



Managing Diversity in the Workplace



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With ever-increasing complexity of business, it has become important to have employees from different backgrounds and cultures. **Aparna Sharma**, Director HR, UCB talks about the importance to have diversity in an organization

Some of the studies carried out on Diversity in Fortune 500 companies have clearly shown that Diversity has a positive effect on bottom-line and shareholder value. Enhanced business performance has been seen on various aspects like Higher Profitability, Return on Equity, Return on Investment etc. Thus, Diversity is linked to enhanced business performance & though various studies (like Catalyst Research report on Diversity, DiversityInc. Study by SHRM, Acad-

emy of Management Journal) are based mainly in the US and UK, they can still be generalized and applied across the world.

When addressing Diversity, most of the organizations in India relate to it in terms of Gender Diversity. Organizations have varied reasons to take up gender diversity initiatives in India like instructions from their global counterpart, or the fact that the diversity in the marketplace should reflect among employees. Studies by Mckinsey have shown that women

bring in a different perspective and leadership style. Higher proportion of women at top management levels leads to better financial performance. Such companies also score more on various organizational dimensions such as employee motivation, brand image, innovation, capability, et al.

While Diversity is perceived differently by different people; having a diverse work force includes employees with different regions (countries, states etc), gender, educational background, varied industry experience, socio-economic status, et al. Diversity at the work place not only means above-mentioned characteristics but also (*and most importantly*) allowing for diverse opinions as well. After all, no organization wants employees who think alike!

What is the Importance of Diversity?

With ever-increasing complexity of business, it has become important to have employees from different backgrounds and cultures. It is important to have diversity in an organization for a variety of reasons like:

- Global integration and interconnectedness makes diversity critical.
- It allows insights into the consumer mind and appeals to a diverse market place.
- Diversity supports cross fertilization of ideas and brings in different perspectives.
- Women bring unique insights and impact the work place in a positive manner.
- It enables best practices from different industries to be implemented.
- Makes progress inclusive by carrying employees from different economic strata and religions.
- Regional diversity brings different perspectives to work.
- Functional diversity brings a different approach to finding solutions.

While promoting diversity at workplace should be an important management endeavor, it does not imply that quality standards for recruitment should be lowered or incompetence

be accepted. For instance, a marketing team of an FMCG company could greatly benefit, if its members came from different parts of the country. Water, in some parts of the country is harder than others. This means that the same shampoo formulation might lather very well in Mumbai but not in Lucknow. A Mumbai based manager might not realize this. Having employees from different regions helps because people from every region have inherent personality traits which, when matched with their job profile can enhance performance.

At the expense of sounding parochial, experience has made us think that North Indians are generally said to be aggressive and make good sales people. A noted Mumbai based head-

Organizations which are successful are those who are able to create a culture in the organization where differences of individuals are recognized and accepted. These are the organizations which bank on the different skills and abilities which a diverse workforce brings with it and where their strengths are leveraged upon. Having a large number of women at work helps as they have a sobering effect on the environment and are considered to be emotionally stronger than men. For instance, women are good at multi-tasking. They are empathetic, consensus builders, compassionate and these qualities need to be leveraged upon.

Having team members from different economic backgrounds even

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hunter spoke about the non performance of a bright researcher. The employee concerned was a North Indian (Punjabi) who was assigned a desk job of doing research. By nature, most North Indians are outgoing and pushy people. Since the job went against her inherent personality, she neither performed nor was she happy. When shifted to a sales job, her performance leapfrogged.

The greatest benefit of diverse workforce is the ability to tap into the many talents which employees from different backgrounds, perspectives and abilities bring to the workplace. Today, most of the organizations have employees from all over the world. The success of the organization in such cases depends on how teams from different countries work together to make projects successful. There are people from different generations, cultures, backgrounds in today's workplaces.

help in understanding the consumers better. A manager with a 'middle class' background, for example, would be able to better articulate the aspirations and consumer needs of his class. During my stint as a Management Trainee, I was part of a marketing discussion on the re-launch of a mass market hair dye. Half way during the discussions, the Head of Marketing asked his secretary to call Ravi, a Purchase Manager in his forties, who represented what we popularly call the middle class.

It is widely believed that those with varied industry experience make good Consultants. That is so because such an employee is able to relate every problem to how a solution would be found in different industries, then benchmark with best industry practices and suggest an optimum solution.

One of the reasons why the U.S. has excelled in innovation is because

its Universities attract the brightest students from across the world. The country has become a melting pot for people from various cultures and backgrounds. It is this cross fertilization of ideas that has made the Silicon Valley, the centre of innovation and risk that it is.

For any diversity initiative to succeed, it must have top management support followed by a buy-in from senior management. Group dynamics and leadership are critical in determining the success or failure of diversity, key tools being cohesion, conflict management and communication. It needs a foundation of a supportive and co-operative organization culture. The company's training should focus on building skills in leading and participating in diverse groups rather than 'simply valuing diversity'.

The program should be headed by a Chief Diversity Officer who, like his functional counterparts, must have pre-agreed annual goals. The company should have a transparent system to measure progress on diversity. Employee's performance appraisal system should provide scores for promoting diversity & it could be directly linked to incentives.

Special Initiatives to Promote Diversity

Nationality – This assumes great importance for companies that serve global customers or are into exports of consumer products. An American citizen who works for an Indian IT company that serves U.S. clients would have a better understanding of local needs, unwritten nuances and work culture.

Increasing percentage of women in work force - A special effort should be made to increase the percentage of women in the workplace. A big stumbling block is the mindset of male managers – "Oh! Can women do this? Will they sit late?"

A well known MNC shifted its corporate accounts department from South Delhi to Gurgaon. A number of existing employees preferred to get transferred to other departments rather take a transfer to Gurgaon. The CFO had to make fresh recruitments.



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Around that time there was a diktat from HR that 50% of all new recruits had to be women. The CFO was furious! Will women sit late on an ongoing basis? During year-end closing, the accounts department worked all night – how would the women manage?

Left with no option, ten girls were recruited. Here are the CFO's observations.

The presence of so many girls made the men behave themselves, there was little intra department shouting. During the year-end, the girls sat late. Since they wanted to leave early, they managed to finish their work by 10 p.m. unlike the men who took two breaks (one at 6.30 p.m. and another for dinner at 9 p.m.). The girls worked virtually non-stop. They only asked for a car drop home since Gurgaon got quite lonely at night. The girls destroyed the myth that women do not sit late.

Today the CFO swears by his women employees!

Another example of changing mindsets is allowing women to work on the shop floor. Here is another example. A senior HR professional graduated from one of India's leading management institute. During campus recruitment, she insisted that part of her training period should be spent on the shop floor. Initially, the interviewing team was aghast and wondered why the girl wanted to work in what was then a very militant environment. The young lady persisted, got hired and eventually spent the first six months on the shop floor. As she reflects on the experience over a decade later, it was probably the best exposure that she ever got. What she learnt in six months was what others took years to learn.

Most companies do believe that Diversity and Inclusiveness do form a business case. An inclusive culture is possible if there is proper sensitization training, the right climate and culture are in place. Diversity initiatives, if not launched properly and without proper communication, can also lead to negative repercussions. This can be by creation of camps in the organization where employees start believing that certain people are being benefited based on their gender or regional background. Thus, a fair and just system should be set with the goal of creating an inclusive workplace with equal opportunities based on Meritocracy. Also, there should be an effort by every individual in the organization to eliminate stereotypes based on gender, economic background, educational qualifications, et al. The benefits of diversity in terms of better financial performance, improved employer branding and greater innovation and creativity will follow. ■

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