

Diversity Perceptions' influence on Job Performance of Employees in the Information Technology Sector of Karnataka

PROF.KALAM NARREN**

* Research Scholar- Visvesvaraya technological University Belgaum

** Professor – BNM Institute of Technology, Bangalore

Abstract

Workplace diversity can be constructive or disadvantageous to the organizations, depending on the organizations' diversity management initiatives. The ultimate success and organizational outcomes of diversity management programs implemented by organizations depend largely on the perceptions of employees towards such initiatives and towards the concept of diversity, rather than the actual prevalence of diversity. Therefore, the present study aimed to assess the differences in diversity perceptions across different groups of employees working in IT sector of Karnataka and to examine if employee diversity perceptions significantly altered their job performance. N=160 IT-ITES professionals of Karnataka were chosen using convenience sampling technique and self-administered questionnaires were used for data collection. Workplace diversity survey was utilized for assessing employee diversity perceptions. Results revealed the respondents to be diversity optimists and realists. Diversity perceptions varied across groups based on demographic factors and significantly influenced task as well as contextual performance of the respondents.

Keywords: Diversity, diversity perceptions, age, gender, native state, native language, IT sector, Karnataka, workplace diversity survey, contextual performance, task performance, job performance

1 Introduction

Diversity as a tangible as well as an intangible asset for individual and organizational performance is growing popular among organizations across the world. Workplace diversity refers to recognition and acceptance exhibited by an employee towards his/her colleagues, despite differences in demographic factors such as gender, race, culture, ethnicity, disabilities, etc., organizational factors such as designation, departmental affiliation, compensation, etc. and psychological factors (Cox, 1994; Richard, 2000; Ely & Thomas, 2001). However, diversity not imply that individuals within the same social or cultural group do not possess inequalities. On the other hand, it exemplifies that the degree of tolerated inequality of the employees differs across diverse linguistic, cultural or social backgrounds.

Workplace diversity can be constructive or disadvantageous to the organizations, depending on the organizations' ways of tactfully managing the same. When the employees of an organization are from diverse backgrounds, the minority group might face disadvantages such as adapting to the predominant cultural group, difficulties in forming social connections, increased risk of conflicts, prejudice, etc., all of which leads to organizational ineffectiveness (Henry & Evans, 2007). For instance, Eagly, Makijani and Klonky (1992) established that when an organization fails to achieve gender inclusion, gender related stereotypes led to devaluation of women employees' performance than men. Similarly, Greenhouse and Parsuraman (1993) found that the efforts of black managers were often not acknowledged by organizations negligent towards racial inclusion. When prevalence of such stereotypes are not managed by organizations, certain groups of employees, especially those who are underprivileged or form the minority, might fail to perceive the work environment as favourable for them, thereby negatively influencing organizational outcomes.

However, when diversity is harnessed effectively by an organization and all their employees feel equally valued, positive organizational consequences such as improved talent, employee

retention, competitive advantage, etc. of the employees can be achieved (Adler, 1997; Coleman, 2002). As Kreitner and Kinicki (2001) pointed out, diversity not only stands for differences but also similarities between groups of individuals, which can be harnessed by the organizations for maximization of employee performance (Millikan & Martins, 1996). Prior research pertaining to organizational context reveals significant associations between diversity management and enhanced human resource outcomes, group thinking, problem solving (Mazur, 2010), etc.

1.1 Diversity management in the Indian IT sector

Not mere embracing of diversity but management of diversity was remarked to be the guaranteed way to ensure organizational success (Farrer, 2004). Any organization's attempts to introduce organizational changes and instil such an organizational climate perceived as suitable by all the employees within the organization, in order to extricate their maximum potential, is referred to as diversity management (Cox, 1993; Kreitner & Kinicki, 2001). The approach followed by South Africa in managing the ethno-cultural differences among its immigrants was such that diversity could be translated into a national asset and is therefore a best example for diversity management. Similarly, India being a melting-point of various religions and languages, the country is best suited for studying diversity. Due to the diverse culture of the country, the Indian organizations face significant challenges in embracing workplace diversity. The present study, set in India, placed special focus on the diversity prevalent in IT sector of the country.

India houses nearly 75% of the global digital talent, representing a domestic revenue of US\$ 41 billion and an export revenue of US\$ 126 billion in the financial year of 2018 (IBEF, 2018a). It is predicted that the IT-ITES sector of India will grow at 9.1% CAGR by 2025, a rate of growth significantly higher than the global rate exhibited by the sector (IBEF, 2018a). The IT industry of India is known for its diversified employees. The Indian IT industry, with nearly

3.7 million direct employees and 10 million indirect employees hailing from different cultures, values and geographic locations, has introduced focused strategies for diversity and inclusion, i.e., to identify and understand potential segments within their workforce (NASSCOM, 2016). Apart from the legal obligations and social responsibilities of organisations that drive them to be inclusive, diversity management is also emphasized by IT organisations to attract, manage and retain talent, subsequently improving organizational revenue. For instance, Adler (1991) pointed out that diversity in organizational culture helped in securing diverse clientele. McKinsey and Co. (2010) established that performance of the firms across different countries significantly improved when gender diversity was tackled by the companies. Herring (2009) posited that organizations encompassing employees with diverse racial backgrounds often exhibited enhanced innovation, revenue and market share when compared to others.

In spite of the different diversity efforts made by the Indian IT industry, certain reports such as Patrick and Kumar (2012) still suggest the prevalence of workplace discrimination. The industry has also been indicted for its poor representation of employees from all sectors by certain researchers. For instance, Illavarasan (2007) reported the poor representation of employees belonging to SC/ST among IT companies of Bengaluru. Similarly, poor representation of employees from other religions other than Hindus in the IT sector was pointed out by Upadhyaya et al. (2006). Considering such observations, the present study on diversity was set in the IT sector of Karnataka.

Karnataka, the IT capital of India (India in Business, 2007), forms the fourth largest IT hub of the world, sheltering 47 Special Economic Zones (SEZs) dedicated to the IT sector (IBEF, 2018b). Bengaluru, a city in Karnataka, referred to with the famous sobriquet 'Silicon Valley of India', houses the headquarters of Wipro Ltd. and Infosys Technologies Ltd. as well as 50% of the global SEI CMM level 5 certified companies along with other notable IT players such as Genpact, Accenture, etc., who have launched multiple operation centres within the state. An

example of the huge investments made by the Indian government towards this sector is the large North Bengaluru IT investment project near Devanahalli, approved in 2010, which is expected to create 4 million jobs by 2030 (The Hindu, 2010). In the present study, IT companies situated in Karnataka were chosen and their perceptions of diversity studied.

