

# Impact of Workplace Diversity

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## Abstract

*Diversity is a crucial aspect that all employees inevitably encounter during their careers. There are numerous positive aspects to diversity in the workplace, such as the exchange of ideas stemming from the diverse cultural backgrounds of employees, fostering friendships without discrimination, enabling workers to adapt to diverse environments, eliminating stereotypes, and enhancing employee retention due to healthy competition. Conversely, there are negative aspects, including communication gaps due to language barriers and resistance to change. Diversity encompasses any factor that can be used to differentiate groups and individuals, whether visible or invisible. The presence of workplace diversity within an organization indicates a heterogeneous environment in terms of gender, race, and ethnicity, where employees possess distinct characteristics and qualities, setting them apart from one another.*

**Keywords:** Demography, Diversity, Organizations, Personal Differences, Workplace

## Introduction

Diversity encompasses various factors that distinguish groups and individuals, whether visible or invisible. Within a workplace setting, the presence of diversity signifies a heterogeneous environment concerning aspects such as sex, race, and ethnicity, where employees exhibit distinct characteristics and traits, setting them apart from one another.

Managing diversity involves acknowledging a wide range of differences that impact how individuals interact and achieve desired outcomes. Workplace diversity, also known as workforce diversity, refers to an organization where employees possess unique attributes and qualities that differ from one another. These distinctions may include beliefs, values, and behaviors that vary based on factors like sex, ethnicity, age, lifestyle, and physical abilities. Effectively managing these differences can address staffing-related challenges that are central to human resource departments. Various factors are associated with workplace diversity, including issues related to diversity, approaches to diversity management, and the impact of managing diversity on employee awareness and job satisfaction. Historically, companies aimed for a homogenous workplace where employees conformed to a uniform mindset. However, contemporary managers are increasingly recognizing the value of a diverse workforce, anticipating that diverse perspectives will

foster innovative approaches to collaboration, ultimately enhancing productivity and efficiency. Implementing diversity management strategies has become a focal point in many human resource departments. In order to meet the demands of a technologically advanced society, businesses must redefine the concept of diversity and rethink traditional methods of creating, valuing, and managing a truly diverse workforce. Human resource management allows departments to strategically deploy personnel in a manner that meets societal demands, ultimately enhancing organizational performance and productivity. Managing workplace diversity requires an understanding of factors and elements that impact this realm. Key components include equal employment opportunity, affirmative action, and anti-discrimination laws, which aim to ensure fair and equitable treatment of employees. Additionally, advancements in technology have facilitated global communication and collaboration, underscoring the importance of embracing diversity in the modern workplace. While diversity offers numerous benefits, it also presents challenges that must be addressed. Communication gaps stemming from language barriers and resistance to change are among the obstacles encountered. Despite its imperfections, workplace diversity should remain a top priority for businesses, as research indicates that a diverse workforce is a valuable asset. The primary objective of diversity management is to prohibit discrimination against individuals, thereby fostering inclusivity and leveraging the talents of all employees for organizational success. Furthermore, the globalization of economies and the increasing representation of women and individuals with disabilities in the workforce have further underscored the importance of managing workplace diversity. As such, one of the key tasks of diversity management is to recognize individual differences and provide opportunities for employees to contribute their talents to the organization. Diversity within the workplace is not just a buzzword; it's a fundamental aspect of modern organizational culture that reflects the complexity and richness of society at large. Beyond the visible aspects of diversity such as gender, race, and ethnicity, there are countless other dimensions that contribute to the unique tapestry of perspectives and experiences within any given workforce. One of the key benefits of workplace diversity is its ability to foster creativity and innovation. When individuals from diverse backgrounds collaborate, they bring a wide array of ideas, approaches, and problem-solving techniques to the table, leading to more robust solutions and outcomes. Moreover, a diverse workforce can better serve a diverse customer base, as employees with different cultural insights can offer unique perspectives that resonate with various segments of the population. However, managing diversity effectively requires more than just acknowledging differences; it necessitates a commitment to creating an inclusive environment where every employee feels valued, respected, and empowered to contribute their best work. This involves implementing policies and practices that promote equity, fairness, and equal opportunity for all.

In addition to fostering inclusion, organizations must also address issues of bias and discrimination that may arise in diverse workplaces. This requires ongoing education and training initiatives to raise awareness and promote understanding among employees, as well as mechanisms for addressing and resolving conflicts or grievances that may arise.

### **Objectives of The Study**

- Investigating the correlation between workplace diversity and organizational effectiveness
- Identifying obstacles and impediments to achieving workplace diversity
- Exploring the connection between workplace diversity and employee involvement
- Offering suggestions for organizations aiming to improve diversity in the workplace
- Assessing the influence of workplace diversity on organizational ethos

## **Literature Review**

Chad A. Hunsaker and Joseph C. Hunsaker (2019) - Workplace diversity encompasses various aspects, including gender, race, ethnicity, age, and cultural background. It offers numerous advantages, such as increased creativity, innovation, and problem-solving abilities. However, it also presents challenges, such as communication barriers and conflicts arising from differing viewpoints. To effectively manage diverse teams, managers need tools like cultural sensitivity training, inclusive leadership practices, and clear communication strategies. These tools can help create a more inclusive and productive work environment, where all employees feel valued and respected.

