Factors motivating companies to promote workforce diversity

Diversity issues related to race, gender, age, disabilities, religion, job title, physical appearance, sexual orientation, nationality, multiculturism, competency, training, experience, and personal habits are explored in these links. The bias is toward valuing diversity. As we enter the 21st century, workforce diversity has become an essential business concern. In the so-called information age, the greatest assets of most companies are now on two feet (or a set of wheels). Undeniably, there is a talent war raging. No company can afford to unnecessarily restrict its ability to attract and retain the very best employees available.

Generally speaking, the term “ Workforce Diversity” refers to policies and practices that seek to include people within a workforce who are considered to be, in some way, different from those in the prevailing constituency. In this context, here is a quick overview of seven predominant factors that motivate companies, large and small, to diversify their workforces:

Organizations can expect challenges from those who don’t see themselves as part of “ diversity.” This will happen if one casts diversity primarily in terms of race, gender, ethnicity and sexual orientation. Besides the four previously mentioned primary equity-based groupings, an organization can prove that it is serious about workplace diversity, and not simply political correctness, by placing equal emphasis on a realistic variety of diversity dimensions, such as age, marital and parental status, education, personality type, communication style, etc. The emphasis needs to be communicated that everyone is part of the diverse workforce.

There will be resistance if the amount of time devoted to training, education and other diversity

interventions is seen as taking away from what some would refer to as “ real work,” especially if

allowances aren’t made for time spent away from the job. Telling someone that he or she has to take a day to attend diversity training, but that there won’t be any slack on work deadlines, is a good way to breed resentment toward the entire effort.

The best defense against resistance to an examination of diversity is education, but not limited to the classroom variety. Leaders throughout the organization, not just those in Human Relations, must help everyone in the workforce grasp this concept. If Company A has developed systems, procedures, policies and a culture that allows employees from a variety of backgrounds to contribute productively, and Company B’s systems, etc., seem to work only for certain types of people, Company A’s is most likely going to perform better. An increasing number of organizations use a very broad definition of diversity and use the word “ inclusion” to place the emphasis on commonality rather than difference. However, changing an organization to adapt to a more diverse workforce requires changing culture, systems, behaviors and more. This takes time. And it takes realistic expectations and broad inclusion.

Nothing converts skeptics like success. Demonstrating strong performance while building an organization that manages a diverse workforce helps convince the doubters and cynics that managing diversity, which we could simply call “ managing reality,” is a smart business strategy.

As a Social Responsibility

Because many of the beneficiaries of good diversity practices are from groups of people that are “ disadvantaged” in our communities, there is certainly good reason to consider workforce diversity as an exercise in good corporate responsibility. By diversifying our workforces, we can give individuals the “ break” they need to earn a living and achieve their dreams.

As an Economic Payback

Many groups of people who have been excluded from workplaces are consequently reliant on tax-supported social service programs. Diversifying the workforce, particularly through initiatives like welfare-to-work, can effectively turn tax users into tax payers.

As a Resource Imperative

The changing demographics in the workforce, that were heralded a decade ago, are now upon us. Today’s labor pool is dramatically different than in the past. No longer dominated by a homogenous group of white males, available talent is now overwhelmingly represented by people from a vast array of backgrounds and life experiences. Competitive companies cannot allow discriminatory preferences and practices to impede them from attracting the best available talent within that pool.

As a Legal Requirement

Many companies are under legislative mandates to be non-discriminatory in their employment practices. Non-compliance with Equal Employment Opportunity or Affirmative Action legislation can result in fines and/or loss of contracts with government agencies. In the context of such legislation, it makes good business sense to utilize a diverse workforce.

As a Marketing Strategy

Buying power, particularly in today's global economy, is represented by people from all walks of life (ethnicities, races, ages, abilities, genders, sexual orientations, etc.) To ensure that their products and services are designed to appeal to this diverse customer base, " smart" companies, are hiring people, from those walks of life – for their specialized insights and knowledge. Similarly, companies who interact directly with the public are finding increasingly important to have the makeup of their workforces reflect the makeup of their customer base.

As a Business Communications Strategy

All companies are seeing a growing diversity in the workforces around them – their vendors, partners and customers. Companies that choose to retain homogenous workforces will likely find themselves increasingly ineffective in their external interactions and communications.