1.2 Diversity perceptions

Workplace diversity can be studied through objective or subjective measures. The ultimate success and organizational outcomes of diversity management programs implemented by organizations have been found to depend largely on the perceptions and receptivity of employees towards such initiatives (Lawrence, 1997; Kalpan et al., 2011). Employees form judgements of the diversity efforts made by organizations based on the perceived equity of work environment, work practices and other policies offered to them (Madera et al., 2013). Since globalisation has led to forced integration of diversity management strategies within organizations for the purpose of securing competitive advantage, perceptions of diversity, more than the actual level of diversity prevalent within organizations, would assist in better determination of diversity outcomes (Allen et al., 2007).

1.3 Predictors and consequences of diversity perceptions

While numerous studies have focused on identifying the right kind of diversity strategies to be adopted in different scenarios, it is also important to assess the personal values attached by the employees for diversity and if such perceptions vary across different groups of individuals. Some of the studies situated in India have assessed diversity perceptions of employees. Sia and Bhardwaj (2009) assessed the diversity perceptions of managers holding different middle and upper level positions in two selected public sector companies of Orissa. The study revealed psychological contract of the employees on culture and on task to be significant predictors of their diversity perceptions with respect to organizational fairness and inclusion. Kundu (2003, 2004) established that diversity perceptions of employees working in different corporate

companies of India differed across gender, community and social disabilities. Another study conducted by Garg and Ganesh (2018) among employees of different industries of India revealed awareness and attitudes towards diversity management initiatives taken by organizations to affect their perceptions of discrimination.

While most of the studies concerning diversity perceptions were situated in foreign countries (Kossek & Zonia, 1993; Soni, 2000; Soldan & Dickie, 2008; Wikina, 2011), very few of the Indian studies assessing diversity perceptions pertained to the IT sector. For instance, Obvious lack of studies recording diversity perceptions and differences in the same across different groups of employees pertaining to the IT industry of Karnataka could be observed. Therefore, the present study set out to assess if the IT organizations of Karnataka merely addressed diversity in terms of legal requirements or if diversity was being treated as a strategic priority by recording the perceptions held by selected IT sector employees regarding diversity.

In addition, not many studies have focused on the consequences of diversity perceptions, especially in terms of performance. Cox (1994) quoted that visible differences in the work force such as their age, nationality, religion, etc. had maximum influence on their work related outcomes. A few studies have associated diversity perceptions of employees with organizational performance such as Allen et al. (2007), Choi and Rainey (2010), Kundu and Mor (2017), etc. and other factors such as employee satisfaction (Hicks-Clarke & Iles, 2000), absenteeism (Avery et al., 2007), organizational effectiveness (Gonzalez & Denisi, 2009), etc. However, individual job performance as a consequence of diversity perceptions has not been studied so far.

With the aim of bridging this research gap, the present study devised the following objectives:

- To examine the diversity perceptions of employees working in IT sector of Karnataka

- To assess the differences in diversity perceptions across different demographic groups
- To establish linkage between diversity perceptions and job performance of employees

2 Methodology

In order to meet the objectives of the study, the researcher chose a quantitative research methodology. The study conducted was descriptive in nature. Replicability, precision, parsimony and falsifiability of the study were ensured. IT-ITES professionals of Karnataka were treated as the target population for the study from which N=160 respondents were chosen using convenience sampling technique.

2.1 Research instrument

Survey design was adopted for data collection and self-administered questionnaires were used as the research instruments. While diversity perceptions was treated as a unidimensional variable and measured with the help of workplace diversity survey designed by Hostager and De Meuse (2008), job performance was assessed through two dimensions: contextual and task performance. Contextual performance (Borman & Motowidlo, 1993; Scotter & Motowidlo, 1996) stands for an employees' passion for the job. The dedication of employees, their self-discipline while performing their roles and the inclination exhibited by them in coordinating with others as well as in achieving organizational goals represents contextual performance of employees. Task performance (Borman & Motowidlo, 1993), on the other hand, refers only to the nature of outcomes exhibited by the employees such as quality of work, ability to satisfy job roles, organizational needs, goals, etc.

The questionnaire also collected information on the demographic profile of the respondents. Five point Likert scale ranging from Strongly Disagree to Strongly Agree were assigned to all the variables. Categorical and ordinal scales were used for the demographic variables.

Statistical analysis of the data collected was carried out with the help of Statistical Package Program Version 21.0.

The questionnaire was tested for its reliability and validity. The Cronbach's alpha values (Table 1) obtained for all the scales were found to be above 0.8, confirming the inter-item reliability of the questionnaire. Diversity perceptions scale exhibited Cronbach's alpha value of 0.817 (N=20). Contextual performance (N=8) and task performance (N=6) scales exhibited Cronbach's alpha values of 0.816 and 0.805, proving that the scales were reproducible and free from bias.

Principal Component Analysis using Varimax rotation of Job performance was carried out and two factors extracted: Contextual performance and Task performance (Table 1). A KMO value of 0.862 confirmed the suitability of carrying out factor analysis on the data. Contextual Performance was identified as the most significant factor accounting for 41.958% of variation in job performance, followed by Task Performance explaining 9.190% of the total variation. All the items under both the factors exhibited factor loading values greater than 0.5 with Eigen values greater than 1 and were therefore retained by the researcher.

Table 1: Reliability and validity of the questionnaire

Items	CP	TP
1	0.776	0.729
2	0.626	0.659
3	0.651	0.545
4	0.675	0.543
5	0.725	0.509
6	0.648	0.665
7	0.629	
8	0.597	
<i>% variance</i>	<i>41.958%</i>	<i>9.190%</i>

<i>Cumulative %</i>	<i>41.958%</i>	<i>51.148%</i>
Cronbach's alpha	0.816	0.805
KMO measure of sampling adequacy		0.862
Bartlett's test of specificity		Chi-square: 918.673 Sig. 0.000

2.2 Study hypotheses

Since reports on workplace diversity suggest the percentage of women working in India to be smaller when compared to women of other countries (GDBA, 2011), gender was studied as a main predictor of differences in diversity perceptions among employees. The present study also assessed age, native state and language of the employees as possible predictors of differences in diversity perceptions of employees since these factors have been identified as often responsible for categorization of people within India (Shenoy, 2013). Therefore, the following hypothesis was formulated:

H1a: Male and female employees differ in their perceptions of diversity

H2a: Employees of different native states differ in their perceptions of diversity

H3a: Employees of different languages differ in their perceptions of diversity

H4a: Employees of different age groups differ in their perceptions of diversity

In keeping view of the major role played by the IT sector of India as a catalyst for Indian economy and the importance of understanding the dynamics of work force within this sector for identification of factors leading to maximization of productivity, the present study examined diversity as a predictor of job performance within the IT sector of Karnataka through the following hypotheses:

H5a: Diversity perceptions of employees have significant positive effects on their contextual job performance

H6a: Diversity perceptions of employees have significant positive effects on their task performance

3 Results

3.1 Demographic profile of the respondents

Majority of the study respondents were 21 to 34 years old (69%), followed by 35 to 44 year old respondents (25%). Higher number of men (66.3%) than women (33.8%) took part in the study. More than half of the respondents had a bachelor's degree in different fields (62.5%) while 35% of them had a master's degree and only N=2 respondents had a doctorate degree. The respondents held different designations within their companies ranging from upper management (13.8%) to technical roles (49%), thereby improving the generalizability of the study findings. Most of the respondents exhibited a total work experience of 0 to 10 years, confirming the relevance and authenticity of their study responses.

