



DIVERSITY IN WORKPLACE: ISSUES AND CHALLENGES

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Abstract

Entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success. The entrepreneur perceives an opportunity and often exhibits biases in taking the decision to exploit the opportunity. The concept of diversity is based on individual acceptance and respect. It is an understanding that individuals are unique and different. Diversity means all characteristics and experiences that define each of us as individuals. Diversity can include Race, Ethnicity, Gender, Age, Religion, Disability, and Sexual orientation.

Diversity increases constructive group processes and is positively associated with performance in business units. Groups with greater diversity were shown to have greater innovation and creativity. As diversity in the workforce grows at an amazing rate, more and more organizations are now focusing on diversity in the workplace by emphasizing recruitment, selection, retention, and training. This is because diversity issue is not limited to one geographical area, it is universal issue.

Key Words: *Global Workplace, Entrepreneurs, Diversity, Individuals.*

Introduction

Entrepreneurs are not necessarily motivated by profit but regard it as a standard for measuring achievement or success. Entrepreneurship is the process of starting a business, typically a startup company offering an innovative product, process or service. The entrepreneur perceives an opportunity and often exhibits biases in taking the decision to exploit the opportunity.

Types of Entrepreneur

- Social Entrepreneur
- Serial Entrepreneur
- Lifestyle Entrepreneur
- Co-Operative Entrepreneur

Diversity

The concept of diversity is based on individual acceptance and respect. It is an understanding that individuals are unique and different. Diversity means all characteristics and experiences that define each of us as individuals. The 1964 Civil Rights Act made it illegal for organizations to engage in employment practices that discriminated against employees on the basis of race, color, religion, gender, national origin, age, and disability.

While many organizations are embracing diversity in the workforce, there are still organizations today that remain unresponsive. Although many government agencies and Fortune 500 companies provide diversity training, around 40% of organizations still do not.

Objective of the Study

- To study and understand the elements of diversification
- To study how diversity issue create impact on entrepreneurs in globalizing economy
- To know the ways to incorporate diversity by the entrepreneurs in their organization to move forward in their objective

Scope of the Study

The scope of the study is related to clearly understand the relevance of diversity in global workplace and study what are their impacts on entrepreneurs to take up new projects to increase profit and make domestic economy as globalised economy. And suggest organizations to move forward with diversity management.

Methodology

The data has been collected from secondary sources. Data has been collected from various projects, books and journals. Various websites are also referred for the collection of the data and at the same time expert's opinion are also taken into consideration. This data contains:



Inclusive Criteria

This data includes importance, issues and challenges of diversity.

Exclusive Criteria

This data excludes other issues and challenges.

Limitations of the Study

- Data collected only through secondary source
- All the data cannot be generalized
- Study focuses on diversity effect in global workplace and neglects the other issues

Why Globalising is Necessary

The primary motive to globalize is that the global market is much larger than the domestic one, no matter where you are from. Larger markets lead to economies of scale, and moving production overseas can reduce costs because of access to cheap labour. Many countries also offer generous subsidies to foreign companies offering inward investment.

The motivating factors can be summarized as follows:

Growth Opportunities

- Economies of scale
- Incentives
- Resource access and cost savings

To make use of all these advantages an entrepreneur must adopt diversity in his business, and solve any issues that are already in process.

Diversity and its Elements

Diversity is defined as all characteristics and experiences that define each of us as individuals. A diverse workplace aims to create an inclusive culture that values and uses the talents of all its employees. It is an understanding that individuals are unique and different. Even the organizations that claim to be strong advocate for diversity do not have the statistics to back their claims. Only 30% of female employees hold management positions in Wal-Mart this is a very low number considering 70% of their employees are female.

Gender discrimination is still a huge problem within many organizations. Many male managers are slow to promote female employees to managerial positions. Not only gender issue but there are many diversity issues that are creating problems in organization.

Elements of Diversity

- Age
- Gender
- Ethnicity
- Race
- Physical Ability
- Sexual Orientation
- Physical Characteristics
- Income
- Education
- Marital Status
- Religious Beliefs
- Geographic Location
- Parental Status
- Personality Type

Ways to Incorporate Diversity

Businesses find ways to incorporate diversity into their workplaces without causing major changes to the way their companies operate.

