

Cultivating Dividends of Diversity

*Jyoti Kukrejajl

Abstract:

Globalization has spurred an equal number of opportunities and challenges. Organizations are becoming more geographically and demographically diverse every day and thus necessitates customizing HR processes in consonance with the employee trends.

Diversity is obvious and uniform to organizations of all shapes and sizes. High uncertainty and volatility in the business world has prompted the organizational leaders to manage sensitive issues proactively. Consequently, enriching performance through the various permutation and combination of non-transferrable skill-set is a job of an expert.

Business thrives on diversity, which entails, serving people differently. The range of multiplicity at workplace is expanding. The magnitude of managing virtual workforce of different ages, working styles, needs, beliefs and values have multiplied manifold and navigating and escalating in this dynamic era requires the business leaders to think ahead of their counterparts.

This paper shall discuss the intensity of diversity and the various aspects that confound the HR honchos. The paper shall also deliberate on the measures undertaken by various multi-national companies to overcome some perennial issues that are solely the onus of the linchpins of the department. In the end, the report shall conclude with recommendations for sieving the dividends and discarding disunity that diversity beholds.

Keywords: Diversity Dividends, Organizational Excellence, Constructive Contradictions

*Research Scholar, University School of Management, Guru Gobind Singh Indraprastha, University

This planet is a borderless world today, where the contour of country and cultures has diminished. Managing the culture and retaining the best of sub-cultures is then, a complex art. Miscellany is perpetual. A team is conceptually complete only when it is an assortment of unlike skills. Specialists yet multi-talented employees are the need of the hour. Teamwork is crucial for breeding unconventional solutions to the unheard problems. Amidst such contradictions 'maintaining unity' is a predicament.

Literature Review:

In the near future, the labor market will become more and more a seller's market. The extent to which these demographic workforce shifts are effectively and efficiently managed will have an important impact on organizations' competitive and economic outcomes (Caudron, 1990; Johnston & Packer, 1987).

Many organizations are changing their cultures and beginning to apply more emphasis to valuing and managing diversity because they have a greater understanding of the significant role that diversity will play in their future competitive and organizational success (Finney, 1989; Griggs, 1995; S. Jackson, 1991; O' Hare, 1993). The shrinking of the workforce and the shortage of appropriate skilled labor will force employers to compete to attract, retain and effectively manage all available employees (Finney, 1989; Jackson & Alvarez, 1992; Johnston & Packer, 1987; Morrison, 1992). Broad definitions of diversity may include sexual/affection orientation, values, personality characteristics, education, language, physical appearance, marital status, lifestyle, beliefs, and background characteristics such as geographic origin, tenure with the organization, and, economic status (Carr, 1993; Caudron, 1992; Thomas 1992; Triandis 1994).

Complexity in Diversity:

The world seems beautiful because of different people, colors, food, weather, etc. Contrastingly, if the world had been mono-colored it would have been vapid. Variety is the spice of life. We need everything but in proportion and this calls for 'managing diversity'.

But the question arises why and where does the convolution exists? We all have various needs and these needs follow a format of hierarchy. Not all employees in an organization are at the same level and the weightage that they relate to them. This further leads to diversity of views, opinions, exigencies and commitments. Principle of

'team' culture where 'we' is better than 'I' is rated above all as it promises prolonged and comfortable existence of workmanship. The principle of subordination of individual interest to organizational interest is easier said than done which enhances complexity in diversity of viewpoints and multiple interpretations. Moreover, 360 degree appraisal of employee adds fuel to the burning issue.

The basic rationale of hiring a candidate is his possession and expertise on variety of skills. The purpose of conducting an exit interview is to capture the diverse range of learning that an employee has gathered while his presence in the organization. The bottom-line is that: 'withholding differentiation is appreciation'. The paradox is that diversity has been reasons for recruitment but those contours of differentiation are expected to diminish and lose their luster once on the board. For cooperation, collaboration and cohesion to firmly ensconce and be embedded into the core culture the 'principle of unity and similarity' would apply. The science and art to thus manage it and harness it must be devised innovatively where diversity is fructified and yields desired results.

Over the last several years, social issues have had a dramatic effect on the study and application of management and organizational behavior. In the past, diversity was primarily treated as a legal issue: that is, it is against law to discriminate against anyone. Today, there had been a recent shift wherein organizations have begun to realize that it plays a central role in today's environment and is a universal theme to all organizations.

The workforce composition is changing in aspects of increasing women being a part of staff and planning a long term career. The dimension of inclusion from different parts of the country and thus, world has led to multiplication of multi-dimensional perspective. Many of the organizations acclaim diversity as an engine to empower the growth of the organization but a few only are able to harness it to its advantage.

