet the needs of their stakeholders. (10)

1.2 Factors influence workforce diversity:

Recruitment and Hiring Practices targeted recruitment, diversity training for hiring managers, and the use of diverse hiring panels can help attract and select candidates from a variety of backgrounds. Study conducted by researcher Ely and Thomas (2001) discusses the importance of proactive recruitment strategies in building diverse teams. (12)

Organizational Culture is intangible factor which creates values and celebrates differences creates an environment where employees feel comfortable and sometimes could be suppressing his or her own identities. Research conducted by Cox and Blake (1991) highlights the impact of organizational climate which is consequence of organizational culture on diversity initiatives and outcomes. (10) Leadership Commitment: When leaders prioritize diversity and hold themselves and others accountable for fostering an inclusive environment, it sends a powerful message to employees. A study by Rynes and Rosen (1995) examines the role of leadership in diversity management. (32)

1.3 Causes of workforce diversity:

In the last two decades India has observed two main changes – one is migration from rural to urban area and entry of women in every field. Brain drain is also common among the young unemployed population. Bellini, 2005 study shows that there is a

challenge for Indian businesses to manage diversity in the marketplace effectively today.

1.4 Employee Engagement is crucial part for HR managers as it leads to organization success or failure. As engaged employees are enthusiastic about their work, committed to their organization's goals, and motivated to contribute to its success. This is emotional and psychological connection that employees have with their work, organization, and objectives. William A. Kahn, a professor of OB at Boston University wrote "Psychological Conditions of Personal Engagement and Disengagement at Work" describes employee engagement as people employ and express themselves physically, cognitively, and emotionally during role performances."(19)

1.5 Factors influencing Employee Engagement:

Organizational Culture: The values, beliefs, and practices within an organization significantly impact employee engagement. This is an intangible factor promoting trust, collaboration, and open communication among employees.

Leadership Style: Effective leadership create transparent work culture and provide clear direction inspire trust and commitment between employees.

Job Satisfaction: When employees find their work meaningful, challenging, and aligned with their skills and interests, they are enjoying work life balance and get satisfaction.

Recognition and Rewards: Monetary and Nonmonetary rewards, incentives opportunities for advancement motivate employees to perform at their best.

Work-Life Balance: WFH, Flexible work arrangements, time off policies, and paid holidays, wellness programs contribute to higher levels of engagement.

Career Development: Proper training, mentoring, and career development opportunities empowers employees to enhance their skills.

Employee Involvement: Empowering employees to contribute ideas and participate in problem-solving cultivates engagement and loyalty.

Communication: Effective communication channels facilitate transparency, feedback, and information sharing builds trust and engagement. A comprehensive study conducted by Aon Hewitt, titled "Trends in Global Employee Engagement" (2018), provides insights various factors that influencing employee engagement (5)

1.6 Relationship between employee engagement and productivity:

Gallup analysed data from over 49,000 business units and found that positive relationship between highly engaged employees and higher profitability. Engaged employees are more committed, motivated, and enthusiastic about their work, which leads to higher levels of productivity. The study also revealed that engaged employees are more likely to be productive, resulting in increased efficiency and output. (15). Another study conducted by Judge, Thoresen, Bono, and Patton (2001) published in the Journal of Applied Psychology on "Does Affect Matter in Organizations? An Examination of Team Affect and Its Consequences" by found that positive relationship among employees with job performance. Employees who experienced positive affectivity were more likely to be engaged in their work and demonstrated higher levels of productivity. (18)

1.7 Relationship between Workforce diversity and productivity:

Several researchers handle this factor and their linkage to organizational success.

Innovation and Creativity: Research conducted by Herring (2009) found that diverse teams with different backgrounds, experiences, and perspectives can suggest innovative solutions and products compared to homogeneous teams. (17)

Enhanced Decision-Making: A study conducted by Page (2007) showed that diverse groups can solve problems in much better manner. (24). They can consider a broader range of options and perspectives, leading to more informed and effective decisions.

Employee Engagement and Retention: McKinsey & Company in 2015 found that companies with diverse workforces (22) were more likely to have higher employee satisfaction and lower turnover rates.

