

Workforce Diversity Management: Key to Inclusive Sustainability

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Abstract: Business globalization, preference for teamwork and the changing workforce demographics have made workforce diversity management a necessity for companies. Most modern day organizations have a diverse workforce and managing the expectations of diverse employees simultaneously keeping them engaged is not an easy task. Organizations need to create an environment where no one is advantaged or disadvantaged—namely an environment where ‘we’ means everyone.

Diversity within a workplace encompasses age, race, color, gender, national origin, religion, disability, sexual orientation, gender identity, pregnancy, childbirth or related medical conditions, marital status, citizenship status, ancestry and any other personal characteristic. India has a markedly different societal context for diversity from Western countries as it is a highly culturally diverse country. Diversity becomes a greater issue as Indian companies go global and MNCs expand their footprints in India. It is not uncommon to have a company headquartered in a particular country, with regional or country office across the globe. This brings humongous or huge cultural diversity, where each country comes with a unique history and evolution, which shapes up its local culture, language, ethos, work discipline. There have been criticisms and an appreciation of workforce diversity. Diversity brings about an amalgamation of talent, knowledge, wisdom and exposure to different cultures. While workplace diversity is unavoidable, managing diversity is a complex and unique HR issue. The downside of a diverse workplace is the possibility of culture clashes and misunderstandings due to disparate thinking.

In the future, diversity in the workplace may be required for companies that want to be competitive, because diverse ideas help create new solutions to help overcome obstacles. Diversity management is the key for sustainable development of the future organizations. Diversity management means creating a workplace where differences in heritage, background, style, tradition and views are valued, respected and used to increase organizational capacity.

Keywords: Globalization, Diversity, Workforce Diversity, Diversity Management, Sustainable Development.

1. Introduction

Business globalization, preference for teamwork and the changing workforce demographics have made workforce diversity management necessary for companies. Globalization requires more interaction among people from diverse backgrounds and a diverse workforce is a reflection of a changing world and marketplace. Demographic changes mean that workforce diversity will become a necessity rather than an

objective over the next few decades. It is now widely accepted that diversity brings value; however, there’s a vast difference between being a diverse organization and making diversity work. The real value of diversity goes far beyond accessing a greater talent supply; it comes from harnessing a wider range of perspectives.

India is the world's fifth-largest economy by nominal GDP and the third-largest by purchasing power parity (PPP). It is also a culturally diverse country. A culture change occurs every two hundred kilometres. Most organisations today have a diverse workforce. Managing the expectations of diverse employees and keeping them engaged is not an easy task. Organisations cannot assume and apply a common formula to attract, retain and motivate all employees in their organisation. They need to create an environment where no one is advantaged or disadvantaged—namely an environment where ‘we’ means everyone.

A. What is diversity in workplace?

First it is important for us to understand what constitutes workplace diversity. Work place diversity refers to the variety of differences between individuals working in an organization. It means understanding that each individual is unique. Diversity within a workplace encompasses age, race, color, gender, national origin, religion, disability, sexual orientation, gender identity, pregnancy, childbirth or related medical conditions, marital status, citizenship status, ancestry and any other personal characteristic.

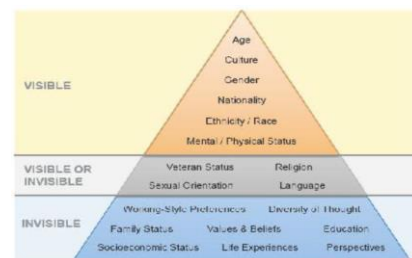


Fig. 1. Deloitte expansive definition of diversity

India has a markedly different societal context for diversity from Western countries and includes a range of diversity issues, including age, education, religion (e.g., Hindus vs minority groups), caste, socially disadvantaged (e.g., scheduled castes,

scheduled tribes, and other backward classes), gender, language, regional background (e.g., north vs south), ethnicity, economic well-being, and lifestyle (e.g., vegetarian vs. non-vegetarian).

