



## **LEVERAGING EMPLOYEE POTENTIAL THROUGH DIVERSITY MANAGEMENT**

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### **ABSTRACT**

*Employers are increasingly taking notice of the fact that workforce diversity provides both obvious as well as hidden benefits. However, in order to reap the benefits of cultural diversity in the workplace, the management of the organization must communicate its commitment to addressing the challenges of a diverse workforce. This paper will explore the various benefits of work force diversity and assess the cost benefit trade-off including the social cost benefit analysis. This shall lead to assessing the advantages of workforce diversity and go on to explore how the benefits that accrue as a result of a diverse workforce can be maximized. The paper shall also examine the challenges that are likely to be encountered and overcome.*

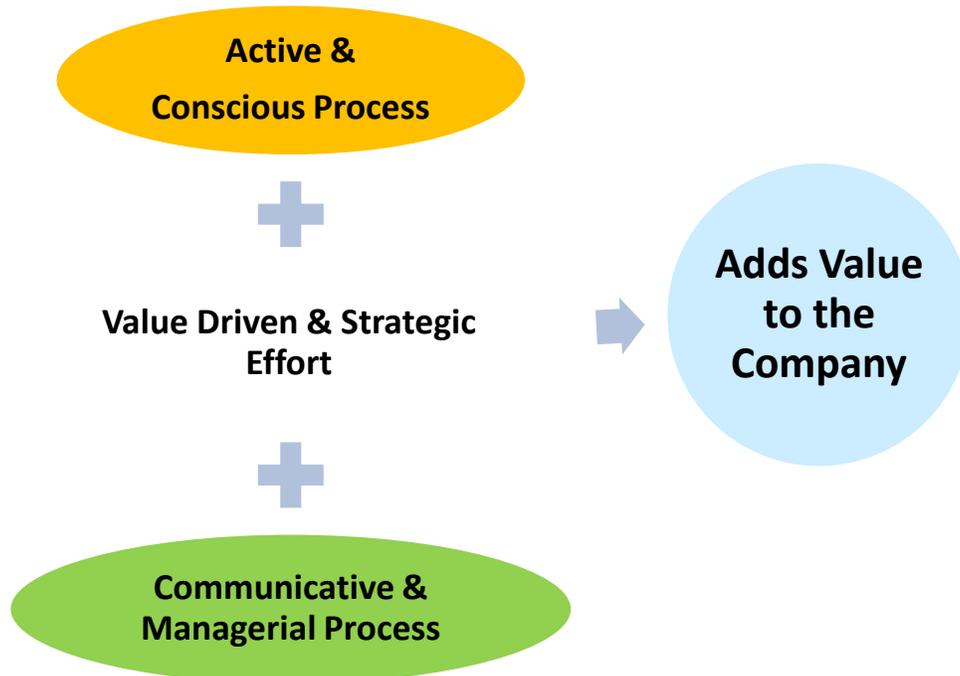
**KEY WORDS:** *Employee Potential, Diversity Management, Cost –Benefit trade-off, Social cost benefit analysis*

### **INTRODUCTION**

Workplace Diversity refers to the existence of a variety of cultural or ethnic groups within a society and is reflected in the workplace as the practices, values, traditions, or beliefs of employees based on race, age, ethnicity, religion, or gender. Economic globalization is one of the main driving forces of cultural diversity in the workplace. The modern workforce is made up of people of different genders, ages, ethnicity, religions, and nationalities. Employers now realize that workforce diversity provides both material and intangible benefits but to reap the benefits of cultural diversity in the

workplace, they must communicate their commitment to addressing the challenges of a diverse workforce. They must be seen as celebrating their employees' diversity.

*Diversity Management is about integrating ideas and practices of Diversity into the everyday managerial and learning processes of a company and its environment.* Business decisions need to be taken in an atmosphere of trust, acceptance and appreciation. The organization must internalize differences among employees so that it learns and grows because of them. *We all are on the same team with our differences not despite them.*



## UNDERSTANDING WORKFORCE DIVERSITY

### Why is Workforce Diversity important?

The best way to understand the importance of Diversity is to understand the analogy given in the story of the Giraffe & the Elephant by R Roosevelt Thomas in his book 'A House for Diversity'. The story talks about how a giraffe build a beautiful house completely suited to his own specific needs and addressing his species' requirements. One day he chances upon an elephant who he knows from past experience to be an excellent wood worker and invites him to be a part of his team and work with him in his workshop at home. The entry of the elephant into the home of the Giraffe creates a multitude of problems. The story helps to establish that if we are not able to prepare ourselves, our environment and our surroundings we will not be able to make diversity to work for us however good our intentions are!

### Why should Companies concern themselves with diversity?

There is sufficient evidence that diversity yields benefits and yet companies hesitate to embrace diversity wholeheartedly and keep questioning that why they should concern themselves with diversity. The answer to that why is that discrimination is wrong, both legally & morally but in fact there are so many reasons why diversity is good for the

organization. Diversity at the workplace can have several positive outcomes:-

- 1) It can increase company effectiveness in achieving its objectives- This is because a diverse group of people can generate more creative ideas and implement them effectively. A highly skilled, innovative and diverse workforce is important for business success. For example, labor shortages can be resolved through recruiting and retaining
- 2) It helps to lift the morale of employees. The presence of Diversity helps people of different types to integrate effortlessly since no one feels different in an environment that embraces differences as natural and welcome.
- 3) It can bring increased access to new segments of the market place. In the world of marketing, the connection that a marketer can establish with a prospective customer can be extremely useful. A company that has a diverse workforce will undoubtedly have a far greater reach to a larger audience.
- 4) It will enhance productivity. Diverse workforce would mean several different perspectives and diverse skills and talents too!
- 5) It is useful for strengthening the cultural values within the organization. If an organization has cultivated an atmosphere of



appreciation for different cultures it will create an environment that is conducive to positivity and idea sharing.

