WORKFORCE DIVERSITY: BOON OR BANE TO THE ORGANISATION

Aiman Hasan
Indian Institute of Management, Indore

Abstract

Workforce diversity is a critical area of competence for any organisation. It is an important asset for every organisation that seeks competitive advantage in the global economy. With the change in needs at the fast pace, the association among the people from varied culture, background, beliefs etc. has increased substantially. Wambui et.al. state that HRM practices need to promote diversity for business to grow effectively. The paper discusses the various benefits of having a diverse workforce along with the challenges linked to it (post #me too movement also). The study of various literature and research papers and books has been done which reveals that diversity is all about differences. The manner in which we analyse and use these differences will determine whether diversity is an asset or liability to the individual and the organization. Workforce diversity can prove to be a strong pillar to the organisation if managed appropriately. There is need to lead a diverse workforce that can give diverse benefits to the organisation.

Keywords: Diversity, Managing workforce diversity, challenges.

Introduction

As an imperative part of promoting justice and fairness in the workplace, workforce diversity has evolved as a core strategic value that many organizations believe they have an obligation to pursue (Mor Barak, 2015; Ng & Sears, 2012). “Diversity is generally said to mean acknowledging, understanding, accepting, valuing and celebrating differences among people with respect to age, class, ethnicity, gender, physical and mental ability, race, sexual orientation, spiritual orientation and public assistance status”(Esty, Griffin, and Schorr-Hirsh, 1995). Organizational efforts to incorporate and promote diversity have been encouraged inorder to establish and improve positive perceptions in business environments, recruit highly
competent workers, and generate innovative ideas (Mor Barak et al., 2016). To date, relevant research has primarily examined the effects of workforce diversity on organizational performance (Pitts, 2005; Richard, Roh, & Pieper, 2013; Thomas & Ely, 1996). A number of research initiatives have identified the benefits that diversity can bring to an organization, including to role stress (Findler, Wind, & Mor Barak, 2007), organizational commitment (Cho & Mor Barak, 2008), retention (Hobman, 2003), and innovation (Gonzalez & DeNisi, 2009; Richard et al., 2013). Other studies, however, have reported that workforce diversity can have negative effects on an organization's overall well-being (Choi & Rainey, 2010). Workforce diversity is the bringing together of a mixture of people to one workplace. It’s a notion that does something that many other business-related concepts don’t – it diverges from the professional and fundamentally concerns the personal.

Diversity refers to the differences, similarities, and related tensions and complexities that can characterize a collective mixture like the workforce. These similarities and differences can be demographic in nature for example, race, gender, ethnicity, sexual orientation, and age), or they can represent behavioural variations like thought, problem-solving approaches, or behavioural traits associated with personality. (Roosevelt Thomas, 2011). Organisations are adjusting and learning to treat women as equal to men. Discrimination against female employees in terms of hiring & advancement and treating them in sexual manner are now against law. Diversity refers to the exist in harmony despite of difference in ideologies, interest and culture backgrounds within the company and even comprises of cultural factors such as race, gender, age, colour, physical ability, ethnicity, etc. The broader definition of diversity may include “age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status” (Wentling and Palma Rivas, 2000).

**Literature Review**

This study tries to access the benefits of having a diverse workforce along with the challenges associated with it. (Ashok Chanda, Dec 2006) Workforce diversity is a burning issue in every organization of current scenario. Every HR manager must take care in managing this diversity and there is a lack of awareness towards diversity management approach; the manager doesn’t
have enough knowledge and competency to manage diversified workforce. Sharbari Saha, Dewpha Mukherjee Patra, 2008 state that without the diverse workforce the organization is not competitive enough to compete (Saumya Goyal, Aug 2009) The author has used four models to describe various dimensions of diversity. First is Diversity wheel model which has two dimensions i.e. primary like age, gender and secondary like income, religion etc. Second model is four layers of diversity and the dimensions it includes are personality at the core and external dimension. Third is Diversity iceberg and the added dimension into this is tertiary dimension i.e. assumptions, values etc. and last model is kaleidoscopic perspective of individuals (KMallikarjunan, 2007). Everyone is different; everybody has his/her perception, attitude and thoughts, and to manage such type of different individuals, requires a specific skill because of the complexities involved in this process. (Maria Riaz Hamdani, M. Ronald Buckley, 2010). In this, researchers have said that we need to understand the dynamics of workplace diversity to promote it. And to understand the complex dynamics of workplace diversity institutional factors like regulatory structures, governmental agencies, lawmakers, courts, professional organizations, interest groups, and the public must be considered. Employees must not be merely treated as a means for producing fiscal benefits for an organization, but we must also pay attention towards the aspects that promote diversity at workplace. A comprehensive organizational culture would lead to job satisfaction among female employees leading to higher retention and increased organization commitment. Schwartz (1989) revealed that women at higher positions were two and half times more likely to leave their employment than men, not because of family obligations but due to dissatisfaction with their career prospects. In a longitudinal study of mid-career MBAs, Schneer & Reitman (1994) reported that gender did not affect the work environment during initial careers, but mid-career women compared with their counterparts were not much satisfied, on lower salaries, feeling less appreciated by their bosses, and experiencing more discrimination.

