

What are the benefits
of workplace
diversity?



As the whole world market changed into globalization, the diversity management becomes a major issue to manage. So diversity management plays an important role in the successful running of the operation in an organization. Basically the diversity term refers to the difference in the people's value which makes them unique. These differences includes their gender, race, religion, culture, physical or cognitive ability, national origin, age or family structure.

Diversity is defined as “ an aggregate team-level construct that represents differences among members of an interdependent work group with respect to a specific personal attribute.” (Joshi, A., & Roh, H.(2009))

In a diverse environment people can benefit and learn more from others' ideas. Many organizations found that recognition of these differences as prerequisites for high performance and continuous improvement, and this could lead towards the effectiveness and creativity of the organization. So these companies always encourage a culture that supports and inspires personal growth both within the workplace and beyond. Mentoring, training, career mobility, and work-life balance programs are just a little of the initiatives that bring to life the forward-thinking approach.

On the other hand there might be some drawback of the diverse environments like having much disorganization between different groups could cause lack of productivity and promote few well-built relationships.

Diversity Management:

Diversity Management is the key issue especially for HR department of an organization because if they run it very well they can increase the

profitability of the organization or the vice versa. Actually differences between people persuade about how they feel or behave on an action. And of course these differences also influence the way people work. If the organization takes these differences into account, it helps them to make optimal use of all capacities or capabilities in their employees, and thus have an optimistic influence on both the quality and amount of work that gets done. This is the utmost aim of Diversity Management.

In the text book, *Beyond Race and Gender*, R. Roosevelt Thomas defines managing diversity as “ a comprehensive managerial process for developing an environment that works for all employees.” A successful strategic diversity plan also directs to increased profits and lowered operating cost.

In an organization, we have to be aware and sensitive to the differences among employees. What can be unpleasant to one group may be fine for another. For example, showing the base of shoes is not a massive deal in the United States. However, in other countries it's an unlikable gesture. If you're aware of that, you might not want to offend someone by allowing the bottom of your shoes to show while in his presence.

That's a minor example, but when these kinds of offends occurs at larger, may caused significant problems. Productivity can also be suffered, people could get hurt and a toxic work atmosphere may result.

“ A process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued, so that all can reach their potential and maximize their contributions to an

organization's strategic goals and objectives." (U. S. Department of Veterans' Affairs, Office of Diversity and Inclusion)

How diversity management program runs in an organization through HR department could be well explained through below diagram

Europe has an increasingly diverse working population, with people of many different backgrounds playing a greater role in the European labour market. This diversity reflects not only population changes due to immigration and mobility between regions and EU member states, but also an increasing recognition of the problems and issues facing a range of marginalised groups in the labour force, such as women, people with disabilities and older workers.

International Journal of Human Resource Management, Feb2009, Vol. 20 Issue 2, p235-251, 17p, 1 Diagram

Diagram; found on p245

At conclusion Diversity management means recognizing that people are different and using that difference to enhance the profitability and/or effectiveness of your organization. The successful management diversity allows organizations to:

Attract and retain talent

Increase productivity by reducing the hours wasted on dealing with internal disputes

Develop a competitive edge.

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Encourage creative thinking by valuing the diversity within teams.

What Are the Benefits of Workplace Diversity?

By Neal Litherland, eHow Contributor . I want to do this! What's This? ..

Ever since John Kennedy was the president of the United States, the concept of workplace discrimination, and the flip side of that coin which is workplace diversity, has been a common issue. However, workplace diversity offers many positives for employers and employees.

. Perspectives

Having a mix of cultures, ethnicities and ages in the workplace can bring a variety of points of view to any project. As such, problems can be thought out and viewed from fresh eyes.

Tolerance

Working with people who come from different backgrounds and walks of life enhances the personal tolerance levels of every individual employee.

Fairness

A more diverse workplace is viewed, from an outside perspective, as being more open to accepting qualified applicants. Often an employer is seen as “color blind,” hiring purely on the merit of its employees.

Skill Set

When a workplace has a number of different demographics it gives the company a much broader skill set to draw upon, including cultural understanding and foreign language.

Legal Protection

One of the clearest, though not as often quoted, benefits of a diverse workplace is that it is less likely that an employer will be the subject of discrimination claims.

Building the Case

Since the early 1990s evidence has been mounting to suggest that there are numerous benefits associated with the adoption of sound diversity management programmes by employers. You will need to understand the benefits for adopting such an approach, if and when you decide to start building the case for implementing a diversity management programme within your organisation.

