

Diversity in the Workplace for Sustainable Company Development

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Abstract: "Workforce Diversity" is a key word for organizations and leaders of today's organizations & has become crucial concept in global workplaces. Workforce diversity is a multi-faceted concept that will continue to evolve as more corporate companies move towards a global marketplace. Since diversity remains a significant organizational challenge, employers and employees must learn the skills needed in a multicultural work environment. Diversity includes all groups of people at all levels in the company. India is one of the fastest growing developing nations in the world. It has the largest English-speaking population and the largest base of middle class. Organizations are initiating diversity management programs and policies to build a positive diversity climate. The Information Technology (IT) sector has become an important growth catalyst for the Indian economy. Information Technology (IT) industry has played a significant role in transforming India's image from a slow-moving bureaucratic economy to a land of innovative entrepreneurs. Business globalization, preference for teamwork and the changing workforce demographics have made workforce diversity management a necessity for companies. India has a markedly different societal context for diversity from Western countries as it is a highly culturally diverse country. While workplace diversity is unavoidable, managing diversity is a complex and unique HR issue. In the future, diversity in the workplace may be required for companies that want to be competitive, because diverse ideas help create new solutions to help overcome obstacles. Diversity management means creating a workplace where differences in heritage, background, style, tradition, and views are valued, respected and used to increase organizational capacity. The concept of diversity in the workplace has become increasingly important for companies around the world. This article analyses the data obtained through research work targeting the understanding of companies' orientation toward diversity. It assesses four themes: motivation, innovation and creativity, leadership, and social responsibility.

Keywords: Globalization, Diversity, Workforce Diversity, Diversity Management, Sustainable Development

I. INTRODUCTION

Considerations regarding diversity have advanced from legal compliance to inclusion in the workplace. Title VII of the Civil Rights Act of 1964 prohibits discrimination in employment. McKinsey report found that organizations with more than 30% of their women in executive positions were more likely to outperform companies where this percentage was lower.

Diversity management has become a challenge for more and more companies due to women's promotion to high positions in the public and private sectors. Governments seek to encourage diversity in the workplace in public services, primarily due to the existence of immigrants.

No research has been conducted to provide an objective view of this field's rapid development.

As borders between nations and societies break, we are falling under the haste of globalization. Organizations must try to reflect such consumer diversity by creating diversity in the workplace. This management practice is known under various names, such as market reflection or workforce representation. It can be visible (based on attributes such as race, gender, or age) or invisible (education, jobs). Understanding the practical use of diversity management in organizations is necessary to design and implement a workplace diversity curriculum.

An analysis has been performed on the data obtained through research work targeting the understanding of companies' orientation toward diversity in the workplace. The study provides its contribution to the literature in the diversity management field through the perspective of human resources, creation, leadership, and social responsibility processes.

1.1 Objectives of the Study

- To Review the workforce diversity and inclusion through literature and underpinning theories.
- To understand the various dimensions of workforce diversity.
- To identify the benefits of workforce diversity and inclusion to the organization.

II. LITERATURE REVIEW ON WORKFORCE DIVERSITY AND ORGANISATION

The research study by Kossek and Zonia (1993)⁴⁹, in the domain of measuring diversity climate, analyses the links between group characteristics (racial/ethnicity, gender, and level), contextual organisational unit characteristics (gender and racial/ethnic heterogeneity, and level), and resource support for women) and how the workforce views diversity. According to this survey, women valued company initiatives to support diversity more than men did, and they also had more positive perceptions toward women's qualifications. The findings of this study show a substantial relationship between gender heterogeneity and accepting diversity.

Cox (1993)⁵⁰ in his elaborated work on diversity in organizations explains the importance of managing diversity in workplace. According to him diversity itself does not automatically have positive effects but must rather be managed effectively to improve organizational effectiveness. Cox uses the term "diversity climate" to define collectively the influence of individual, group and organizational factors that support diversity.

Research on demographic diversity and staff attitudes in the life insurance industry was done by Riordan and Shore (1997)⁵³. In this study, the authors used 98 workgroups from the Life Insurance Company to explore the effects of an individual's similarity to the demographic composition of the workgroup on individual level attitudes. The findings show similarities in People's views toward their workgroup and perceptions of prospects for promotion are influenced by their race and ethnicity. Results for similarity in tenure and gender were insignificant. These results imply that the effects of demographic variables on employee attitudes toward diversity among work units of an organisation may vary in complexity.

