

## Article

# A Study of Perceived Diversity Climate by Employees Belonging to Different Social Groups

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*The present study examines the perception of the employees regarding the diversity climate of their organization. The dimensions covered under the diversity climate are organizational fairness, inclusiveness and personal diversity value. The study revealed that mainly the Oriya Hindu Female and Oriya Reserved Category employees differed significantly from the other groups upon perceived fairness and perceived inclusiveness. However, no significant difference was observed among the respondents of the different groups upon personal diversity value.*

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## Introduction

Diversity appears in organizations due to many factors. Article 16 of the Indian Constitution offers equality of opportunity for employment to citizens irrespective of religion, race, caste, sex, descent, or place of birth. Though our states have been carved out on linguistic basis, Article 19 of the Constitution offers the privilege for movement throughout the country and carry out business or profession of one's choice. Directive Principles of state policy provide reservation for weaker and deprived sections of the society like Scheduled Castes, Scheduled Tribes, Other Backward Classes, women etc. Thus, our Constitution has envisaged a strong legal foundation for a diverse work force.

In the last one-decade, the absolute number of male employees has dropped by about 6 lakhs, whereas female employees have increased by a similar number. The total employment in PSUs has remained stagnant. In percentage terms, while male employees dropped down 5% compared to 30% rise in the number of female employees. The

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employment trend also corresponds to the faster growth in the services sector in the last decade. Since 1990, the sectors, which have added the maximum number of employees in the public sector are community, social & personal services and finance, insurance, real estate etc. These are also the sectors most suited for females (Kant & Sinha 2004).

Gradually women, minorities and deprived sections of the society are becoming highly qualified and skilled; thus more and more of them are entering in to various organizations at different levels, bringing in changes in the demographic composition of the organisations. Recently some organisations are undergoing expansion into international collaborations. A natural by-product of such events is the workforce diversity. In such cases, the diversity is mainly due to cultural factors and geographical locations of the organization.

A close perusal of the trends of urbanization worldwide indicates that most of the medium or large size organizations are located near urban centers. People from different parts and states of India migrate to those urban areas in search of jobs. As a consequence, people from different backgrounds including religion, languages etc. settle themselves in these places.

Diversity should be considered as a salient aspect of an organisation, particularly those which are diversifying and differentiating. Workforce diversity adds reputation to an organisation. According to Datta and associates (2005), industry characteristics affect the relative importance and value of high-performance work systems. Impact of these human resource systems on productivity is influenced by capital intensity, growth and differentiation. At the same time, if diversity is not managed effectively it can affect the total organisation. Sacco and Schmitt (2005) view a linkage between demographic misfits and turnover, as well as a negative association between racial diversity and changes in profitability.

#### **Manage Diversified Workforce**

Employees of minority groups and women employees, having lower representation in the organization, may feel themselves being highly visible and are assumed by others to be representative of their social group in the organization. They feel highly contrasted with other members of their work environment. Studies by Kanter (1977) and Yoder (1994) have provided evidences to support these contentions.

**Because of traditional or prevailing social attitudes and stereotypes, the observable differences become stigmatizing for members of minority groups or women.**

Minority and women employees develop subjective experience of being discriminated due to their visible differences. Because of traditional or prevailing social attitudes and stereotypes, the observable differences become stigmatizing for members of minority groups or women. In this context Goffman (1963) speaks about tribal stigma based on membership of a certain ethnic group. When differences among people are visible, they are likely to evoke responses that are related directly to biases, prejudices, or stereotypes. These types of feelings in turn can adversely affect job satisfaction for minorities (Milliken & Martins 1996) as well as for women (Kanter 1977, Mellor 1996). In case of under represented and stigmatized groups, feeling of distinctiveness based on group membership can increase the salience of negative stereotypic expectancies or threat. This in turn can have significant detrimental effect on the feeling and performance of the minorities (Stele & Aronson 1995).

Behaviours, attitudes and perceptions all contribute to unequal power relationships among diverse groups in an organization. Even though minorities and women display same power behaviours as their male counterparts, these behaviours may be perceived differently. Stereotypes may distort and limit perceptions of power and attributes regarding sources of influence (Pettigrew & Martin 1987, Ragins & Sundstrom 1989). That is why it is a necessity on our part to manage the diversified workforce in an effective manner.