Table 2: Demographic profile of the respondents

	Frequency	Percent		Frequency	Percent
Age			Designation		
21 to 34 years	110	68.8	Upper management	22	13.8
35 to 44 years	40	25	Management	58	36.3
45 to 54 years	10	6.3	Technical	78	48.8
> 55 years	2	1.3	Others	2	1.3
Gender			Work experience		
Male	106	66.3	0 to 5 years	68	42.5
Female	54	33.8	6 to 10 years	50	31.3
Education			11 to 15 years	24	15
Bachelors	100	62.5	16 to 20 years	14	8.8
Masters	56	35	> 20 years	4	2.5
Doctorate	4	2.5	Total	160	100

3.2 Native state and language of the respondents

From Figure 1, it is evident that N=106 of the study respondents working in different IT companies of Bangalore belonged to Karnataka while the others (N=54) were from different states of India. Further diversity in languages could also be observed among the study respondents as made evident by Figure 1. It is interesting that merely N=62 of the 106 respondents native to Karnataka spoke Kannada while the other 44 respondents spoke seven different languages such as Gujarati, English, Telugu, etc. Telugu speaking people formed the majority among respondents from other states. Overall, such diverse nature of the study respondents will assist the researcher in gaining a thorough understanding of the concepts related to diversity.

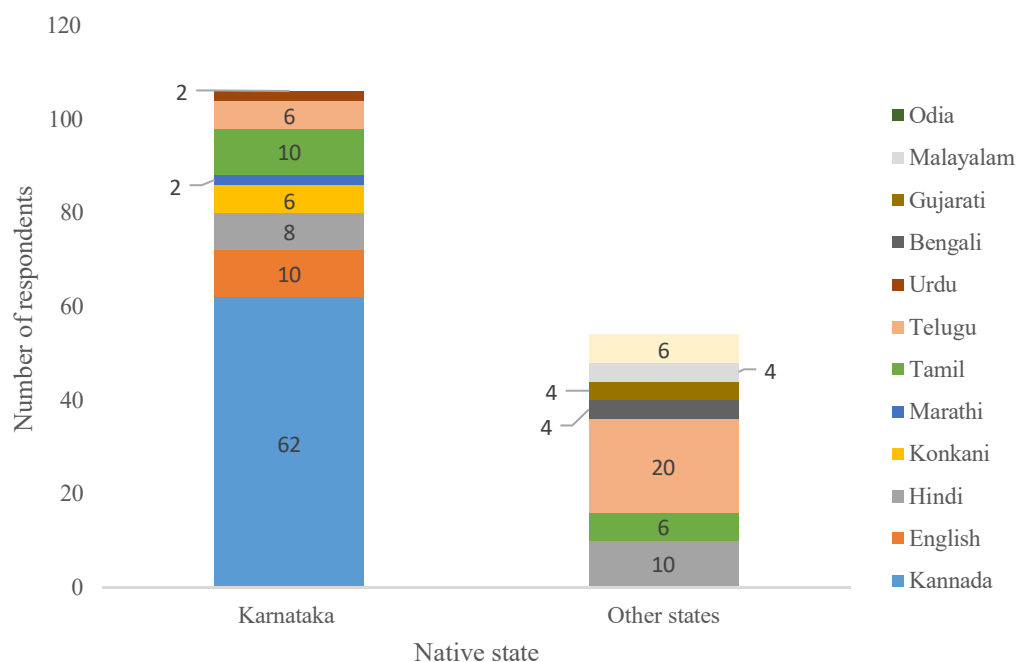


Figure 1: Native state and language of the respondents

3.3 Diversity perceptions of respondents

Ambivalence of the respondents regarding their perceptions of workplace diversity was evident from the large number of their neutral responses and the overall mean value. When the respondents were classified based on summary scores, which can range from +40 to -40, as

specified by De Meuse and Hostager (2001) into three groups: Diversity optimists ($> +11$), Diversity realists ($+10$ to -10), Diversity pessimists (< -11), distribution of respondents was found to be as illustrated in Figure 2. It is evident that none of the respondents were diversity pessimists and that the prevalence of diversity optimists (57.5%) was slightly higher than diversity realists (42.5%) within the IT companies of Karnataka.

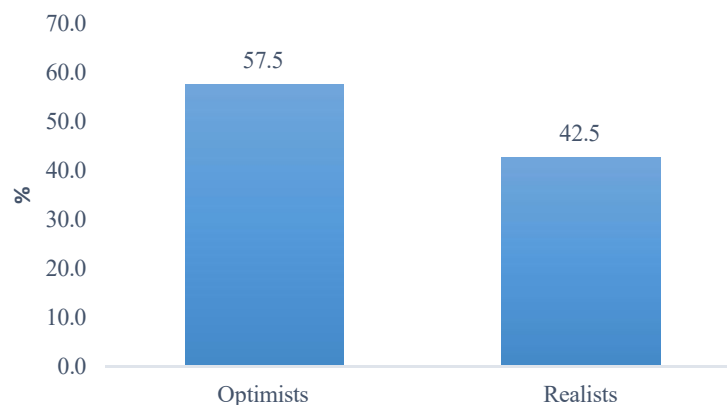


Figure 2: Diversity perceptions of respondents

When distribution of diversity optimists and realists across the sample was assessed using chi-square tests, significant differences in distribution could be observed based on native state of the respondents (Chi-square=4.187, $p < 0.05$) but not based on age (Chi-square=0.623, $p > 0.05$), gender (Chi-square=1.064, $p > 0.05$) or native language (Chi-square=2.039, $p > 0.05$) of the respondents. The prevalence of diversity optimists was found to be significantly higher among respondents native to Karnataka (72.8%) when compared to respondents from other states. Optimists were also higher in number among the young age group of 21 to 34 years, male employees and respondents not speaking Kannada as native language, however, these differences were found to be statistically insignificant ($p > 0.05$).

