AN ANALYTICAL STUDY OF CHALLENGES AND ISSUES TO MANAGE WORKFORCE DIVERSITY

Mrs. Komal Rawat[*]

Abstract

Management being a social discipline deals with the behavior of people and human insight. There are differences among human beings with regards sex, gender, race, colour, attitude, personality, physical abilities and disabilities. This heterogeneity in people causes people to reaction to actions, events and situations differently. It is generally recognized that there is diversity in the workforce of any enterprise, be it business, government, or civil society. Hence, workforce diversity is the biggest challenge. Workforce diversity has significant implications for the management. The managers will be required to shift their approach from treating each group of workers alike to recognizing differences among them and following such policies so as to encourage creativity, improve productivity, reduce labor turnover and avoid any sort of discrimination. It is recommended that company executives use good strategies to effectively manage workforce diversity and collaborative research efforts should be done to ascertain the contextual variables that moderate workforce diversity to produce positive performance outcomes. This study, therefore, highlights issues in and challenges on management of diversity in organizations. It concludes with emphasis that organizations should strive to increase its employees' diversity and use the diverse workforce to its benefits.

Keywords: Diversity, Management, Productivity, Workforce, Challenges and Opportunities

[*] **Assistant Professor, Dept. Of Commerce, St. Aloysius College, Jabalpur (M.P.), India**

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1. Introduction

HR managers are facing many challenges in present business scenario like Globalization workforce diversity, technological advances and changes in political and legal environment change in information technology. All these challenges increase the pressure on HR managers to attract, retain and nurture talented employee. HR professional can't ignore these challenges rather they ought to be line to design and execute innovative mechanisms of developing skills and competencies of human resources to prepare them to accept the emerging challenges.

Workforce diversity is an emerging challenge for HR managers. Workplace diversity is the issue of people, focus on the differences and similarities that people bring to an organization. We are live in an increasingly multicultural society. It is a melting pot or a stew.

The reason for this. We, human beings, are born differently at different times, under different circumstances, by different parents and so we are different as a result of differences in sex, gender upbringing, grooming, experiences and genetic inheritance. As this is true for people in the entire world, it is very true for units of the world such as the organizations. Employees in any organization vary in all aspects of their being.

Diversity is ubiquitous. We all are aware of it since decades .No two persons are similar. The world has been and is a stage of huge mix of people with different backgrounds, religion, castes, race, culture, behavior, age, marital status, nationality, educational qualification, political affiliation, levels of ability, personality, gender and many more which vary across the globe. Other sources of differences include socio - economic background of individuals, membership and non membership of unions, forms and quality/quantity of education, period and nature of employment, drives to work, and work styles. Work place diversity therefore, intends to also consist of social, economic and political visible and non visible differences which might not have a direct creational origin from the work place, but certainly have direct impact on work attitude and performance at the work place

Successful organizations recognize the need for immediate action and are ready and willing to spend resources on managing diversity in the work place. Similar to globalization, diversity and social issues have had a dramatic effect on the study and application of management and organizational behavior. In the past, diversity was treated as a legal issue; that is for well over 45 years it has been directly against the law to discriminate against any one, on any basis. Now

organizations are becoming to realize that diversity is not just something to deal with, but instead a reality to build onto make a stronger more competitive enterprise

The world's increasing globalization requires more interaction among people from diverse cultures, beliefs, and backgrounds than ever before. People no longer live and work in an insular marketplace; they are now part of a worldwide economy with competition coming from nearly every continent. For this reason, profit and non-profit organizations need diversity to become more creative and open to change. Maximizing and capitalizing on workplace diversity has become an important issue for management today. Managers are the targeted audience because they need to recognize the ways in which the workplace is changing, evolving, and diversifying. Since managing diversity remains a significant organizational challenge, managers must learn the managerial skills needed in a multicultural work environment.

Managers must be prepared to teach themselves and others within their organizations to value multicultural differences in both associates and customers so that everyone is treated with dignity.

This paper is designed for managers to effectively manage diverse workforce populations. It provides a general definition for "diversity", discusses the benefits of diversity in the workplace, the challenges and issues of managing a diverse workplace, and presents effective strategies and suggestions for managing diverse workforces.

