

The Influence Of Perceived Diversity Management On Women's Retention In The IT Industry

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Abstract

The retention of skilled professionals, particularly women, is a critical challenge in the Information Technology (IT) industry. Employee turnover results in the loss of talent, institutional knowledge, and business opportunities. Despite this, few studies have specifically examined the factors influencing the retention of female employees in this sector.

This research addresses that gap by investigating how perceived diversity management impacts the retention of women in the Indian IT industry. It further explores perceived social support as a moderating factor in this relationship.

Grounded in Attitudinal Commitment Theory, the study utilized a cross-sectional research design to collect data from female IT professionals in India through an online questionnaire. A purposive sampling technique was employed to target the appropriate demographic. The data was then analyzed using IBM SPSS, AMOS, and Process macro to test the hypothesized conceptual model, which included mediation and moderation effects.

The analysis confirmed that the model was a good fit, and the study's hypotheses were supported. The findings provide valuable theoretical insights and practical implications for creating more inclusive and supportive work environments to improve the retention of women in IT.

1. Introduction

Retaining skilled Information Technology (IT) professionals is a critical contemporary challenge for businesses. The departure of an IT employee represents a significant loss of institutional knowledge, specialized talent, and potential business opportunities, an issue exacerbated by the rapid growth of the global knowledge economy (Moore & Burke, 2002).

The Indian IT Sector: A Growth Engine The Indian IT industry serves as a powerful engine for the nation's economy, contributing 8% of the GDP in 2020 and surpassing \$200 billion in revenue and a 5 million-strong workforce by FY2022 (NASSCOM, 2022). As the world's leading destination for service sourcing, India commands approximately 55% of the market share. This dominance has made the sector a magnet for Foreign Direct Investment (FDI), ranking it second for FDI inflows between 2001 and 2021. The COVID-19 pandemic further accelerated this growth, as rapid global digitalization created immense demand for IT services. **Challenges in Talent Retention and Diversity** This accelerated growth has intensified the focus on human capital as a key competitive advantage. Consequently, attracting and retaining skilled employees, with a particular emphasis on women and minorities, has become a paramount concern for corporate success (Greening & Turban, 1996; Williams & Bauer, 1994).

Research indicates that women often face distinct barriers as they advance in their IT careers. To counter this, studies advocate for formal interventions specifically designed to meet the

needs of women in technology, alongside comprehensive manager training to foster supportive and inclusive work environments (Annabi & Lebovitz, 2018). Furthermore, perceived workplace discrimination is strongly linked to lower organizational engagement and higher turnover intentions. However, individual self-esteem can serve as a crucial psychological buffer, mitigating the negative impacts of discrimination. This suggests that corporate wellness and HR practices should focus on both eliminating discriminatory practices and bolstering the psychological resources of employees (Jackson & Jackson, 2019).

Gender Diversity Landscape in India Despite women comprising 48.2% of the Indian population, a significant gender gap persists in the corporate workforce. A 2019 Zinnov-Intel benchmark study highlighted this disparity, revealing that women hold about 30% of roles in corporate India. Representation is highest in junior positions (38%) but falls dramatically to just 11% at the senior executive level. The data also shows variations based on geography and company size, with large enterprises (33%) and hubs like Bengaluru (34%) reporting slightly better, yet still imbalanced, gender diversity.

While the challenges of employee turnover in the IT industry are well-documented, specific gaps remain in the scholarly literature.

Firstly, the relationship between how female employees perceive organizational diversity initiatives and their subsequent intention to leave remains significantly underexplored.

Secondly, affective commitment has been underutilized as a mediating variable to explain the mechanism by which diversity management strategies impact employee retention.

Finally, an investigation into the impact of supervisor support on the turnover intentions of female employees presents an opportunity to add a new and valuable dimension to the literature on organizational commitment. This study aims to address these interconnected gaps.

2. Objectives of the Study

This study is guided by the following primary objectives:

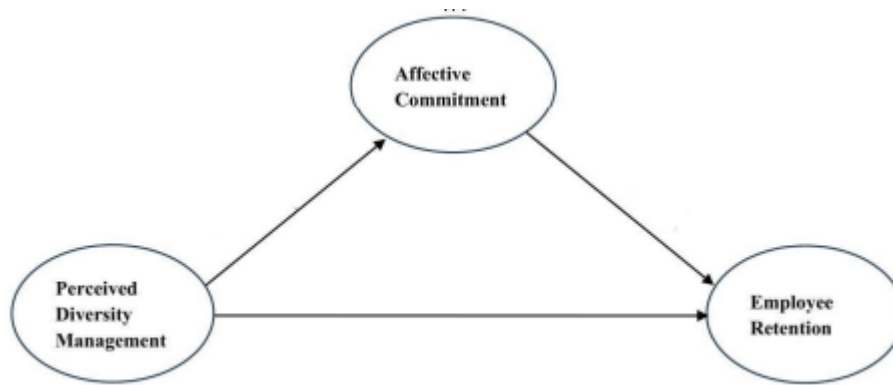
1. To examine the influence of female employees' perceptions of diversity management practices on their affective organizational commitment and retention.
2. To investigate the mediating role of affective organizational commitment in the relationship between perceived diversity management and the retention of female employees.
3. To determine if supervisor support moderates the relationship between perceived diversity management practices and affective organizational commitment.