Workforce diversity enables organizations to better understand and cater to diverse customer needs and preferences. There are various studies and reports which shows evidence of the positive impact of workforce diversity on productivity, innovation, decision-making, and employee engagement, highlighting the importance of embracing diversity as a strategic advantage in organizations.

1.8 Impact of diversity of the workforce and employee engagement on productivity:

Diverse teams bring different perspectives and approaches to problem-solving, leading to more innovative solutions and faster decision-making processes. Engaged employees are more focused, committed, and motivated to perform their best, leading to higher levels of productivity and efficiency. Moreover, a diverse and inclusive work environment where all employees feel valued and respected fosters a sense of belonging and psychological safety, which can further enhance employee engagement and productivity. These references provide in-depth insights and data supporting the relationship between diversity, employee engagement, and productivity in the workplace.

2. Research Objective:

- 1) To review the secondary data based on diversity of workforce, employee engagement and its impact on organizations productivity.
- 2) To review the impact of diversity of workforce, employee engagement and its impact on organizations productivity in different sector.

2.1 Research Methodology:

This paper presents a comprehensive review of the literature, theoretical frameworks to examines the relationship between Diversity of Workforce and Employee Engagement on Organizations Productivity. Organizations are adopting existing research findings, this paper aims to provide insights into the different strategies.

2.2 Literature Review:

Johnson and Johnson express that engaged employees will stay with the company for longer and continually find smarter, more effective ways to add value to the organization. The result is a high performing company where people are flourishing and productivity is increased and sustained.” -- (Catteeuw et al., 2007 p. 152). Barclays in 2008 suggests that it is possible to gain a good sense of someone’s engagement and it is good place to work. Dell refers to being engaged as “giving time and talent to team building activities”.-- (Dell,2008).Nokia Siemens Networks, 2008 describes the organizations strategic goals, values, and motivation and willingness to invest discretionary effort. Study by Snuff, 2008 focus on employee engagement. Iqbal, et al (2015) considered the effect of reward and prizes and initiative on employee

engagement. Enhancing Employee Engagement An Evidence-Based Approach, Whittington, J.L., Meskelis, S., Asare, E.K., Beldona, S (2017), present a research-based, comprehensive approach designed to help managers & practitioners understand how to create an environment that fosters a high level of employee engagement. Mendiratta (2016) suggested, organizations to endeavour aggressively especially in these times of globalization, managers must have significant abilities for powerful execution in the employee engagement approaches and rehearses. Engaged employees are conferred and faithful. From the above research it was reasoned that the level of representative engagement in SPS Apollo Hospital was direct. The different activities undertaken by SPS Apollo Hospitals helped to keep all the engaged employees in with the organization. Dr. Pratima Sarangi, Dr. Bhagirathi Nayak (April 2016) in their research paper, opined that there is enhanced level of employee engagement levels defined through their 6 Cs parameters. (29)

2.3 Conceptual Framework:

A. Studies on Employee Engagement in Manufacturing

Sarkar (2011) has studied Employee Engagement strategies in manufacturing industries like M. and M. Limited, Shree Baidyanath, Morarjee textiles Limited, Indo Rama Synthetics Limited, Narayana Processed Food Private Limited, and Raymond India Ltd. etc. revealed that employee engagement gets affected due to motivation and training. Gender gap is seen in the manufacturing industry with 8 million workers employed in India's formal manufacturing industries in 2019-20, only around 1.6 million women can be observed as per Annual Survey of Industries (ASI).

In 2024, employee engagement is being shaped by several key trends, mental health and well-being, personalized employee experiences, and the focus on diversity.

B. Employee Engagement in Entertainment Industry

Emmema, et al (2012) studied employee engagement in India in MGM Corporate which is a movie pictures studio house. They studied the components influencing employee engagement and proposed techniques for powerful worker engagement. This was affecting the employee morale and need for staying back in the organization was being hampered. The investigation uncovered that work-life balance and welfare of the family have prompting upgraded worker engagement.

