



WORKFORCE DIVERSITY & INCLUSION: A RECENT TREND IN MANAGEMENT

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ABSTRACT

We live in the “era of empowerment” and distributive leadership where possession of leadership by one is not sufficient to strive in the storm of competition and rapid change. Similarly, it is almost impossible for organisations to excel and survive with a homogeneous workforce, due to which workforce diversity and inclusion are one of the most emerging topics in today's world. Organisations are making all possible efforts from formulation to execution of several policies for bringing more effectiveness in the recruitment and selection process to ensure the acquisition, retention, and satisfaction of a highly varied workforce.

A diversified workforce brings competitive advantage, innovation, new ideas, perspectives and cost-benefit to the organisation on the other hand communication issues, cultural misunderstandings, discrimination, and slower decision-making are some challenges faced by organisations. In this paper, efforts have been made to explain the concept of workforce diversity and inclusion various benefits and challenges are also discussed, along with the several perspectives and practices adopted by some leading organisations are presented in a lucid manner. This paper is based on secondary data. After going through readily available data, it emerged that adopting diversity and inclusion in the workplace is inevitable to hit the jackpot as diversity brings innovation, creativity and better financial returns.

Keywords: workforce diversity, equity and inclusion.

I. INTRODUCTION

Employees are the lifeblood of any organisation, they are like that pillar of building on which sustainability depends. In this era of technology and advancement, the world is getting smaller, with limited barriers, which encourages employees to work for different organisations in different parts of the world for a better experience and to exploit their potential fully, which gives birth to workforce diversity and eventually equity and inclusion. Workforce diversity is differences among employees based on age, gender, caste, ethnic group, educational qualifications, work experiences and many more, it is the makeup or composition of the workforce and is quantitative in nature. Equity is about recognising the historical legacies and current realities of discrimination and oppression that people experience so that a fair playing field can be provided because everyone does not start the same, whereas inclusion means making that composition work. Inclusion is broader than diversity as it includes quantitative and qualitative representation of a diversified workforce. Inclusion ensures value and creates a sense of belongingness in the employees being their authentic selves. DEI (Diversity, Equity, and Inclusion) go hand in hand with having diversity alone and cannot serve the purpose.

A major concern for organisations in the future will be the use of their human capital, and that resource is undergoing a major shift. Organisations are growing more diverse as the populations of the United States and other countries across the world become more diverse (Fernandez 1993). Organisations that appreciate the importance of workforce transformations can use these changes to their advantage as competition grows. (Prasad et al.1997). Diversity professionals throughout the country were interviewed, and they discovered that the globalisation of many American firms has increased the need for a multicultural perspective to compete successfully worldwide. Wentling and Palma-Rivas (1998). Workforce diversity and inclusion aid in competitive advantage and bring inevitable benefits to organisations with the passage of time there is increased awareness about the necessity and significance of workforce diversity and inclusion and organisations are trying their best to incorporate required changes and make their workforce as diversified as the customers they serve to better understand the need of customers and come up with best product and services for their customers and to make organisational culture more open and inclusive for all.

II. LITERATURE REVIEW

Taylor H. Cox and Stacy Blake (1991). Mentioned that an organisation's capacity to attract and choose individuals from various cultural backgrounds while maintaining high workforce quality can provide a competitive advantage in cost structure, innovation, problem-solving, and enhanced change adaptation.

Jackson May and Whitney (1995). Argued that diversity encompasses both race, gender, age, and other demographic differences, as well as the values, abilities, tenure, and personalities of individuals. Further mentioned people have multiple identities which cannot be separated in the organisational framework.

Lauring (2009). Focused that worker diversity encompasses not only differences in attitude, perception, and language but also disparities in knowledge and abilities, as information sharing is crucial to enhance productivity, which arises through effective communication.

Groeneveld (2011). Concluded that majority group employees who interpret diversity management efforts as sacrifices towards minority groups' welfare and values may undermine their relationship with the organisation. Furthermore, these efforts may be viewed as unfair and the organization as unscrupulous.

Ram Kumar et al., (2012). Advocated that the ability to serve a wide range of external consumers is better under the conditions of an increasingly global market when organizations have diverse workers, as a more knowledgeable environmental perspective is provided by such organizations because they are aware of legal, political, social, economic, and cultural issues.