Over the last number of years, a variety of researchers have detailed the benefits of adopting a diversity management approach such as:

Improved performance/productivity (Agocs and Burr, 1996; Richard, 2000)

Increased creativity/flexibility (Cox and Blake, 1991; Robinson and Dechant, 1997)

Higher quality problem-solving (Cox and Blake, 1991; Hubbard, 1999)

Improved understanding/penetration of markets (Cox and Blake, 1991; Robinson and Dechant, 1997)

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Increased staff morale and job satisfaction (Agocs and Burr, 1996)

Improvements in staff retention/less absenteeism (Agocs and Burr, 1996; Robinson and Dechant, 1997)

Less law suits (Robinson and Dechant, 1997)

Human Resource associations have also identified benefits of diversity management. According to the Society for Human Resource Management, the following are five key factors that make diversity initiatives important to businesses:

Diversity initiatives can:

Improve the quality of your organisation's workforce and can be a catalyst for a better return on your investment in human capital.

Capitalize on new markets since customer bases are becoming more diverse.

Attract the best and the brightest employees to a company.

Increase creativity.

Increase flexibility, ensuring survival.

Source: <http://www.shrm.org/diversity/businesscase.asp>

In 2000 and 2001, Mi. st [Diversity Consulting conducted a survey of business leaders throughout Europe and found that the four benefits of diversity most often mentioned were:

Improved team effectiveness and cooperation (interpersonal)

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Increased productivity (individual)

Improved customer intimacy (consumers and markets)

Broader access to labour markets (recruitment)

Results from this survey were analysed and all the benefits of Diversity and Diversity Management were summarised in the following table:

Results

Externally

Internally

Consumers/Markets

Increased market share

Ease of entry into new markets

Improved customer intimacy

Individual

Increased productivity

Improved morale and commitment

Shareholders

Enhanced rating

Improved attractiveness

Interpersonal

Improved team effectiveness and cooperation

Easier integration of new staff

Labour markets

Broader access to labour markets

Improved employer image

Organisational

More openness to change

Enhanced effectiveness of complex organization

Community

Improved public image

Source:

Michael Stubor (2002): ' Corporate Best Practice: What some European Organizations are Doing Well to Manage Culture and Diversity'. In G. Simmons (Ed.), Eurodiversity: A Business Guide to Managing Difference, Butterworth-Heinemann, London

Alongside the benefits outlined above there are other background forces that drive the adoption of a diversity management approach by employers. Two common forces are described below:

Labour Force Supply Issues

The composition of the labour force in the EU is changing on an ongoing basis. Two of the most important changes in recent years are:

The ageing of the workforce

The enlargement of the EU giving rise to a larger presence of ethnic minorities

As a result, employers need to be able to successfully accommodate a more diverse range of employees.

Costs of Discrimination Cases

Although, anti-discrimination legislation has now been introduced in a number of European countries, employees are still facing prejudices that circulate in the workplace. This gives rise to employees taking discrimination cases against their employer, which can be damaging for the employer in terms of negative public opinion and high costs. An effective diversity management approach should give rise to an environment that benefits all employees, where they feel valued and empowered and are enabled to reach their full potential. In such a positive environment it is highly unlikely that an employee would bring a discrimination case against their employer.

Footnote: References

Agocs C. and Burr C. (1996): Employment equity, affirmative action and managing diversity: assessing the differences, *International Journal of manpower*, Vol. 17, No. 4, pp30-45.

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Richard O. (2000): Racial diversity, business strategy, and firm performance: A resource-based view, Academy of Management Journal, Vol. 43, pp164-177.

Robinson G. and Dechant K. (1997): Building a Business Case for Diversity, Academy of management Executive, Vol. 11, No. 3, pp21-31.

Implementing Diversity Management

A major aim of this website is to support the development and implementation of diversity management programmes in the workplace. This is achieved in two main ways:

Providing general information to users about diversity management issues, policy and practice – this is achieved through the main areas of website which provide information on:

What is diversity management

Building the case

Policy and legislation

Diversity management themes

Case studies

Awards

Links to useful websites

Providing support to the process of design and implementation of diversity management in enterprises - this is achieved through two main applications:

The diversity management toolkit

The e-learning course on diversity management

If you wish to implement a diversity management programme, the diversity management toolkit provides support in two main ways:

It describes a 5 stage process of how to implement a diversity management programme in your workplace

It provides tool support for each of the activities you must undertake when implementing a diversity management programme in your workplace

The e-learning course on diversity management is designed to raise awareness of diversity management amongst the participants in a diversity management programme. A major task in implementing diversity management is to ensure that all employees affected by the programme are fully aware of diversity issues and the approach which is being taken to them. The e-learning course is designed to inform employees of the basic issues and approaches to diversity management and to justify the need for an active diversity management policy in your organisation.