In his study "Diversity Management: Some Measurement Criteria," Thomas (1999)⁵⁷ demonstrates the value of monitoring diversity programmes. The research paper provides a detailed analysis of the significance of human resource managers, emphasising the need for them to be able to justify their diversity progress using both quantitative and qualitative criteria. The paper discusses the significance of diversity evaluation, both prior to implementing diversity to establish benchmarks and post-diversity investment to evaluate the organization's returns on such investments.

75 writers highlight the necessity of diversity initiatives like diversity training in organisations in Kulik et al (2008) 's work. Furthermore, the survey-based study "Employee Receptivity to Diversity Management: Perceptions in a Federal Government Agency" by Soldan and Dickie (2008)⁷⁶, which had the main goals of determining how much diversity management was received by employees in terms of gender and ethnic groups and of investigating the links between diversity management receptivity and its precursors.

The study by Bakr, et al. (2009)⁷⁹ investigates workers' perceptions of workplace diversity in the banking industry in the United Arab Emirates (UAE). Results show that while the UAE is one of the more conservative nations in the world, the inclusion of diversity in the workforce does not significantly affect employee acceptance of diversity. This suggests that personnel in traditional, non-Western nations will have a different attitude toward welcoming diversity.

An extensive survey conducted by McKinsey & Company (2010)⁸¹, in Indian corporate on "Women matter: Gender diversity, a corporate performer", report reveals that there is male dominated environment in corporate world. The report identifies that most companies are practicing gender diversity only by initiating measures like flexible working conditions.

Gaze (2010) ⁸⁴ conducted study to ascertain the extent to which employee a variety of gender- and ethnic-specific diversity and management strategies an example of a foreign country's administration and military personnel Military Medical Treatment Center (MTF). According to the study, there was no discernible difference

between Employees, whether male and female, are open to accepting cultural diversity.

Hypothesis 1

In order to gain a competitive edge and improve performance, businesses operating in this changing business climate must support a creative workplace culture. According to a 2022 study, inclusion can effectively address the issues of workplace discrimination by fostering cooperation, engagement, cohesion, and equal chances in order to boost innovation. Another research from 2022 focused on the incomes of immigrants and public and private sector diversity strategies. The findings indicated that while working in mixed teams (as required by diversity policy) reduces salary disparities in the public sector, language programmes that require students to learn the national tongue of the country raise wage disparities in the private sector.

Hypothesis 2

Consequently, diversity and inclusion are usually associated with each other as organizational priorities. However, the idea of initiatives to support workforce diversity sounds easier than putting it into practice. Contradictory approaches to managing diversity can lead to resistance or confusion among employees or stakeholders. However, there is little evidence of good practices in the field.

The authors of the study point out that it is necessary to achieve diversity beginning with the hiring process, such as attracting minorities to management positions [40], for instance, by using specific KPIs like the proportion of women hired for a position out of all candidates, the proportion of young or elderly candidates hired, or the proportion of applicants drawn to the position based on a candidate's religion, culture, or any other factor.

Leaders must understand that their success is based on the success of their talent, regardless of background, race, sex, orientation, or any other characteristic that defines individuals and makes them significant. Policies on diversity in the workplace are efficient if both the management and the employees support them.

Hypothesis 3

CSR is crucial because it builds customer loyalty and increases shareholders' returns, contributing to the promotion of a green environment, diversity, corporate governance, and employees. An inclusive workplace offers equality, respect, and opportunities. If an organization fails to create an inclusive work environment where employees do not feel welcome, the presence of diversity can inhibit performance.

Diversity used to have the limitation of reducing the effectiveness of work teams due to differences in how people engage, employee hostility, or communication issues [51], but in today's world, where the number of racial minorities is increasing and women hold different employment roles, diversity influences learning, intergroup behaviours, and social relationships, based on "us" rather than "they," changing the optics and eliminating the idea of lone-ranger. According to their arguments, as employees and managers are open to communicating and having intergroup activities, they will more easily accept a workplace based on diversity.

Hypothesis 4

Inefficient diversity management can have adverse effects on employees' skills, motivation, and satisfaction, which leads to decreased productivity.

The internal aspects of CSR—health and safety, human rights, training and development, workplace diversity, and work-life balance—with an impact on social performance are the main focus of the study.

If the company ignores the existence and significance of workforce diversity, it may lead to a situation in which both the company and its employees are unable to realise their potential or fulfil their goals [68].

The significance of a human resources function in the context of well managed diversity in the organisation is highlighted as a result.

As a result, the following formulation of the central hypothesis is maintained as a requirement for the validation of study findings: In businesses where the employees.

