



## A Study on Workforce Diversity in Organizations

### KEYWORDS

Workforce Diversity, Training, workplace, Benefits

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**ABSTRACT** Workforce diversity has been the buzz word today across the organizations. Organizations now a days are keen to recruit diversified candidates i.e people with different race, gender, ethnic group, caste, age, personality, cognitive style, tenure, organizational function, language, culture, educational background, Religion, Region, Work experience and more. A diverse workforce is expected to deliver better productivity and performance. Managing a diverse workforce is a challenge as it has benefits as well as limitations. Employers have to use various techniques to manage workforce diversity if they want the desired results. The paper aims to analyze workforce diversity issues, it's benefits & techniques for managing the diverse workforce in the most effective way. The study concludes that if diversity issues are handled well and the techniques discussed in the paper are used effectively, then the benefits of workforce diversity can give positive results both to the employer as well as the employee.

### Introduction

Organizations now a days have been giving utmost importance to Human Resources as employees are considered to be the biggest assets. Off let it is proved that if the employees are recruited, selected & managed properly, the organization can always embark on the path of progress and prosperity. Organizations always try and set mechanisms to help the employees increase their performance. One such technique which is gaining momentum is having a diverse workforce. Workforce diversity refers to having employees with different backgrounds. Diversity encompasses race, gender, ethnic group, caste, age, personality, cognitive style, tenure, organizational function, language, culture, educational background, Religion, Region, Work experience and more. Organizations are investing a lot of money on recruiting and managing a diverse workforce as they believe that a diverse workforce is beneficial to the organization in many ways. Globalization has brought the people of the world closer together than ever before, so nationality is also considered as one of the components of diversity. Organizations often try and find out various benefits and limitations of workforce diversity and accordingly recruit a diverse workforce.

### Literature Review

- Weling et al (2011) revealed the fact that Workforce diversity in terms of Gender, ethnicity, education positively affects the organizational performance
- Otike et al (n.d.) discusses that Diversity is based on health background, Gender, academic qualifications, colour, race, religion affects the organizational performance. Diversity based on demographics and socio cultural differences if not managed well, may affect the organizational performance in a negative manner
- Isabell et al (2006) conducted a survey and found out that Companies with higher level of gender diversity, does not out perform companies with lower levels of the same. Ali et al (n. d) revealed the fact that Firms in service industry may benefit more because of gender diversity as compared to firms in manufacturing industry
- Koshi (2010) summarizes that Diversity in the form of multiculturalism will enhance the performance level of MSMEs
- Deshwal and Chaudhary ( 2012 ) discusses that Establishments that employ a more diverse workforce are no less productive than establishments that employ a more homogeneous workforce. Approach to diversity, and not diversity will define the positive or negative outcome of workforce diversity on organizational performance

- Rajkumar et al (2012 ) mentions that Organizations with diverse employees are better suited to serve diverse external customers in an increasingly global market. Such organizations have a better understanding of the requirements of the legal, political, social, economic, and cultural environments.
- Rice (n. d.) mentions that diversity should be considered as a business strategy to increase the productivity and profit of an organization. Diversity will help to enhance the creativity of an organization and help to gather a variety of thoughts.
- Moreno ( 2012 ) conducted a survey of 321 executives and concluded that a diverse workforce is a key driver to innovation. The respondents felt that they had made progress in Gender Diversity but there was not much difference the areas like disability and age.

### Objective

1. To study the workforce diversity issues in organizations
2. To study the benefits to the organization for having a diverse workforce
3. To study the benefits to the employees for working in a diverse work group
4. To study different techniques that the organizations use to manage workforce diversity