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Madison Co.

-Fortune Small Business Magazine recently had an article about a small company in Connecticut, Madison Co., that had an employee go through a major change. Over the course of time, one of its supervisors, Ann Ferraiolo had altered her look, and, then one day, came to work after an operation and was now Tony, a male.

As a manufacturing company, the company president, Steve Schickler, understood what could happen. Instead, he decided to intercede early to make things more comfortable for his supervisor, and let other employees know the company position. He and his human resources director made sure every employee knew to treat Ferraiolo with respect, both before and after the operation. They decided to support the supervisor's sex change, and the company has never missed a beat.

Xerox Mentoring Programs

-Xerox was ranked No. 35 in 2009 by DiversityInc. It was one of the first international organizations to publicly make diversity a center of their mission back in the 1970s. This led to many mentoring and fast-track programs, and now minorities make up around 20 percent of its management staff, women make up nearly one-third, and black women, a group Xerox has worked with the most, recognizing their disadvantage in many organizations, makes up 20 percent of that group. This is a case where a subgroup of an already disadvantaged group might need to be addressed more thoroughly when looking at diversity issues overall.

Why the Toolkit is important

It is best to view the development and implementation of diversity management policy in your organisation as a project. This means that it should be treated in the same way as you would any other project. You will need to build support for the project, analyse the needs and opportunities, develop your own solutions and then implement and monitor the project as it progresses. This implies the need for effective project management tools and techniques. The DiManT toolkit provides you with a set of information, methods and techniques, which have been specifically designed to ease the process of implementing a diversity management project.

The way that you use the toolkit is up to you. You may pick and choose only what is relevant for your purposes. You will find a search facility to help you locate the tools that you need.

However, if you want to begin the process of diversity management programme implementation from the beginning, you are advised to use the follow the process outlined in the toolkit. There you will find a complete guide to the activities you should undertake.

The process is described in terms of a set of phases of activities, each of which has specific aims and each of which is supported by a number of tools.

Click on the diagram for more information.

Policy and Legislation

There is an increasing amount of policy and legislation initiatives in relation to diversity management at both EU and national levels. In this section you

will find short descriptions of and reference to the main legislative and policy actions at both of these levels. Initiatives in the area of equality, disability, employment, ageing, gender and others are relevant here. They provide the backdrop for the development of diversity management programmes at workplace level.

EU Legislation

National Legislation

Themes

Age

Disability

Ethnicity and Race

Gender

Religion

Case Studies

This section provides a set of real life case studies of a range of diversity management issues. Two types of cases are presented:

Company case studies

Legal case studies

The legal case studies section gives brief overviews of a range of legal cases which relate to diversity management. In the main, they relate to court

judgements taken under antidiscrimination, disability and employment law, and they illustrate the ways in which violations of these laws are treated.

The company case studies present a 'best practice' view of how a range of organizations have developed and implemented diversity management programmes. They provide insight into what are the elements of good practice and into how diversity management programmes evolve in practice.

Diversity management has become one of the primary challenges for HRM as organizations become diversity worldwide. (Benschop, 2001: 1166; D'Netto & Sohal, 1999: 530)

Resistance to diversity programs may not only come from the majority but also minority groups. Diversity planners may be failing to include or consider the majority groups in their strategies and this is one of the reasons of backlash and discrimination. (Fraser-Blunt, 2003: 138)

Ireland – Degraded Employee Wins Case

Mr Gabriele Piazza had claimed that the Clarion Hotel had directly discriminated against him due to the fact that he was gay. He said he was harassed in relation to his conditions of employment, in particular on three occasions.

He said that there had been a number of incidents when reference was made to his sexual orientation 'in a degrading manner'. The incidents had happened in front of various staff members who had found the situation funny, however he had not, he said.

Mr Piazza said that in one incident, it came to his attention that emails from his manager were being sent to the human resources manager. He found the mails personally offensive and degrading. In one, he was referred to as 'just a bloody woman and a spoilt child'. When he challenged the HR manager about the emails, she 'ripped them up dismissively' in front of him.