**Organizational fairness depicts the extent to which employee perceives the plans, policies and programs of the organization to be fair towards him/her.**

### **Perceived Diversity Climate**

Workforce diversity, whether being managed properly or not, can be inferred from various indices. One such indicator is perceived diversity climate. As suggested by Barak, Cherin and Berkman (1998), it is composed of four dimensions – perceived organizational fairness, perceived organizational inclusiveness, perceived comfort, and personal diversity value. The present study included three dimensions and excluded perceived comfort. Through consultation with subject experts of different institutes, the comfort dimension was excluded. Organizational fairness depicts the extent to which employee perceives the plans, policies and programs of the organization to be fair towards him/her. The dimension of organizational inclusiveness taps the feelings or perceptions of the individual about the initiatives taken or interests shown by the organization towards integration or accommodation of employees like him/her with the other employees belonging to various groups. Personal diversity value implies how the respondent values diversity in the organizational context. In the study, a modest attempt has been made to compare the employees' different social groups, including the dominant as well as the minority groups, on their

perception of fairness, inclusiveness and diversity value.

groups on personal diversity value.

The following hypotheses were formulated:

1. The dominant group will differ significantly from the minority groups on perception of organizational fairness.
2. The dominant group will differ significantly from the minority groups on perception of organizational inclusiveness.
3. The dominant group will differ significantly from the minority

**Sample**

The total sample of the present study consists of 207 employees belonging to lower as well as middle managerial levels. Out of these, 118 belong to Rourkela Steel Plant and 89 belong to the Paradeep Phosphate Ltd. Both the organizations are situated in Orissa. Simple random sampling method was followed for data collection purpose.

The total sample of 207 was distributed over five groups as mentioned in table 1.

**Table 1: Description of the Sample**

Type of the group	No. of Respondents	Average age(Yrs)	Educational Qualification		Marital Status	
			Graduate	Post Graduate	Married	Unmarried
Oriya Hindu Male (OHM)	57	40.6	49	8	45	12
Oriya Hindu Female (OHF)	32	37.5	25	7	27	5
Non-Oriya Hindu Male (NOHM)	44	39.8	39	5	36	8
Oriya Non Hindu (ONH)	35	38.4	31	4	27	8
Oriya Reserved Category (RC)	39	38.6	36	3	30	9

A comparison between the respondents of both the plants on the variables included in the present study revealed no significant difference. The scores of the respondents on all the variables were then put to a normality test. Except in one dimension, there was no significant deviation from normality. The educational qualifications of all the

respondents were graduation or more than that. The age range of the respondents varied from 26 to 42 years.

**Questionnaire Used**

Perceived Diversity Climate Questionnaire (PDCQ) was meant to indicate the nature of diversity

management in the organization. In other words, more the positive scores, better the diversity management scenario in the organization. The items for this questionnaire have been adapted from the Diversity Perception Scale (DPS) developed by Barak, Cherin & Berkman (1998). The description of the adapted questionnaire is given below:

Dimensions	Items in original scale (PDCQ)	Items in the adapted scale (DPS)
Organisational Fairness	6	5
Organisational Inclusiveness	4	3
Personal Diversity Value	3	3
Personal Comfort	3	

Note: Based on consultation with the experts, Comfort dimension was not included in the adapted questionnaire.

The response pattern for this questionnaire was also that of a 5 point Likert type scale i.e 1 for Strongly Disagree, and 5 for Strongly Agree.

An attempt was made to assess the content validity of the scale in the Indian context. The questionnaire was sent to 5 experts of reputed institutes. Items indicating low preference ratings by the experts were discarded, whereas those having high preference rating were short-listed for the pilot-study. The psychometric properties were examined

through the pilot study. The item-total correlations of Organisational Fairness (OF) varied between .44 and .92, Organisational Inclusiveness (OI) varied between .46 and .88, and Personal Diversity Value (PDV) varied between .51 and .83. Split-half reliability and Cronbach alpha for this questionnaire came out to .75 and .71 respectively.

