MANAGEMENT OF CULTURAL DIVERSITY IN IT SECTOR

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Abstract   *Cultural diversity at the workplace is a very important factor affecting the human resource cycle at every stage starting from selection, interview to training and feedback and also the exit interview. The main objective is to study the impact of the various sub-variables (equal treatment and non-discrimination, human resource practices, communication processes, organisational commitment and organisational processes) taken into study on the main variable, that is managing cultural diversity in IT sector. This research is descriptive in nature and data is taken from 63 software professionals using structured questionnaire by convenient sampling technique. Data is analyzed by SPSS and it is found that all the variables taken under study showed a very strong correlation with the main variable which means that any increase in any of the stated variables will show a positive impact on the way cultural diversity is managed in an organisation. It is recommended that all employees should be aware of the existence of such diversity and they should try to make changes in the behaviour and attitude. The need is to turn from "accepting diversity" to "being aware of diversity". HR manager need to develop dynamic policies which can be easily administered to manage cultural diversity in an organisation.*

Keywords: *Cultural Diversity, Communication, Diversity Management, Equal Treatment, Organisational Culture, Organisational Commitment, Organisational Processes*

INTRODUCTION

In today's globalised world the workforce is inevitably becoming more and more diversified, hence there is growing concern for diversity management. Rai (2009) described word diversity as a vast reference to all facets of mankind, be it gender, language, culture, race, religion or creed.

Diversity management is a mean to enhance the image of a company not only by making it a mean to meet social or moral obligations like providing equal opportunities for men and women, but also increasingly as a management tool to take advantage of the resource "diversity"(Koeppel, Yan, & Luedicke, 2012). Diversity management is defined as a variety of management issues and activities related to hiring and effective utilisation of personnel from different cultural backgrounds. With globalisation and international merges, movement of workers around the globe giving rise to the problems associated with cultural diversity, as result of that the role of diversity management will even grow in importance and significance in the future.

Managing diversity can be defined as "systematic and planned commitment on the part of organisations to recruit and retain employees from diverse demographic backgrounds."

Ilmakunnas & Ilmakunnas (2011) concluded that diversity at workplace has both positive and negative effects.

Mkoji & Sikalieh (2012) suggested that personality dimensions and performance showed that the conscientiousness personality trait is the most predictive of job performance at followed by openness to experience, agreeableness, extraversion, and emotional stability.

Role of HR in managing Cultural Diversity

HRM provides a strategic and coherent approach to the management of an organisation's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives (Armstrong, 1999). HRM over the decades has moved from its role of being a mere spectator-cum-administrator to being a more strategic proactive contributor in an ever changing business domain. Hence HR nowadays plays the active role in management of the cultural diversity in terms of their people or workforce they employed. The focus of the workforce diversity issue has changed from equal employment opportunity to effectively managing workforce diversity as an organisational imperative. Thus the human resource

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department has a keen role to play in designing of strategies that are aimed at creating change in organisations. Steps for fostering diversity are as follows: seek out issues regarding diversity, strengthen top management commitment to diversity, choose solutions that balance diversity, and set goals for diversity.

Managing workforce diversity should be considered by managers as an opportunity to serve the needs of customers better and to penetrate new markets. By valuing and managing diverse workforce, it is possible to enhance creativity, flexibility, and rapid response to change.

Measuring Management of Culture Diversity

The management of cultural diversity in the workplace is done with the reference to different roles organisation in managing cultural diversity by analyzing upon the various policies and procedures adopted by the organisation. This instrument has been used for present study which is having 24 items classified under five dimensions - equal treatment and non-discrimination, human resources practices, communication processes, organisational commitment, and organisational processes.

LITERATURE REVIEW

Kautish (2012) suggested ways to manage multicultural environment in organizations effectively, with an example of a fictional company Golden Eagle Sagar, a merger between Golden Eagle and Sagar Inc., facing problems post-merger due to ineffective diversity management. It is concluded that the organisations can use two approaches of training that can play a big role in managing diversity i.e. training to diverse groups of employees and training to managers and other employees who work with diverse employees.

Sartorius & Carmichael (2011) investigated cultural dimensions, nature of any degree of cultural hybridisation, and importance of 'humanist' variables in the workforce of a multinational company and how a set of western-based HRM practices can be modified for a multinational company in Africa. The results showed how a western-based multinational organization was able to improve its HRM policies and practices as a result of recognising its local cultural dimensions at the same time as revising some 'harder' issues such as compensation.

Uma (2011) concluded that diversity management has to ensure that factors are in place to provide for and encourage the continued development of a diverse workforce to achieve maximum productivity.

Panaccio & Waxin (2010) have examined the situation of HRM manager of a bank in Quebec, Canada. This effort entailed encouraging diversity in the bank by increasing ethnic and cultural minority representation and by eliminating discrimination among the workforce. Designing and implementing of HRM practices in order to facilitate the recruitment, selection, integration, and development of a diverse workforce is done. Pauluzzo (2010) has attempted to analyze the role played by Chinese cultural values in influencing Italian companies' HRM in China. Within the paper, it is suggested the degree of knowledge of a cultural environment has a direct correlation with HR strategies and practices.

RESEARCH METHODOLOGY

Research Design

Descriptive Research

Research Objectives

1. To study the impact of the various sub-variables (equal treatment and non-discrimination, human resource practices, communication processes, organisational commitment, and organisational processes) taken into study on the main variable, that is cultural diversity.

Hypothesis

Ho1: There is no association between the cultural diversity in organization and the equal treatment and non-discrimination among the employees.

Ho2: There is no association between the cultural diversity in organisation and the human resource practices followed by organisation.

Ho3: There is no association between the management of cultural diversity in organisation and the communication processes followed by the organisation.