Definition of Diverse Organization:

A diverse organization is one that invites embraces and manages differences in the changing workforce to gain the best from its people and to provide the best service to its customers. It encourages the breaking down of barriers of the past to look at things differently with a perspective to find effective business solutions and customer resolutions. In such

organizations diversity is regarded as a competitive differentiator, in both employment and customer markets.

Characteristics of Organization that recognizes and felicitates diversity:

- Recognition of diversity as a business issue. Every level of the organization holds responsibility for it.
- Strong value system that ensures the respect and dignity for all.
- An environment where the insights of diverse groups are sought and welcomed; where people are not alienated or sidelined because they don't 'fit' into a set expectation.
- Innovation and creativity are recognized and rewarded.
- A climate where people feel that their background and lifestyle does not affect perceptions of them as a professional, or affect their opportunities for development.
- Flexible working practices are made available, as there is an appreciation that not everyone can and will work the same hours and in the same way. This removes disadvantage and discrimination to participation in work.
- The diverse workforce is visible at every level of the organization and in every business area.

Motivating Factors for adoption of Workforce Diversity:

“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:

1. As a Social Responsibility: As 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. This channelizes the energies of the challenged individuals and extends them an opportunity to earn a living and achieve their dreams.
2. As a Resource Imperative: The changing demographics in the workforce have become an immediate imperative concern. Today’s talent pool is dramatically

different than in the past. The 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 talent.

3. **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.
4. **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, 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 structure of their workforces reflect the composition of their customer base.
5. **As a Capacity-building Strategy:** Tumultuous change is the norm in the business climate of this century. 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 workforce. 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. Microsoft firmly believes that true diversity is exemplified by companies that "hire people who are different..."
6. **As an Economic Payback:** Many groups of people who have been excluded from workplaces are consequently reliant on tax-supported social service programs. Inclusive workforce strategies can effectively turn tax users into tax payers.

Dividends of Diversity: Managing a diverse workforce entails a minimization of cloning that is preventing the production of an exact copy in selection and promotion. This leads

to a wider range of ideas and abilities, offering greater scope for innovation and competitive performance in the future therefore enriching an organizations human capital.

1. **Opportunities @ galore:** An organization with diverse range of people is endowed with considering the world as a field of operations. A team of like-minded people usually at bay. Various aspects to a situation are unveiled when complementary set of people emerge as a team. Successful strategizes enlighten multi-faceted risk-free dividends.
2. **Iconoclastic Innovations:** Innovative leaders are bred on dichotomy and thus become confident and competent to handle multiculturalism. It facilitates for the formation of pioneering teams to function in an energetic work environment.
3. **Certainty:** Accepting diversity enables executives to consistently achieve goals despite unfamiliar environment. Thus, they become reliable operatives and calculated risk-takers. Handling situations and affirming to their decisions even in the turmoil of events adds on to their skill set.
4. **Resplendent Reputation:** Diversity in senior leadership paints a clear picture of an inclusive, innovative and flexible organization. This image is essential for the extension of markets. It strikes potential recruits and customers alike.

It is noted that that the best way to enter a market is by providing employment. When the employees turn prime customers, reputation and trust in the company is established in the country. This is because extracting premium from products requires the acceleration of their amenities and budget.

Various companies have dovetailed this successfully. For example, 'Think Global, Act Local' is incorporated to the utmost core by HSBC. It follows a geocentric recruitment model which congregates best qualified people at top-level positions regardless of nationality to handle operations overseas. To recruit junior/middle level employees it uses a polycentric recruitment strategy meaning that people from the host country manage operations that provides better autonomy in decision making to locals who know the best way of interaction with local customers and getting the brand accepted. Samsung, LG, Whirlpool have become Indian household names due to such policies.

Further, companies like IBM, Coca-Cola are model employers for an inclusive workforce. IBM celebrates contribution of lesbian, gay, bisexual and transgender (LGBT) community. It offers benefits like pension plans, medical insurance and compassionate bereavement leave to same gender couples across several global offices. Diversity is one of the seven core values of Coca-Cola India. It staunchly believes that the team rich in diversity of people flourishes with prodigious talent and ideas. The company ensures an inclusive and fair work environment through diversity training on a regular basis.