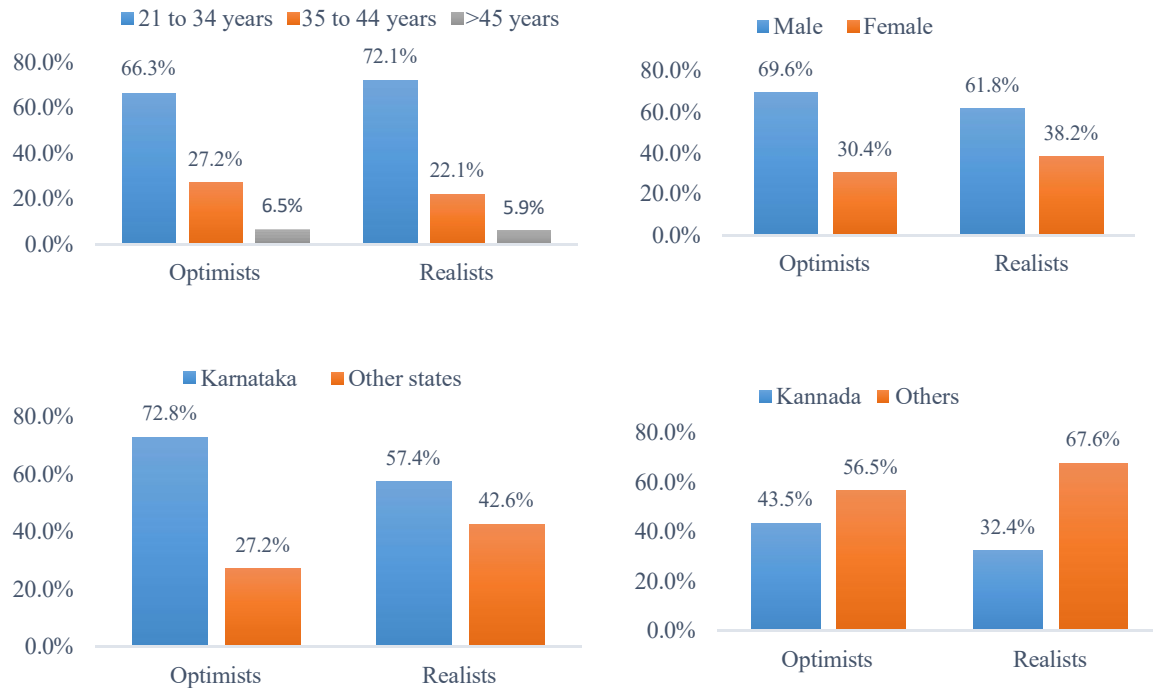


Figure 3: Distribution of diversity optimists and realists across the sample

3.4 Job performance level

Descriptive analysis revealed satisfactory levels of contextual as well as task performance of the respondents, i.e., job performance in terms of process as well as outcomes and therefore the overall job performance was observed to be reasonable (Figure 4).

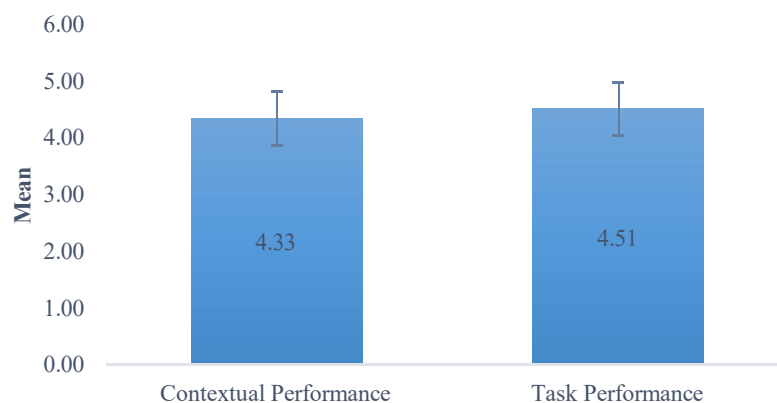


Figure 4: Level of job performance of respondents

3.5 Effects of gender and state on diversity perceptions

In order to understand if diversity perceptions of the respondents were dependent on their gender, native language and state, univariate analysis was carried out. From Table 3, it is

evident that changes in gender ($F=0.384$) or state ($F=0.383$) of the respondents did not significantly change their perceptions of diversity ($p>0.05$). However, when gender and state interacted with each other, significant variations in the diversity perceptions of the respondents could be observed ($F=5.187$, $p<0.05$). The model was found to account for 4.1% of the total variation in diversity perceptions.

Table 3: Main and interaction effects of gender and native state

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	1.614 ^a	3	0.538	2.202	0.090
Intercept	1605.395	1	1605.395	6571.005	0.000
Gender	0.094	1	0.094	0.384	0.536
State	0.093	1	0.093	0.383	0.537
Gender * State	1.267	1	1.267	5.187	0.024
Error	38.113	156	0.244		
Total	2017.618	160			
Corrected Total	39.727	159			
a. R Squared = .041 (Adjusted R Squared = .022)					

The nature of change in diversity perceptions incident due to gender and native state of the respondents is evident from the crossed lines illustrated by Figure 5. Among the respondents working in IT sector of Karnataka whose native state was also Karnataka, a slight difference was found between women ($M=3.45\pm0.44$) and men employees ($M=3.59\pm0.51$). However, a more pronounced opposite trend could be observed among the respondents whose native state was not Karnataka. In this case, women ($M=3.59\pm0.58$) exhibited more positive perceptions of diversity than their men counterparts ($M=3.34\pm0.43$).

