



A Study on Workforce Gender Diversity in IT organizations

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ABSTRACT

Workforce diversity is a primary concern for most of the businesses. Today's organisations need to recognise and manage workforce diversity effectively. The increase in workforce gender diversity has attracted the attention of both researchers and practitioners. In particular, a question arises whether different gender compositions in an organization's workforce will impact 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. Businesses today lack consistent empirical evidence on the nature of relationship between firm-level gender diversity and performance outcomes. Against this backdrop, the present paper examines factors affecting gender diversity in IT Organisations and whether gender diversity improves firm performance in the Indian context. Through an analysis of the data, supported by an extensive literature review, it presents an economic case for firms to promote workplace gender diversity.

KEYWORDS: diversity, gender, IT Organisations, firm performance.

I. INTRODUCTION

On an intellectual level, most of us realize that in order to be fair and equitable in the workplace, we need to have an equal representation of men and women. However, this isn't always the case - even in modern times. The women's rights movement has increased the number of women in workforces around the world (Ali, Kulik, and Metz, 2011), which has in turn raised the question of how an organization's gender diversity affects its outcomes. Recent work has generally taken one of two broad approaches. One suggests that gender diversity may signal to investors and other external stakeholders and influence their perceptions of a firm's value (Hannon and Milkovich 1996; Roberson and Park 2007; P. Wright et al. 1995). A

second line of work focuses on gender diversity's role inside organizations, emphasizing both the positive effect of gender diversity in increasing innovative capacity and breadth of knowledge and its negative effect in disrupting social cohesion.

The relationship between gender diversity and firm performance has been the subject of research inquiry for over three decades now. However, if businesses were to turn to this body of literature for insights to drive their hiring practices, they would be hard-pressed to find consistent evidence on what to do. While some studies say that fostering gender diversity improves firm outcomes, others claim the opposite is true. Yet another set of studies find that there is no significant link between gender diversity and organizational performance. As a result, when it comes to fostering gender diversity as part of their workplace strategy, private sector firms are often left to rely on past experiences, stereotypes and anecdotal assertions.

Gender Diversity:

Gender diversity deals with equal representation of men and women in the workplace. Gender diversity, means that men and women are hired at the same rate, paid equally for equal work, and promoted at the same rate. We have come a long way in the last 70 years or so, but we are still a very long way from achieving true gender diversity and equality in the workplace.

According to recent McKinsey Report, women made up about 40% of the global workforce. However, only about 5% of Chief Executive Officers (CEO) are women. In addition to that gross disparity, women still earn only 80% of what their male counterparts do.

Achieving gender diversity within organizations brings multiple benefits to companies:

- Management with greater gender diversity trends to perform better than that dominated by one gender. By gender diversity within organizations brings multiple benefits to companies, including an



overall increase in business performance, number of customers, revenues and profits. By promoting gender diversity, companies are also more likely to attract more diverse people, and people who consider gender equality policies when considering different employers.

- McKinsey's examinations found that companies that allow for gender diversity within the workplace are 15% more likely to experience higher financial returns, as measured by earnings before interest and tax (EBIT), compared to others.

- Gender diversity in companies leads to improved reputation both directly and indirectly. Directly because it's demonstrated that companies with a higher percentage of women board directors are favorably viewed in sectors that operate close to the final customers and are more likely to be on the list of the "World's Most Ethical Companies".

- Since men and women have different viewpoints, ideas, and market insights, a gender-diverse workforce enables better problem solving. A study done in 2014 by Gallup finds that hiring a gender-diverse workforce allows the company to serve an increasingly diverse customer base. Gender diverse organizations were also shown to benefit from increased customer understanding and satisfaction.

- Gender diversity in boards increases diversity of ideas by introducing different perspectives and problem-solving approaches. This gives teams increased optionality and decision-making advantages.

- A recent survey by RSA found that women are considered to "bring empathy and intuition to leadership", since they have greater awareness of the motivations and concerns of other people. 62 per cent of the respondents of the survey said women contribute differently in the boardroom than their male colleagues. Gender-diverse organisations also enjoy heightened levels of creativity, innovation and problem-solving.

Gender Diversity in IT Industry:

According to research from Booking.com, 75% of women in technology sector in India feel that gender diversity is a top priority for the industry; and only 26% feel that their company does not prioritize gender diversity enough. The number compares to the global average of 54%.