Rajesh Kumar Yadav and Sanjeev Kumar Singh (2020) - the diversity of a workforce impacts the performance of an organization, summarizing key insights from current research in the field.

Ashok Kumar (2021) - Managing Diversity at Workplace: A Comprehensive Review of Literature” This paper offers a thorough review of literature on managing diversity in the workplace, focusing on strategies and best practices.

Fletcher, L., & Beauregard, T. A. (2022) - stereotypes and discrimination against minority and marginalized groups, our goal is to enhance readers’ comprehension of diverse workforce dynamics. Additionally, we aim to support the psychology research community in creating a body of work that effectively addresses workplace inequalities.

Ranta, M., & Ylinen, M. (2023) - investigates the relationship between Board Gender Diversity (BGD) and workplace diversity, as well as the factors that influence diversity within boards and firms. The findings reveal that BGD is positively linked to gender equality and inclusiveness within the corporate culture. However, BGD shows a slightly negative correlation with age diversity in companies. The study also suggests that workplace diversity plays a significant role in predicting firm value, potentially explaining how BGD impacts overall firm performance.

## **Theoretical Framework**

### **Benefits of a Diverse Workplace**

A diverse working environment offers numerous advantages, both financially and culturally. Firstly, it expands the talent pool by attracting qualified individuals from diverse backgrounds, thereby enhancing the organization’s ability to hire top-notch candidates. Moreover, diversity fosters improved communication with clients, as employees with varied experiences and perspectives are better equipped to understand and connect with a diverse customer base. Additionally, recognizing and embracing the differences within a diverse workforce cultivates a sense of unity and agreement, leading to increased efficiency, creativity, and problem-solving capabilities. By understanding and accommodating the unique needs and preferences of employees from different backgrounds, companies can develop work practices that promote collaboration and harmony. Research suggests that diverse teams outperform homogeneous ones, as they bring together individuals with varied ethnic backgrounds and personalities. Unlike homogeneous groups, which may struggle with internal conflicts stemming from pride and competitiveness, diverse teams benefit from increased understanding, creativity, and complementary skills. This diversity of thought and approach enables diverse teams to tackle challenges from multiple perspectives and identify innovative solutions. Consequently, businesses with diverse teams experience lower turnover rates, reduced product defects, and greater competitiveness in the market. Furthermore, a positive work environment is essential for employee satisfaction and retention. Employees thrive when they feel valued, respected, and supported in expressing their ideas and beliefs. Companies that prioritize practices promoting low turnover, a supportive workplace culture, and effective team performance are more likely to attract and retain top talent. In today’s competitive landscape, stakeholders expect companies to

prioritize practices that foster employee well-being and engagement. Thus, investing in diversity and creating an inclusive work culture not only benefits employees but also contributes to the long-term success and sustainability of the organization.

### **Workplace Diversity Challenges**

While diversity in the workplace brings numerous benefits, it also presents challenges that can hinder a division, and more critically, a company. Various issues may arise that can significantly impact a company's performance. One significant challenge is communication barriers, which can impede workers' productivity when left unresolved. Managers must promptly address communication obstacles stemming from language differences to ensure a cohesive work environment and maintain overall business effectiveness. Another potential challenge arises when employees exhibit resistance to change. Some individuals may be reluctant to adhere to new company policies, disrupting operations to express their discontent. Such resistance can pose a significant hurdle for businesses striving to adapt and evolve in dynamic environments. Additionally, ethnocentrism and workplace discrimination present formidable challenges. Instances of favoritism among supervisors or managers can breed resentment and undermine team cohesion, hindering overall organizational success. It's unfortunate when biases affect employee interactions and undermine the principles of fairness and equality essential for a thriving team dynamic. Furthermore, some companies may approach diversity superficially, driven more by the fear of legal repercussions than a genuine commitment to fostering inclusivity. Such organizations may engage in token diversity efforts without fully embracing the underlying principles of diversity training and implementation. This insincere approach can ultimately undermine the effectiveness of diversity initiatives and erode trust among employees. In essence, while diversity holds immense potential for enriching workplaces, addressing associated challenges requires proactive measures and a genuine commitment to fostering an inclusive and equitable organizational culture.