### Workforce diversity issues

Workforce diversity encompasses a number of factors like Age, Gender, Organizational Tenure, Educational qualification, work experience, Religion , Region , Race, Caste , Colour, Ethnic group and many more. In an organization, when employees with the above differences work together there are chances that their productivity, creativity and performance may increase. Factors like Age diversity, Gender diversity, Organizational tenure diversity, Work experience diversity , Educational qualification diversity , Religion diversity & Regional diversity are selected for study . There are various issues that are arise when employees with differences related to any of the above factors work together. When employees with different Age groups work together the organizations often face conflicts related to the bonding of these groups and the extent of involvement of these employees in decision making and problem solving. A gender diverse group may face issues of biasness as far as equal treatment, recruitment, performance appraisal, increments and promotions are concerned. When employees with different organizational tenure work together i.e. some body who is in the organization since last 15 years and somebody who is working in the organization since last 5 years there may arise a number of issue like Seniority in the organization is given more importance as compared to the employees who have spent less time in the organization. Seniority in

the organization is given more importance as compared to educational qualification. Senior employees are only involved in decision making & problem solving process. Seniority & Ego issues may often lead to conflicts between seniors & Juniors. Educationally diverse group may lead to conflicts and ego issues amongst the employees. If there are 2 employees with 15 years of experience, but one is in the organization since last 1 year and other is in the organization since last 15 years, then employee with 15 years in the organization may hold a special importance as compared to employee with 1 year experience in the organization irrespective of their same experience of 15 years. While considering the factor of work experience diversity, there may be an issue that highly experienced employees may feel a sense of insecurity if the freshers and middle level experiences employees are extremely talented. As far as employees with different religion and coming from different region are considered, issues that may arise are equal treatment in case of recruitment, selection, performance appraisal, increment, promotions irrespective of the religion they belong to or the region they come from. In many countries, states or organizations, employees do not prefer working with people from a particular caste, race or colour. This may be influenced by the societal norm of that particular country or state.

#### **Benefits to the organization for having a diverse workforce**

The organization can always have human capital advantage and human process advantage by recruiting, selecting and managing employees from diverse backgrounds

A diverse workforce can prove to be very effective in case of organizations with a diverse customer base

A diverse work place leads to better decision making and enhanced quality of products and services of the organization (Foma, 2014)

A properly managed diverse workforce leads to reduction in attrition rate and thereby enhancing the attractiveness of the workplace.

It is very much apparent that companies with a diverse workforce do not practice employment discrimination and so potential candidates will seek for employment in these type of companies (Johnson, n.d)

#### **Benefits to the employees for working in a diverse work group**

Working in a diverse work group helps the employees to enhance their creativity & productivity

Employees will not feel left out or isolated if an organization is able to develop practices that aims at uniting all the employees irrespective of their diverse backgrounds (Mc Lauren, 2012)

The strengths and weakness of the employees can be complemented when they are working with people from different background

Employees can handle the knowledge management process in a smooth and efficient manner.

#### **Techniques used by the organizations for managing work force diversity**

Diversity can be managed by providing proper orientation to the employees, creating a culture of empowerment across the organization, Investment in diversity training & promoting free flow of communication (Baxter, 2016)

Employees should be treated fairly irrespective of the diverse backgrounds they come from (Ryan, n.d.)

In spite of the organization promoting diversity and having a fair attitude towards all employees, there may be internal disliking amongst the employees related to a particular religion, country, race, colour or other related things which may create internal

conflicts and dissatisfaction amongst the employees. So the organization should keep a check on such things and see to it that workforce diversity should not lead to employee dissatisfaction. (Ryan, n.d.)

The existing policies, practices and procedures should be examined regularly and the impact of the same on different groups should be examined. (UCSF, n.d.)

#### **Conclusion**

Millions are being invested on workforce diversity and organizations always look forward to get best return on this investment. There are many factors that fall under diversity, but for this study, Factors like Age diversity, Gender diversity, Organizational tenure diversity, Work experience diversity, Educational qualification diversity, Religion diversity & Regional diversity are selected. There are bonding issues between different aged employees, conflicts arise because of seniority issues, Gender biasness sometimes takes place between males and females and there are other related issues as mentioned in the paper above but if the diversity is managed in an efficient way, all the issues can be handled smoothly & Workforce diversity can help the organizations in increasing productivity, better decision making, improved quality. It can also help the employees to increase their creativity, generate new ideas and ensure an efficient knowledge management process.

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