The latest World Economic Forum Gender Gap Report found that there is a widening inequality gap world wide.. When asked about the benefits that better gender diversity can bring to the technology industry, 94% of women in India and those students interested in pursuing a tech career said that this

would help diversify the sector, bring fresh perspectives, backgrounds, and experiences. Historically, a lack of diversity has pervaded the IT and technology industry, but there are steady signs of improvement.

This persisting problem is being tackled by internal business and wider industry initiatives, and events like the Women in IT Awards. However, there is still a significant way to go before the tech industry can be classed as gender equal.

Challenging stereotypes

The technology sector is just for men, it's a 'boy's club'. This idea is something that has detracted many women from considering a career in IT or tech. The perceived image of technology has historically been unattractive and daunting for women – it's not something often considered as a career path.

It is, therefore, the sector's responsibility to change this perception. But how? It starts at school.

The business of diversity: how a diverse workforce makes money

Companies are now realising that they are struggling, because 50% of the population are being overlooked. If technology industry is to prosper, the country and businesses should be using the talents of the whole nation.

The cyber security industry is facing a particular challenge. According to a report by ISC in 2017, the information security field will experience a 1.5 million deficit in professionals by 2022. Yet women, who could help to fill that gap, remain massively underrepresented – comprising just 10% of the global workforce. As a result of this economy-hampering problem, governments are stepping in.

Factors that impact workforce gender diversity within IT organizations are:

1. With only about one in four women working or looking for work,
2. India faces a dilemma of rapid economic growth alongside lower economic participation of women.
3. There hasn't been enough focus on identifying and implementing effective policies aimed at improving women's workplace experiences.
4. At the same time, the workplace forms the backdrop against which diversity-enhancing policies get introduced, and firms wield sufficient influence on the day-to-day implementation of these policies.

Despite recent attempts by the government to institute policies geared towards fostering gender diversity in the workplace in hopes of encouraging more Indian women to join the workforce, many of them have fallen short in practice. This is partly because of their limited take-up from private sector



actors, who lack consistent evidence on how gender diversity shapes their outcomes.

II. REVIEW OF LITERATURE

- Managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has an advantage or disadvantage (Torres and Bruxelles, 1992).
- Diversity requires a type of organizational culture in which each employee can pursue his or her career aspirations without being inhibited by gender, race, nationality, religion, or other factors that are irrelevant to performance (Bryan, 1999).
- Diversity in the workforce can be a competitive advantage because different view points can facilitate unique and creative approaches to problem-solving, thereby increasing creativity and innovation, which in turn leads to better organisational performance (Allen et al., 2004).
- Rao, et al (2014), in their study entitled “A Comparative Study on Acceptance of Cultural Diversity and Gender Diversity among Employees in IT Industry, Bangalore” examined that workforce diversity is very important to the organizations with respect to talent acquisition and for better performance. From the study it is identified that diversity is the most important outcome of diversity movement in India, though India is known for its diversity and its emerging importance is diversity as a symbolic role.

Research Design

Research Objectives

- To Know the meaning of Gender Diversity
- To know the factors that impact workforce gender diversity within IT organizations
- To provide recommendations on enhancing workforce gender diversity in IT organizations

Methodology of the study

- This paper is developed on the basis of referring secondary data from books, journals, magazines, e-sources, websites and newspapers.
- Source of information is research based books, reports, plan documents and articles published in research journals.
- Quantitative and qualitative methods have been used for the analysis of the data.

Limitations of the study

- The study is limited to secondary data only
- The findings of the study cannot be generalised

III. CONCLUSION

Organizations should revise their gender specific policies according to concerns of both genders. Proper implementation of policies should be done and continuous monitoring is needed to overcome such issues. In seeking to respect, value and accept the diversity in organizations, employers should recognize the importance of diversity management programs and practices to be adopted in organizations.

To achieve greater parity in the workplace, this paper recommends a policy framework geared towards creating a supportive job market for women in collaboration with the private sector, fostering an inclusionary climate in the workplace throughout women’s career, promoting policies that ensure work-life balance, and strengthening the evidence base on the gender diversity-performance link across all ranks in an organization.

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