2.1 Research Hypotheses

Based on the theoretical framework and the identified research gaps, this study proposes the following hypotheses:

1. H1: There is a significant positive relationship between female employees' perceptions of diversity management practices and their retention within the organization.
2. H2: Perceptions of diversity management are positively and significantly related to female employees' affective organizational commitment.
3. H3: Higher levels of affective organizational commitment are positively and significantly associated with female employee retention.

2.2 Conceptual Frame work:



2.2.1 image. Role of affective commitment - mediation model

Conceptual Framework

This study proposes a framework to understand the key factors influencing the retention of female employees within the IT industry. The model posits that the way female employees perceive an organization's diversity practices is a critical predictor of their decision to stay. Furthermore, it suggests that this relationship is not just direct but is also significantly influenced by the employee's emotional connection to the organization.

The framework integrates three core constructs: **Perceived Diversity Management**, **Affective Organizational Commitment**, and **Female Employee Retention**.

2.3 Core Constructs

- **Perceived Diversity Management (Independent Variable):** This refers to a female employee's personal assessment of the organization's commitment to fairness, equity, and inclusion. It encompasses her views on policies, workplace culture, and leadership actions related to creating a supportive environment for a diverse workforce.
- **Affective Organizational Commitment (Mediating Variable):** This is the emotional bond, identification, and sense of belonging an employee feels toward her organization. It reflects a genuine desire to remain with the company because she *wants* to, seeing its values and goals as her own.
- **Female Employee Retention (Dependent Variable):** This is the outcome variable, representing the organization's ability to prevent female employees from voluntarily leaving their jobs. It is the opposite of turnover intention.

2.4 The Proposed Relationships

The framework is built on a mediation model:

1. **Direct Path:** It is proposed that positive perceptions of diversity management directly lead to higher retention. When female employees feel they are treated equitably and have equal opportunities for growth, they are more likely to stay with the organization.
2. **Indirect (Mediated) Path:** The framework's central argument is that the effect of diversity management on retention is largely channeled *through* affective commitment.
 - Supportive and inclusive diversity practices foster a strong sense of emotional attachment and loyalty (**Affective Commitment**).
 - This deep-seated commitment then becomes the primary driver for an employee's decision to remain with the organization, thus increasing **Retention**.

3. Research Methodology & Data Analysis

This study adopted a quantitative, cross-sectional research design, with primary data collected via a structured online questionnaire. A purposive sampling method was employed to target the specific demographic required for this research. The inclusion criteria stipulated that participants must be women with at least one year of professional experience working in Information Technology (IT) companies located in Chennai.

Following the recommendation by Hair et al. (2009) of maintaining a minimum sample-to-variable ratio of 10:1 for robust multivariate analysis, a target was set for at least 590 observations. A final sample of 627 valid responses was successfully obtained, satisfying this criterion.

The collected data were analyzed using IBM SPSS Statistics (Version 28), SPSS AMOS (Version 26), and the PROCESS Macro plugin. The analytical procedure included descriptive statistics, Exploratory Factor Analysis (EFA). To test the specific hypotheses, mediation and conditional process analyses were conducted.

3.1 Data and Method

3.1.1 Pilot Study

Prior to the main data collection, a pilot study was conducted to assess the feasibility of the research instruments and to preliminarily evaluate the proposed conceptual model. The online questionnaire was administered to a sample of 50 female IT professionals, each meeting the one-year minimum experience criterion, who were recruited via personal contacts with HR managers. The analysis of the pilot data confirmed that the model demonstrated acceptable fit indices. This positive preliminary result affirmed the viability of the measures and the research framework, justifying the decision to proceed with the full-scale study.

The initial phase of data analysis involved data screening, followed by a descriptive analysis of the respondents' demographic characteristics. Demographic variables such as age, education, marital status, designation, and work experience are recognized as influential factors in employee retention within the IT sector; therefore, their distribution within the sample was thoroughly examined.

