

# ***Impact of Gender Diversity on the Performance of the Companies***

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## **Abstract**

*Workforce gender diversity is increasing in countries all over the world (International Labour Office, 2007). For example, women's representation in the United States civilian labor force has increased from 29.4 percent in 1950 (U.S. Census Bureau, 1970) to 46.3 percent in 2006 (U.S. Bureau of Labor Statistics, 2007). Similarly, women's representation in the Australian labor force has increased from 22.9 percent in 1954 (Commonwealth Bureau of Census and Statistics, 1958) to 46.1 percent in 2006 (Australian Bureau of Statistics, 2006). The Labor force; female (% of total labor force) in India was last reported at 25.33 in 2010, according to a World Bank report published in 2012. With globalisation and increased competitiveness, gender diversity is now a global voice, not a male voice. A strong emphasis is nowadays being placed on diversity related issues in workplace. Diversity in workplace can be due to various reasons like difference in gender, race, age, national origin etc. But the area of larger concern nowadays is Gender Diversity. This research paper addresses one key question: does gender diversity within corporate management improve performance? As an answer to this question, The Quantitative Research conducted, supports the argument that organizational gender diversity is positively linked to an organization's performance. The study's results found a positive relationship between organizational gender diversity and performance when performance was operationalized in terms of profit.*

**Key Words :** *Culture, Male centric corporate culture, Ethnocentric view, Similarity Attraction Paradigm.*

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## **1. INTRODUCTION**

Workplace diversity builds on the principles of equal employment opportunity to include inherent differences such as gender, age, ethnicity, race, cultural/linguistic background, sexual orientation and/or gender identity, intellectual and/or physical ability. Diversity also refers to other ways in which people are different, such as life experience, socio-economic or educational background, personality, marital status, religious beliefs and family responsibilities. Workplace diversity creates a more inclusive and supportive work environment,

better team work and more effective client service delivery. It increases productivity, encourages greater creativity and different ways of thinking for improved decision making.

Hence a strong emphasis is nowadays being placed on diversity related issues in workplace. Diversity in workplace can be due to various reasons like difference in gender, race, age, national origin etc. But the area of larger concern nowadays is Gender Diversity. The future success of any organizations relies on the ability to manage a diverse body of

talent that can bring innovative ideas, perspectives and views to their work.

Companies growing in Indian Culture tend to have homogenous environment largely focusing on male workforce. As per the Similarity Attraction Paradigm, it has been found that people find themselves more comfortable working with people of same gender, i.e. males generally prefer to work with or under male, as a result of it an organisation develops a homogenous environment where females find it very hard to make her way in such a rigid, homogenous, male surrounded environment, ultimately female workforce end up quitting the job. The challenge and problems faced because of workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents of diverse cultural backgrounds, genders, ages and lifestyles, an organization can respond to business opportunities more rapidly and creatively, especially in the global arena (Cox, 1993), which must be one of the important organisational goals to be attained. More importantly, if the organizational environment does not support diversity broadly, one risks losing talent to competitors.

#### **Statics of Women Labour Force :**

According to Gender Diversity Benchmark, 2011, India has the lowest national female labour force and the worst leaking pipeline for junior to middle level position women.

**Table 1 : Statistics of Women Labour Force**

Level of Working	Percentage
junior level	28.71%
middle level	14.9%
senior level	9.32%

In particular, a question arises whether the gender composition in an organization's workforce will affect individual, group, or organizational level performance. In the early 1990s, both scholars and practitioners were generally optimistic about the effects of workforce diversity on performance. For example, Cox and Blake (1991) argued that diversity can be a source of competitive advantage.

After doing the research work in Hindustan Coca-Cola Beverages Pvt. Ltd, Accenture, future group, reliance industries ltd. Problems like lowering of gender diversity at work place and Higher Attrition rate of Female Work force was identified.

In order to effectively manage workplace diversity, Cox (1993) suggests that a HR Manager needs to change from an Ethnocentric view ("our way is the best way") to a culturally relative perspective ("let's take the best of a variety of ways"). This shift in philosophy has to be ingrained in the managerial framework of the HR Manager in his/her planning, organizing, leading and controlling of organizational resources.