B. Many forms of diversity

As Indian companies go global and MNCs expand their footprints in India, for instance, it is not uncommon to have company headquartered in India, with regional or country office across the globe. This brings humongous or huge cultural diversity, where each country comes with a unique history and evolution, which shapes up its local culture, language, ethos, work discipline. Infosys is one such example which employs people of 100 different nationalities, operating out of 45 countries.

Another common form of diversity can be seen in generation gap in the workplace. In larger diversified corporations, staffs are often made up of workers who range in age from young people to senior citizens. Many Millennials and Generation Z are entering the workforce who values very different things than the boomer generation (born between 1946 and 1964), who is now retiring. Inevitably, generation gaps can become an issue and the age differences can trigger "cliques" and separation of the company as a unit. Bridging the gap between multiple generations of workers can sometimes become an issue for employers attempting to establish teamwork.

We see that organisations are now expanding their horizons to include people who are visually challenged, hearing impaired, those with locomotor disability, multiple and profound disabilities and they have specific needs in terms of such as ramps or special needs equipment.

Workforce diversity in terms of gender identity and sexual preference is relatively new to the most companies. In 2016 a survey of 100 Indian LGBT employees was conducted by MINGLE (Mission for Indian Gay and Lesbian Empowerment), an advocacy group, which suggested that the LGBT community makes up to 5-10% of India's workforce, which makes it an increasingly important diversity aspect to manage.

Dr Vishal Sikka

CEO and MD
Infosys, India

'If you have a diverse team, they create as per definition, a richer understanding of the kind of backgrounds of end users you will serve. So, diversity is intricately tied to financial and business success.'

Source: *Making diversity work* Key trends and practices in the Indian IT-BPM industry, PwC for NASSCOM, 2016

C. Advantages to the organization

'Diversity' as it relates to human resources is a way of thinking and operating that encourages an entirely new and positive outlook among coworkers. Diversity brings about an

amalgamation of talent, knowledge, wisdom and exposure to different cultures. This contributes to the company's development by allowing this collective knowledge or fresh perspectives to drive innovations of products, methods, and systems.

Diversity in the work environment promotes acceptance, respect and teamwork. Diverse workforce offers a competitive advantage to the company. Companies that overcome certain diversity issues often achieve greater productivity, profit and company morale.

D Mark Durcan

Chief Executive Officer

Micron Technology, Inc., US

Today, a company without a global workforce is at a significant disadvantage, and that means you have to have diversity, people who can interact in all cultures and all environments and understand what consumers want and need, as well as understand how people think about the value of different solutions. Diversity is a fundamental underpinning of a successful company.'

Source: *Making diversity work* Key trends and practices in the Indian IT-BPM industry, PwC for NASSCOM, 2016

There are many other benefits to having a diverse workplace. For starters, organizations that commit to recruiting a diverse workforce have a larger pool of applicants to choose from, which can lead to finding more qualified candidates. A diverse workforce also benefits their employer brand which is crucial when it comes to getting the right talent.

Having a diverse workforce with multi-lingual employees and employees from varying ethnic backgrounds can also be helpful for organizations who want to expand or improve operations in international, national, regional and local markets. Employees from diverse backgrounds imbue organizations with creative new ideas and perspectives informed by their cultural experiences and help organizations better understand target demographics. As the workforce becomes more diverse and the environment more open to new ideas and ways of thinking, organizations have found that employees and teams become more effective in processing information, solving problems, and contributing to the organization's mission.

D. Challenges

While workplace diversity is unavoidable, managing diversity is a complex and unique HR issue. The downside of a diverse workplace is the possibility of culture clashes and misunderstandings due to disparate thinking.

Conflict among employees becomes inevitable when some individuals harbour unfair prejudices against people of different colors, cultures, ethnicity or religion than their own. Discrimination and a lack of respect creep into a work environment and lead to animosity in the workplace. One the oldest and most common diversity issues in the workplace is the "men vs. women" with elements like disputes over equal pay

and opportunity. Harassment can become an issue in a diversified work environment.