Guillaume et al., (2014). Highlighted that because of cultural beliefs and biases, members of minority groups such as female employees and underrepresented minorities are identified as of inferior grades whereas being a member of a majority group which includes men and native employees considered as having higher status in an organisation.

Saxena, A. (2014). Concluded that having a diversified workforce will certainly enhance productivity. Conversely, it can also result in disaster if managed inappropriately because both the management and employees experience problems regarding language barriers and discrepancies in perspective, and attitudes which affect their behaviour and eventually productivity.

Mor Barak, et al., (2015). Emphasised that diversity management is a subsystem of human resource management. Taking a step further ensures organisational equity, which protects employees from undesirable job assignments and, as a result, leads to higher job satisfaction.

III. OBJECTIVES

- To understand the benefits of workforce diversity and inclusion
- To know the challenges in diversity management
- To explain the perspective and practices of DEI management in top organisations.

IV. METHODOLOGY

Secondary data have been used in this research paper, which includes research papers from quality journals, articles and websites of the mentioned organisation, to know the perspective and practices, the diversity & inclusion report of the mentioned organisation has referred to.

V. SIGNIFICANCES

Throughout history, workforce diversity, equity and inclusion have always been a major concern, and several studies show how important it has always been to have a diversified workforce because diversity brings different thought processes and ideas. The Disney brand is a fantastic example with over 200k employees worldwide which leads to creativity and innovation which are two crucial factors for the success of any organisation. Research has shown diversified workforce can increase productivity by many folds, as an organisation with diversified team members can better recognise and serve the need of diversified customers eventually expanding the customer base additionally, inculcating DEI reduces employee turnover because employees prefer workplaces where they feel valued and comfortable being their true self. A recent Boston

Consulting Group study found that businesses with a diverse group of employees and improved creativity generated 19% more revenue.

VI. CHALLENGES

Despite various advantages, cultivating diversity and inclusion in the workplace brings a lot of obstacles. The communication gap is one of the most common issues, through differences in body language and gestures. Even the same situation have different perception and different parts of the world have different meanings for the same word resulting in misinterpretation and cultural clash. Inescapably stereotypes against a specific group of people always exist which leads to an interruption in interaction, and miscommunication sometimes group members feel isolated and disconnected which acts as a hurdle in the transfer of knowledge and ideas among employees, and these problems will altogether lower the morale and productivity of employees. Sometimes, considering moral obligation, organisations end up selecting bad talent, without realising that diversity, which does not help organisations to achieve their goal is of no use.

VII. PERSPECTIVE AND PRACTICES REGARDING DIVERSITY AND INCLUSION OF TOP ORGANISATIONS

VII. PERSPECTIVES

Ernst & Young is One of the world's largest networks for professional services. It is regarded as one of the "Big Four" accounting firms. They believe *At Ernst & Young LLP (EY US)*, "diversity, equity and inclusion are core to who we are. They are essential elements of our history and run deep in our DNA. For EY US, it's personal." Ernest & Young got its name from Ernst & Whinney and Arthur Young. Arthur Young studied law but being deaf and having low vision, he could not succeed as a lawyer and became a founder of the modern accounting profession as an entrepreneur by focusing on his strength, which laid down the foundation of DEI at EY. DEI even intensified when Arthur Young combined Ernst Whinney, the business known for being among the first to hire a Black partner. Similarly, The CEO of Johnson & Johnson mentions that diversity, equality, and inclusion (DEI) are the heart of how Johnson & Johnson operates its business, based on the values enshrined in their Credo "vision: Be yourself change the world" and their mission: To make diversity and inclusion how we work every day." Further *Mastercard* believes, "To handle today's challenges and establish tomorrow's prospects, we must embrace various perspectives." *Randall Tucker*, chief inclusion officer of MasterCard says, "An inclusive workplace that champions positive social impact inside and outside of its walls is not a nice-to-have. It's a necessity." We respect everyone's rights and will not tolerate hatred or prejudice toward others. We seek to create a welcoming environment for all people, regardless of their beliefs, ethnicities, or backgrounds. Likewise, the CEO of *Adobe* known for its creation and publication says, "Diversity is about valuing the unique life experience that every employee brings to work every day. Our success is dependent upon it." Adobe believes people can be more innovative, creative and successful when feels respected & included, furthermore, to advance diversity and inclusion more needs to be done. Ultimately *Google* the "most powerful company in the world" believe "In a world where everyone belongs,

anything is possible” and focuses on 5 key areas (Hiring, Retention and Progression, Representation, Flexibility, Belonging and Innovation) to make their workplace more equitable and inclusive.