1.1 Meaning of workforce diversity

Everyone is a unique person. Even though people have things in common with each other they are also different in all sorts of ways. Differences include visible and non-visible factors, for example, personal characteristics such as background, culture, personality, and work-style, size, accent, language and so on. A number of 'personal characteristics' – age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex and sexual orientation – are covered by discrimination law to give people protection against being treated unfairly.

Similarities and differences among employees in terms of age, cultural background, physical abilities and disabilities, race, religion, sex and sexual orientation is called workforce diversity. A company that embraces diversity can broaden its skill base and become more competitive and innovative. **Full form of Diversity** is-

Different

Individuals

Valuing

Each other

Regardless of

Skin

Intellect

Talents or

Years

Diversity can be classified into two dimensions. The primary dimension such as age, gender, sexual orientation and so on, exhibits the main differences between various individuals. These primary differences also has the most impact on initial encounters and can be easily noticed and serve as filters through which people view the world. The secondary dimensions such as religion, education, geographical location, income etc, are those qualities that are not noticeable in the first encounter and can even change throughout different encounters. These qualities are only noticed after some interactions occur between individuals. (Ashton 2010).

Workforce diversity is simply how diverse is the workforce. Are there several people with a mix of cultures, age, background, race, and etc? If there are many people that have differences. According to Moorhead and Griffin "Workforce diversity is basically concerned with the similarities and differences in such characteristics as age, gender, ethnic, heritage, physical abilities and disabilities, race and sexual orientation among the employees of the organization"

Diversity is generally defined as acknowledging, understanding, accepting, valuing, and celebrating differences among people with respect to age, class, ethnicity, gender, physical and

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mental ability, race, sexual orientation, spiritual practice, and public assistance status (Esty, et al., 1995). **Factors of Workforce diversity** are shown in diagram as:

2. Research methodology

Research can be defined as executing an investigation to acquire an additional knowledge or idea to add to an existing understanding and knowledge of a particular discipline. (Myers 2009, p 6). Furthermore he explained that research could also be seen as the act of creating an activity that contributes to producing a new idea or knowledge. The knowledge is classified as new due to the fact that the theories used in the findings of the research might be different from the existing information or literature in other way. The process for this study has involved a combination of research, synthesis and analysis. The research work is predicated on secondary source of information.. The secondary source of information was gathered from the Internet.

Objectives of this paper is to:

1. To describe the basic concept and benefits of workforce diversity.

2. To highlights the challenges and issues of having a diversity in workforce.

3.To present effective strategy and suggestions to organizations to implement diversity management.

This study is divided in to seven parts-the above being the introduction, the second part is research methodology, the third part gives the literature review. The fourth part is the challenges and issues of workforce diversity generally faced by managers. The fifth part is advantages of a diverse workforce in an organization. Effective strategy to manage diversity in workforce is in sixth part. The research findings, recommendation and conclusion are given in part seven.

3. Literature review

According to Thomas (1992), dimensions of workplace diversity include, but are not limited to: age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience.

Milliken and Martins (1996), opines that 'diversity appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group'. Some studies have found that various forms of diversity are associated with greater innovation, improved strategic decision making, and organizational performance. Other research shows that various types of team and organizational diversity sometimes increase conflict, reduce social cohesion, and increase employee turnover (Jackson, Joshi, & Erhardt, 2003; Webber & Donahue, 2001). The demographic composition of today's workplace, occasioned by the international trend toward increased immigration and the globalization of firms, is increasingly becoming diverse (Johnson, 2002; Yaprak, 2002). The demographic trends in developed and developing countries—aging workforce, growing representation of women and minorities in the workplace, and the rising number of young people in developing countries has altered homogeneous work settings of the recent past (Mor-Barak, 2005; Gorski, 2002). Thus, given these demographic and organizational trends, business organizations are contending with the challenges of effectively managing a diverse workforce.

McGath, Berdahl & Arrow (1995) conceptualized workplace diversity by developing a five cluster classification. This often cited categorization is as follows: demographic characteristics such as age, ethnicity, gender, sexual orientation, physical status, religion and education; task-related knowledge, skills and capacities; values, views and attitudes; personal, cognitive and

attitudinal styles; Status in the organization such as one's hierarchical position, professional domain, departmental affiliation and seniority.