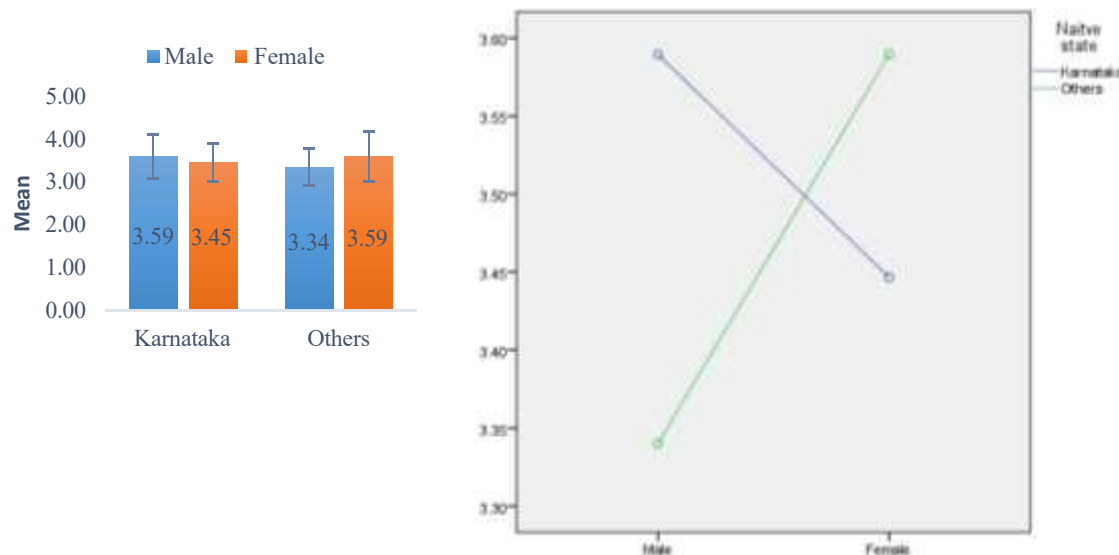


Figure 5: Diversity perceptions based on gender and native state

3.6 Effects of gender and language on diversity perceptions

Since the respondents native to Karnataka spoke multiple languages, as illustrated in Figure 1, the effects of language and gender on their diversity perceptions were assessed (Table 4). Neither the main effects nor the interaction effects were found to be statistically significant ($p > 0.05$). Even though Figure 6 suggested a similar interaction trend as in the case of gender* state, the mean values of all the groups were almost similar, ranging between $M = 3.44$ and 3.56 . Accordingly, explanatory power of the model was found to be negligible ($R^2 = .006$).

Table 4: Main and interaction effects of gender and native language

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	.252 ^a	3	0.084	0.332	0.803
Intercept	1546.196	1	1546.196	6110.344	0.000
Gender	0.037	1	0.037	0.147	0.702
Language	0.009	1	0.009	0.034	0.855
Gender * Language	0.237	1	0.237	0.937	0.335
Error	39.475	156	0.253		
Total	2017.618	160			
Corrected Total	39.727	159			
a. $R^2 = .006$ (Adjusted $R^2 = -.013$)					

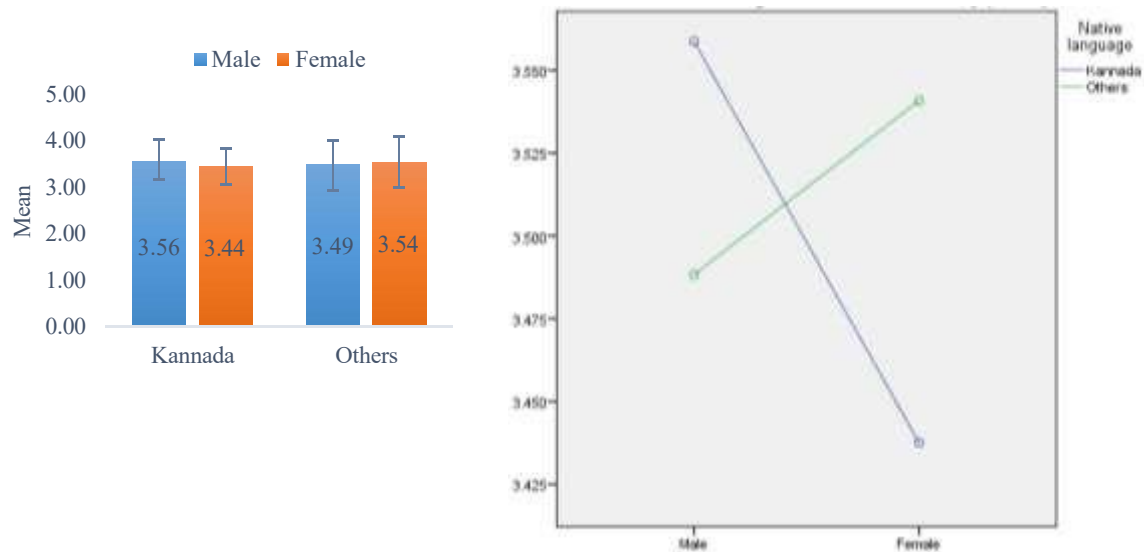


Figure 6: Diversity perceptions based on gender and native language

3.7 Effects of age and gender on diversity perceptions

When the effects of age of the respondents were tested, main effect of age ($F=6.070$, $p<0.01$) was found to be significant whereas main effect of gender ($F=3.911$, $p=0.05$) and interaction effect between age*gender ($F=2.218$, $p>0.05$) exhibited no statistical significance. Overall, the model was found to account for 7.4% of the total variation in diversity perceptions of the respondents.

Table 5: Main and interaction effects of age and gender

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	2.924 ^a	5	0.585	2.447	0.036
Intercept	580.609	1	580.609	2429.506	0.000
Age	2.901	2	1.451	6.070	0.003
Gender	0.935	1	0.935	3.911	0.050
Age * Gender	1.060	2	0.530	2.218	0.112
Error	36.803	154	0.239		

Total	2017.618	160			
Corrected Total	39.727	159			
a. R Squared = .074					

The absence of interaction effect is evident from the almost parallel lines illustrated in Figure

7. Analysis of the mean values exhibited by different age groups revealed an interesting pattern that while diversity perceptions weren't much different between men ($M=3.46\pm0.49$) and women ($M=3.43\pm0.46$) of 21 to 34 year age group, women exhibited more positive perceptions of diversity as their age increased. Women of 35 to 44 years and > 45 years scored $M=3.88\pm0.61$ and $M=4.3\pm0.00$ emphasizing the improvement in their perceptions of diversity with age when compared to their men counterparts (35 to 44 years: 3.59 ± 0.50 , >45 years: 3.66 ± 0.51).