Types of Diversity:

The dimensions and depth of diversity is profuse. Broad categories can be adumbrated as follows:

- **Demographic:** Successful companies are recruiting professionals with different backgrounds, cultures, styles and motivation levels. The organization seems divided intra-country. The bottom-line is that domestic diversity should be conquered to meet global challenges. On this front, age is considered to be a subtle but strong criterion for discrimination. Although discrimination is illegal in Australia, there is evidence that age discrimination continues to occur (Encel & Studencki, 2004; Gringart & Helmes, 2001; Gringart, Helmes & Speelman, 2008). Older workers have been characterised as slow, absent-minded, resistant to change, having poor health and being difficult to train (Lucas, 1993). Other research has suggested that, while employers view older workers as generally more reliable, more loyal, and harder working than younger workers, they consider them to be inferior to younger workers on many other job-related attributes and will therefore offer a job to a younger worker before an older one (Gringart et al., 2005).
- **Psychographic:** It is a more abstract form of diversity. As easier it is to penetrate the easy it is to eradicate. The boundaries are self-created. The prejudice and bias spring up from here. Even the physical distances are regarded psychological differences. In regard to diversity, conflicts arise largely due to ignorance. Prejudice

feelings or derogatory comments cause a lack of acceptance. “This can produce negative dynamics such as ethnocentrism, stereotyping and culture clashes” (White, 1999). The most common conflict comes from one feeling superior. If management ignores such conflicts, the company's performance may suffer (White, 1999). If conflicts can be managed and controlled creativity and performance increases.

Challenges to conquer Diversity:

Strategically managing workforce diversity is a value-adding HR function that enhances organizational performance. Managing diversity is a complex HR issue in India due to religious and cultural diversity that poses challenge to tackle societal inequities. The intensity of complexity in progressing from mono-culture to skeptical phase (which features of culture to imbibe and which to discount) to a stage of multicultural is high. The movement in these three phases can be explicated in the form of a model as follows:

The D.A.R.E. Model:

The spectators of diversity are usually reluctant to accept this concept. All employees customarily undergo the following mental process:

Disinclination ⇨ **Apathetic** ⇨ **Recognize** ⇨ **Embrace**

1. **Disinclination:** Indifference due to insignificance is the first response to change. This is because bias and prejudice are deeply rooted within us. The idea of moving out of the established comfort zones unsettles the mind and this overawes the catalyst.
2. **Apathy:** When the reluctance is overcome, apathy to the desired change follows. One becomes indifferent to the ongoing sub-cultures that are in the process of being the core of the organization. Perceived conflicts manifest at this stage.
3. **Recognition:** Gradually, the workforce start recognizing the positive and negatives of the wave of change and the lucre and harm of being stagnant in turbulent waters.
4. **Embrace:** Thereafter, after thorough analysis, the concept of diversity is accepted in complete terms and even enthusiasm now follows with a newly found organizational culture.

This model delineates the concept of daring to move out of comfort zones. It inclines towards accepting and appreciating the multi-polar concept.

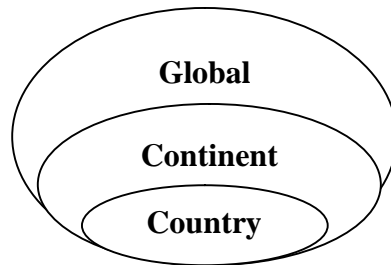
Solution:

Respecting diversity had been acclaimed as a part of ethical organizational behavior. Nevertheless to mention the number of advantages it triggers for the organization process. The diversity can be better considered as a prowess to drive organizational excellence.

1. **Make challenges common:** With the service driven companies in today's economy out-pacing in numbers the manufacturing based companies, there has been a corresponding shift to include intangible assets on corporate balance sheet and to include them into market capitalization, value creation and value addition. With the identical nature of issues for organizations it becomes indispensable for employees to be managed differently as they tend to be more loyal to their professions rather than the organizations they work for. Thus, tailor-made solutions must be devised for managing millennial who throng the workplaces. With each employee need and aspirations ranked at different level of hierarchy 'care and concern' must be practiced.
2. **Follow N.U.R.T.U.R.E. Model:** Nourishing an Unscathed Response to Transform for a Uniform Resilience with Enthusiasm is a significant role to be played by a catalyst. The zeal to sustain and outperform amidst dynamism is crucial. Elements of collaboration and co-operation can thrive and increase among the organizational team members only if these boundaries of differences are respected and not transgressed.
Each individual is different and his umpteen special characteristics that have positive connotation for the organization must be nurtured. A prompt response would aid the system to be in-tact. This would led the unlike scattered components to be united. And even when they face downturns they may rise again with fervor to contribute positively in organizational processes.
3. **'Diversity is the art of thinking independently together':** It involves transcendence from judging by the color of the skin to the content of the character. Our pre-conceived notions play a crucial role in acknowledging people. These must be suspended and instead trust in their abilities must be the basis for amalgamation into a team rather than categorizing individualistically. When a group starts conforming to each other the dividends generated by diversity diminish. Thus, the HR heads must judiciously nurture diversity.