A total of 638 responses were initially collected through the online survey. The dataset was first screened for completeness and respondent attention. To mitigate issues arising from missing data, which can compromise multivariate procedures like principal component analysis (PCA) and mediation-moderation analysis (Baraldi & Enders, 2013), all questionnaire items were made mandatory. Consequently, there were no missing values in the dataset. During the screening process, 11 responses were identified as having failed the embedded attention-check questions. These responses were subsequently removed to ensure data quality and validity, resulting in a final sample of 627 respondents for analysis.

3.2. Results

The demographic profile of the final sample was analyzed using descriptive statistics, including frequencies, means, and standard deviations. Furthermore, the data were assessed for normality to verify a key assumption for subsequent statistical tests. A comprehensive summary of the demographic characteristics of the respondents is presented in Table 4.1-1.

Table 3.2-1 Summary of the demographic profile of the sample respondents

	Designation	Age	Marital Status	Education	Experience

Valid	627	627	627	627	627
Missing	0	0	0	0	0
Mean	1.5008	1.8373	.4226	1.5136	2.2781
Std. Deviation	0.58022	0.96703	0.49437	0.74627	0.90658
Variance	0.337	0.935	0.244	0.557	0.822
Skewness	0.661	1.138	0.314	1.064	0.426
Std. Error of Skewness	0.098	0.098	0.098	0.098	0.100
Kurtosis	-0.539	0.376	-1.908	-0.395	-0.548
Std. Error of Kurtosis	0.195	0.195	0.195	0.195	0.195

The descriptive statistics, as detailed in Table 3.2.1, revealed a notable degree of heterogeneity across the demographic variables, indicating a diverse and representative sample.

Furthermore, an essential preliminary step was to assess the data for normality. Following established statistical guidelines (Field, 2013; Hair et al., 2014; Tabachnick et al., 2007), this was accomplished by examining the skewness and kurtosis values for each demographic variable. The results indicated that all values fell well within the acceptable threshold of ± 3 standard errors. This confirms that the data are approximately normally distributed, satisfying a key assumption for the subsequent multivariate analyses.

3.3 Exploratory factor analysis

Dimensionalities of latent constructs have been evaluated by employing the Principal component factor analysis and measurement model estimation. Principal Component Analysis (PCA) provided views of the possible dimensionalities of Reflective kind of measurements

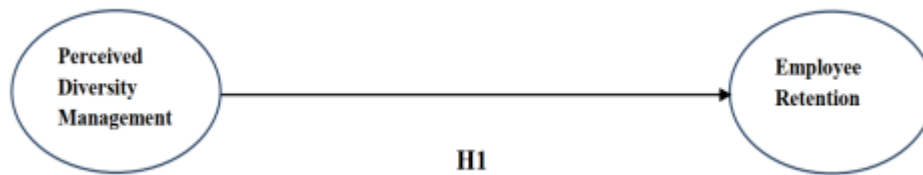
3.4 Hypotheses Testing

Following the successful validation of the measurement model, which confirmed its reliability and validity, the analysis proceeded to the evaluation of the structural model. This stage was dedicated to formally testing the proposed research hypotheses using Structural Equation Modeling (SEM) principles.

The analytical strategy was implemented in two phases. First, to assess the direct relationships postulated in H1, H2, and H3, a series of multiple regression analyses was conducted using IBM SPSS (Version 28). Consistent with the supporting literature, these models incorporated key demographic variables as controls to account for their potential influence on the relationships under investigation.

Subsequently, to examine the more complex indirect and conditional pathways, the hypotheses involving mediation (H4, H5), moderation (H6, H7), and moderated mediation (H8) were tested. These analyses were performed using the PROCESS macro (Version 4.0) for SPSS, a specialized tool for investigating such relationships.

H 1: Perceived diversity management -> Employee retention



3.4.1. Role of perceived diversity management on employee retention

The model was designed to determine the strength and significance of this relationship while controlling for the potential confounding influence of key demographic variables, including the respondent's age, experience, designation, and marital status.

2H 2: Perceived diversity management -> Affective commitment

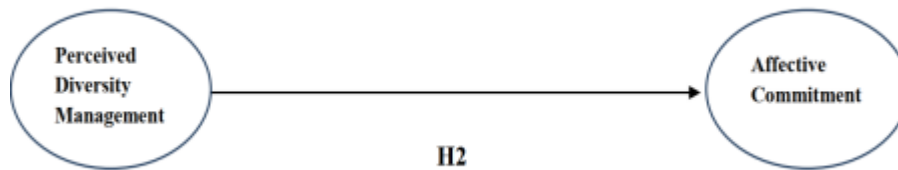


Figure 3.4.2 Role of perceived diversity management on affective commitment

With the aim of determining the strength of the relationship between Perceived diversity management and affective commitment, regression is performed where age, experience, designation, and marital status are used as control variables.