### **Working Diversity Solutions**

Addressing the most pressing issues is the initial step towards finding a solution. Workplace diversity has become an enduring aspect of the workforce, necessitating improved diversity management action plans to better adapt to the evolving business landscape. In addition to effectively managing a diverse workforce, companies must create or refine strategies for fostering a diverse working environment. In the following sections, the author will tackle both aspects and offer practical tips for companies to navigate diversity in the workplace, along with solutions to common challenges that arise in diverse work environments. Workplace diversity is more prominent now than ever before, demanding prompt action from organizations to better accommodate the changing business environment. Companies need to reassess and discard any outdated notions about diversity management, recognizing its significance as a driving force in today's business landscape. Overall, effective management will require wise investment and significant resources in diversity management to equip their companies to address the complexities of a diverse working environment. As Greenberg suggests, a systematic approach is crucial, involving the creation and implementation of a culture of diversity that permeates every department and aspect of the organization. This entails assessing and integrating diversity into the workplace effectively.

### **Assessment of Diversity in the Workplace**

It is essential to integrate an ongoing assessment and evaluation process for diversity within your organization's management system. This proactive approach enables your management team to identify any existing challenges or barriers to diversity within the workplace and determine which policies need to be revised, implemented, or eliminated accordingly.

Implement a system where employees are provided with feedback cards on a quarterly basis, allowing them to nominate their most valued colleagues. Pay close attention to individuals who consistently receive fewer nominations, as this may indicate potential issues such as segregation or conflict. Engage in open conversations with these employees to gain insight into any underlying issues and address them promptly. This proactive approach promotes transparency and fosters a culture of inclusivity within the organization.

### **Execution of Differing Qualities within the Working Environment Arrange**

The dedication and involvement of top-tier management and administrative teams are paramount. It's imperative that leaders and supervisors within organizations infuse diversity policies into every facet of the organization's functions and overarching purpose. In essence, for the diversity workplace initiative to truly flourish, it must permeate all echelons of the organizational hierarchy.

According to McLauren's recommendations in 2012, there are several tools and strategies that can be employed:

- Implementing comprehensive diversity training programs tailored for employees at all levels of the organization.
- Encouraging and facilitating affinity networks among employees who share similar backgrounds or experiences.
- Arranging interactive learning sessions among various groups within the workforce, fostering an environment where employees can openly discuss how their evolving beliefs, cultural practices, and personal traditions influence both their professional and personal lives.
- Formulating and setting forth long-term objectives while embedding diversity practices throughout critical organizational processes such as recruitment, performance evaluations, and lay-offs.
- Promoting a workplace culture where employees feel empowered to confide in their superiors regarding any issues or instances of discrimination they may encounter.
- Conscientiously examining and evaluating differences and disparities present at every level and department within the organization.

Furthermore, it's essential for businesses to incorporate comprehensive training programs focused on cultural diversity not only for upper management but for all members of the workforce. This holistic approach to education and training in social diversity serves to better equip employees with the skills and awareness needed to navigate and appreciate the diverse cultural landscape of the workplace. By fostering an environment where individuals from various backgrounds can collaborate harmoniously towards achieving common organizational goals, these initiatives not only bolster employee morale and productivity but also contribute to the overall success and longevity of the company. Moreover, it's crucial to incorporate education on workplace discrimination laws as part of the broader awareness training initiatives focused on cultural diversity. By ensuring that all employees are well-versed in the legal frameworks surrounding discrimination in the workplace, organizations can further safeguard against instances of bias or prejudice. Ultimately, the key to establishing a thriving and inclusive workplace environment lies in the proactive efforts and commitment of the organization as a whole. By recognizing and addressing the unique challenges and opportunities inherent to their specific organizational context, businesses can harness the transformative power of diversity to drive innovation, foster creativity, and ultimately propel their success in an increasingly interconnected and diverse global marketplace. Thus, diversity initiatives should not be viewed as obligatory measures mandated solely to mitigate legal risks; rather, they should be embraced as integral components of a comprehensive organizational strategy aimed at fostering a culture of inclusivity, equity, and mutual respect.

## Conclusion

Diversity in the workplace is crucial for every business. It's essential for management to prioritize diverse hiring because of the many advantages it brings. Despite some minor challenges, the overall impact of diversity in any organization is overwhelmingly positive. As businesses move towards a more globalized economy, creating a workplace that fosters diversity is becoming increasingly necessary. It's futile to resist this trend and stick to traditional management approaches because there's no one-size-fits-all solution for all businesses. Each company needs to develop a tailored diversity management plan that suits its unique needs. The benefits of having a diverse workforce are significant and highly advantageous to any company. While it may present initial challenges, businesses will soon realize that opting for a diverse workforce was the right decision. Developing a robust diversity plan should be a top priority for any organization before embarking on any initiatives related to a diverse workforce and workplace. Diversity management doesn't have to be complicated to implement and maintain; there are numerous studies showcasing what works for companies, along with common issues that arise in diverse workplaces. Diversity training or management shouldn't be merely to fulfill legal requirements. Workplace diversity isn't just a passing trend; businesses must recognize its importance and take action now because in the future, they'll undoubtedly reap the benefits of having a diverse workplace. When done correctly and with an open mindset, embracing diversity is a wise and beneficial move for any organization.

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