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RESEARCH ARTICLE

MANAGING DIVERSITY IN ORGANISATIONS TO GAIN COMPETITIVENESS

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Abstract

Organizations the world over is increasingly finding themselves coping with the changes taking place in their environment. There are two sets of forces that are changing the once familiar organizational landscape; increasing reliance on teams and the changing workforce. This is bringing more and more people from diverse backgrounds into contact with one another. In general, diversity refers to the ways that people in organizations differ. That sounds simple, but defining it more specifically is a challenge because people in organizations differ in many ways-races, gender, ethnic group, age, personality, cognitive style, tenure, organizational function, and more. Managing diversity means establishing a heterogeneous workforce to perform to its potential in an equitable work environment where no member or group of members has an advantage or a disadvantage. Effectively managing diversity helps organizations to identify and capitalize on opportunities to improve products and services, attract, retain, motivate and utilize talented people effectively; improve the quality of decision-making at all organizational levels; and reap the many benefits from being perceived as a socially conscious and progressive organization. The paper attempts to analyze the mechanism of leveraging and unleash the powerful benefit of a diverse workforce in work organization.

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Introduction:-

The issues related to organizational diversity often based on the assertion that discrimination is not desirable legally and morally. A new managerial paradigm is currently arguing that a more diverse workforce will enhance organizational effectiveness. The work-force diversity will positively affect morale, wider access to new segments to market place, and enhanced productivity.

Analysis of the diversity management interventions of some leading corporation world-wide suggests that practices like assessment and development of organizational practices and processes, development of support structures and building an inclusive culture, for the purpose of creating and maintaining an environment that naturally allows all individuals to reach their full potential in pursuit of organizational goals. The process interventions include alteration of recruitment and selection practices, career management systems, mentoring, people-responsive policies and assessing the impact of diversity management initiatives. The structural interventions include formation and institutionalization of diversity committees and employee forums. Interventions to build an inclusive culture include communication forums and diversity training of employees of the corporations. Some organizations have extended their diversity efforts to external stakeholders such as suppliers, customers and communities at large and extended

such practices in their global operation. Diversity for these organizations includes mainly the dimensions of Gender, Race & Ethnicity, disability and sexual orientation.

A diverse workforce will bring important and competitively relevant knowledge and perspectives about how to actually do work – redesign work processes, reach goals frame task, create effective teams, communicate ideas, and provide leadership. Such a holistic perspective will help organization grow, pose challenges to conventional assumptions about organization’s functions, strategies, operations, practices and procedures.

Managing Diversity – conceptual framework

Managing diversity means establishing a heterogeneous workforce to perform to its potential in an equitable work environment where no member or group of members has an advantage or a disadvantage (Torres and Bruxelles, 1992).

Diversity management as we know today started in the United States but with a completely different purpose – affirmative action. The next change in the concept came with the introduction of the concept of valuing diversity. Affirmative action, valuing diversity and managing diversity are separate points on the continuum of interventions designed to stimulate the inclusion of people from different backgrounds in an organization (Rajan, 2002).

Affirmative Action

Affirmative action is the practice of giving explicit consideration to race, gender, national origin, or some other protected characteristic in making an employment decision. It was designed to counter the extensive effects of prior discrimination, whether intentional or not, by employers individually or collectively, as well as to provide a work force more representative of the gender and the ethnic makeup within an organization.

Affirmative action is grounded in the moral and social responsibility to amend wrongs done in the past to those who were marginalized in society. Affirmative Action programs *give preference* in recruitment or promotion to those from groups, which were poorly represented at work.

Another concept, often mistakenly regarded similar to Affirmative Action is Equal Employment Opportunities (EEO). EEO policies focus on establishing equal opportunities for poorly represented groups with a view to ensure that there is no discrimination on grounds of characteristics such as gender, race, etc.

Thus in this stage the focus was on considering all individuals as equals. This outlook led to employers’ attempting *to eliminate discrimination by deliberately ignoring differences* among employees.

Valuing Diversity

The next step in the evolution of diversity is referred to as valuing diversity. The main objectives of valuing diversity include awareness, education and positive recognition of the differences among people in the workforce. The focus of valuing diversity interventions is on recognizing the uniqueness in everyone, valuing the contribution that each can make and creating an inclusive work environment where awareness of and respect for differences is promoted. *It is the quality of the work experience of disadvantaged or underrepresented employees that is paramount rather than simply their participation rates.*

Diversity Management

Diversity management is different from both affirmative action as well as valuing diversity because it focuses on the business case for diversity. Here capitalizing on diversity is seen as a strategic approach to business that contributes to organizational goals such as profits and productivity. Diversity management does not involve any legal requirements. It also goes beyond valuing diversity as it focuses on leveraging the employee diversity to achieve strategic goals such as tapping new markets, tapping newer sources of talent, etc, rather than simply focusing on providing a good environment to the traditionally disadvantaged. Diversity management is founded on the belief that a more diverse workforce will increase organizational effectiveness.

Rather than ignoring differences among employees, the goal of diversity management is to uncover and understand differences among various groups of employees so as to appeal to a broader set of employees and customers.

Thus the diversity debate has shifted from the moral obligation of affirmative action to a business imperative. Organizations, faced with intense competition in global markets, record numbers of mergers and acquisitions, and the global war for talent, are focusing on how to leverage diversity as their competitive differentiator. Thomas and Ely (1996) have conceptualized the diversity issues into three paradigms;

The Discrimination-and-Fairness paradigm

The organizations that use this paradigm focus on equal opportunity, fair treatment, recruitment and compliance with laws.

The assumptions of the paradigm puts pressure on the employees to make sure that important difference among them do not count. Genuine disagreements about work definition, therefore, are sometimes wrongly interpreted. By limiting the ability of employees to acknowledge openly their differences, the paradigm actually undermines the organization's capacity to learn about and improve its own strategies, processes and practices.

The Access-and-Legitimacy Paradigm

The access-and-legitimacy paradigm has been predicated on the acceptance and celebration of differences.

Whereas discrimination-and-fairness organizations are too quick to subvert differences in the interest of preserving harmony, access-and-legitimacy organizations are too quick to push staff with niche capabilities into differentiated clientele group, thus increasing the opportunities for people with diverse background.

The learning-and-effectiveness paradigm

The emerging paradigm of learning-and-effectiveness transcends both the other paradigms and organizes itself around the overarching theme of integration. Like the fairness paradigm it promotes equal opportunities for all employees. And like the access paradigm it acknowledges cultural differences among people and recognizes the value in those differences. However, it goes beyond this and lets the organization internalize differences among employees so that it learns and grows because of them. Companies that use the learning paradigm incorporate their employees' perspectives into their main work. They allow employees to rethink primary tasks and redefine markets, products, strategies, missions, business practices and even cultures.

They conclude that only organizations that are following the learning-and-effectiveness paradigm are tapping into diversity's true benefits (Ely & Thomas, 2001).

Conclusion:-

The demographics of the labor force are changing at a rapid pace. Around the world, many countries are witnessing women entering the labor force in greater number, the average age of workforce is increasing and at the same time distribution of age is changing to bring in young interns as well as former "retirees" in to the labor pool, more and more challenged are seeking employment opportunities. These changing demographics are forcing organizations to review and change their people management policies. Thus organizational teams combined with changing workforce demographics are bringing more and more people from diverse backgrounds into contact with one another. A diverse workforce will have positive impact on morale; increase access to different segments of market and overall impact on business deliverables.

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