

# Managing diversity in the workplace



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## **Introduction**

This paper aims to critically explore the key benefits and challenges of managing diversity within the workplace. It begins by examining the concept of diversity and the drivers for it, and then, drawing on examples from the current literature, reviews the different benefits and challenges of managing diversity in the workplace. The paper also identifies some of the different approaches organisations can take to effectively implement the management of diversity at work, and concludes by summarising the key learning points.

## **Understanding workplace diversity**

In essence, the concept of diversity incorporates values and behaviours associated with acceptance and respect. It requires the understanding that each individual is unique, a recognition of individual differences, and goes beyond a simple tolerance of each other to a more embracing approach to the valuable dimensions of diversity contained within every individual (Patrick and Kumar, 2012).

The term ‘managing diversity’ itself first originated in the United States in the late 1980s and emerged as a result of anti-discrimination law and social equality issues (McDougall, 1996). It has since become to be viewed as a contemporary alternative to the more traditional equal opportunity approaches (Noon, 2007), and asserted to be proactive and results-focussed (CIPD, 2005).

The issue of workplace diversity has become increasingly debated in management circles due to expanding globalisation, changing demographics

in the labour market and a greater awareness and acknowledgment more generally that there are differences between individuals (Hite and McDonald, 2010). This has meant that the issue of managing diversity has become one of importance and significance in both public and private sector organisations (Kirton and Greene, 2009; Farhad, 2007). According to Patrick and Kumar (2012), the biggest driver for high level management of diversity is the need to tap into the creative, cultural, and communicative skills of all employees and to use those skills to improve organisational policies, products, service, and customer experiences.

Other drivers for diversity include changes in legislation and societal awareness of it as an issue and this has meant that organisations are being forced to give a greater focus to the issue of managing and promoting diversity (Holbeche, 2009). In the UK, the Equality Act came into force in 2010 and consolidated all grounds of discrimination, and previous legislation, into a single statute. This Act placed new duties on employers around the management of diversity within their workforces and employment practices and requires organisations to visibly demonstrate what action they are taking to address it (Kumra and Manfredi, 2012).

### **Benefits of workplace diversity**

There are numerous cited benefits for organisations that have a diverse workforce, such as it acting as a source of real competitive advantage (Herring, 2009) and being associated with increased profitability (Ng and Wyrick, 2011). It is claimed that diversity in the workforce can increase productivity and organisational effectiveness by harnessing the contribution of a wider range of perspectives (Choi and Rainey, 2010) and through the <https://assignbuster.com/managing-diversity-in-the-workplace/>

creation of stronger teams (Herring, 2009). In addition, it is argued that successfully managing diversity can result in more satisfied and committed employees delivering potentially enhanced financial performance for the organisation (Patrick and Kumar, 2012).

It has been suggested that organisations which are considered to be inclusive have a wider talent pool from which to recruit the most qualified and effective candidates thereby giving them competitive advantage over rivals (Edwards, Watkins, and Stevens, 2007). Similarly, it has been proposed that organisations that actively promote diversity in its workforce benefit from increased retention rates of existing employees (McKay et al., 2007).

In relation to innovation and creativity, it has been argued in the literature that a diverse workforce can enhance this. In particular, it has been found that racial and gender heterogeneity can result in more diverse types of information and ideas being shared within an organisation leading superior problem solving and decision-making (Richard, Kirby and Chadwick, 2013).

Furthermore, diversity in the workforce can deliver business advantage when dealing with diverse customer bases or international markets (Podsiadlowski et al, 2003), as organisations with diverse employees tend to have a better understanding of the requirements and obligations of the legal, political, social, economic, and cultural environments in which they operate (Patrick and Kumar, 2012). Diversity also helps in this respect by expanding an organisation's perspective and its strategic tactics, the design of new operations, and the assessment of emerging trends within its sphere of business (Martin, 2014).

## **Challenges of workplace diversity**

A number of challenges associated with diverse workforces and their management have also been identified. According to Ewoh (2013: 109), one of the main barriers that exist to managing diversity in the workplace relates to the language and terminology that is used to discuss it. He claims that many commentators on diversity claim that the problem stems from its definition and how the concept of diversity can be distinguished from those relating to positive action and equal opportunities. Foster and Harris (2005) claim that this ambiguity can make the implementation of diversity management problematic, and it has been claimed that the conceptual relationship between diversity and equal opportunities is blurred making it a complex issue to address for managers (Maxwell, 2004).

It has been argued that diversity has the potential to reduce group cohesiveness and increase conflict in teams and between employees and managers (Skerry, 2002). In particular, cultural diversity amongst employees has been found to be problematic. Culturally diverse employees have different opinions, beliefs, norms, customs, values and traditions and when such workers are placed in a group setting to achieve an organisational goal with mutual effort and collaboration, these differences of views and beliefs have the potential to hinder the development of unity (Martin, 2014). Some studies have also shown that this can also lead to reduced staff morale and productivity (Roberson and Kulik, 2007; Wrench, 2005).

Furthermore, approaches to managing diversity have been criticised for failing to sufficiently take into consideration the structural disadvantage that exists for many minority groups within the workforce (Wrench, 2005) and for

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not being able to adequately confront the dominant ideologies and power relations that exist (Noon, 2007).