Though one's personal life should typically not affect their job performance, lifestyle acceptance is sometimes an issue in the workplace. Sometimes gay and lesbian workers experience disrespect and discrimination from coworkers. Such behavior leads to an uncomfortable working atmosphere and poor productivity. Hiring immigrants who speak little or no English /local language can reduce productivity by creating a communication barrier among team members.

Managing diversity in the workplace presents a set of unique challenges for HR professionals. HR departments can no longer passively process paychecks or simply be a center for hiring and training. HR has to take on a much more active role in helping to establish the culture of the business and the brand as the company culture continues to be large factor in why people decide to join or stay with a company. These challenges can be mitigated if an organization makes a concerted effort to encourage a more heterogeneous environment through promoting a culture of tolerance, open communication and creating conflict management strategies to address issues that may arise.

E. What is diversity management?

Managing diversity is a comprehensive managerial process. Diversity management means creating a workplace where differences in heritage, background, style, tradition and views are valued, respected and used to increase organizational capacity. Since everyone benefits in the triumph of a business, there must be a collective effort when it comes to leading in a diverse workplace. This requires involvement in every level of leadership in a company.

There is no single best way to manage workforce diversity. In most cases, the approach used by a company depends on the type of diversity in question, values and mission of the organization and managerial attitudes. There is no one-size-fits-all solution and hence, diversity needs to be defined for every organization and accordingly implemented. Some of the strategies that have been successfully used for managing diversity in the workplace are as follows:

Prioritizing communication: To manage a diverse workplace, organizations need to ensure that they effectively communicate with employees. Important information (such as policies, procedures, safety rules) should be designed to overcome language and cultural barriers by translating materials and using pictures and symbols whenever applicable.

Treating each employee as an individual: Avoid making assumptions about employees from different backgrounds. Instead, look at each employee as an individual and judge successes and failures on the individual's merit rather than attributing actions to their background.

Encouraging employees to work in diverse groups: Diverse work teams let employees get to know and value one another on an individual basis and can help break down preconceived notions and cultural misunderstandings.

Developing standards based on objective criteria: Set one standard of rules for all groups of employees regardless of background. Ensure that these standardized criteria are used to make sure every employee is treated the same.

Being open-minded: Recognize, and encourage employees to recognize, that one's own experience, background, and culture is as valuable as that of those from different backgrounds. Look for ways to incorporate a diverse range of perspectives and talents into efforts to achieve organizational goals.

Scheduling activities outside of work that encourage communication and fun interactions. Promote healthy relationships and friendships among colleagues through social or community involvements.

Hiring: To build a diverse workplace, it is crucial to recruit and hire talent from a variety of backgrounds. This requires leadership and others who make hiring decisions to overcome bias. If they decide to hire the most qualified people, those with the right education, credentials, experience and skill sets, a diverse workplace should be the natural result.

Formulating policies: Organizations that embrace diversity also need to ensure that there are policies and practices in place to protect employees' rights and stay compliant with government regulations. In addition to the written policies, it is also essential to ensure that the non-official "rules" of an organization are thoroughly explained to all employees to communicate company values and culture to all workers effectively. A team that will focus on diversity policy implementation and ratify across-the-board changes can be set up.

Zero-Tolerance Policy: Having a diverse workplace means that any digression (such offensive comments, jokes, slurs, name-calling and bullying) about ethnicity, gender, sexual orientation or religion is met with zero-tolerance enforcement. Policies should be put in place to handle misconduct and communicate to employees that this type of behavior will not be tolerated.

Organizations will also need to make sure employees feel safe reporting any instances of inappropriate behavior by coworkers so employees know how to report misconduct to the proper authority within an organization.

Consistency: Bridging the language and cultural gap is a constant process. Diversity training and practices are not just a course or exam that employees take. Consistency and a daily practice of company behavior policies is essential in molding a positive and productive workplace.

