



Workforce diversity: An asset or a liability

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Abstract

Globalization has shrunk the entire world. With increase in the number of Multinational Companies, the issue of multiculturalism has become very significant. Multiculturalism refers to the presence of many different cultural backgrounds within an organization that leads to diversity in workforce. If the cultural diversity is not aligned with managerial functions, the organization suffers and therefore it is important to manage the cross cultural diversity. This paper aims at analyzing the ways to manage cultural diversity, culture, layers of culture and the impact of culture in an organizational performance.

Keywords: diversity, culture, multiculturalism

Introduction

Meaning of Culture

Culture: The system of shared beliefs, values, customs and behaviors that the members of society use to cope with their world and with one another, and that are transmitted from generation to generation through learning.

Culture refers to the sum total of knowledge, experience, beliefs, values, attitudes, religion, and notions of time, roles, and relations, concepts of the universe, and material objects and possessions acquired by a group of people which shapes the overall personality and defines the work culture being adopted by the person belonging to the same culture.

Layers of Culture

People even within the same culture carry several layers of intellectual programming within themselves. Different layers of culture exist at the following levels:

- **The national level:** Associated with the nation as a whole.
- **The regional level:** Associated with ethnic, linguistic, or religious differences that exist within a nation.
- **The gender level:** Associated with gender differences (female vs. male)
- **The generation level:** Associated with the differences between grandparents and parents, parents and children.
- **The social class level:** Associated with educational opportunities and differences in occupation.
- **The corporate level:** Associated with the particular culture of an organization. Applicable to those who are employed.
- Source: people.tamu.edu/~i-choudhury/culture.html

Multiculturalism

It refers to a situation in which all the different cultural groups in a society enjoys equal rights and opportunities, and none is overlooked or regarded as insignificant.

Some of the important cultural aspects which need attention are:

1. What is the attitude of people towards work?

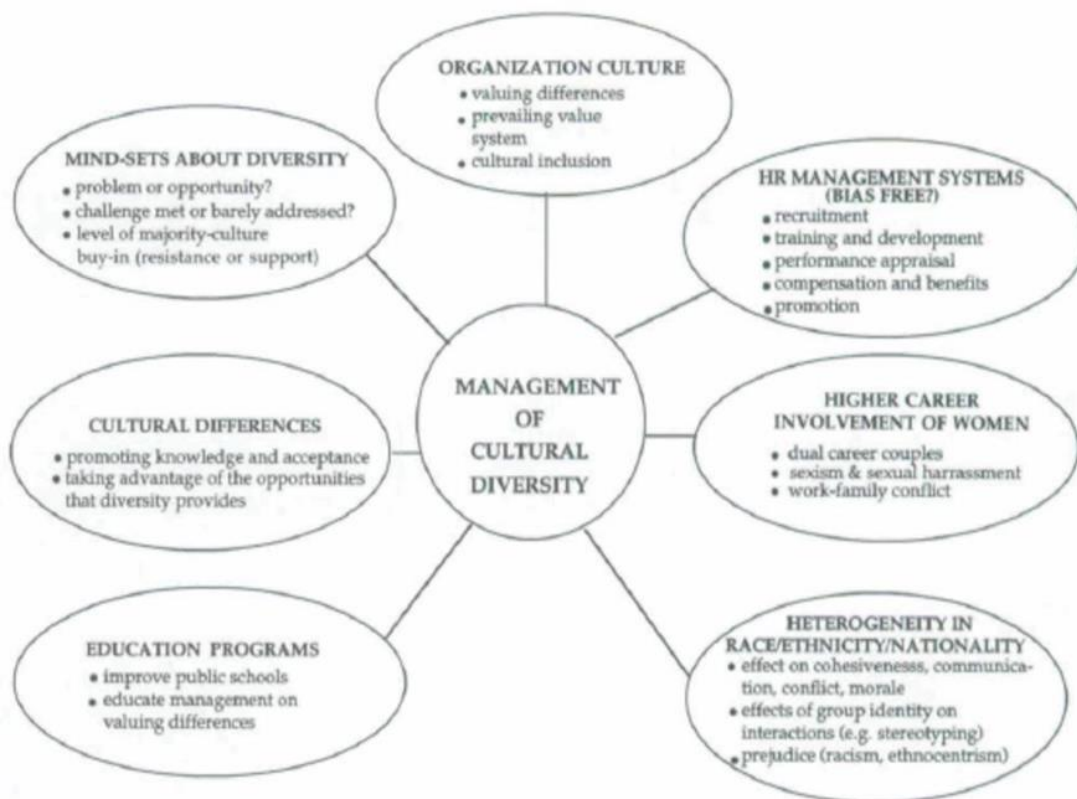
2. How do people respond towards authority?
3. What attitude do they hold for future?
4. How do they take decisions in different situations?
5. How much priority do they assign to their family members?