**Diversity Management**

“Diversity management refers to the pursuit of organizational productivity and profitability by means of an organizational culture that encourages diverse values and cultural backgrounds”(Lim, 2010). To endorse, employ, maintain and compensate minority and female
employees the devotion, loyalty, obligation, dedication is much needed from the organization (Thomas, 1991). Mor Barak (2000) defines diversity management as a way to achieve profitability by leveraging the organizational culture with diverse values and cultural background. Globalization has brought changes in the composition of the workforce and therefore it is a vital issue for every kind of organization be it profit or non-profit organization. (Mor Barak, 2017). As diversity management has increasingly been engaged as a tool for addressing unemployment, poverty, crime, and environmental issues, it has also become more important for organisations to consider the role of diversity management in their organizations.

Benefits

Managing diversity can create a competitive advantage. Organizations cannot survive in this era of globalization without the diverse workforce. Organizations should critically evaluate the benefits of the diverse workforce and form such strategies that enhance the diversity and can make the organization competitive both internally and externally (Evans, Henry 2007). According to a study by Watson et al in 1993, culturally diverse groups relative to homogeneous groups are more effective both in the interaction process and job performance; these benefits occur after a varied group has been together for a period. Organizations with a varied workforce understand the market better and thus can offer enhanced services. (Wentling and Palma-Rivas, 2000). Recruiting, managing and maintaining diverse workforce including women and minorities will not only led to capture the niche market but can also lead to the growth and development of the society. (Mueller, 1998). As globalization is growing, diversity will help organizations to enter the international arena (Cascio, 1998). Diversity enriches creativity and innovation (Adler, 1997; Jackson et al., 1992), and produces competitive advantages (Coleman, 2002; Jackson et al., 1992). Diverse teams make it possible to boost flexibility (Fleury, 1999) and rapid response and adaptation to change (Adler, 1997; Jackson et al., 1992). Alder (2008) also listed several internal advantages of having a diverse workforce in organizations that operate on foreign land. The primary advantages she listed expand the bounds of organizational rationality through the flow of new ideas, outlooks, and elucidations. As she noted, the resulting development surges problem-solving skills, flexibility, and creativity within the organization. Though all this requires free and open interpersonal communication, ‘if
expanded, problem-solving, flexibility, and creativity will be the result. Organizations can obtain a wider range of strategic ideas from employees with diverse backgrounds, and such ideas can play a crucial role in meeting the needs of consumers, as well as the broader social issues that such enterprises seek to address (Cho et. Al. 2017) Prior research shows that diversity promotes organizational creativity and innovation, which in turn affects organizational growth (Bell, Villado, Lukasik, Belau & Briggs, 2011).