H 3: Affective commitment -> Employee retention

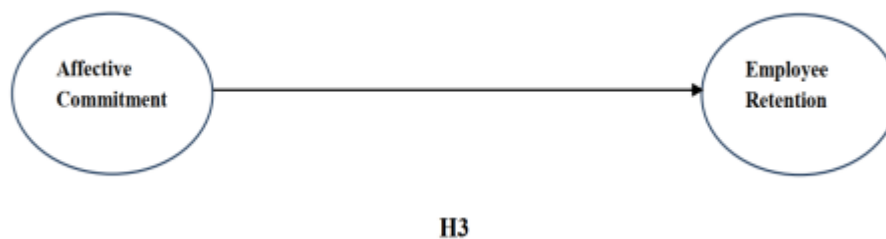


Figure 3.4.3 Role of affective commitment on employee retention

With the aim of examining the strength of the relationship between affective commitment and employee retention, regression is performed where age, experience, designation, and marital status are considered as control variables.

Based on affective commitment theory (Meyer & Allen, 1991), The relationship between perceived diversity management and employee retention is mediated by affective organisational commitment, proposed is tested using Hayes's (2013) process macro (Model 4) with 5000 bootstrap samples approach.

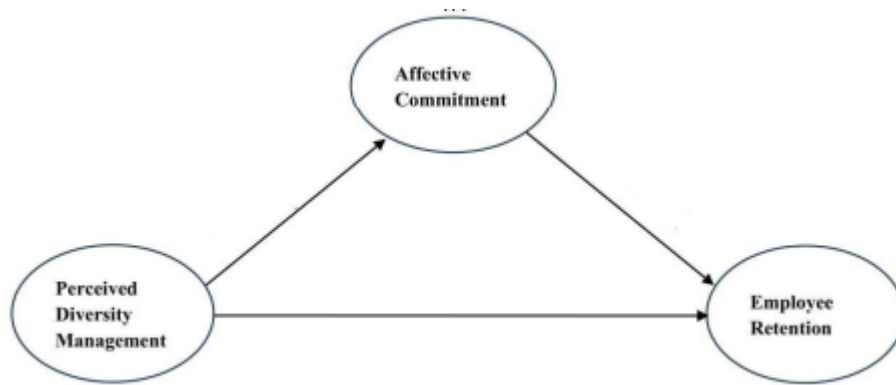


Figure 3.4.4 Role of affective commitment - mediation model

The mediation results from Table 3.4.4 proved that affective commitment partially mediates the relationship between perceived diversity management and employee retention. The indirect effect of affective commitment ($\beta=0.4234$, $p<0.000$, $SE=0.0197$, $t=61.7775$, $LLCI=0.5785$, $ULCI=0.7559$).

4. Discussion

This study sought to address a critical and specific challenge within the IT sector: the retention of female employees through the lens of perceived diversity management. Moving beyond generalized studies on employee retention, this research offers a nuanced perspective by concentrating specifically on the experiences of women—a demographic that literature suggests is particularly attuned to organizational diversity and inclusion efforts.

A key contribution of this research was the successful application of attitudinal commitment theory by examining affective commitment as the mediating mechanism through which diversity perceptions influence turnover intentions.¹ Furthermore, the study extended this framework by incorporating the moderating roles of supervisor and family support, two contextual factors identified in the literature as profoundly influencing the work-life perceptions of female professionals.

The empirical results robustly support the proposed conceptual model, with all hypotheses yielding significant findings. This outcome provides strong evidence that a positive perception of diversity management practices directly and indirectly enhances retention by fostering a stronger emotional and psychological attachment to the organization. These findings offer actionable insights for IT organizations, suggesting that policies aimed at retaining female talent must be authentic, visible, and effectively communicated to cultivate an environment where women feel valued and committed. Ultimately, this research provides a clear, evidence-based framework for designing diversity initiatives that not only foster inclusivity but also serve as a strategic tool for retaining valuable female talent.

5. Limitations and Directions for Future Research

While this study provides valuable insights, its findings also point toward several avenues for future inquiry.

- **Methodological Approach:** The cross-sectional nature of this study establishes strong correlational links. Future research employing longitudinal or panel data methods would be beneficial for establishing clearer causal relationships between diversity perceptions and retention over time.

- Expansion of Variables: While affective commitment proved to be a significant mediator, other organizational variables could also play a crucial role. Future studies could explore the mediating effects of constructs such as employee engagement or psychological safety to provide a more comprehensive understanding of the underlying mechanisms.
- Generalizability: The current study's sample was geographically focused. To enhance the generalizability of the findings, future research should aim to collect data from a more diverse sample, encompassing major IT hubs across India, to validate the model in a broader national context.

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