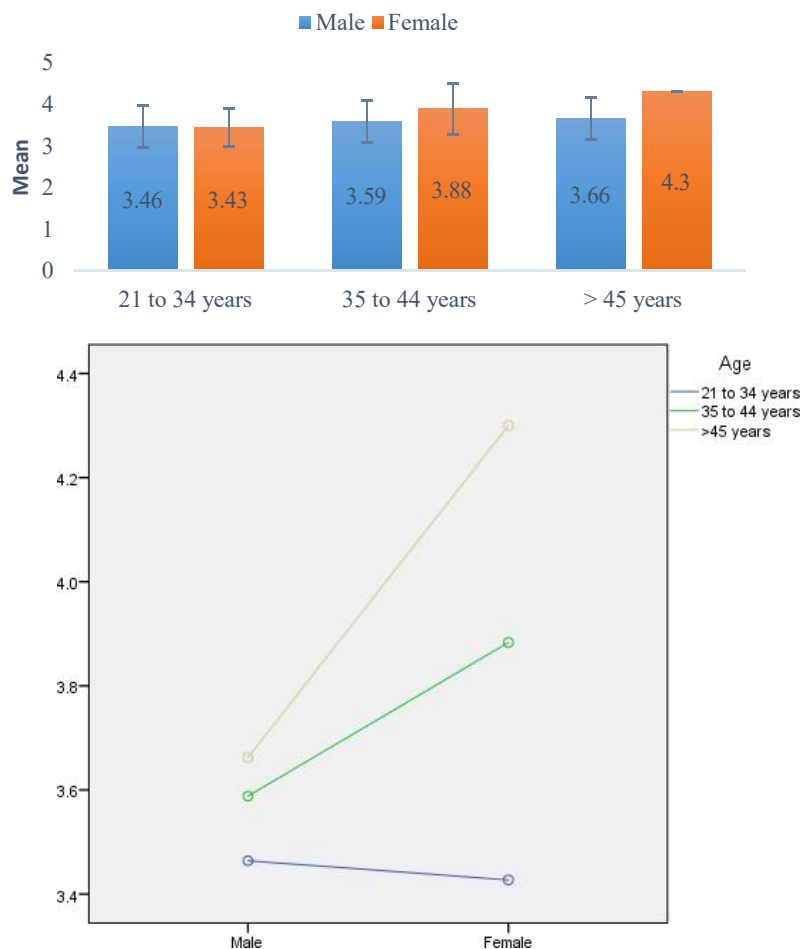


Figure 7: Diversity perceptions based on age and gender

3.8 Correlation between diversity perceptions and job performance

Pearson correlation carried out between all the variables of the study revealed that diversity perceptions of the respondents was significantly and moderately correlated to the performance factors, namely, CP ($r=0.331^{**}$), TP ($r=0.414^{**}$) as well as overall performance ($r=0.381^{**}$). Further, strong positive correlations of CP ($r=0.970^{**}$) and TP ($r=0.911^{**}$) with overall job performance and with each other ($r=0.784^{**}$) could also be observed (Table 6).

Table 6: Correlation between diversity perceptions and job performance

Factors	Mean $\pm$ S.D.	DP	CP	TP	JP
Diversity perceptions (DP)	3.52 $\pm$ 0.500	1			
Contextual Performance (CP)	4.33 $\pm$ 0.478	.331 ^{**}	1		
Task Performance (TP)	4.51 $\pm$ 0.470	.414 ^{**}	.784 ^{**}	1	
Job Performance (JP)	4.40 $\pm$ 0.450	.381 ^{**}	.970 ^{**}	.911 ^{**}	1

^{**} Significance at $p < 0.01$

3.9 Impact of diversity perceptions on job performance

In order to assess if the respondents' perceptions of diversity acted as predictors of their job performance, a linear regression analysis was carried out (Table 7). IT employees' perceptions of diversity were found to account for 11% of the total variation in their contextual performance ($R^2=0.110$, $F(1,158)=19.437$, $p < 0.01$), exhibiting a positive B value of 0.316 ($p < 0.01$). Similarly, diversity perceptions were also significant in predicting task performance ($F(1,158)=32.610$, $P < 0.01$) of the employees, exhibiting an explanatory power of 17.1% ($R^2=0.171$) and impact level of $B=0.389$ ($p < 0.01$).

Table 7: Impact of diversity perceptions on contextual and task performance

Independent variable	Model 1 Dependent: CP	Model 2 Dependent: TP
Constant	$B=3.222^{**}$	$B=3.141^{**}$
Diversity perceptions	$B=0.316^{**}$	$B=0.389^{**}$
R square	0.110	0.171

Adjusted R square	0.104	0.166
F(1,158)	19.437**	32.610**

** Significance at $p < 0.01$

4 Discussion

Reaction to diversity of the employees working in different IT companies of Karnataka revealed the absence of diversity pessimism, i.e., not a single respondent of the present study found it difficult to cope with diversity at workplace. It is noteworthy that even though nearly half of the respondents were diversity realists, i.e., they were able to positively cope with diversity, majority of the respondents were diversity optimists, i.e., they had understood and leveraged the increasing diversity of their workplaces. Patrick and Kumar (2012) in a similar study conducted among employees of the Indian IT sector revealed higher number of diversity realists over optimists.

Diversity perceptions were found to be uniform across both women and men among IT-ITES employees of Karnataka at all levels, upper-management, middle-management and technical levels, emphasizing the equal opportunities made available to both the genders by the organizations. This effect can be attributed to efficiency of acts such as 'The Companies Act 2013' mandating the presence of at least one female director in the board in every Indian firm, maternity management programs, training programs for integrating post-maternity retuning women, other special inclusive programs such as the WoW (Women of Wipro) mentoring program offered by Wipro, etc. launched in view of attaining gender diversity within organizations. Similar results have also been observed in the US context by researchers such as Wikina (2011) and in the Indian context by Kundu and Mor (2017), suggesting absence of differences in diversity perceptions across genders. However, the present study contradicts the observations of certain studies such as Kossek and Zonia (1993), Soni (2000), Patrick and Kumar (2012), etc., who reported diversity perceptions of men and women to be different.

Differences in study settings might be the reason for differences in observations. Overall, H1a was rejected by the researcher.

Diversity perceptions of the respondents did not significantly vary based on their native state or native language, thereby rejecting H2a and H3a. This observation is invaluable since differences based on Indian languages and states have not been carried out by any studies so far. The study therefore establishes that all the employees working for IT companies of Karnataka shared similar perceptions of workplace diversity, irrespective of their native state or language, indicating the success of these organizations in integrating employees from different cultural backgrounds and making them feel alike.

Another significant finding of the present study is the interaction effect of native state and gender of employees on their diversity perceptions. Among respondents native to Karnataka, women were found to be relatively less enthusiastic about workplace diversity when women of other states exhibited most positive diversity perceptions. This implies that the native women of Karnataka felt discriminated at workplace while women from other states did not feel so. Kelkar et al. (2002), Upadhyaya et al. (2006) and Shanker (2008) reported the prevalence of glass-ceiling among IT companies of Bangalore with women flocking more at the lower level jobs than middle or upper managerial positions. Marginalisation of women employees working in IT sector of Bangalore (Upadhyaya et al., 2006), absence of informal networking (Shanker, 2008) and time policies flexible for advancement of women software professionals in their careers (Upadhyaya et al., 2006) can also be a few reasons for the perceived discrimination of women employees native to Karnataka. It is noteworthy that an exact reverse trend could be observed among the male employees studied.