- 6) It will help in enhancing the cultural reputation of the organization. A well managed diverse workforce will improve the overall reputation and goodwill of the company.
- 7) It is useful to attract & retain highly talented people. A company that has the reputation of supporting diversity and integration is likely to attract the best people and human resources.
- 8) A diverse workplace will improve the motivation & efficiency of existing staff. A well managed diverse workforce will not only motivate employees but also improve efficiency through integration of diverse ideas.
- 9) It will increase innovation & creativity among the employees. Diversity is a breeding ground for new ideas and perspectives and leads to more creative decision making.

Thus, we can conclude from the factors mentioned above that diversity at the workplace must become a priority for organizations because a diverse workforce which integrates different perspectives, people and backgrounds helps improve corporate performance and strengthens local economies. If a company wants to be an employer who is the first choice of prospective employees and wants to attract, develop, and retain a talented and engaged global workforce then it must offer a work environment that supports diversity and practices inclusive employment policies and programmes.

### **The Questions to ask while dealing with the idea of Workplace Diversity**

Let us now turn to understanding what questions the employers must ask themselves and answer if they are to deal with workplace diversity effectively. The questions that emerge and that companies must ask themselves are:

- 1) Why is a diverse work-force needed in the organization? How does diversity fit into your company's STRATEGY?
- 2) Can diversity actually strengthen the company? Managers must analyze the existing situation by performing a SWOT (Strength, Weakness, Opportunity and Threat) Analysis and then assess if diversity will result in greater effectiveness and opportunities.

3) Is the company equipped to deal with Diversity and its accompanying issues? The integration of diverse members into the organization is bound to be accompanied by tensions. This will require an effective CHANGE MANAGEMENT strategy.

4) Bringing in diversity shall require that the organization culture change-not just small incremental changes but an overall shift in how the organization functions. The entire organization will need to change and for this it must be committed completely to the proposed CULTURE CHANGE?

### **The practices that contribute towards greater Workforce Diversity in the organization**

The following practices will help the company foster greater work force diversity and propel it to stay committed towards workforce diversity thereby leveraging employee potential :-

1. Establish a culture of safety. This is important to make employees, who come from different cultures, communities, races, religion or even gender that is not the majority, to feel safe and unthreatened.
2. Support initiatives that foster employee engagement. Engaged employees find a common ground to. This can help to remove barriers between people who belong to diverse backgrounds.
3. Lay down the basic ground rules that will govern labor relations and keep them in tune with the management philosophy that supports diversity.
4. Work towards talent attraction and retention within the larger premise of workforce diversity and thus enhance recruitment practices
5. Create a leadership Development programme that supports Diversity
6. Weave programmes like safety training, new hire training, cross training, refresher training and knowledge transfer that support diversity into the overall induction and training programs of the organization.
7. Work to promote external partnerships that support women and other minority groups.
8. Conduct inquiries into gender pay issues or other salary and remuneration issues arising out of diversity.
9. Create workplace flexibility through childcare benefit initiatives and programmes.



10. Ensure an effective employee feedback and Grievance redressal procedure to deal with individual reports of harassment. Additionally programs like the whistle blowers hotline may be established.

### **Points to consider while managing diversity at the Workplace**

In order to make diversity work for your organization the following points must be kept in mind:

- 1) Spend time in Analysis. Think about your business-its strengths, its weaknesses, as well as related issues and needs
- 2) Pay attention to Recruitment- Move away from staffing decisions based upon personal values and bias. This will help support and introduce diversity into your organization.
- 3) New Markets- Explore new and potential markets. Consumer Diversity requires staff Diversity- not only in terms of age, ethnicity, and ability but to reflect the changing motivations & lifestyle of the marketplace.
- 4) Client / Customer Needs – Put client/customer needs at the forefront of your business strategy and planning process. This way in case a diverse workforce is required to deal with the customer it will be built into the overall strategy of the organization
- 5) Develop strong Internal Communications Systems. Workforce diversity can only be effective if there is a strong communication system in place.
- 6) Image & Reputation- Use your commitment to diversity as a business tool in terms of building reputation, better publicity and public relations and creating a winning business strategy.
- 7) Evaluation- Assess and evaluate the costs and benefits of implementing Diversity policies to know if the benefits outweigh the costs.
- 8) External Support-If there are additional challenges that your particular organization faces you should seek external support to adopt diversity

### **CONCLUSION**

Diversity management thus aims to create and maintain a positive work environment where the similarities and differences of individuals are valued. Diversity in the organization may emerge from various dimensions such as age, gender, educational backgrounds etc but one of the most important aspects is organization culture. This is because organization

culture has a deep and undeniable impact on diversity openness. Human resource management practices, institutional environments and organizational contexts must therefore respond proactively to diversity-related pressures, expectations, and requirements. Organizations with diverse employees are far better suited to deal with diverse external customers in an increasingly global market. Such organizations exhibit a better understanding of the legal, political, social, economic, and cultural environment requirements. Successfully managing diversity results in committed, satisfied, high performing employees and potentially positions the organization for better financial performance. Discrimination is the most frequently encountered barrier for accepting workplace diversity, followed by prejudice and ethnocentrism. Organizations must take measures to manage diversity in order to harness and leverage the potential of employees for competitive advantage.

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