If we go by the facts & figures , then as per the analysis of 2004 study titled : "The Bottom Line Connecting Corporate Performance & Gender Diversity" , it has been found that females are high performer as compared to males in terms of productivity. Hence analysing the need of Heterogeneous work environment, companies must focus on implementing the concept of Gender Diversity so as to maintain its competitive edge and to be in the Global Competition. Companies must open its door for women by providing them with equal opportunity to prove their excellence. Men and Women may have different cognitive abilities, such as Men's proficiency in mathematics & Women's proficiency in Verbal and Interpersonal skills. A mix of cognitive abilities in a gender diverse team may enhance the Team's overall creativity and innovation.

Managing Gender Diversity is about more than equal employment opportunity & affirmative action by ( Losk, 1996) , HR manager should expect change to be slow , while at the same time encouraging change ( Koonce, 2001). Working through Gender Diversity offers one major challenge before HR i.e Ensuring that women's Talent & Abilities are fully utilised on the job.

It is required by HR nowadays to attack the artificial barrier of Male Dominated & Male Centric Corporate Culture. IT has been realised by HR that the activities & performance of female workforce were no longer appreciated . According to one recent survey , 60% of women executive in larger firms feel that their firm's male dominated & male centric corporate culture is an obstacle to the success( productivity) of women. Another vital requirement of HR personnel for dealing with Gender Diversity is promoting a safe place for employees to communicate, (Koonce, 2001)

Positive Aspects of Gender Diversity : Gender Diversity may enhance employees' overall creativity and innovation because of the combination of different skills, perspectives and backgrounds (Egan, 2005).

Gender-Diverse workforce can produce high quality decisions because men and women bring different perspectives leading to varied alternatives .

Gender diversity is an asset for corporate image and helps bring a company, its employees, shareholders and customers closer together.

We can say that diverse group almost always outperforms a homogenous group (and potentially more capable group) by a substantial margin. In a recent report by Ernst and Young, researchers demonstrated that groups with greater diversity tend to perform better than homogeneous ones, even if the members of the homogeneous groups are more capable. In fact, the diversity of the group's members matters as much as their ability and brainpower, if not more. Their conclusion: "The diverse group almost always outperforms the group of the best by a substantial margin."

Further, research on group behavior demonstrates that diverse groups, when properly managed, make more innovative business decisions than non-diverse groups.

## ***2. RESEARCH METHODOLOGY***

**Research Design :** The Research Design is the master plan specifying the method and procedures for collecting and analyzing the need information. The choice of the research design largely depends on the objective of research . Hence Research Design is the arrangement of conditions for collection and analysis of the data in a manner that aims to combine the relevance to research purpose in a cost effective manner.

**Research Approach :** For this study , the researchers approach to the research is survey based using Questionnaire method , as it was best suited to the organisation's environment.

**Sampling Plan :** The type of sampling is **Census sampling** and the sample size is 150 which are collected from Hindustan Coca-Cola, Future Group, Reliance Industries Pvt Ltd., Vodafone. There are 95 male respondents and 55 female respondents.

**Method of Data Collection :** There are two types of Data 1) Primary Data and 2) Secondary Data.

Here in this Research, basically Primary Data is considered so that the research can be more realistic. Primary Data is collected by Observation Questionnaire Secondary data has been collected from the journals , websites & articles.

### **3. OBJECTIVE OF THE RESEARCH**

- (a) Awareness about Gender Diversity issue at Work place.
- (b) Impact of Gender Diversity on the Performance of the Companies

### **4. LIMITATION OF THE STUDY**

The information so collected is on the basis of the sample size 150 hence authenticity is questionable. Biasness of respondents was another limitation.