### Procedure

To establish proper rapport with the respondents each respondent was assured that, the data collected from him or her would be kept confidential and be used for the research purpose only. In most of the cases, the researcher remained present while the questionnaires were filled up by the respondents. In this way, data were collected from 207 managers spread over the two organizations. Only those persons were included in the samples, who were willing to cooperate and respond to the questionnaire schedule. As far as possible, simple random sampling was followed for each of the five categories (OHM, OHF, NOHM, ONH, RC). Maximum care was taken to be sure that the respondents omitted no item, by chance or otherwise.

### Results

The hypotheses were verified through simple statistical analyses. Mean, Standard Deviation and 't', ratio were computed for the responses collected.

**Table 2. Mean (M) and Standard Deviation (SD) of Five Groups on the Dimensions of Diversity Climate.**

Variables	OHM N = 57		NOHM N = 44		ONH N = 35		OHF N = 32		ORC N = 39	
OF	18.52	3.26	18.45	2.35	17.45	3.1	13.15	3.68	13.77	3.39
OI	9.45	1.64	9.77	1.75	9.22	1.43	7.18	1.49	8.05	1.89
PDV	10.77	2.51	11.32	2.14	10.57	1.88	11.12	1.7	10.2	2.14

Table 2 shows the mean (M) and standard deviation (SD) of five diverse groups of employees upon the dimensions of diversity climate.

**Table 3. 't' Ratios among the Five Groups on the Dimensions of Diversity Climate.**

Variables	OHM VS NOHM	OHM VS ONH	OHM VS OHF	OHM VS ORC	NOHM VS ONH	NOHM VS OHF	NOHM VS ORC	ONH VS OHF	ONH VS ORC	OHF VS ORC
OF	0.12	1.55	** -7.11	** -6.90	1.62	** -7.72	** -7.45	** -4.76	** -4.85	0.729
OI	-0.932	0.674	** -6.44	** -3.86	1.48	** -6.88	** -4.44	** -5.41	** -2.98	* 2.102
PDV	-1.153	0.407	0.711	-1.15	1.62	-0.463	-0.42	1.11	-0.78	-1.98

\* p < 0.05  
 \*\* p < 0.01

We observe from Table 3 that OHM does not differ significantly from NOHM and ONH on any of the dimensions, where as the responses differ significantly from OHF as well as ORC on OF (t = -7.11, p < .01; t = -6.9, p < .01 respectively, and OI (t = -6.44, p < .01; t = -3.86, p < .01 respectively). There is no significant difference between NOHM and ONH on any of the dimensions. But NOHM differs significantly from OHF as well as ORC on OF (t = -7.72, p < .01; t = -7.45, p < .01 respectively), and OI (t = -6.68, p < .01; t = 4.44, p < .01 respectively). The same trend is also observed when we compare ONH with other groups. It does not exhibit significant difference with

OHM and NOHM where as there are significant differences with ORC on OF (t = -4.85, p < .01), and OI (t = -2.98, p < .05). It also differs significantly from OHF on both these dimensions, i.e. OF (t = -4.76, p < .01), and OI (t = -5.41, p < .01). However, it is interesting to see that there is no significant difference between the employees of any group on personal diversity value.

**Discussion**

In the present study we considered Oriya Hindu Male (OHM) as the majority group and the other four groups, non-Oriya Hindu Male (NOHM), Oriya

Non-Hindu (ONH), Oriya Hindu Female (OHF), and Oriya Reserve Category (ORC) as the minority groups. Reasons for considering OHM as the majority group are quite obvious. Both the organizations – Rourkela Steel Plant (SAIL) and Paradeep Phosphate Limited (PPL) – are situated in Orissa. Most of the employees, across the levels, are Oriya speaking. Secondly, most of the employees are males and Hindu in religion. For the present study, the respondents belonging to other four groups have been matched based on their demographic variables. For example, Non Oriya Hindu Male (NOHM) group of sample comprises employees who are not Oriya, but similar to the majority group (OHM) on other attributes – Hindu, and male. This matching has been done to minimize the impact of other demographic variables besides language (Non-Oriya) – religion (Hindu vs. Non-Hindu), and gender (Male vs. Female). Thus, comparison of ‘t’ ratio between these two groups (OHM and NOHM) indicates the influence of language between these two groups. Therefore, instead of analyzing all the comparisons between all the groups, it will be more appropriate to discuss about the comparisons between the majority group (OHM) and the minority groups separately.