III. MATERIALS AND METHODS

3.1 Sample and Data Collection

The questionnaire was sent to 600 respondents, but replies were received from 487 respondents, which means an important return rate of 81.2. The authors randomly selected some SMEs from Mumbai region but covered different characteristics necessary for the study.

The Size of Research Sample

Thus, in determining the size of the research sample: (1) we took the share of population as parameter of interest; (2) the share of population considered was 0.5, the least favourable on which it could be found ($p = 50$); (3) we set the maximum admissible error to 0.03 (+/-3.0%); (4) a confidence level of 0.95 was allocated. By using the formula, we obtained the following pattern for the selection of the sample size used in the field work:

Characteristics	Frequency	Characteristics	Frequency
Gender		Position	
Male	307	Management	
Female	180	Men	94
Education		Executive positions	
Upper secondary education	108	Men	213
Post-secondary education and apprentice school	100	Female	142
Higher education	180		
Post-graduate studies (master studies, doctoral studies, postdoctoral studies)	99		
Industry			
Nb of employees		Agriculture	10
1–9	27	Architecture/Construction	10
10–49	201	Banking sector	26
50–249	167	Education sector	36
250–500	55	IT sector	15
Above 500	37	Legal/Judicial sector	7
Age		Production sector	213
Under 24	70	Health sector	11
24–34	137	Services sector	86
35–54	188	Transport sector	15
Over 55	82	Tourism sector	16
		Sales sector	37

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The principal components analysis (PCA) is one of the analysis methods of descriptive data which are applied quite often for quantitative data. PCA has as its fundamental principle the extracting of a minimum number of components to recover as much as possible of the total information contained in the original data.

ItemCode	Items
QM1	I am satisfied with the training program made available by the organization
QM2	I am motivated to make the necessary effort in the workplace every day
QM3	I am satisfied with the compensation for my work, and I believe that I receive a faircompensation
QM4	I am satisfied with the career advancement opportunities available to me within theorganization
QM5	There is good communication and close relationships between leaders and subordinates within the organization where I work
QM6	The management of the organization I work in recognizes the staff with goodperformance
QM7	I am satisfied with the work environment and workplace flexibility offered by theorganization I work in
QM8	I am satisfied with the organizational culture in my workplace
QM9	The organization in which I work supports workforce diversity

IV. RESULTS

The internal consistency of the set of items related to the theme “Motivation inside organization” has been tested by applying the Alpha Cronbach coefficient to the items grouped from QM1–QM9 (Table 2).

Table 2. The items set for the analysis of staff motivation inside the organization

V. CONCLUSION

Some organizations have realized that initiatives to implement diversity policies and practices have a broader effect on them, their employees, partner organizations, and the community. In such companies, diversity is an organization-wide concern rather than a human resource department concern. The active involvement of top management and managers at all levels is vital for the successful implementation of diversity initiatives.

The Alpha Cronbach coefficient, relationships between items and scale, orthogonal rotation of the factorial matrix, variance, and elements related to the diversity of the workforce within the organisation were all used by the authors to test the internal consistency of the set of items related to each analysed characteristic.

A strong and positive culture, ethical conduct, equitable opportunities, fair employment, and opportunities for performing innovation teams, more points of view, and better creativity must all be fostered by HR managers. By incorporating each person and the manager in creating, putting into practise, and employing best practises and rules that are readily available to employees, performance can be boosted.

Companies are increasingly incorporating diversity in their management requirements as they understand the value of maintaining a positive business image and reputation. Participating in a variety of activities and initiatives helps people get a better knowledge of the beliefs and values they want to uphold as well as their exterior status in society.

Motivation, creativity, leadership, and social responsibility were examined. The empirical findings prompted a literature expansion that took a fresh look at how to achieve success through workplace diversity. Those in positions of leadership and management should begin by focusing on how to implement diversity in the workplace.

Limitations

Our research, in our opinion, contributes significantly to workplace diversity. It does have certain limits, though, such as the need for additional research to examine how other factors may affect diversity in the workforce. However, the

findings can be applied to further domain or area study and transferred to allocate them to other viewpoints or use them as a benchmark. One more restriction would be the set scale between 1 and 5, which excludes every subtlety in-between the fixed values, which might have shown subtle variations in the influences of the variables under study. Analysed in more investigations. Previous discussions have included factors including CSR, leadership, hiring, equal chances, employee happiness, and financial performance, but not the crucial elements, such as drive, drive, inventiveness, leadership, leadership, or social responsibility. The study's originality must be highlighted, and diversity in the workplace has never been more important.

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