

How to manage workforce diversity in the workplace

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Workforce diversity is the bringing together of a variety of people to one workplace. This workforce will consist of people with a vast array of perspectives, backgrounds, and features. Diversity means recognising that each individual is unique, and respecting our differences. These are age, race, ethnicity, gender, social status, religious beliefs, political beliefs and ideologies.

A diverse workforce is a more productive workforce, and the company will benefit from different perspectives, better community relations and more innovative ideas. Having different perspectives in your business can increase your creativity and allow people to collaborate positively. This alliance could give your company additional innovation and the ability to stay ahead in these changing times. 85% of CEOs have said that having a diversified and inclusive workplace population improved their bottom line, according to PwC's 18th Annual Global Survey (2015).

According to the Boston Consulting Group (BCG) research (2017), there is a strong and statistically significant correlation between the diversity of management teams and overall innovation. In their survey, Companies that reported above-average diversity on their management teams also reported innovation revenue that was 19 percentage points higher than that of companies with below-average leadership diversity—45% of total revenue versus just 26%.

Ability to Deal with Diverse Market

A culturally diverse workforce can better appreciate the needs, feedings, and attitudes of culturally diverse consumers. Thus workforce diversity increases the competence of a corporation to deal with a market that consists of diverse consumer groups in respect to age, sex, culture etc.

Better Decision-Making

People from diverse groups of people can aid management in better decision making by providing feedback from a wide variety of viewpoints and orientations. Heterogeneous groups of people may be more creative and innovative when they pool their knowledge and experiences and agree on a common solution to a problem which may aid management in making excellent decisions for the organisation. Researchers have suggested that diversity has improved performance by developing the group's perspectives. There is strong empirical evidence that management and improvement in organisational performance are positively related (Ozbiligin and Tatli, 2008)

Importance of workforce diversity

Improves the Company's Reputation

Job seekers are drawn to organisations with a diverse workforce as it is obvious that the organisations do not practise employment discrimination. Potential employees want to know that, regardless of race, ethnicity or gender, employers treat their employees equally. While these companies are capable of recruiting new talent, they can also retain current talent due to the high employee morale arising from diversity in the workplace.

In a 2017 research by Glassdoor, 67% of active and passive job seekers said that a diverse workforce is an important factor when evaluating companies and job offers. This means whether your company is interested in growing its diversity or not, applicants are likely to consider diversity while evaluating your business and during the interview process.

Companies in the bottom quartile both for gender and for ethnicity and race are statistically less likely to achieve above-average financial returns than the average companies in the data set (that is, bottom-quartile companies are lagging rather than merely not leading), (Vivian Hunt, Dennis Layton, and Sara Prince, 2015).

Improves Productivity

Workforce diversity can bring about an increase in productivity and competitive advantages. Because of new ideas and processes brought into the organisation, employers can offer more solutions to customers. Workplace diversity also increases employee morale and causes employees to desire to work more effectively and efficiently. Diversity in leadership within a firm allows managers to bring in new skills and methods for achieving unity within their teams. Companies in the top quartile for gender diversity are 15% more likely to have financial returns above their respective national industry medians, according to McKinsey.

More Creativity

Workforce diversity increases creativity within a company because heterogeneous groups are blending within the organization. Employees from different backgrounds bring in a variety of solutions on how to achieve a common goal. As more diverse ideas are suggested, the chances of finding a workable answer are improved. When brainstorming, more ideas are formed because team members are culturally diverse.

Managing diversity

When recruiting

Actively recruit for diversity by targeting your audience. Diversity initiatives should be strongly advertised when hiring. Internally focusing programs may also have the added advantage of building a closer culture within the workforce. Show your commitment to diversity internally first. Be transparent. Evaluate the demographics of your employees and executive team, find out where the holes are and then let your workers know. Successful organizations develop internal systems, tools and networking teams to support their employees. Take the time to listen to your existing employees and they can help you retain and recruit new and diverse talent.

Educate your employees on diversity

Management must create awareness in the organisation that differences among people as to age, sex, education, culture etc. exist in the workforce, so that people may try to understand one another in a more rational and friendly manner. According to Glassdoor study (2017), only one-third of people polled said they knew of any diversity initiatives where they work. An additional 21 per cent said they are uncertain. Your employees being a significant part of your employer brand, they should know about your initiatives and involve them in as many efforts as you can. Not only does it include more staff and invest more in the business, but it will also help you attract even more diverse talent.

Creating conditions for common organisational culture

According to Deloitte (2015), 83% of millennials are more actively engaged when they believe their company fosters an inclusive culture. Millennials believe that programs aimed at diversity and inclusion should focus on improved business opportunities and outcomes as a result of the acceptance of cognitive diversity, specifically individualism, collaboration, teamwork, and innovation. An organisation must develop cross-cultural training programmes creating conditions to enhance a common organisational culture and climate. This culture will create an environment in which a diversified workforce can co-exist comfortably and happily.

Avoid Discriminations

A very significant technique for excellent workforce diversity management is to avoid any sort of discrimination among people based on age, culture and especially sex. According to a Glass Ceiling Commission report (1991), 95 to 97 per cent of the senior managers in companies in the USA are males, only 5 per cent of senior managers in the country's biggest corporations are women. Unfortunately, it has to do with the fact that many companies still don't view gender diversity as a priority, because they don't see how it could benefit their bottom line. However, a study on female representation in top management found that companies that prioritized innovation saw greater financial gains when women were part of the top leadership ranks (Robert H. Smith School Research, 2011). Credit Suisse Research Institute (2014) discovered that companies with one or more women on the board exhibit higher returns, higher valuations and higher payout ratios.

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