Decoding Organizational Culture propagated through diverse teams-Pacing towards agile workplaces

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Abstract

Incorporating diverse people and their perspectives has become a major concern for every organization. Diverse employees allow synergetic effects to organizations, where the variety of experiences, attitudes, and viewpoints lead to better team performance. Organizational culture is a symbol of the unwritten feeling part of the organization and it is often believed that it is so intangible and persistent that even the members of the organization cannot be relied upon to make an accurate description of it. The paper investigates the organizational culture aspects due to diversity in teams at the workplace. A detailed survey of employees in this regard was conducted and a positive relationship was established between diversity and organizational culture. The HR Managers should gauge the diversity angle in teams and help employees to be a part of a more inclusive and accommodative organizational culture. Hence, we can state that understanding culture makes organizations aware, appreciate the diversity in teams at the workplace making them more agile and flexible.
Keywords: diversity, inclusion, organizational culture, agility

Introduction:

Due to continual changes in business, the current organizations are faced with great challenges and opportunities. Changes in the business world include technology progress and economic change to the world market. Social, cultural, political, world technologies obliged the organizations to re-definition their strategies. The most important asset of any country is efficient human resources in the current workplaces. The success of any organization depends upon understanding and reprising the culture in an organization. Thus, the investigation of factors associated with the organization's culture is of great importance.

A growing number of studies have emerged in the last decade that investigate strategies to manage diversity at country and organizational levels. These studies, however, often focus on Western countries, using survey studies or case studies of a very small number of firms. Few studies have investigated systematically the extent to which diversity in teams impacts culture across different types of organizations in a less developed country, where the approach to HRM may be less sophisticated and the diversity context may differ significantly from that in the West. This study aims to fill a portion of this research gap through an in-depth, survey of 41 companies of different verticals in service sector industries in India. We do so for three reasons.

First, a comparative study of several types helps illustrate various operating environments and hence firms' HR strategies. **Second**, we selected India as a venue for study as it is a rising

economic powerhouse in the global economy with sustained high growth rates. They are increasingly involved in a "war for talent," and some have deployed understanding organizational culture and managing diversity as one of the key HR initiatives to attract and retain talent. **Third**, multiple organizations were selected for studying organizational culture propagated through diverse teams. Existing studies on HRM in India have primarily adopted a quantitative method. Survey studies offer useful statistical information on managing diverse teams across a relatively large number of organizations surveyed. It does not, however, reveal organizational nuances and complexities in the process of diversity management.

In particular, we address the following research questions:
1. How are diverse teams managed and lead in service sector organizations?
2. To what extent have business organizations in India developed a strategic approach to managing diversity?
3. What, if any, are the differences in the approach to managing diversity between firms across different verticals of the service sector operating in India?
4. Are there any differences in the perception between employees and HR Managers in the way diverse teams are and should be managed in their organization?

Statement of Problem:

The success of any organization depends upon management of the diversity in the employees. Thus, the investigation of behavioral factors associated with workforce diversity is of great importance. Organizational culture is one of the requirements for understanding the impact of workforce diversity. This concept refers to the necessity of the researches to determine the relationship between organizational culture and diverse teams. The HR Mangers need to strategically comprehend the importance of diverse teams in organizations and how they impact the organizational culture which is an inseparable part of any organization.

Research Objectives:
1] To study the organizational culture variables.
2] To study the dimensions of organizational culture with the help of Denison's Model of Organizational Culture.
3] To establish relationship between diversity in teams and organizational culture.
4] To establish constructs for study of diversity due to Culture at workplace.

Aspects of Organizational Culture

The importance of organizational culture was first described by Elliott Jaques in his 1951 book titled, The Changing Culture of a Factory. Jacques invoked culture – described as informal social structures – as a way to explain the failure of formal policies and procedures to resolve the unproductive dynamic between managers and employees at the Glacier Metal Company. (Daniel Denison, 2012).