Challenges

Discrimination occurs when someone is denied opportunities based on a personal characteristic that has no bearing on job performance. Racial and ethnic minorities may have distinct perspectives, customs, or approaches to communication in the workplace. These differences can pose challenges for organizations that seek harmonious employee relations. Such issues can be addressed through appropriate training and education. Religious diversity in the workplace elicits freedom of expression issues and can lead to conflicts over employee leave for religious observances. Religious discrimination suits are on the rise, so this is another important area for managerial attention. Conflicts arise when two or more individuals or groups do not see eye to eye on a situation. With the diversity, conflicts arise largely due to varied opinions, ideas, beliefs and assumptions including unawareness. This can create negative dynamics such as stereotyping and culture clashes (White, 1999). And this ultimately leads to increase in the cost of training programs. The training is provided to all staff of the organization so as to educate them to accept the personalities and ideas or opinions of others. Such programs also train how to deal with conflicts and prejudice in a professional and appropriate manner (White, 1999). Alder (2008) added specific communication-related drawbacks of cultural diversity in the workplace. Among those were increased ambiguity, complexity and confusion due to miscommunication. The effects of cultural diversity on problem-solving, decision-making, and consensus-building each of which stands or falls on the quality of the communication process. Discrimination causes huge harm and is illegal in most cases. HR specialists say #MeToo has increased awareness of harassment, made it easier for victims – female or male – to report offensive behaviour and prompted enhanced employee training, especially among larger corporations. But they also raised various destructive effects. The perplexity about workplace
etiquette and, paradoxically, the possibility of fewer opportunities for women, as male executives struggle to adjust to the new rules of engagement. Such perplexity results from the cultural differences in a country as vast and diverse as the United States and thus leads to negative effects. What may be considered as a pleasant hand shake or compliment in one setting could be interpreted differently in another. A poll directed this year by LeanIn.org and Survey Monkey found nearly half of male managers are uncomfortable participating in common work activities with a woman, and senior-level men are 3½ times more apprehensive to have a work dinner with a junior-level woman – and five times more hesitant to travel with one for work – than with a junior-level man. Male managers also have grown significantly more uneasy mentoring women than before, the survey said. Maybe for the first time, employees have learnt to distinguish between flirting, sexual assault and sexual harassment (Christine Naschberger). #MeToo helped to notably raise the understanding of unacceptable behaviour in the workplace and the movement helped many women to break the silence and speak up. Organizational workplace and culture have been drawn-out to hold up as several prominent companies’ incidents have pointed out in the past year. Organizational cultures do often change very gradually, especially if no specific actions are taken. Every desired change demands concrete actions and a follow-up plan with clear HR indicators. (Forbes, 2018) A survey conducted by BBC revealed that despite 50% of women experiencing sexual harassment at work, 63% didn’t report the incident. Reporting sexual harassment could lead to further harassment from co-workers, isolation, or even dismissal. Whatever reason, employers need to encourage a culture where women feel comfortable reporting incidents of sexual abuse. There are various ways be it groundbreaking and unimaginative, available to employers which may include launching such corporate policies that shields whistle-blowers and provides them with some anonymity while more advanced approaches include autonomous whistle blowing phone lines.

**Discussion**

This study explored workforce diversity, diversity management, and benefits and demerits after reviewing various literatures. This diversity was identified at both surface (e.g., gender and race/ethnicity) and deep levels (e.g., education and sexuality) implying that we need to value and embrace diversity. To acclimate diversity in a flexible and properly manner could be a
challenging task. Managements need to form appropriate strategies so that diversity can be promoted, and benefits of the diversity can be reaped properly. Leadership plays a significant role in governing social enterprises. The author also illustrated that having diversity in leadership enables the implementation of diversity management policies (Sangmi, Ahraemi, Barak, 2017). Diversity has potential drawbacks as well as benefits. It encourages creativity, innovation and agile culture which in turns leads to growth and development of the organization. To prevent or resolve the potential drawbacks of the diverse workforce organization should introduce such policies and take such actions that are harmonious for the wellbeing of the organization. Such actions and policies could be diversity committees, work-life balance, trainings etc. Kellough and Naff (2004) emphasized the important role of leadership in managing diversity, and leader can play a crucial role in implementing diversity management programs. Alice Hallsworth, solicitor at Child & Child of Globalaw, reasoned that further transparency is needed within organizations in 2019 to create a workplace culture where victims feel truly confident about speaking out. The prohibition of non-disclosure agreements will prevent companies from being able to quietly shut down inappropriate behaviour.

Conclusion

Diversity policies and systems be initiated and implemented when hiring, evaluating, and empowering workforce. Affirmative action’s, diversity committees, work-life balance, and diversity training for employees are proposed as potential diversity management policies. As prior studies on discrimination and minorities have proposed, social support policies can also consider managing diversity (Cheon & Chung, 2016; Ween & Hanley,2016). Cox (1991) suggested the use of focus groups, support groups and informal networks between those of the various cultures in the organisations as good ways of breakdown barriers and building the relationships that fosters open communication. It is natural that tension will arise among individuals in a diverse workforce, so it’s important for employees to have diversity management policies in place. Most large organisations have taken steps to promote diversity awareness and understanding. These diversity initiatives contribute to a progressive work environment that is free from discrimination.
References

Alder, N.J. (2008). International dimensions of organizational behavior, 5th ed. Mason,

Cascio WF (1998). Managing Human Resources – Productivity, Quality of Work Life, Profits, McGraw-Hill, and Boston, MA

Ashok Chanda, (Dec 2006) “Driving Diversity Management in India: HR’s Alienation ”HRD News Letter Issue 9

Bell, S. T., Villado, A. J., Lukasik, M. A., Belau, L., & Briggs, A. L. (2011). Getting specific about demographic diversity variable and team performance relationships: A meta-analysis. *Journal of Management*, 37, 709–743.