Indian entertainment industry is continuing to grow. In 2024, digital media is going to overtake television to become the leading segment of the M&E sector. Digital media is expected to drive the M&E sector's growth to a 10% annual rate, crossing INR3 trillion (\$37.1 billion)

C. Employee Engagement in Banking Industry

Carnegie research has examined the utilitarian and passionate components that influence employee engagement in the Banking Industry. Their trust prompts more prominent fulfilment which thus impacts their engagement with the organization. The second most critical engagement factor as uncovered by this investigation is the employees' general fulfilment with the association. (11) Workforces are ever increasing in banking sector in India. In FY23 surged 61% over FY22. Employee engagement initiatives helps to nurturing a positive work environment, cultivating professional development opportunities. In 2024, banking workforce development strategies will emphasize a holistic approach to employee retention.

D. Employee Engagement in Insurance Sector

Anbuoli, et al in 2009, (4) has investigated the idea of employee engagement in Insurance Sector. Prizes and acknowledgment, recognition were the key elements in charge of expanded employee engagement. Recruitment and retention of people are vital for innovation, growth, and creativity in insurance industry. Over the next five years (2024–28), total insurance premiums will expect to grow by 7.1%. India will have the fastest growing insurance sector of the G20 countries.

E. Employee Engagement in the Hospitality Sector

Ncube, Farai, et al (2006) have considered worker engagement is common in Zimbabwe as a basic part in deciding the aggressiveness for growth of an organization. The investigation additionally cantered around the motivational levels of the working environment in giving quality visitor benefits because of expanded employee engagement. (23). The trend of higher-end hotel outperformance will continue in 2024, with luxury and upper-upscale expected to increase by 3.8% year-over-year and 3.7% year-over-year, respectively.

F. Employee Engagement in IT Sector

Preeti Thakur (2014) contemplated the impact of employee engagement on work fulfilment in the IT Sector. Chen, and Francesco., (2000) had discovered that in the IT business it has been noticed that mental contracts are changing. Subsequently the greatest test could be maintenance and inspiration in the IT segment in India. Krishnan, and Singh (2010), investigated the results of reasons of Indian IT experts to cease their employment with their organizations. (7) There are approximately 30% in total workforce of the female employees of IT industry in India. Cultural diversity and gender diversity in the workplace is very common.

G. Employee Engagement in Public Sector Undertakings (PSU's)

Rehman and Waheed (2011) led an observational investigation of the effect of occupation fulfilment on work execution in people in the PSUs in India. They found that employees are by and large happy with their occupations. Mamta, Baldev (2011) contemplated employee engagement and its indicators. (21)

H. Employee Engagement in the Health Care Industry

Mendiratta (2016) suggested, organizations to endeavour. Engaged employees prompt better business results as they work with energy and feel associated with the organization's general targets. Work force size estimated is much lower (3.12 million) with allopathic doctors and nurses/midwives estimated as 0.80 million and 1.40 million, respectively. In 2023, hospital market in India, reached to USD 98.98 billion, with forecasts indicating a CAGR of 8.0 per cent from 2024 to 2032. By 2032, the market is will reach to USD 193.59 billion.

3. Conclusion**Importance of workforce diversity in productivity in India**

Workforce diversity is critical for whole organization and it can implant innovation, creativity, and inclusivity within organizations. In India specifically, research conducted by the Indian School of Business (ISB) and the Centre for Work and Equality at Ashoka University underscores the significance of diversity in enhancing organizational performance. Their study, "Diversity and Inclusion: The Indian Experience," emphasizes how diverse teams in Indian organizations lead to better decision-making processes, increased employee engagement, and higher levels of innovation. A report

by the Confederation of Indian Industry (CII) titled "Diversity and Inclusion: Unlocking Hidden Potential" emphasizes the economic benefits of diversity in the Indian context. A survey revealed that 51% of employees are disengaged, while 13% are actively disengaged. Research where 600 small businesses of 50–500 employees participated showed that 63.3% of them have more trouble retaining their workforce rather than hiring it. Respect, Relevance, Reciprocity, Responsibility are the “Four Rs” proposed by Verna J. Kirkness and Ray Barnhardt in their seminal 2001. (35)

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