Sensitivity Training: Employees need to be aware of how to coexist with a diverse range of people, as well as be cognizant of cultural sensitivity, to achieve harmony within a diverse workplace. Sensitivity training can help employees become more self-aware, which plays a vital role in helping employees understand their own cultural biases and prejudices.

Staying abreast of diversity laws: Managing diversity in the workplace means that businesses need to keep abreast of changing employer-related laws and trends, especially

diversity-related changes. Organizations should regularly review internal policies, especially those around harassment and equal opportunity, and make sure they reflect the most current laws and regulations. If an organization has an international or multi-state presence, it is necessary to track regional changes to laws and regulations as they vary from country to county and state to state.

2. How Indian companies have embraced diversity?

The Indian IT industry presents a microcosm of diversity and is a good example of how companies have adopted and implemented policies and practices to promote diversity. As per a report prepared by PwC for Nasscom in 2016, the average age of the workforce within the industry stands at 27 years. It thus emerges as a leading sector in terms of employing the millennial workforce (defined roughly as those born between the early 1980s and the mid-1990s) for whom digital is a way of life. The industry is a melting pot of different cultures, nationalities and geographies in India with around 50% of its employees hailing from Tier I locations in India. Further, it employs foreign nationals from over 100 countries and over 40% of the headcount of global MNCs in India. The sector employs diverse mix in terms of skills and knowledge, with a fair share of engineering graduates and postgraduates, and over 2,50,000 digital specialists and super specialists. Women constitute 34% of the workforce with nearly 10% in senior management roles. People with disabilities represent about 1% of the workers in this sector.

SAP Labs has a comprehensive policy to support working mothers, with initiatives ranging from generous maternity leave (20 weeks, plus 16 weeks of extended leave) to work-from-home options, flexible working hours and an in-house state-of-art childcare centre. With these initiatives, the company has reduced its attrition rate among women who take maternity leave. Wipro and Goldman Sachs are other companies which have taken similar steps. They have in addition introduced mentoring programme to create an inclusive and diverse leadership team by grooming the high potential middle-management women employees through mentoring by top leaders in the organisation.

Many companies are investing in technology and infrastructure to meet accessibility standards related to people with disabilities. EMC (now Dell EMC) partnered with enable India to reach out to the target pool to create a first of its kind pilot programme to provide a unique 12-month internship opportunity for people with profound disability who are often homebound due to infrastructure barriers that prevent them from travelling to the workplace. The selected interns underwent collaborative employability training, which introduced them to the corporate environment. EMC built solutions and infrastructure to enable processes such as work from home, remote access, support systems, and manager and team sensitization, keeping in view the unique needs of each of the interns.

But this is still a baby step toward the larger goals of achieving inclusiveness and equal opportunity. Decriminalization of IPC 377 is definitely a step in ensuring equal rights for the LGBT community but the major issue still remains that they have no protected rights at the workplace, and no laws guaranteeing their protection from intimate discrimination at workplace especially in the private sector.

Moreover, the change is slow to come to traditional Indian companies, primarily public-sector and private firms, as compared to IT sector and startups that attract a larger proportion of young people.

3. Conclusion

As we move toward a more global economy the need for workplace diversity grows. A truly inclusive workplace is no longer just about meeting quotas and fulfilling legalities, it's about representation, respect and recognition.

In the future, diversity in the workplace may be required for companies that want to be competitive, because diverse ideas help create new solutions to help overcome obstacles. To take advantage of the synergy that diversity brings to the workplace, companies must develop long term goals and strategies. A long term strategy acknowledges differences and embraces them to encourage free thinking among employees. By incorporating diversity as an asset, companies can better prepare themselves to face the future. As their customers become more diverse, so should their workforce.

Encouraging diversity is the way forward for organizations. In a global talent market, businesses that can successfully manage diversity in the workplace will have a definite competitive advantage over others in terms of differentiation, innovation and employer branding.

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