In another incident, an employee made a comment of a sexual nature which Mr Piazza found offensive and degrading. He asked the person in question to stop making the comments, however the level of harassment increased.

Mr Piazza insisted that in the six months of his employment, he received no help or assistance from his manager or any member of the hotel's management team.

Following an investigation by the Equality Tribunal, Mr Piazza was found to have been discriminated against by the hotel on the grounds of his sexual orientation. He was awarded €10,000 compensation for harassment, distress and a breach of his rights under the Employment Equality Act, 1998.

The hotel was also ordered to provide an equality training seminar to all staff, including management, within three months.

Source: <http://www.irishhealth.com/?level=4&id=6159>

Council Employee Wins Race Case

A council housing department worker has been awarded more than £44,000 after winning a racial discrimination case.

Surveyor Lakhbir Rihal complained four years ago that less-qualified white colleagues were promoted over him at the London Borough of Ealing. The council lost an employment tribunal case but appealed to the Court of Appeal, which upheld the decision. The tribunal found a “ glass ceiling” prevented ethnic minority staff from securing senior management roles.

Paul Kenny, a senior official of the GMB union, which supported Mr Rihal, said: “ The leader of the council should do the decent thing and resign. Because the council failed to act, they have cost Ealing ratepayers hundreds of thousands of pounds.”

The union said it wanted the Commission for Racial Equality (CRE) to conduct an investigation into race relations in the council’s housing department.

Ealing Council’s interim head of legal services, Chris Hughes, described the Court of Appeal’s decision as “ disappointing”. He said: “ We pursued this case because we believed the original employment tribunal had erred in law in its decision. The council remains committed to equal opportunities for all its staff, a fact which is reflected in the current statistics of black and ethnic minority staff in the housing department. At present 38% of senior staff working in the housing department are black or ethnic minority, which clearly reflects the population trends in the borough as a whole, a fact which was not before the Court of Appeal.”

‘ Culture of White Elitism’

Tom Dent, director of Housing and Environmental Health, added: “ The background to this case is now over four years old. “ Since then we have been improving our services in housing and were encouraged by last year’s

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external auditors' report which found that we were compliant with the Commission for Racial Equality's code of practice in the rented housing sector in both service delivery and employment."

But Lord Justice Sedley said the lack of ethnic minority managers " suggested a clear possibility there was a culture of white elitism in the upper echelon of the housing department".

Mr Rihal, who has worked for Ealing Council for 12 years, told BBC London: " I would like the council to take notice of these things and to at least give a fair chance to Sikh people like myself who are highly qualified."

He still works for the council and is applying for promotion.

Source: BBC NEWS

<http://news.bbc.co.uk/go/pr/fr/-/1/hi/england/london/3771403.stm>

Business Case for Diversity and Equality

Today's business environment is changing. The average age of the workforce is rising steadily and women now make up nearly half the workforce in the UK, double the numbers of 25 years ago. Projections show that in less than ten years' time there will be two million more jobs in the economy - 80% of which will be filled by women.

McJobs for all the Family

05-02-2005

McDonald's is pioneering a scheme that allows employees to share their job with family members. The Family Contract allows husbands, wives,

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grandparents and children over 16 to job-share and swap shifts without notifying management.

The concept of diversity not only values and respects individuals, but recognises that everyone has different needs. Under the contract, which is the first of its kind in Britain, each worker clocks on and is paid separately through his or her own bank account.

It is being tried in six cities around Britain. Co-habiting partners and same-sex partners can apply and, if it proves successful, McDonald's said it would expand it to include friends and extended family such as cousins.

David Fairhurst, the head of McDonald's UK human resources operation, said: " A lot of our staff wanted more flexibility. Many are youngsters at college who have very different term hours and holiday hours. Many older staff have children, with all the demands that entails; many look after relatives. So we decided to offer them the flexibility in a family context."

McDonald's, which has 67, 000 staff in 1, 250 British restaurants, said flexible working reduced the number of sick days. It said the scheme was supported by the Department of Trade and Industry.

The first family to sign up for a Family Contract were Rita Cross, 42, and her two daughters Laura, 18, and Natalie, 16, in Cardiff.

Laura said the main advantage of the arrangement was its flexibility. " We get up in the morning and decide which of us really wants to go to work," she said.

Mrs Cross said it helped the whole family. " We get a better work and life balance. I'd love my husband to join up too, so that we can all plan our work and family life as one unit".

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Diagram; found on p245

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