4. Challenges and issues

There are challenges to managing a diverse work population. Managing diversity is more than simply acknowledging differences in people. It involves recognizing the value of differences, combating discrimination, and promoting inclusiveness. Managers may also be challenged with losses in personnel and work productivity due to prejudice and discrimination and complaints and legal actions against the organization (Devoe, 1999).

Negative attitudes and behaviors can be barriers to organizational diversity because they can harm working relationships and damage morale and work productivity (Esty, et al., 1995). Negative attitudes and behaviors in the workplace include prejudice, stereotyping, and discrimination, which should never be used by management for hiring, retention, and termination practices (could lead to costly litigation).

Let's look at some of the specific issues that arise among the diverse groups in the workforce.

1. You may know someone who has experienced unfair treatment based on a personal characteristic. **Discrimination** occurs when someone is denied opportunities on the basis of a personal characteristic that has no bearing on job performance. Discrimination causes great harm and is illegal in most cases.

2. **Race and Ethnicity** - Racial and ethnic minorities may have different perspectives, customs, or approaches to communication in the workplace. These differences can pose challenges for organizations that seek harmonious employee relations. Such challenges can be addressed through appropriate training and education.

3. Gender - Women have long struggled to obtain equal pay for comparable work and to remove the **glass ceiling**, an invisible barrier that keeps women and other minorities out of the top managerial ranks. Women also face gender discrimination and **sexual harassment**, i.e. sexual advances or other unwelcome conduct of a sexual nature. Although much progress has been made to prevent such conduct, there is still a need for training and education.

Some other challenges are as:-

- To make the job sound appealing to different types of workers.
- To recruit effectively targeted to diverse groups.

- Bias in the interviewing process, questions, and your response.
- What policies, practices, and ways of thinking and within our organizational culture have differential impact on different groups?
- What organizational changes should be made to meet the needs of a diverse workforce as well as to maximize the potential of all workers?

It's natural that tensions will arise among individuals in a diverse workforce, so it's important for employers to have diversity management policies in place. Most large organizations have taken steps to promote diversity awareness and understanding. These **diversity initiatives** contribute to a positive work environment that is free from discrimination.

5. Advantages of a diverse workforce

As workplaces embrace the idea of diversity, they often realize benefits that help improve their companies, from new ideas to increased international opportunities. Diversity can add varied ideas and perspectives to a workplace. Research compiled by the Journal of Small Business Management suggests that employers who recruit diverse workforces open their businesses to a wide range of ideas. Businesses compile these varied opinions and ideas as they make decisions about how to start, run and finance their organization.

Diversity has multiple benefits to the workplace. Some Advantages of diversity in the workplace are:

1. **Increased Productivity**: Diversity and Inclusion brings in diverse different talents together working towards a common goal using different sets of skills that ignites their loyalty and increases their retention and productivity.

2. **Increased creativity and Problem solving**: With so many different and diverse minds coming together many more solutions will arise as every individual brings in their way of thinking, operating and solving problems and decision making.

3. **Attract and Retain talent** that add a competitive edge to any organization. Feeling included and appreciated increases loyalty and feeling of belonging. Language skills pool is increased and propels organization forward either to compete in the International global world or to increase its diverse customer base.

4. **Help to build synergy in teams and enhances communication skills** that brings in new attitudes and processes that profit the whole team.

5. Applying the proper diversity& inclusion management strategies does not only save money on **litigation expenses** generated by discrimination lawsuits but is the right thing to do for the business.

6. **It increases market share and create a satisfied diverse customer base** by relating to people from different backgrounds.

7. **Positive Reputation**-Job seekers are drawn to companies with diverse workforces because it is evident that the companies do not practice employment discrimination. Potential employees want to know that employers treat their staff fairly regardless of race, ethnicity or gender. Not only are such firms able to attract new talent but they can also retain existing talent because of high employee morale resulting from workforce diversity. According to Rob McInness of Diversity World, top talent is no longer represented by a homogeneous group, but one representing people from many different backgrounds and life experiences. operations and market their products or services.