**The employees belonging to other group, particularly dominant Hindu male group may have a feeling of inferiority towards female employees.**

Lower level of perceived fairness (OF) and inclusiveness (OI) on the part of female managerial employees might be due to the factor of ‘level of adaptation’ (Helson 1964). Employees belonging to other social group categories may have a low level of adaptation towards female persons to consider them as female managers. So the employees belonging to other group, particularly dominant Hindu male group may have a feeling of inferiority towards female employees. So they may not be prepared to accept any suggestion or solution from female employees. This is substantiated through the findings of a study by Kane, Argote and Levine (2005), who observed that groups were more likely to adopt a routine from a rotator when its status was superior than when it was inferior to their own. If somebody is not valued or accepted, his/her feeling of inclusiveness will definitely be lessened.

Glass-ceiling effect might be playing a role. Due to this factor, the female managers might not be getting due promotions, weightages or recognitions. This can create a feeling of discrimination, or in other words, low level of perceived fairness.

Female employees may not have regular interactions with the colleagues and superiors. Researches with social network analysis depict that women and minority group employees are in greatest need of improving their integration into the organizational network (Ibarra 1993, Morrison & VonGlinow 1990). If we

increase the scope of informal interaction, the employees will get to know more about each others' individual competencies, attributes and values. Over time, as people acquire more information, their perception developed more on observed behaviour and less on stereotypes prompted by overt characteristics (Jackson et al. 1993, Newcomb 1961). Due to this, they will gradually evaluate or judge each other upon individual dimensions, not upon group or class identity. And it can replace the stereotypes held by members of one group towards members of another group. In turn it can reduce the feeling of discrimination and enhance the perception of fairness and inclusiveness.

**Women and minority group employees are in greatest need of improving their integration into the organizational network.**

The findings lead us to conclude that, though these employees consider and value diversity highly, they don't experience organizational fairness and organizational inclusiveness. They feel that their needs and feelings are not so much accommodated in various activities and programmes.

A reason behind reserved category employees' low level of perceived fairness and inclusiveness may be the nature of their appointment. Others might be attributing their appointment/success to their reservation status but not to their potential or competence. These

types of attributions appear in other countries and states also. Stereotypes may distort and limit perceptions of power and attributes regarding sources of power (Pettigrew & Martin 1987, Ragins & Cotton 1999). Greenhouse & Parasuraman (1993) also found that among highly successful managers, the performance of black managers was less likely to be attributed to ability and effort and was more likely to help from others. Employees belonging to majority or dominant group attribute the success of minority group employees to external sources like affirmative action policy, SC/ST reservations, extra organizational privileges etc.; but not to their qualification, experience or ability. This may cause a feeling of inferiority, deterioration of self-esteem on the part of the reserved category employees. In turn, their participation in various departmental and organizational activities will be hampered

Female and reserved category employees may not have adequate opportunities unlike their dominant counterparts to take part in interpersonal training programs and various informal activities. Group differences in access to network may contribute to differences in perceived power (Ibarra 1993), thus leading to low perceived fairness.

**Stereotypes may distort and limit perceptions of power and attributes regarding sources of power.**

Low level of perceived fairness might be arising due to low-mobility in the organizational hierarchy. This may strengthen the in-group and out-group feeling. Hirose, Taresawa & Okude (2005) found that, subordinates in low-mobility condition acted collectively more frequently and evaluated their group more positively than those in the high mobility condition. They also found a significant positive correlation between the frequency of subordinates' collective action and in-group favouritism. This feeling may encourage the reserved category employees to foster a feeling of being discriminated by the 'out-group'. This would definitely distort the feeling of fairness as well as inclusiveness.

### **Implications**

The organizations in India, both private and public, are composed of employees belonging to different societal backgrounds. For the smooth functioning of any organization, its diversity climate should be healthy. Unhealthy climate can lead to various negative effects like feeling of discrimination, glass ceiling, feeling of visibility and contrast, diversity backlash, ethnocentric behaviour etc. These may, in turn, hamper the organizational growth. Findings from studies like the present one can provide useful inputs while formulating policies and strategies of the organization; taking proper care to address the needs and emotions of employees of different groups while devising training and intervention programs etc. In addition, managements

of various organizations may come out with various employee development programs like mentoring, affirmative action etc. Studies of this nature may be carried out in different types of organizations to get a holistic picture of employees belonging to different societal backgrounds.

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