Ho4: There is no association between the management of cultural diversity in organisation and the organisational commitment.

Ho5: There is no association between the management of cultural diversity in organisation and the organisational processes.

Ha5: There is an association between the management of cultural diversity in organisation and the organisational processes.

Sample

63 software professionals of different IT companies of NCR (National Capital Region).

Data Collection

To collect primary data, survey method was followed in which a questionnaire was designed to be filled by the various employees of IT companies. Secondary data was collected through research papers, journals, text books and social networking.

Tool Used

A self-designed questionnaire has been used to assess the management of cultural diversity based on secondary source which is having 24 items on 5 point scale is used. The tool is having following 5 dimensions -Equal Treatment and Non-Discrimination (4 items), Human Resource Practices (5 items), Communication Processes (5 items), Organisational Commitment (5 items), and Organisational Processes (5 items).

DATA ANALYSIS AND INTERPRETATION

Data analysis and interpretation have been designed systematically to achieve research objective and hypotheses.

Reliability

Table 1: Reliability of Managing Cultural Diversity Instrument

Reliability Statistics	
Cronbach's Alpha	**N of Items**
.876	24

The value of Cronbach's Alpha is more than .6 which shows reliability of the instrument.

Descriptive Statistics

[where HRP, ETND, OC, CP, and OP stand for Cultural Diversity, Human Resource Practices, Equal Treatment and Non-Discrimination, Organisational Commitment, Communication Processes, and Organisational Processes respectively]

Mean values of these dimensions are ranging from 3.865 to 3.952 which are approaching 4 out of 5. This shows that employees are satisfied with management of cultural diversity in their organisation.

Table 2: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
HRPMean	63	3.00	5.00	3.9444	.45224
ETNDMean	63	2.25	4.75	3.9365	.49180
OCMean	63	2.25	5.00	3.9048	.53398
CPMean	63	3.00	4.75	3.8651	.45972
OPMean	63	2.75	5.00	3.8651	.51358
Valid N (listwise)	63				

Correlation Analysis

Management of Cultural Diversity Vs. Equal Treatment and Non-Discrimination

The value of p is .000 which is less than .05 and r value is .566. It is interpreted that there is significant, positive and moderate correlation between management of cultural diversity in organization and the equal treatment and non-discrimination among the employees. Hence null hypothesis is rejected and alternate is accepted.

Table 3: Correlations between Management of Cultural Diversity vs. Equal Treatment and Non-Discrimination

		Cultural diversity	Equal treatment
Cultural Diversity	Pearson Correlation	1	.566**
	Sig. (2-tailed)		.000
	N	63	63
Equal Treatment	Pearson Correlation	.566**	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Management of Cultural Diversity Vs. Human Resource Practices

The value of p is 0.000, which is less than the 0.05, and r value is .624. It is interpreted that there is significant, positive and moderate correlation between management of cultural diversity and the human resource practices followed

by organisation. Hence null hypothesis is rejected and alternate is accepted.

Table 4: Management of Cultural Diversity vs. Human Resource Practices

		Cultural Diversity	Human Resource
Cultural Diversity	Pearson Correlation	1	.624**
	Sig. (2-tailed)		.000
	N	63	63
Human Resource	Pearson Correlation	.624**	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Management of Cultural Diversity Vs Communication Processes

The value of p is 0.002 which is less than 0.05 and r value is .383. It is interpreted that there is significant, positive and week correlation between management of cultural diversity and the communication processes followed by the organisation. Hence null hypothesis is rejected and alternate is accepted.

Table 5: Management of Cultural Diversity vs. Communication Processes

		Cultural Diversity	Communication
Cultural Diversity	Pearson Correlation	1	.383**
	Sig. (2-tailed)		.002
	N	63	63
Communication	Pearson Correlation	.383**	1
	Sig. (2-tailed)	.002	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Management of Cultural Diversity Vs. Organisational Commitment

The value of P is 0.000 which is less than the 0.05 and r value is .607. It is interpreted that there is significant, positive and moderate between the management of cultural diversity in organisation and the organisational commitment towards cultural diversity. Hence null hypothesis is rejected and alternate is accepted.

Table 6: Management of Cultural Diversity vs. Organisational Commitment

		Cultural Diversity	Organisational Commitment
Cultural Diversity	Pearson Correlation	1	.607**
	Sig. (2-tailed)		.000
	N	63	63
Organisational Commitment	Pearson Correlation	.607**	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

Management of Cultural Diversity Vs Organisational Processes

The value of p is 0.000 which is less than the 0.05 and r value is .570. It is interpreted that there is significant, positive and moderatebetween management of cultural diversity in organisation and organisational processes. Hence null hypothesis is rejected and alternate is accepted.

Table 7: Management of Cultural Diversity vs. Organisational Processes

		Cultural Diversity	Organisational Processes
Cultural Diversity	Pearson Correlation	1	.570**
	Sig. (2-tailed)		.000
	N	63	63
Organisational Processes	Pearson Correlation	.570**	1
	Sig. (2-tailed)	.000	
	N	63	63

**. Correlation is significant at the 0.01 level (2-tailed).

SUGGESTIONS AND RECOMMENDATIONS

There is need to give proper attention for improvement of communication process which is weekly correlated with cultural diversity management, though other dimensions also need to be improved as they are moderately correlated. This can be achieved by changing communication channels, internal rules and policies, attitude and behaviour of the majority. There is also need to turn from "accepting diversity" to "being aware of diversity".

LIMITATION AND CONCLUSION

This study is limited to 63 software professionals from 6 companies of IT sector. It is concluded that there is moderate correlation between management of cultural diversity and other four dimensions except communication process which is weekly correlated. There is enough scope to improve all dimensions to the level of high correlation with management of cultural diversity. This has huge potential for further research by increasing participants and companies across IT sectors.

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