### **5. ANALYSIS**

#### **(Female Employees Sample Size = 55)**

- (1) Are you comfortable working with Male employees ? YES = 50 NO = 5
- (2) Do you think company should implement 20% Female Hiring Policy ? YES = 47 NO = 8

- (3) Do you think Female should be provided with Flexible working hours? YES = 43 NO = 12
- (4) Do you think Female employees should be provided with important business activity ? YES = 47 NO = 8
- (5) Should Females be provided with Women Encouragement Training Programme ? YES = 55 NO = 0

#### **(Male Employees Sample Size = 95)**

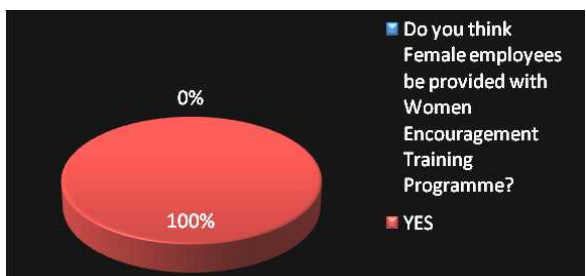
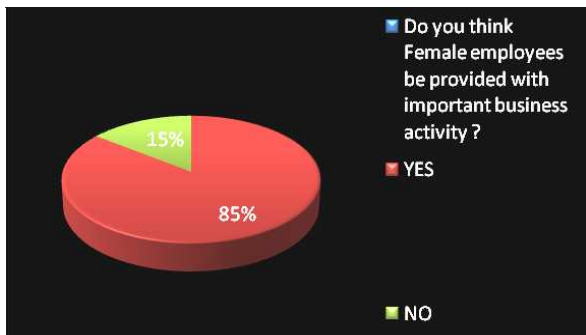
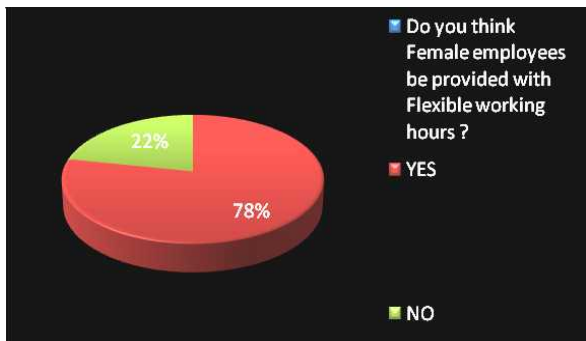
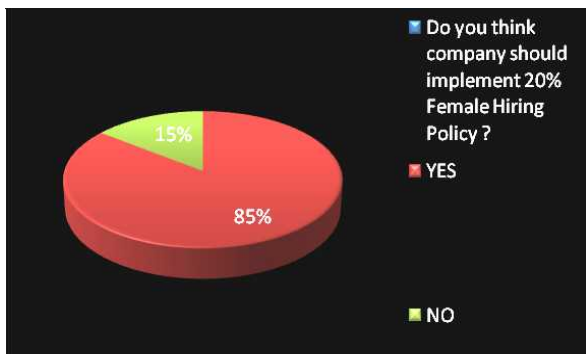
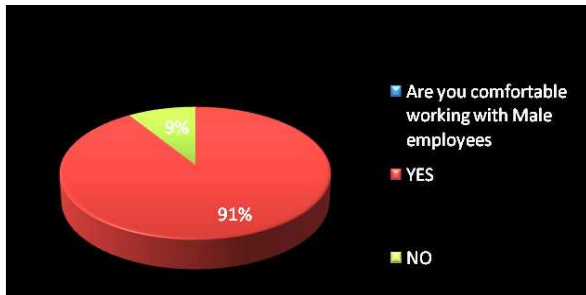
- (1) Are you comfortable working with Female employees? YES = 90 NO = 5
- (2) Do you think company should implement 20% Female Hiring Policy? YES = 73 NO = 22
- (3) Do you think Female should be provided with Flexible working hours? YES = 72 NO = 23
- (4) Do you think Female employees should be provided with important business activity? YES = 75 NO = 20
- (5) Should Females be provided with Women Encouragement Training Programme? YES = 85 NO = 10