VIII. PRACTICES

VII.A. Talent Acquisition and Retention

To ensure that the workforce represents a wide range of backgrounds and perspectives organisations are making an effort to attract, hire, and retain diverse talent through several means such as *Diverse Slate hiring* by J&J's Unique recruitment and retention strategy in which the selected candidates are said to be diverse when there are at least two qualified women candidates (global) or at least two qualified women, Black or African American, or Hispanic candidates. J&J also, believe that having diverse interview teams is a smart approach to inclusion to ensure a diversified selection of candidates. Similarly, Adobe have a dedicated *Diversity Talent Acquisition* team that works hard to engage and recruit Black/African-American applicants, Hispanic/Latinx prospects, veterans, women, and other underrepresented individuals. Adobe also runs its job descriptions through software to spot and fix any potentially discriminatory language. To ensure racial diversity Google works on a *Customised onboarding programme* for Black employees customised to each employee's level of experience and included mentorship to help them navigate their first few months at Google as part of racial equity. Whereas MasterCard has a *Neurodiversity pilot program* focused on hiring neurodiverse (meaning autistic or otherwise neurologically atypical) candidates to ensure diversity of employees in the organisation. Practices such as flexitime and work from anywhere are significant in retaining employees as Googlers from underrepresented communities appreciated the flexibility of working from where the company offers four weeks of freedom, i.e. working from anywhere as well as the option of moving offices or working entirely from home.

VII.B. Diversity and Inclusion Training

It is important to create awareness and promote understanding of different backgrounds, experiences, and perspectives which helps to foster a more inclusive work environment, enhance cultural competency, reduce discrimination and bias towards each other (J&J) provides *Unconscious bias training* to help their colleagues to eliminate hidden biases correspondingly introducing the *Conscious inclusion programme* to teach how to be deliberate in building a workplace that creates curiosity about diversity and makes inclusion a shared duty for all employees and to make their hiring process more inclusive they run a pilot programme called *DiverseAbility* under which managers are provided with disability training to enhance their capability to reach for disability hiring, similarly under Google Cloud's *Autistic Career Program* in Over hundreds of Google managers were trained so that the onboarding processes become attractive and inclusive to candidates of the autism spectrum in order to expand the existing community of people suffering from autism, to increase cultural competency google give *Strategic hiring and cultural add training* which aims to empower recruiters and hiring managers to eliminate their biases and embrace a culture that is more inclusive and fair.

VII.C. Inclusive Benefits and Policies

To ensure equal access to opportunities and resources for all employees, irrespective of their background or identity, Inclusive benefits and policies are essential in managing a diverse workforce, as they foster a sense of belonging and engagement among employees leading to increased productivity and better business outcomes. Leading organisations are using several policies such as *closing the pay gap* by Mastercard where they confirmed that in the United States, a Mastercard employee with an ethnic minority or Asian background earns one dollar for every dollar earned by a white employee, while a MasterCard woman earns one dollar for every dollar earned by a male. Additionally, they are also focusing on *Health and well-being* to assist employees to be at their best and achieve personal growth for which they ensure to provide important resources for mental, physical, financial, and social well-being. Google also have the *Maven Maternal Health* Program to render resources that are specifically designed to address the health problems of African-American families. Expected women can access a personalised medical team, virtual appointments around the clock and over thirty types of medical experts. In addition, the programme provides infant assistance as well as customized return-to-work counselling. J&J is also found enthusiastic about such policies as J&J is the only corporation to support the *Black Maternal Health Omnibus Act* and joined the Equitable Maternal Health Coalition as a co-founder in 2020. Furthermore, J&J has increased the *paid leave benefit* from 8 to 12 weeks for all new parents worldwide. Whereas EY runs the *Pathways to Parenthood program* that covers a lifetime maximum of \$25,000 for US employees' expenses related to infertility, surrogacy, and adoption. Almost 1,000 people have received nearly \$5m from EY US' Pathways to Parenthood program since 2017. Prioritizing diversity and inclusion through inclusive benefits and policies promotes equity and a culture of inclusivity in the workplace.