Figure 1. The roles of culture in organization
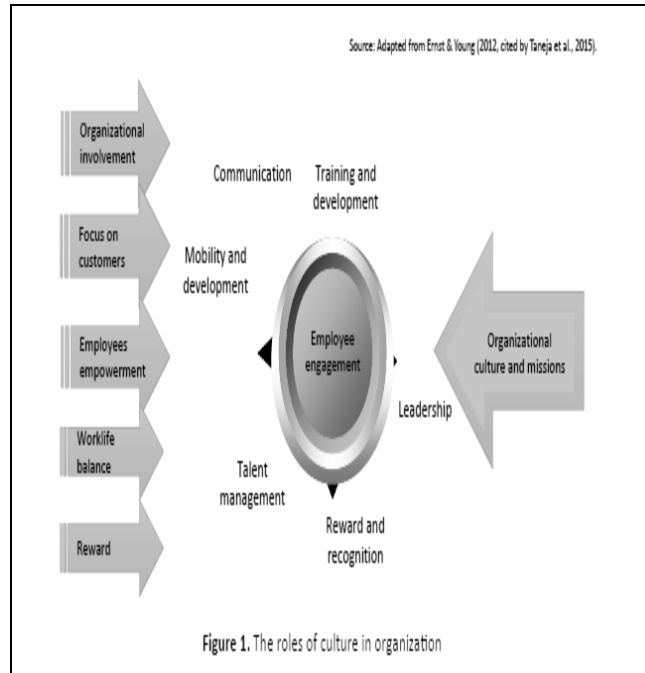
Literature Review:

Research on diversity management and its effects on organizational outcomes is also largely done by researchers. Studies conducted by Magoshi and Chang (2009) show the result that diversity management practices have a positive impact on the organizational commitment of employees in 10 major companies in Japan and Korea. Other findings suggest that diversity management is strongly associated with workgroup performance and job satisfaction (Pitts 2009). Thomas (2004) says that managing diversity is one of the basic competencies commonly used to demonstrate executive performance. When a manager can manage the diversity that appears in the organization well, it means that the manager has behaved effectively.

The linkage between organizational diversity and culture management is that diversity management could be defined as a company's ability to provide opportunities and exploit people's resources from different cultural backgrounds (Magoshi and Chang, 2009). This sense means that between diversity and culture there is a close relationship.

Many organizations talk about the actions needed to unleash their workforce's potential to deliver higher value from the market. Increasing diversity creates an opportunity to improve everyone's performance, enhance organizational capabilities innovate and serve all customers to succeed in the 21st century (Wibowo, 2010). Effective diversity management will be manifested in a strong culture of the organization. A strong organizational culture will in turn improve the competitiveness of the organization. This is because organizational culture can lead employees who have more competence to be able to get together to achieve goals. Also, a strong organizational culture will avoid organizational failure.

Research Methodology

2081

Research Design

A conceptual model has been formed on the organization culture variable dimensions (involvement, consistency, adaptation, and mission) regarding the management levels,

Through this model, the relationship between diversity in teams and organizational culture has been established.

Through this model, the effects of the organizational culture on the management of diversity have been reviewed. **Primary data** for the research was collected with the help of the self-administered questionnaire that was specially designed to achieve the study goals as outlined. 101 employees were contacted and surveyed for the study. The employees were working with IT, ITES, Banking and Financial Institution in Pune. The sample consisted of all cadres for the survey. The sample consisted of 53 males and 48 female employees. Out of which 50employees worked with IT companies, 11 worked with ITES companies, 13 worked with banking organizations and 26 worked with Financial Institutions. The age ranged from 25 to 45 years. **The secondary data** was collected through various research articles and journals.
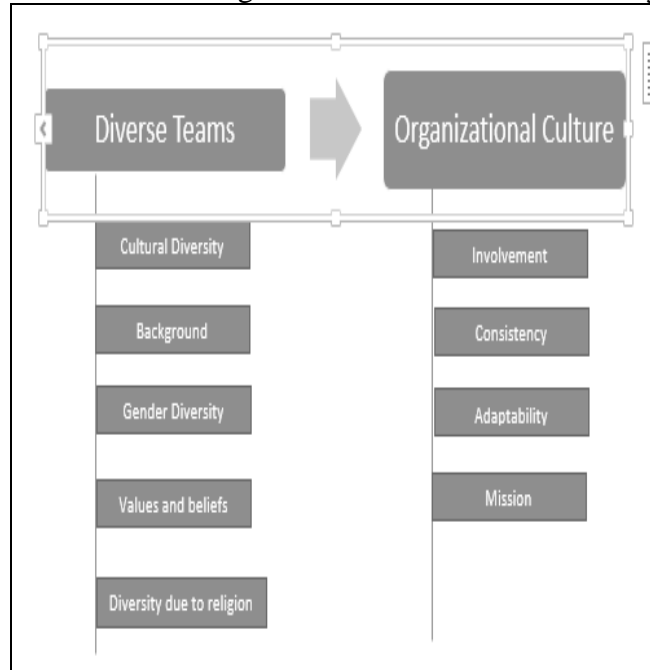