Incorporating Diversity Practices in a Workplace Can Include

- Recruiting from diverse talent pools to make the company open to employees from various backgrounds.
- Diversity may be infused into advertising practices to ensure products and services are targeted to all consumers who represent the target market, whether through print, online, television or radio.
- **Diversity Training**
As diversity in the workforce grows at an amazing rate, more and more organizations are now focusing on diversity in the workplace by emphasizing recruitment, selection, retention, and training.



Diversity Training has Three Major Objectives in the Workplace

- Increase awareness about diversity issues
- Reduce biases and stereotypes that deter from effective management
- Change behaviors to help effectively manage a diverse workforce

Managing Diversity

Managing Diversity is defined as the “planning and implementing organizational systems and practices to manage people so that the potential advantages of diversity are maximized while its potential disadvantages are minimized”.

Key to Growth

- Diversity management is the key to growth in today’s competitive global marketplace.
- Organizations that seek global market relevancy must embrace diversity
- To better understand the future of diversity management and its role as a business growth enabler, think back to when Information Technology (IT) was viewed as just a cost center.
- IT was not associated with driving business growth 20 years ago, but now rather as a required cost of doing business.
- Just like diversity today, many people then thought IT got in the way of business. Today, IT is considered a profit center by many and a high priority for organizations as a business growth enabler.

Factors that Effect Diversity

Research suggests that whether or not diversity has a positive or negative effect depends on different aspects of the organization’s strategies, culture, and human resource practices. This indicates that diversity may be beneficial under certain conditions and in certain organizations

- Size of the organization
- Age of the organization
- Type of organization
- Diversity of the community surrounding an organization

Benefits of Diverse Workplace

- Customer service improves when staff understands and can communicate skillfully with customers from a range of backgrounds.
- Workplace diversity where staff are encouraged to work in their areas of strength and capability.
- Valuing diversity where staff potential is recognized and developed.
- Productive diversity is valuing different experience, perspectives, skills and the cross-transfer and integration of these into the company and local economy.
- Groups with greater diversity were shown to have greater innovation and creativity high quality solutions than less diverse groups.
- Diversity increases constructive group processes and is positively associated with performance in business units.
- Diversity is associated with increased sales revenue, Greater market share, more customers, and greater profits.

Barriers of Diversity

- Limiting area of consideration
- Lack of diverse applicant pool in positions
- Lack of diversity at the senior ranks
- Categorizing people into certain positions
- Always recruiting from same source
- Grooming/developing only one person
- Diversity management cost
- Diverse groups are shown to be less integrated and have a higher level of dissatisfaction.
- Increases the level of dissatisfaction in group members, as well as miscommunication.
- Diversity can be linked with conflict, lower group adhesiveness, increased employee turnover and absenteeism, and lower quality of performance.

Example: Diversity Impact on Batisol Plus Company

A French tiling and flooring company with 42 people as workforce, was facing difficulties in recruiting local work force, wanted a more diverse workforce. Following complaints about workers not being serious it recruited more women and young people from deprived areas.



Suspected Reason was Discrimination. To Overcome This Barrier they Made

- One day full training regarding
- Power of stereotypes
- Benefits of diversity

Problems were surprisingly resolved. Employees were more

- Efficient
- Independent
- Motivated
- Unexpected outcome-
- Friendship emerged between workers from very different backgrounds.

Findings

- Diversity is a basic issue that any entrepreneur face while moving forward to global economy.
- Diversity creates space in organization to all types of people.
- People/Employees are social being and any organization or global work place must give importance to diversity to create good atmosphere.
- Diversity in a workplace can increase productivity directly or indirectly.
- Diversity may produce conflict and employee turnover as well as more creativity and innovation
- Diversity has more advantages than its disadvantages

Suggestions

- Implement diversity in organization
- Solve any issues relating to diversity before moving forward to any other issues.
- To Implement diversity in organization
- Secure top management commitment
- Alternative work arrangements
- Increase diversity skills
- Organizational assessment
- Attracting employees
- Accommodating work and family needs

Conclusion

It is clear that diversity has a profound effect on the entrepreneurs and in global workplace. While many studies have been conducted, these studies show conflicting results, implying further research is needed. As the workforce continues to grow more diverse at a staggering rate, it is necessary for organizations to embrace diversity. Although many organizations have increased their acceptance of diversity, it has yet to fully garner a majority of support. For entrepreneurs to move forward to global economy he must implicate diversification in his business.

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