According to Hofstede's, the following four are the important dimensions related to Multiculturalism:

1. Power distance is the extent to which the employees accept the authority of managers. In high power distance cultures workers follow orders and expect orders from authority and the decision making is centralized. In low power distance cultures the process of decision making is decentralized and workers do not accept managerial power structure.
2. Uncertainty avoidance refers to the extent to which a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, and different from usual. The basic problem involved is the degree to which a society tries to control the uncontrollable.
3. Individualism versus collectivism: is the degree to which individuals are supposed to look after themselves or remain integrated into groups, usually around the family. Positioning itself between these poles is a very basic problem all societies face. A concise definition is: "Individualism stands for a society in which the ties between individuals are loose: Everyone is expected to look after him/herself and her/his immediate family only. Collectivism stands for a society in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty".
4. Masculinity versus femininity: refers to the distribution of emotional roles between the genders, which is another fundamental problem for any society. This distinction opposes "tough" masculine and "tender" feminine societies. The duality of the sexes is a fundamental fact

with which different societies cope in different ways. Surveys on the importance of work goals show that almost universally women attach more importance to social goals such as relationships, helping others, and the physical environment, and men attach more importance to ego

goals such as careers and money. Masculinity stands for a society in which gender roles are clearly distinct. Men are supposed to be assertive, tough, and focused on material success. Women are supposed to be more modest, tender, and concerned with the quality of life.



Source: Taylor H.Cox, Jr., and Stacy Blacke, “Managing Cultural Diversity: Implications for Organizational Competitiveness”, Academy of Management Executive, Vol. 5, Issue 3, August 1991, p.51.

Fig 1

There are three major aspects related with managing diversity.

A) Managing cultural diversity

Developing cultural competence results in an ability to understand, communicate with, and effectively interact with people across cultures, and work with varying cultural beliefs and schedules. To manage cultural diversity in an efficient and significant way the following points should be kept in mind:

1. **Communication:** Providing information accurately and promptly is critical to effective work and team performance. Communication of information must be done keeping in mind the cultural background of the employees.
2. **Team-Building:** Some cultures – like the United States – are individualistic, and people want to go it alone. Other cultures value cooperation within or among other teams. Team-building issues can become more problematic as teams are comprised of people from a mix of these cultural types. Effective cross-cultural team-building is essential to get maximum advantages of cultural diversity in the workplace
3. **Time factor:** Different views of time can cause a great misapprehension and even disaster in the workplace, especially with scheduling and deadlines. Perceptions of

time underscore the importance of cultural diversity in the workplace, and how it can impact everyday work.

B) Managing workforce diversity

Workforce diversity reflects the composition of workforce at workplace which includes differences in culture, social backgrounds, gender, education level and so on. The organization can not overlook such differences as they are quite important for the successful operations of day to day work. Therefore it is required on the part of management that a healthy organizational climate must be maintained to accommodate such differences and to take maximum inputs from the workforce.

C) Managing individual diversity

It is well known fact that despite the same cultural background, educational qualification, gender etc., each individual has a very distinct identity. They all have different perspectives towards life, work, team spirit and so on. Therefore the most challenging task among managing diversity is to manage individual diversity and to direct the individual goals towards organizational goals.

The recent report by McKinsey Global Institute says that if the

gender gap in the workforce is bridged, at full potential, India's GDP would increase by 60 percent by 2025 and it would go up 26 percent for the entire world.

Some of the practices being adopted for managing cultural diversity by KPMG and Tata are:-

KPMG: Melanie Richards, Vice Chair at KPMG, said: "When we talk about diversity, people immediately think of gender or race, but social background is equally as important. Professional services firms have often been cited as bastions of the so called social elite and it's important we consign this stereotype to the past. We recruit from a wide range of schools and universities and while we do require a level of academic ability, we need personal qualities such as adaptability and curiosity, to help our clients analyse and respond to complex challenges.

KPMG worked closely with experts at the Bridge Group, who advised the organisation on the most relevant data points to measure social mobility and analysed the data, delivering a statistical overview.

Nicholas Miller, Director of the Bridge Group said "We are delighted to provide analysis to support KPMG in this leading piece of work. Understanding workforce diversity is essential to underpin any activity aimed at improving it, and this is most complex in relation to socio-economic background. KPMG have undertaken the most comprehensive collection of workforce data of any business to date, with evidence showing they are making positive progress with their school leaver and graduate recruits, and the inclusion of parental occupation provides particularly important insights."

Tata: Diversity and inclusion have been part of the Tata culture since Founder Jamsetji Tata's times. Jamsetji's letter to his son Sir Dorabji Tata, outlining his vision for a township for Tata employees, which eventually became Jamshedpur, states that the plan has to " earmark areas for Hindu temples, Mohammedan mosques and Christian churches". The Tata commitment to diversity and inclusion has endured through its 148-year-old history and is enshrined in the Tata Code of Conduct and in the Tata values of 'unity' and 'understanding'. The group respects the uniqueness of each individual employee. The diversity and inclusion (D&I) culture across Tata companies enables employees to achieve their full potential without being discriminated on the basis of factors such as religion, age, gender, ethnicity, race, and physical and mental ability.

The D&I strategy of the group has been further strengthened with the launch of Tata LEAD, the group D&I initiative. Launched in March 2014, the initiative is steered by the Group Diversity Council (GDC), which comprises representatives from group companies and provides strategic direction to the programme.

A multi-pronged approach is adopted for the implementation of Tata LEAD. It is structured around a framework of leadership commitment, sensitisation, development, and celebration of milestones and achievements. Several Tata group companies have updated as well as put in place new policies and processes to support the initiative; many have set up internal diversity councils. Gender diversity is the initial area of focus for Tata LEAD.

Conclusion

Having diverse population at workplace is a challenge and an opportunity. Diverse workforce is important as it provides numerous benefits such as innovation, economic growth, and overall development of the organization and so on. It is quite important for an organization to maintain an environment of mutual respect and trust by welcoming the diverse workforce. We must respect the identity of all individuals and allow them to participate in order to build cordial relationship. A happy workforce maintains and provides healthy work environment.

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