VII.D. Affirmative Action and Social Impact

Affirmative action programs and social impact initiatives have a pivotal role in managing diversity. Affirmative action addresses historical disparities and promotes equal opportunities for underrepresented groups. Social impact initiatives, such as investments in minority-owned companies and youth employment programs, contribute to economic empowerment and cultivate a diverse talent pipeline, fostering inclusivity in organizations and society. Organisations through different programs try to get the benefit such as *The Advanced in Solidarity programme* was established by MasterCard to eliminate prejudice and narrow the racial wealth and opportunity gap. Additionally, MasterCard has also made Multimillion-dollar investments, in minority-owned start-ups and other companies. Whereas Google has focused on marginalised suppliers and, compared to previous years, spending on Black suppliers is more than double, totalling more than \$120 million, and substantially more Adobe ensures to purchases a significant quantity of goods and services from women, minorities, veterans, including people with disabilities who own and operate companies through The supplier diversity program.

Additionally Adobe Stock advocates an *artist development fund* which supports creators from historically marginalised communities self-identifying artists to create work focused on their unique experiences and communities, which is an indication of the commitment to inclusion. whereas MasterCard runs *youth employment and apprenticeship programs* in the United States, Ireland, and India, to expand their talent pool and diversify their workforce to make a long-term, positive societal influence on youth and young adults who are underserved. EY is also focusing on elevating the marginalised class through five-year plans established in 2019, EY'S plan was to accomplish representation of 50% women, and racially and ethnically diverse partners by 2025, as of October 2020 it was 43%. Overall, these practices acknowledge the importance of diversity and actively work towards creating a more inclusive and equitable society.

VII.E.Career Advancement and Leadership Development

Career advancement and leadership development initiatives contribute to diversity management by providing equal opportunities for individuals from diverse backgrounds to progress in their careers and assume leadership positions. EY's continuous emphasis on opportunities and sponsorship has led to a rise in the proportion of women on top leadership teams. "Is Gender Diversity Profitable" a study by the Peterson Institute for International Economics (PIIE) reveals that it is the economic standard for greater financial success to have 30% of women in management. EY takes pride in exceeding the PIIE target for US representation across all top leadership groups. EY is committed to promoting parity in career advancement for all women, as well as racially and ethnically diverse team members through *the Career development parity programme* throughout the hiring, promotion, and appointment processes. Additionally, EY implements two learning and development initiatives. First, "*Mentoring for Access and Persistence (MAP)*," facilitates group mentoring to link underserved youth with EY volunteers who assist in attaining educational objectives. Second, the "*EY badges*" program, provides a variety of courses to EY employees, fostering skill acquisition and cultivating a growth-oriented mindset. Notably, across India sites, Adobe's innovative *She Sparks internship* program offers a six-month internship for women who have recently taken a career break and are interested in returning to the workforce. These programs foster inclusive cultures, promote diverse representation at higher levels, and empower individuals to contribute their unique perspectives, driving innovation and organizational success.

VIII. SYNTHESIS OF DEI PRACTICES

There is a wide range of practices followed by organisations, which can be categorised into 3 major heads 1. Education and Awareness 2. Acceptance and Management 3. Allyship.

Education and awareness include unconscious bias training, awareness campaigns and storytelling, etc. Policies like parental leave, medical benefits, flexitime, work-from-home, pay parity and ERGs can help in acceptance and management. Allyship constitutes internships and scholarships offered to employees, students, veterans etc. directly or through making investments in businesses owned and operated by women, members of a marginalised community, LGBTQ+ and others to help them flourish.

IX. CONCLUSION

After examining existing literature and various articles, globalisation and urbanisation are found to be the root cause of workforce diversity, and most prominently diversity alone cannot bring any good to the organisation DEI should go hand in hand to get most of it. Leading organisations worldwide are trying their best to bring DEI through various types of training, education and awareness programmes, not only in their organisation but also in society altogether which might make diversity management easier in the organisation. Moral arguments alone can support diversity and inclusion, but financial reasons make it no barrier, In order to get the full benefit of DEI, it must be incorporated as a personal credo, not in the framework of tokenism.

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