Diversity perceptions of the respondents varied significantly based on age of the respondents, thereby accepting H4a. Patrick and Kumar (2012) also suggested such differences based on

age groups and emphasized the need for organizations to implement age-wise strategies to promote diversity. The study found a clear improvement in diversity perceptions of employees with increasing age. Such an observation was also reported by Ebie and Djebarni (2011), Pitt-Casouphes et al. (2012) who posited that respondents below the age of 25 years exhibited the most negative diversity perceptions. Results of the present study however contradict the observation of Yousef (1998) that younger employees cared more for diversity initiatives than older employees as the latter group would retire from their responsibilities soon. In addition, the present study suggested a novel interaction between age and gender that diversity perceptions of women improved with increasing age when compared to men, even though the effect was found to be statistically insignificant.

Diversity perceptions of employees were moderately correlated to contextual and task performance. Further, diversity perceptions exhibited significant impact on both the dimensions of job performance. Even though studies have not been conducted so far linking diversity perceptions to individual job performance, certain studies report related results. For instance, Bosselaar (2015) reported that perceptions of inclusion acted as a partial mediator of the effects of gender diversity on performance of teams. Ferdman et al. (2010) suggested that inclusion had a positive effect on individual performance with diversity acting as a moderator. Improvement in participation of employees (Denison, 1990) and their perceived insider status (Stamper & Masterson, 2002), which are different representations of inclusion, have been positively associated with job performance. The present study, for the first time, reports that positive reaction of respondents to increasing diversity and diversity management initiatives of organizations will significantly improve their process related factors as well as outcome factors of job performance, thereby accepting H5a and H6a.

5 Conclusion

The present study found IT professionals of Karnataka to be diversity optimists and diversity realists. Diversity perceptions of employees improved significantly with increasing age, which was more prominent among women employees. Their reaction towards diversity did not vary across gender, native languages or states of the respondents, however, the interaction between native state and gender was found to be significant. Women native to Karnataka perceived discrimination at work when compared to men and women native to other states. Diversity perceptions of the respondents were found to be significant predictors of their contextual as well as task performances, emphasizing the need for IT organizations to foster positive diversity perceptions at workplace.

6 Implications

Indian companies often place much emphasis on promoting gender diversity and most of the diversity programs implemented are gender oriented (Mercer, 2012). The present study however communicates the importance of considering age as a significant discriminant. The need for age inclusive HR practices such as career promotion systems irrespective of age, training programs for all age groups, etc. need to be introduced by the organizations. The present study also calls for reformation measures in terms of equal opportunities aimed at women employees since female respondents of Karnataka perceived significantly less optimism towards diversity.

Significant impact of diversity perceptions on job performance implies that organizations should not only focus on introducing diversity programs but also work towards positive reception of these programs by conducting diversity education, training, etc. and by ensuring effective communication of diversity goals of the organization for enhancing their performance outcomes. Since diversity has a positive impact on employee performance, IT companies can design their hiring strategies in such a way that they benefit from diversity.

7 Limitations and future scope

The common-method variance (Podsakoff and Organ, 1986) associated with self-reporting questionnaires is a limitation of the present study. In the future, other research methods such as interviews should be administered to gain additional support of the results. The findings of the present study can be generalized only to India since the study is set in India and cannot be interpreted globally since the cultures vary significantly across countries. In the future, cross-cultural analysis of diversity perceptions needs to be carried out. Studies can also be carried out across different industries for in-depth analysis and better understanding of the link between workplace diversity and job performance.

References

- Cox, T. (1994). Cultural diversity in organizations: Theory, research and practice. Berrett-Koehler Publishers.
- Richard, O.C. (2000). Racial diversity, business strategy, and firm performance: a resource-based view. *Academy of Management Journal*, 43(2), 164–177.
- Ely, R.J., & Thomas, D.A. (2001). Cultural diversity at work: the moderating effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly*, 46, 229–273.
- Henry, O., & Evans, A. J. (2007). Critical review of literature on workforce diversity. *African Journal of Business Management*, 1(4).
- Eagly, A. H., Makhijani, M. G., & Klonsky, B. G. (1992). Gender and the evaluation of leaders: A meta-analysis. *Psychological bulletin*, 111(1), 3.

Greenhouse , J.H. & Parsuraman, S. (1993). Job performance attributions and career advancement prospect: An examination of race and gender effects. *Organizational Behavior and Human Decision Processes*, 55, 273 – 297.

Adler, N.J. (1997), *International Dimensions of Organizational Behavior*, South-Western College Publishing, Cincinnati, OH

Coleman, H. (2002), "Diversity with a twist", *Executive Excellence*, February, p. 14

Kreitner, R & Kinicki, A, 2001, *Organizational Behaviour: 5th Edition*, New York: McGraw-Hill

Milliken, F. J., & Martins, L. L. (1996). Searching for common threads: Understanding the multiple effects of diversity in organizational groups. *Academy of management review*, 21(2), 402-433.

Mazur, B. (2010). Cultural diversity in organisational theory and practice. *Journal of intercultural management*, 2(2), 5-15.

Farrer, J. (2004), "A practical approach to diversity", *Industrial and Commercial Training*, Vol. 36 No. 4, pp. 175-77.

Ibef (2018). IT & ITeS Industry in India. Retrieved from <https://www.ibef.org/industry/information-technology-india.aspx>.

Ibef (2018b). KARNATAKA, THE SILICON VALLEY OF INDIA. Retrieved from <https://www.ibef.org/download/Karnataka-July-2018.pdf>.

NASSCOM (2016). Making diversity work Key trends and practices in the Indian IT-BPM industry. Retrieved from <https://www.pwc.in/assets/pdfs/publications/2016/making-diversity-work-key-trends-and-practices-in-the-indian-it-bpm-industry.pdf>

Herring, C. (2009). Does diversity pay?: Race, gender, and the business case for diversity. *American Sociological Review*, 74(2), 208-224.

Adler, N.J. (1991). *International Dimensions of Organizational Behavior*. Boston: PWS-Kent Publishing Company

Patrick, H. A., & Kumar, V. R. (2012). *Managing workplace diversity: Issues and challenges*. Sage Open, 2(2), 2158244012444615.

Ilavarasan, V. (2007). Is Indian software workforce a case of uneven and combined development?. *Equal Opportunities International*, 26(8), 802-822.

Upadhyay, Carol and Vasavi A.R, *Work, culture and Sociality in the Indian IT Industry: A Sociological study*, Report submitted to Indo-Dutch Programme for Alternatives in Development, NIAS, Bangalore, 2006

"India in Business". Ministry of External affairs. Government of India. Retrieved 19 June 2007.

"State Cabinet approves IT park near Devanahalli airport". *The Hindu*. Chennai, India. 29 January 2010.

Lawrence, B.S. (1997), "Perspective-the black box of organizational demography", *Organization Science*, Vol. 8 No. 1, pp. 1-22.