Challenges also exist in relation to developing human resource policies and practices that meet the needs of a diverse workforce. According to Tung and Baumann (2009) people from different ethnic groups and cultural backgrounds hold different values when it comes to areas such as pay, reward and incentives and therefore organisations cannot assume that individuals from different ethnic groups will react in the same way to monetary based performance systems or financial schemes. Similarly, people from different cultural backgrounds may also hold different work ethics (Moran et al, 2014), and there may be variances in terms of acceptance of authority which has implications not only for policy development but also day to day management practice (YÄ±ldÄ±z, 2013).

As well as considering diversity in terms of the ‘protected characteristics’, organisations also have the challenge of embracing diversity in a wider sense. For example, Hunter and Ogungbure (2013) explore diversity in the workplace in relation to contemporary appearance such as hairstyles, tattoos and body piercings, and argue that they may impact on corporate culture and other organisational employment practices. In particular, they claim it can become particularly problematic for organisations when it is claimed that such outward body alterations are associated with religious beliefs. This is an area that is relatively unexplored but may also present practical challenges for organisations.

## **Implementation approaches for managers and leaders of diversity**

According to Stevens, Plaut and Sanchez-Burks (2008), approaches to cultivating and managing diversity in organisations can be done in a number of ways. They claim that some organisations demonstrate their commitment to promoting diversity via a range of ‘diversity initiatives’ that are implemented into daily practice, whereas others choose instead to adopt a ‘colour blind’ approach to diversity.

The colour blind approach focuses on realigning workforce group identities with an overarching identity (Hogg and Terry, 2000), with the aim of decreasing the emphasis on individual differences. It stems from the notion of ‘treating everyone the same’ but has been criticised for being exclusionary and appealing only to nonminority groups (Markus et al, 2000). In contrast, the multi-cultural approach is based on the assumption that the differences between people are a source of strength for organisations and these differences need to be embraced and nurtured (Stevens, Plaut and Sanchez-Burks, 2008). With such an approach, a range of strategies are used to promote diversity including targeted networking and mentoring programmes aimed at specific minority groups, ‘diversity days’ where the cultural background of different groups of staff is celebrated, and the provision of targeted and generic diversity training (Paluck, 2006).

However, it has been claimed that with both of these approaches, organisations face real challenges in that neither approach will be welcomed by all staff. The multicultural approach can be seen by non-minority groups as posing a threat to their social identity (Verkuyten, 2005), and the colour

blind approach is felt to take insufficient account of the structural disadvantages faced by minority groups (Noon, 2007). To overcome these limitations, Stevens, Plaut and Sanchez-Burks (2008) propose a new approach to managing diversity which they term ‘all-inclusive multiculturalism’. They claim that this approach offers an alternative to the more traditional colour blind and multicultural ideologies by having a specific focus on employee inclusion, and the formation of high quality authentic relationships between employees that are resilient, transparent and which promote on-going learning. They claim that in order to implement such an approach, organisations need to create environments that are considered to be more inclusive by all members of the workforce with the implementation of policies and practices that are framed as benefiting everyone and the use of language and communication that does not label different groups or single them out.

Similarly, Richard, Kirby and Chadwick (2013) argue that in order for diversity management to be effectively implemented, and to avoid the common pitfalls, organisations must develop mechanisms whereby cooperation and collaboration across all roles is supported and create an inclusive environment that promotes belongingness.

According to Ewoh (2013: 114), in order to create such an environment that enables diversity to be managed, diversity leaders across an organisation must be identified and supported. In addition, clear objectives relating to diversity must be communicated alongside the provision of appropriate training to help managers and leaders deliver these. He further claims that support and commitment from ‘the top’ is essential along with recognition



that ‘bottom-up’ input and engagement from diverse workers is needed to enhance the quality of decision making and the development of more innovative and sustainable policies. In agreement with this, Guillaume et al (2014), argue that effective leadership is essential to making any strategy for managing diversity in an organisation work. They identify leadership at the middle management level as being particularly crucial given that it is most likely that it is individuals at this level who will be tasked with implementing in practice an organisation’s diversity management policies and procedures, and be responsible for reinforcing the enactment of related diversity management practices in day to day work.

## **Conclusion**

From the critical review presented above it is clear that there is increasing focus on the issue of diversity within the workplace as a result of increasing globalisation, changes in the labour market and external regulatory drivers.

There are many benefits identified from effectively managing workplace diversity including increased productivity, innovation and creativity, improved employee relations, and more effective working with diverse customer bases and international markets.

There are also, however, a number of challenges for organisations in implementing the management of diversity effectively and in avoiding some of the identified disadvantages which can result in negative outcomes such as increased team conflict and reduced team cohesion. In addition, the ambiguity around the term ‘managing diversity’ itself adds another level of

complexity for organisations and individual managers in embracing this agenda effectively.

A number of strategies and approaches have been identified for implementing the effective management of diversity and all focus on creating inclusive cultures within organisations which require strong leadership and reinforcement in practice. It is clear that with the ever increasing diversity in the labour market, this is an important issue that organisations need to continue to review and address both now and in the future.

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