#### **Pie Chart Representation**

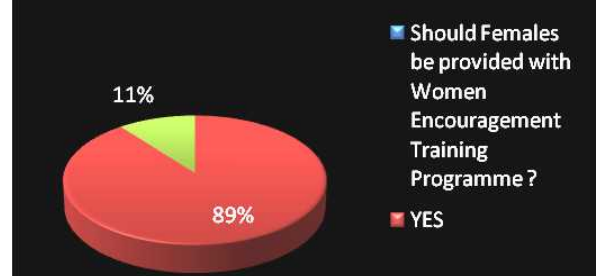
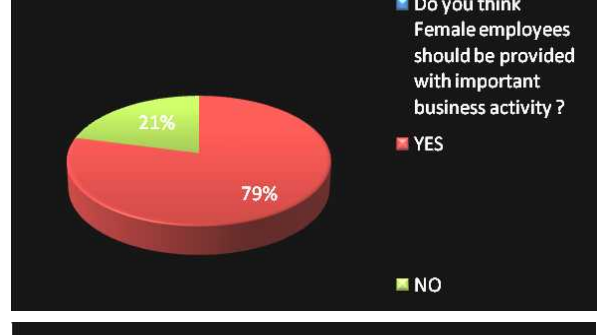
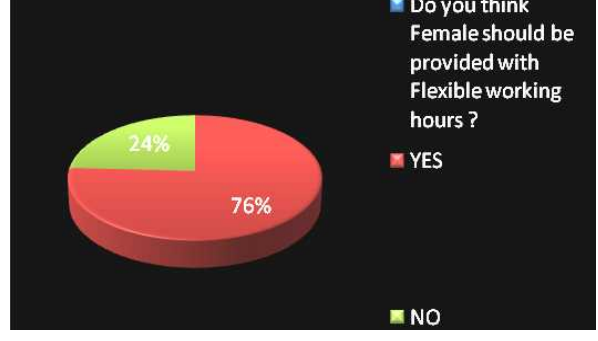
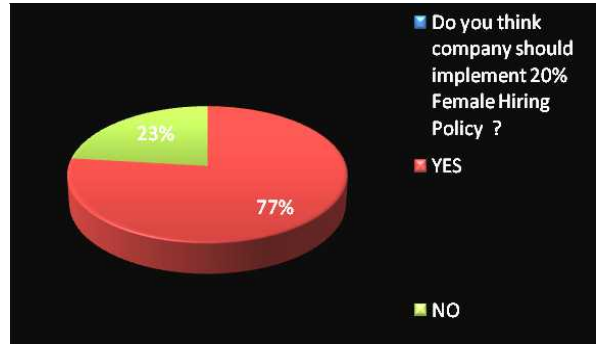
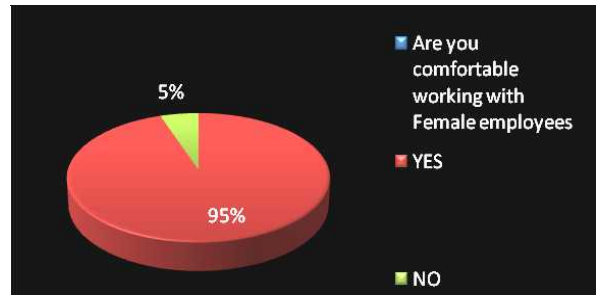
After going through the responses of the survey it was identified that the mind set of the employees (Male & Female) have changed over the past years, previously a Similarity Attraction Paradigm was observed within the organisations where, it has been found that people find themselves more comfortable working with people of same gender, i.e. males generally prefer to work with or under male and so was the case of Females. But now the scenario has changed , it was closely observed that :



### Pie Chart Representation (Female Employees)



### Pie Chart Representation (Male Employees)



<b>Female Survey</b>	<ul style="list-style-type: none"> <li>— 100% of females were comfortable working with male co-worker</li> <li>— 80% of female respondent rate their performance equivalent to men.</li> <li>— 100% women emphasised on Women Encouragement Training Programmes.</li> <li>— 100% of Women agreed for seminars on Gender Diversity Awareness Programme</li> </ul>
<b>Male Survey</b>	<ul style="list-style-type: none"> <li>— 100% of Male were comfortable working with female co-worker</li> <li>— 25% of male respondent rate themselves as High Performer than Female co-worker</li> <li>— 100% of Men agreed upon Women Training Programme</li> <li>— 100% Of Men agreed upon Seminars on Gender Diversity Programm</li> </ul>

**6. HYPOTHESIS**

The objective of setting the hypothesis was to identify the impact of Gender Diversity on the Performance of Indian Companies in terms of Profit.