As a Capacity-building Strategy

Tumultuous change is the norm in the business climate of the 21stcentury. Companies that prosper have the capacity to effectively solve problems, rapidly adapt to new situations, readily identify new opportunities and quickly capitalize on them. This capacity can be measured by the range of talent, experience, knowledge, insight, and imagination available in their workforces. In recruiting employees, successful companies recognize conformity to the status quo as a distinct disadvantage. In addition to their job-specific abilities, employees are increasingly valued for the unique qualities and perspectives that they can also bring to the table. According to Dr. Santiago Rodriguez, Director of Diversity for Microsoft, true diversity is exemplified by companies that " hire people who are different – knowing and valuing that they will change the way you do business."

For whichever of these reasons that motivates them, it is clear that companies that diversify their workforces will have a distinct competitive advantage over those that don't. Further, it is clear that the greatest benefits of workforce diversity will be experienced, not by the companies that that have learned to employ people in spite of their differences, but by the companies that have learned to employ people because of them.

Organizational Justice

Organizational justice refers to employee perceptions of fairness and historically begins with the work of Adams on equity theory. Equity theory is the historical root of organizational justice. According to Adams a man suffers from cognitive dissonance when things do not go in the manner as he expected. It predicts that individuals are motivated by the perception of in equity. The theory states that men and women are in a continual and never ending state of social comparison with a referent group of individuals. The Adams traditional theory assumes that responses to injustices are more dynamics in form and entail a need to reduce that level of distress or dissonance created by the inequitable state.

Individuals constantly measure their perceived inputs and their outcomes as a ratio in comparison to a referent individual. Adams defines the inputs in social exchange as qualities and characteristics that a person possesses such as age, seniority, social status education, effort, ability or skills etc. The outcomes are defined as items or privileges received in social exchange such as rewards money, increased status, authority or enjoyable work/assignments/duties. Any inequity produces two different social behaviors such as if an individual perceives inequity because his inputs far exceed his outcomes or vice versa one may expect that anger or guilt will follow identified three dimensions of organizational justice. These are distributive justice, procedural justice and interactional justice. The marketing and management disciplines have traditionally distinguished among three types of justice: distributive justice, procedural justice, and interactional justice. Recently, argued that this traditional three factor model of justice is better conceptualized as four different types of justices. He suggested that in addition to distributive and procedural justice, interactional justice be split into two distinct types of justice: interpersonal justice, defined as the fairness of interpersonal treatment provided during the enactment of procedures and distributions of outcomes, and informational justice, defined as the fairness of explanations and information.

Distributive justice

Individual’s cognitive evaluation regarding whether or not the amounts and allocation of rewards in a social setting are fair. In simple terms, distributive justice is one’s belief that every one should get what they deserve. Thus it is the fairness of distributions or allocations of rewards. Employee’s perceptions of distributive justice are related to desirable outcomes such as job satisfaction, organizational commitment, organizational citizenship behavior, turnover, and performance.

Distributive justice is the perceived fairness of outcome allocations, and is typically evaluated with respect to the equity of those outcome distributions. This research demonstrates that the perceived distributive justice of complaint handling positively affects customers’ reactions, including satisfaction with the encounter, outcome satisfaction, satisfaction with complaint handling, repatronage intentions, overall satisfaction/return intentions, and perceptions of fairness, and decreases negative word-of-mouth

Procedural justice

Procedural justice is concerned with the fairness of the procedure used to make a decision. For example, a pay raise may be based on a sales representative selling more units of a product. Some co-workers may consider this procedure to be unfair, believing management should instead base pay raised on dollar volume. This conclusion may be reached because selling 10 products for a low amount of money each contributes very little to company profits and they are at the same time, easier to sell, selling high priced products may take much longer to finalize, but the profits garnered for the company are also higher. In this case, it is not the outcome in dispute which is the amount of the pay received, instead, it is the perceived justice (fairness) of the procedure used to reach the outcome. It is the exchange between the employee and the employing organization used a Meta analysis approach for data analysis and found that the employee perceptions of procedural justice can be related to all the desirable organizational outcomes, argued that procedural justice could be a better predictor of job performance as compared to distributive justice. Furthermore, procedural justice is considered important particularly to successfully implementing organizational changes.