8. **Learning and growth**: Diversity at the workplace creates an opportunity for employee‟s personal growth. When workers are being exposed to new cultures, ideas and perspectives, it can help each person to intellectually reach out and have a clearer insight of their place in the global environment and hence their own surroundings

The advantages of diversity& Inclusion embracing affects the base line revenues of any organization and can be the make or break of any business. Ignoring the effects or the existence of diversity in this global new market will only keep organizations back loosing on all the productivity and most important profitability of any business and its core of existence.

6. Effective strategy to manage workforce diversity

Diversity in the workplace is important to running a successful business -- heterogeneous groups deliver better solutions and critical analysis, so you must structure and run your company in a way that promotes diversity. By adopting the attitude of "not seeing color," you run the risk of treating people insensitively. Barriers exist -- it is up to you to deal with them appropriately**.** 5 Strategies for Dealing With Diversity in the Workplace are as:

Recognition

You must recognize that people have differences, be they physical, generational or cultural, and you cannot pretend that these barriers have been broken down. Instead, celebrate the differences among your employees, and encourage them to let their individualities show. For example, don't hesitate to ask someone from another culture about their culture's etiquette practices -- their knowledge could prove useful to your business. Do not pigeonhole your employees. An employee's worth comes from more than his ethnicity or age.

Fairness

Acting fairly and acting uniformly are different, and only one enables you to successfully deal with diversity in your workplace. Don't be fooled into thinking that by treating everyone exactly the same, you are demonstrating a fair attitude and respecting diversity. Instead, treat people fairly and respect the differences that make them who they are. For example, don't schedule a mandatory meeting that falls on a religious holiday -- it demonstrates an insensitivity and may breed resentment and foster feelings of being left out in any employees that are unable to attend.

Focus On Yourself

Diversity is an issue that you must manage in the work place, and it starts with managing your own attitude and behavior. For example, examine your behavior in job interviews. When an applicant of a certain ethnicity or gender comes in, do you make assumptions that he must prove or disprove during the interview? How do you respond to different styles of communication? Self-awareness is key to developing a safe, fair workplace for a diverse group of employees.

Employee Assessments

As a manager or business owner, you probably already conduct employee reviews and assessments. When preparing these reviews, you must also examine your employees' attitudes, particularly how they work with others. If you notice that an employee only delegates tasks to people of a certain race, or if an employee discounts the ideas of people below or above a certain age, it is your responsibility to address the issue. Identify issues among your employees and bring them up when assessing their performance.

Encourage Interaction

When you identify diversity-related issues in the workplace, discuss them with your employees in a non confrontational manner. For example, encourage employees to work with others of different backgrounds or generations. Initiating these types of interactions encourages your

employees to learn more about communication styles, talents and goals - their own and those of their co-workers.

Another vital requirement when dealing with diversity is promoting a "safe" place for associates to communicate (Koonce, 2001). Social gatherings and business meetings, where every member must listen and have the chance to speak, are good ways to create dialogues. Managers should implement policies such as mentoring programs to provide associates access to information and opportunities. Also, associates should never be denied necessary, constructive, critical feedback for learning about mistakes and successes (Flagg, 2002).

7. Conclusion and recommendation

A diverse workforce is a reflection of a changing world and marketplace. Diverse work teams bring high value to organizations. Respecting individual differences will benefit the workplace by creating a competitive edge and increasing work productivity. The main objective of the research is to examine the different ways of dealing with work place diversity as well as to provide management with the necessary guidelines for effective diversity management in small and big International companies in order to show the reader how to build an effective workplace diversity by applying different diversity management tools. Diversity management benefits associates by creating a fair and safe environment where everyone has access to opportunities and challenges. A growing number of progressive organizations are realizing the need for valuing diversity in the workforce , so as to ensure strategic utilization of human resources for the accomplishment of strategic goals. It is believed that organizations should put in place strategies to enhance workforce diversity .Effective strategy for managing diverse workforce should be used to educate everyone about basic concept of diversity, its challenges and issues, including laws and regulation. Most workplaces are made up of diverse cultures, so organizations need to learn how to adapt to be successful. Also, to identify the trends and perception of diversity management as it is in some demographical segments, the advantages and disadvantages and then suggest some recommendations that management can apply which shall be centered on the various influential trends and factors within an organizational framework.

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