H0 : Higher rate of Gender Diversity results in High Profits ( improved performance of companies)

**7. STATISTICAL TOOL :  
CORRELATION ANALYSIS**

Correlation is a trend of simultaneous variations between two statistical series having the relationship of Cause & Effect Relationship. Here in this study we have tried to establish a relationship between two variables namely, Profit earned by the companies & Rate of Gender Diversity possessed by the companies, so that we can interpret the performance of the companies in terms of Rate of Gender Diversity it possess. Here we will try to identify whether the Performance of the Company & Gender Diversity are Positively correlated or Negatively correlated.

**Table 2 : Correlation Analysis of the Survey**

<i>P</i>	<i>Y</i>	<i>d<sub>x</sub></i>	<i>d<sub>y</sub></i>	<i>d<sub>x</sub><sup>2</sup></i>	<i>d<sub>y</sub><sup>2</sup></i>	<i>d<sub>x</sub>d<sub>y</sub></i>
35	16	-23	-17	529	289	391
40	20	-18	-13	324	169	234
50	26	-8	-7	64	49	56
57	30	-1	-3	1	9	3
60	36	2	3	4	9	6
66	40	8	7	64	49	56
76	46	18	13	324	169	234
80	50	22	17	484	289	374
$\Sigma X = 464$	$\Sigma Y = 264$	$\Sigma d_x = 0$	$\Sigma d_y = 0$	$\Sigma d_x^2 = 1794$	$\Sigma d_y^2 = 1032$	$\Sigma d_x d_y = 1354$

**Positive Correlation :** If the value of one variable increases/decreases ultimately results in corresponding increase/decrease in the value of the other variable, it is called Positive Correlation.

**Negative Correlation :** If the two variables deviate in opposite or inverse direction i.e the increase in the value of one variable results in the decrease in the value of other variable or visa-versa , it is called Negative Correlation.

### 8. WORKING : CORRELATION ANALYSIS

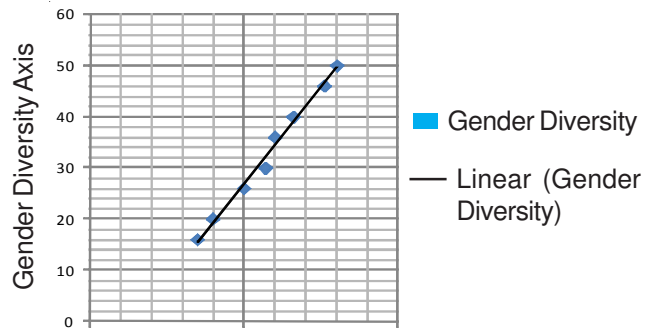
$$\text{Mean } X = \frac{\Sigma X}{N} = 58; dX = X - \text{mean } X$$

$$\text{Mean } Y = \frac{\Sigma Y}{N} = 58; dY = Y - \text{mean } Y$$

$$\text{Correlation } (R) = \frac{\Sigma d_x d_y}{\sqrt{\Sigma d_x^2 \Sigma d_y^2}} \Rightarrow \frac{1354}{\sqrt{1794 \times 1032}}$$

= + 0.99 (High Positively Correlated)

### 9. GRAPHICAL REPRESENTATION



### 10. INTERPRETATION & CONCLUSION

After performing the correlation analysis ,it was identified that correlation ( r )= +0.99, which means that Gender Diversity and Performance of the companies are Highly positively correlated i.e increase in the rate of Gender diversity would result in increase in the profit of the companies which reflects their improved performance. Hence, Quantitative Research supports the argument that organizational gender diversity is positively linked to an organization's performance. The study's results found a positive relationship between organizational gender diversity and performance when performance was operationalized in terms of profit.

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#### Web-site

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2. Cite Hr- [www.citehr.com](http://www.citehr.com)
3. Humanresources.org