Kaplan, D.M., Wiley, J.W. and Maertz, C.P. (2011), "The role of calculative attachment in the relationship between diversity climate and retention", *Human Resource Management*, Vol. 50 No. 2, pp. 271-87.

Madera, J.M., Dawson, M. and Neal, J.A. (2013), "Hotel managers' perceived diversity climate and job satisfaction: The mediating effects of role ambiguity and conflict", *International Journal of Hospitality Management*, Vol. 35, pp. 28-34.

Allen, R.S., Dawson, G., Wheatley, K. and White, C.S. (2007), "Perceived diversity and organizational performance", *Employee Relations*, Vol. 30 No. 1, pp. 20-33.

Sia, S. K., & Bhardwaj, G. (2009). Employees' perception of diversity climate: role of psychological contract. *Journal of the Indian Academy of Applied Psychology*, 35(2), 305-312.

Kundu, S. C. (2003). Workforce diversity status: A study of employees' reactions. *Industrial Management & Data Systems*, 103(4), 215-226.

Kundu, S. C. (2004). HR Diversity: A Study of Employees. *Asia Pacific Management Review*, 9(1), 39-59.

Garg, A., & Ganesh, S. (2018). Employees' perception of diversity management practices and discrimination at workplaces. *International Journal of Pure and Applied Mathematics Volume* 118 No. 22 2018, 887-894

Kossek, E. E., & Zonia, S. C. (1993). Assessing diversity climate: A field study of reactions to employer efforts to promote diversity. *Journal of organizational behavior*, 14(1), 61-81.

Soni, V. (2000). A twenty-first-century reception for diversity in the public sector: a case study. *Public Administration Review*, 60(5), 395-408.

Soldan, Z., & Dickie, L. (2008). Employee Receptivity to Diversity Management: Perceptions in a Federal Government Agency. *International Journal of Diversity in Organisations, Communities & Nations*, 8(3).

Wikina, S.B. (2011), "Diversity and inclusion in the information technology industry: Relating perceptions and expectations to demographic dimensions", unpublished doctoral dissertation, Indiana State University, Terre Haute, Indiana.

Goyal, R., & Shrivastava, M. (2012). A study of HR practices and their impact on employees job satisfaction and organizational commitment in pharmaceuticals industries. *International Journal of Business Trends and Technology*, 2(3), 22-28.

Kundu, S. C., & Mor, A. (2017). Workforce diversity and organizational performance: a study of IT industry in India. *Employee Relations*, 39(2), 160-183.

Choi, S., & Rainey, H. G. (2010). Managing diversity in US federal agencies: Effects of diversity and diversity management on employee perceptions of organizational performance. *Public Administration Review*, 70(1), 109-121.

Hicks-Clarke, D., & Iles, P. (2000). Climate for diversity and its effects on career and organisational attitudes and perceptions. *Personnel review*, 29(3), 324-345.

Avery, D. R., McKay, P. F., Wilson, D. C., & Tonidandel, S. (2007). Unequal attendance: The relationships between race, organizational diversity cues, and absenteeism. *Personnel Psychology*, 60(4), 875-902.

Gonzalez, J. A., & Denisi, A. S. (2009). Cross-level effects of demography and diversity climate on organizational attachment and firm effectiveness. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 30(1), 21-40.

Hostager, T. J., & De Meuse, K. P. (2008). The effects of a diversity learning experience on positive and negative diversity perceptions. *Journal of Business and Psychology*, 23(3-4), 127-139.

GDBA (2011). Gender Diversity Benchmark for Asia. Diversity and inclusion in Asia network. Retrieved from

https://www.britcham.org.sg/images/uploads/Community%20Business_GDBM_Asia_2011.pdf.

Shenoy, D. (2013), "Courting substantive equality: Employment discrimination law in India", University of Pennsylvania Journal of International Law, Vol. 34 No. 3, pp. 611-40.

Borman, W. C., & Motowidlo, S. M. (1993). Expanding the criterion domain to include elements of contextual performance. *Personnel Selection in Organizations*; San Francisco: Jossey-Bass, 71.

Van Scotter, J. R., & Motowidlo, S. J. (1996). Interpersonal facilitation and job dedication as separate facets of contextual performance. *Journal of applied psychology*, 81(5), 525.

De Meuse, K. P., & Hostager, T. J. (2001). Developing an instrument for measuring attitudes toward and perceptions of workplace diversity: An initial report. *Human Resource Development Quarterly*, 12(1), 33-51.

Kelkar, G., G. Shrestha, and N. Veena, „IT Industry and Women“s Agency: Explorations in Bangalore and Delhi, India“, *Gender, Technology and Development*, 6(1), 2002, 63-84.

Schaafsma, J. (2008). Interethnic relations at work: Examining ethnic minority and majority members' experiences in The Netherlands. *International Journal of Intercultural Relations*, 32(5), 453-465.

Shanker, Deepika, „Gender Relations in IT Companies: An Indian Experience“, *Gender, Technology and Development*, 12 (2), 2008, 185- 207.

Ebie, S., & Djebarni, R. (2011). Equality and Diversity Management: An Investigation into the Business Case for Equality and Diversity Practise in SMEs. *International Journal of Diversity in Organisations, Communities & Nations*, 10(5).

Pitt-Catsouphe, M., Matz-Costa, C., & James, J. (2012). Through a different looking glass: The prism of age. Research Brief.

Yousef, D. A. (1998). Satisfaction with job security as a predictor of organizational commitment and job performance in a multicultural environment. *International Journal of Manpower*, 19(3), 184-194.

Bosselaar, T. (2015). Feeling Like a Part of the Team: The Role of Perceived Inclusion and Diversity Beliefs in the Association Between Team Gender Diversity and Team Performance (Master's thesis).

Ferdman, B. M., Avigdor, A., Braun, D., Konkin, J., & Kuzmich, D. (2010). Collective experience of inclusion, diversity, and performance in work groups. *RAM. Revista de Administração Mackenzie*, 11(3), 6-26.

Denison, D. R. (1990). Corporate culture and organizational effectiveness. John Wiley & Sons.

Stamper, C. L., & Masterson, S. S. (2002). Insider or outsider? How employee perceptions of insider status affect their work behavior. *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior*, 23(8), 875-894.

Mercer (2012), "Diversity and inclusion: An Asia Pacific perspective", Marsh & McLennan companies, retrieved from

https://www.asean.mercer.com/content/dam/mercer/attachments/asia-pacific/asia/Mercer_Diversity_and_Inclusion_An_Asia_Pacific_Perspective_ExecutiveSummary_10661D-HC.pdf

Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of management*, 12(4), 531-544.