4. Explore Multiple Variables Singularly: When a trouble is encountered in a unified manner collaboration arises by default. Adaptability requires an understanding of historical, political and economic reference of people. A careful reference study would aid in building cohesion rapidly amongst organizational team members. Union
5. Appreciate Differences: Sorting relevant from insignificant is both an art and science. One cannot be oblivious to minute details but can decide to deselect the criteria that are more prone to trigger bias and conflicts. An effective way to do that would be to ensure transparency in all functions and at all levels. E.g. Meritocracy though a conventional mode of hiring and promoting still stands relevant while making the growth path unambiguous. There exists vast variation among worldviews, communication styles, ethics and etiquettes of people. Individual differences should be invited to enrich the think-tank.
6. Adopt Ageless thinking approach: Changing demographics landscape and co-existence of multiple generations at work today have brought to fore considerable complexity. Baby boomers find it most difficult to work with Generation Y because they are impatient, over-confident, inflexible, job-hoppers whereas the latter finds it an ordeal to work with the former because of the characteristics of being fastidious and closed to accepting new ideas. But the bottom-line is to conjoin them to make a complementary team. The exciting synergy provides fertile opportunity for the incubation of innovative ideas and practices. The workforce integration is achieved by engaging individuals across geography, function and generation boundaries and borders. This may be broadly categorized into a three tier model as mentioned below. The expertise penetrates from top to bottom. This facilitates best practices to penetrate to the grass-root level and the extension of dividends.

Hiring and retaining employees of different age groups helps in development of country-specific strategies. The endeavors on generational diversity complement gender diversity. Because the working styles differ so does the managerial wavelength. Higher flexibility can be ensured by transitioning from linear career models to more unconventional career tracks.



7. **Enable Inclusion:** Asians often feel disempowered to influence decision-making due to less direct communication styles, lack of proficiency in English. Thus, holistic development is possible only with wider span of control.

Business impacts learning and learning impacts business. On the agenda that is indefatigably a priority is diversity training. Deutsche bank's innovative diversity awareness initiatives form the roadmap towards adopting diversity and making it functional. At the heart of this diversity agenda stands leadership accountability.

The big question confronting today's multi-national companies is to what extent they should embrace local sensitivities in their global initiatives especially for a diverse region like Asia. With evolving societal and cultural paradigms the human architecture and dynamics in firms is also getting complex, reiterating that corporate culture profoundly influences mindset of the society. The BPO culture has significantly changed our thought processes, attire, attitude and the list is in-exhaustive.

The evolution of diversity spurs crossroads of distinction lucidly marked between 'we' and 'they'. With Asia being a region of contrasts and diversity as a theme, being so encompassing, and the challenges in the business has been mounting.

The bank staunchly believes that 'diverse teams are winning teams'. Diversity accepted as a culture should bestow an environment where everyone feels valued and can give their best. Diversity revolves around gender, generations and enabling inclusions with leadership accountability at the core.

8. **Diversity Training:** 'Theatre-based' workshop is one of the most successful awareness interventions in this domain. It is a platform that unveils the unconscious bias and its implications to leaders. An open-ended discussion on various leadership styles, the unique preferences of generations, issues around disability and a host of

other areas. The powerful insights and innumerable perspectives answer the prevalent key questions as: 'Do women need to emulate male traits to succeed professionally?'

The opportunities that the diversity unfolds are the workforce gaps in the following forms:

- Cultivating creative leaders: who can sprightly lead in complex, global environments
- Mobility for greater speed and flexibility: that is, generating greater capability to adjust to underlying costs and faster ways to allocate talent.
- Capitalizing on collective intelligence: through effective collaboration across increasingly global teams.

There is definitely a two-way street between growth and mature markets when it comes to headcount movement and investment. This lends the advantage of consistency and magnitude of response towards acceptance of the 'wave of change'. The 'soft skill' collaboration enables global teams to innovate faster and better. These social fabrics weave a common context, and encourage new ideas and practices to thrive and endeavor an organization to outperform.

Conclusion:

For whichever of the reasons that motivates companies to invite diversity it is clear that companies that warily enlarge their workforces will enrich their 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 deploy people in spite of their differences, but by the companies that have learned to employ people because of them. It is a powerful force for change in the organizations today to become functional as lean yet agile teams.

An undercurrent that is eternal in the life-span is that 'homogeneity vests in the seeming heterogeneity'. As the process becomes intensely challenging the profound and stronger is the roots of the organizational loyalty and citizenship. Moreover, the employees when valued for their contribution in overcoming ambiguities are appreciated feel one and belonging to the company. The phase of being an intra-preneur thus begins bestowing ownership of results and responsibilities as a self-driven approach.

The workforce today seems to be 'age-less' with successfully striking the 'work-life balance'.

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