

# Diversity in the Workplace: Benefits, Challenges, and the Required Managerial Tools<sup>1</sup>

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## Introduction

The world's increasing globalization requires more interaction among people from diverse backgrounds. People no longer live and work in an insular environment; they are now part of a worldwide economy competing within a global framework. For this reason, profit and non-profit organizations need to become more diversified to remain competitive. Maximizing and capitalizing on workplace diversity is an important issue for management.

Supervisors and managers need to recognize the ways in which the workplace is changing and evolving. Managing diversity is a significant organizational challenge, so managerial skills must adapt to accommodate a multicultural work environment.

This document is designed to help managers effectively manage diverse workforces. It provides a general definition for workplace diversity, discusses the benefits and challenges of managing diverse workplaces, and presents effective strategies for managing diverse workforces.

## Diversity Defined

Diversity can be defined as acknowledging, understanding, accepting, and valuing differences among people with respect to age, class, race, ethnicity, gender, disabilities, etc. (Esty et al. 1995).



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Companies need to embrace diversity and look for ways to become inclusive organizations because diversity has the potential to yield greater work productivity and competitive advantages (SHRM 1995). Stephen Butler, co-chair of the Business-Higher Education Forum, believes diversity is an invaluable competitive asset (Robinson 2002). Managing diversity is a key component of effective people management in the workplace (Black Enterprise 2001).

Demographic changes (women in the workplace, organizational restructuring, and equal opportunity legislation) will

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require organizations to review their management practices and develop new and creative approaches to managing people. Positive changes will increase work performance and customer service.

The number of dual-income families and single working mothers has changed the dynamics of the workplace. Changes in the family structure means that there are fewer traditional family roles (Zweigenhaft and Domhoff 1998).

Significant changes in the workplace have occurred due to downsizing and outsourcing, which has greatly affected human resource management. Globalization and new technologies have changed workplace practices, and there has been a trend toward longer working hours (Losyk 1996). Generally speaking, organizational restructuring usually results in fewer people doing more work.

Changes in federal and state equal opportunity legislations have made discrimination in the workplace illegal. These laws specify the rights and responsibilities of both associates (employees) and employers in the workplace and hold both groups accountable.

## Benefits of Diversity in the Workplace

Diversity is beneficial to both associates and employers. Although associates are interdependent in the workplace, respecting individual differences can increase productivity. Diversity in the workplace can reduce lawsuits and increase marketing opportunities, recruitment, creativity, and business image (Esty et al. 1995). In an era when flexibility and creativity are keys to competitiveness, diversity is critical for an organization's success. Also, the consequences (loss of time and money) should not be overlooked.

## Challenges of Diversity in the Workplace

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, as well as 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).

## Required Tools for Managing Diversity

Effective managers are aware that certain skills are necessary for creating a successful, diverse workforce. First, managers must understand discrimination and its consequences. Second, managers must recognize their own cultural biases and prejudices (Koonce 2001). Diversity is not about differences among groups, but rather about differences among individuals. Each individual is unique and does not represent or speak for a particular group. Finally, managers must be willing to change the organization if necessary (Koonce 2001). Organizations need to learn how to manage diversity in the workplace to be successful in the future (Flagg 2002).

Unfortunately, there is no single recipe for success. It mainly depends on the manager's ability to understand what is best for the organization based on teamwork and the dynamics of the workplace. According to Roosevelt (2001), managing diversity is a comprehensive process for creating a work environment that includes everyone. When creating a successful diverse workforce, an effective manager should focus on personal awareness. Both managers and associates need to be aware of their personal biases. Therefore, organizations need to develop, implement, and maintain ongoing training because a one-day session of training will not change people's behaviors (Koonce 2001). Managers must also understand that fairness is not necessarily equality. There are always exceptions to the rule.

Managing diversity is about more than equal employment opportunity and affirmative action (Losyk 1996). Managers should expect change to be slow, while at the same time encouraging change (Koonce 2001).

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).

## Conclusions

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. Diversity management benefits associates by creating a fair and safe environment where everyone has access to opportunities and challenges. Management tools in a diverse workforce should be used to educate everyone about diversity and its issues, including laws and regulations. Most workplaces are made up of diverse cultures, so organizations need to learn how to adapt to be successful.

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