Bukhari S.S., Sharma B.C. (2014). Workplace gender diversity & inclusive growth in public and private sector. Indian Journal of public relations. Wentling RM, Palma-Rivas N (2000). "Current status of diversity initiatives in selected multinational corporations", Human Resource Development Quarterly, 11 (1),pp.35-60.

Cho Sangmi, Mor Barak, Michalle E, Kim Ahraemi. (2017) Asian Social Work and Policy Review. Oct 2017, Vol. 11 Issue 3, p193, 12 p.

Cho, S. M., & Mor Barak, M. E. (2008). Understanding of diversity and inclusion in a perceived homogeneous culture: A study of organizational commitment and job performance among Korean employees. *Administration in Social Work*, 32, 100–126.

Chan, T. M. S., & Shaw, I. (2016). Gender-sensitive research in a Chinese community. *Asian Social Work and Policy Review*, 10, 90–102.

Cheon, Y. M., & Chung, G. H. (2016). The role of social contact in the experience of discrimination: Implications for subjective health among marriage migrant women in South Korea. *Asian Social Work and Policy Review*, 10, 34–49.
Choi, S., & Rainey, H. G. (2010). Managing diversity in U.S. federal agencies: Effects of diversity and diversity management on employee perceptions of organizational performance. *Public Administration Review, 70*, 109–121.

Findler, L., Wind, L. H., & Mor Barak, M. E. (2007). The challenge of workforce management in a global society: Modeling the relationship between diversity, inclusion, organizational culture, and employee well-being, job satisfaction and organizational commitment. *Administration in Social Work, 31*(3), 63–94.

Gonzalez, J. A., & DeNisi, A. S. (2009). Cross-level effects of demography and diversity climate on organizational attachment and firm effectiveness. *Journal of Organizational Behavior, 30*, 21–40.

Kellough, J. E., & Naff, K. C. (2004). Responding to a wake-up call: An examination of federal agency diversity management programs. *Administration & Society, 36*, 62–90.

K. Mallikarjunan, (June 2007) “Global Human Resource Management Maneuvering Cultural Currents” HRM Review

Mor Barak, M. E. (2015). Inclusion is the key to diversity management, but what is inclusion? *Human Service Organizations: Management, Leadership and Governance, 39*, 83–88.

Mor Barak, M. E. (2017). Managing diversity: Toward a globally inclusive workplace (4th ed.). Sage

Mor Barak, M. E., Lizano, E. L., Kim, A., Duan, L., Rhee, M. K., Hsiao, H. Y., & Brimhall, K. C. (2016). The promise of diversity management for climate of inclusion: A state-of-the-art review and meta-analysis. *Human Service Organizations: Management, Leadership and Governance, 40*, 305–333.

Ng, E. S., & Sears, G. J. (2012). CEO leadership styles and the implementation of organizational diversity practices: Moderating effects of social values and ages. *Journal of Business Ethics, 105*, 41–52.
Pitts, D. W. (2005). Diversity, representation, and performance: Evidence about race and ethnicity in public organizations. *Journal of Public Administration Research and Theory*, **15**, 615–631.

Richard, O. C., Roh, H., & Pieper, J. R. (2013). The link between diversity and equality management practice bundles and racial diversity in the managerial ranks: Does firm size matter? *Human Resource Management*, **52**, 215–242.

Schwartz, F (1989), "Management Women and the New Facts of Life", Harvard Business Review. 67(1): 65-76.

Sharbari Saha, Dewpha Mukherjee Patra, (2008) "Cross-cultural Issues Intricacies and Ignorance" HRM Review ICFAI University Press

Saumya Goyal, (Aug 2009) “Diversity at Workplace” HRM Review

Schneer, J.A. & Reitman, F. (1994), "The Importance of Gender in Mid-career: A Longitudinal Study of MBAs", Journal of Organizational Behavior. 15: 199-207.

Taylor H. Cox, (Aug1991) “Managing cultural diversity: implications for organizational competitiveness” The Academy of Management Executive

Thomas, D. A., & Ely, R. J. (1996). Making differences matter: A new paradigm for managing diversity. *Harvard Business Review*, **74**, 79–90.

Thomas, R. R. Jr (1991). Beyond race and gender: Unleashing the power of your total workforce by managing diversity. New York: American Management Association.

Thomas, R. Roosevelt(2011). The management of workforce diversity: a continuing evolution. Employment Relations Today (Wiley)., Vol. 38 Issue 3, p1-9. 9p.

Wentling R.M., Palma-Rivas N (2000)."Current status of diversity initiatives in selected multinational corporations", Human Resource Development Quarterly, 11 (1).pp.35-60.