Fig no. 2: Conceptual model

Findings and Analysis

Table no. 1.1: Diversity due to Culture at Workplace (DCW1 to DCW5)

		Active prioritization of inclusion and diversity	Policy in place that is specifically designed to foster cultural inclusion at the workplace	Respect for People from all cultures and backgrounds	Comfort of sharing background and cultural experiences with my colleagues	Free interaction amongst different backgrounds
N	Valid	101	101	101	101	101
	Missing	0	0	0	0	0
Mean		4.0594	3.8812	4.3762	4.3366	4.5050
Std. Deviation		.98815	1.03235	.73282	.73861	.67266

Table no. 1.2: Diversity due to Culture at Workplace (DCW6 to DCW10)

		Inclusion and respect in organization	Respect towards Masculinity and femininity	Long-term devotion to the traditional values and beliefs	Firm codes of belief, values, and behavior	Adaptation of rituals and celebrates the festivals of the different religious groups/host country
N	Valid	101	101	101	101	101
	Missing	0	0	0	0	0
Mean		4.3663	4.4455	4.2277	4.3069	4.1980
Std. Deviation		.82125	.62410	.87042	.83358	.93829

2083

Table no. 1.3: Diversity due to Culture at Workplace (DCW11 to DCW13)

		Sharing and caring for each other's as part of Individualism & collectivism	openness to cultural diversity, organizational social responsibility	Cultural differences are a positive predictor of workforce diversity
N	Valid	101	101	101
	Missing	0	0	0
Mean		4.2871	4.3267	3.8614
Std. Deviation		.88698	.77600	1.17499

		Involvement in terms of Empowerment, Team Orientation & Capability Development are carried out effectively	Consistency in Coordination and Integration, Agreement, Core Values are taken care	Adaptability in terms of Creating Change, Customer Focus, Organizational Learning is taken care of at the prime most level	Mission in which Strategic Direction and Intent, Goals, and Objectives, Vision is shared with everyone	Workforce diversity is a positive predictor of the effectiveness of organizational culture
N	Valid	101	101	101	101	101
	Missing	0	0	0	0	0
Mean		4.1584	4.1188	4.1980	4.1782	4.3267
Std. Deviation		.90258	.91964	.81265	1.07141	.72262

Table.1.4: Denison's Scale of Organizational Culture at Workplace (DOC1 & DOC5)

Findings and Interpretation

As we have already stated, the present research studies "Decoding Organizational Culture propagated through diverse teams-Pacing towards agile workplaces" and comprehends the organizational culture due to diverse teams.

Despite the limitations of the research resulting from the extent of the sample and the focus on the Pune region, it is possible to state some other interesting data which might be continued in any further research and which even today bring some important information about the diverse teams and related organizational culture in select service sector organizations. The interpretation will be useful for company managers and HR specialists who, within their responsibilities at least partly focus on managing human resources in organizations.

Here we would just like to remind you that the questionnaire originated based on inspiration from the research tools and outputs from the research studies presented earlier. Completing the questionnaire enabled us to assess its basic qualities as a research tool. The validity may be adequately derived from the application of the given research tools. Based on piloting the questionnaire and its assessment by two experts we may say we consider the tool valid.

2085

The reliability of the questionnaire was statistically assessed using Cronbach's coefficient alpha for the individual parts of the questionnaire. Let us state the area, the number of items, and the calculated result: **Diversity due to Culture at Workplace** (13 items), Cronbach $\alpha = 0.923$, Denison's **Scale of Organizational Culture at Workplace** (5 items), Cronbach
$\alpha = 0.928$. From the calculated Cronbach α for the individual areas of the questionnaire it is obvious that two areas were given very good assessment. As far as possible further research is concerned we recommend considering the items in the diversity due to culture. Here an opportunity for improving the applied research tool can be seen.

An additional view of the implemented research survey can be presented by calculating the correlations between the areas of the questionnaire and the gained aggregate index, with the interim name "significance of organizational culture and diversity in teams", fed from the above two sections of the questionnaire.

Limitations of the Research
The validity of the research tool can be derived from its application as it was used in foreign research studies and from the expert assessment of the tool; the reliability of the applied tool can be supported by the Cronbach a coefficient.
What can be perceived as a limitation of the research is the small size of the group of the respondents from Pune City, as this city is considered an important area of business and there are several Multinational companies. Therefore the results cannot be over-generalized.

Discussion and Conclusion
This paper uses a human resource perspective to study organizational culture portrayed in diverse teams in select service sector organizations in Pune, characterized by various IT, ITES, Banking, and Financial Institutions. The outcomes of this study confirm that HRM functions are regarded as a vehicle for diversity management in service sector organizations having diverse teams as an integral part of the organization. Taking into consideration the results of this study, diversity management is addressed more or less effective than a simple slogan.

This paper conveys substantial contributions to diversity management studies in organizations. On one hand, the findings expose HRM as a tremendous means for the application of diversity management in Service sector organizations in Pune. HRM functions, accordingly, can be regarded as an imminent tool for organizations in the pursuit of effective implementation of diversity management principles. The results unveil the remarkable eagerness of Pune based organizations to harness diversity merits. These results, however, are quite reasonable if the particularity of the local context is taken into account. A limitation of this study, social desirability could have biased the answers collected from the participants in the survey. Our respondents are undoubtedly wary of providing answers that do not violate widely agreed-upon ethical principles. The perceptional nature of data used in this research represents another limitation to the potential generalization of the results.

Management Implications

The focus of the diversity issue has changed from equal employment opportunity to effectively managing diversity as an organizational imperative. As globalization is increasing, diverse teams are here going to stay. Those who recognize the globalization of labor as a positive trend and facilitate the flow of the teams in an organization will benefit most. Keeping this in mind our strategy should be aimed at creating change in organizations. To be successful in such type of new environment, managers must learn to value and respect cultural styles and ways of behaving that differ from our styles.

Managers must be able to tie the issues of managing cultural and background differences to the needs of the business and be well versed in business issues, goals, and results. Managing diverse teams should be considered by managers as an opportunity to serve the needs of customers better and to penetrate new markets. By valuing and managing diverse teams, it is possible to enhance creativity, flexibility, and rapid response to change. Managers, to utilize the potential of a diverse team, must link diversity to every business function or strategy i.e. recruitment, selection, placement, development, succession planning, performance appraisal, and rewards.

To remain competitive, organizations must develop long-term intervention strategies rather than short-term solutions or strategies. Managers have to remove the barriers which prevent the organizations from developing and utilizing fully equitable systems that allow the diverse teams to achieve their full potential.

Suggestions

The evidence from the study suggests that HR Managers, should manage diversity in teams to set a positive organizational culture. The results of this research support the idea that many firms need to adopt a strategic approach towards managing diverse teams and setting favorable organizational culture.

Future Research

This study identified diversity management variables and their influence on organizational culture in the service sector in Pune. However, this raises several questions that can be answered through more research.

For instance, the causal relationship between diversity management and HRM needs further investigation to discriminate the distinctive effect of diversity management on each of HRM functions. For instance, we would expect recruitment to be the most exploited platform to showcase the firm's commitment towards promoting diversity management. This research avenue would contribute to examining the most commonplace diversity management practices in organizations which could provide useful insights for local firms to increase organizational performance and employee productivity.

Also, the results could be segregated according to firm-based factors, such as ownership form, size, global orientation, type of activity, etc. This would certainly reveal interesting facts about the status of diversity management. Future studies could be interested in how diversity management, as part of strategic HRM has been applied in organizations, across different ownership forms – Public versus Private; domestic versus multinational firms.

Therefore, this study can be conducted on a larger scale using structural equation modeling to account for the intertwined effects of diversity in team's variables.

Also, it would be interesting to examine the effect of the relationship between diversity and HRM practices on employees' attitudes (i.e., job satisfaction, organizational commitment, organizational citizenship behaviors, etc…), since there is a lack of such studies.

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