

# Role of Diversity and Workforce Management in Promoting Innovation

\*Dr. Chitra Krishnan, #Dr. Gurinder Singh

Amity International Business School, Amity University, Noida.

\*Corresponding author: Dr. Chitra Krishnan, ckrishnan@amity.edu

**Abstract -** Diversity management is an integral principle to foster equality of diversity, respect and unity in organisations through fair consideration of all stakeholders, while talent management involves human resources management techniques holistically, the implementation and management of human resources functions, education, training and employee behaviour of organisations. Innovation and diversity are multi-dimensional concepts and are as diverse by meanings as the number of academic disciplines, politicians and business leaders. The confusing and divergent existence of these concepts has made understanding the relationship between diversity and innovation a challenge. However, a consistent structure that captures the core academically concepts and matches them with business practise is essential for the purposes of this report. It must be complied with. Today, employers and workers are well accepted to benefit from a diverse workplace. Diversity brings the prospect of inclusion that offers consistent wages and benefits for workers. This study takes into consideration valuable theoretical work and different cases or stories from real life demonstrating to examine the variables that can help develop a favourable working environment and fostering innovation through diversity management.

**Keywords:** Diversity, Talent Management, Diversity Management, Human Resource Management, Working environment, Culture, Innovation

## I. INTRODUCTION

While global market integration is not a new phenomenon, multinational corporations (MNCs) are constantly posing new challenges. The emphasis put on information management as the principal source of sustainable competitive advantage in comparison with tacit capital has been an important paradigm in international business research. In the area of Talent Management as well as Global Talent Management Study (Collings, 2009), (Tarique, 2010), Ariss et al, 2014; Lewis et Heckman, 2006), expertise inevitably has been bound up to people and scholars and practises. Human resources activities have always been relevant for all kinds of businesses but due to this evolving context, talented workers have never taken a more crucial role (Collings D. S., 2011). Basically, strategic management of talent is more important than ever since demographic shifts, talent shortages and the growing rivalry are combined (Tarique, 2010). There are various descriptions of what talent management constitutes. One of the fundamental foundations is the growth of talent pools, according to (Collings D. G., 2008). A community of workers is a talent pool. Known as high potentials and as high performers, essential strategic roles in the business should also be filled in the future. In other words, talent management works to ensure sufficient workflow throughout the enterprise (Pascal,

2004). This refers to the notion of the scheme of succession, that is, ahead of a curve, vacancy-based recruiting has been replaced (Sparrow, 2013)

Most of the concepts of the management of talents and diversity are explored separately in literature, though they go hand in hand in the eyes of practitioners (Stewart, 2010). "The diversity of workforces starts with the quest for talent," as Groysberg and Connolly (2013, 74) put it. According to (Stewart, 2010) the difference between study and practise is unfortunate, a quest that currently is extremely relevant for MNCs in the "battle for talent" (Chambers, 1998). Therefore, further studies to link the two definitions are urgently required (Stewart, 2010).

The Bersin by Deloitte study is not directly targeted at procurement organisations, but provides insight into the potential path to recruiting and maintaining skilled workers by companies as a whole. The Report notes that the more mature organisations have "a simple, targeted and articulated talent plan" which is reinforced across the company, concentrating on improving leadership and "learning culture." However, the report has established a strong commitment to diversity and inclusion as the key differentiators between mature and talent-management organizations.

Diversity management is an integral principle to foster equality of diversity, respect and unity in organisations through fair consideration of all stakeholders, while talent management involves human resources management techniques holistically, the implementation and management of human resources functions, education, training and employee behaviour of organisations. These principles will complement each other to create strategic advantages in a global context for hospitality and tourism organisations.

It was evident from ancient times that the world communicated and exchanged different races. Diversity is not a big survival strategy for mankind. It opens up the mind and eliminates the boundaries created by some of the authorities. Diversity has two facets. There are important differences in the principal dimension between persons including age, race, sexual orientation, etc. The key differences also impact initial experiences and can be readily recognised and used as world view philtres (Ashton 2010) Interactions with people from various cultures and backgrounds have increased in this modern period.

Diversity can be a company's challenge, but it can also be a remedy and an annoyance, but it can also have its advantages and benefits. The challenge then is to harness and handle the nature of diversity so that people and company can improve tactically. Different cultures and religions are developed in contemporary society. Everyone has the right to express his or her unity and religious beliefs. Try to accept the goodness of each other instead of bigotry and shame. No faith is spreading the message of hatred or communalism. It is the followers or radicals who alter the lessons according to their evil ideas.

Most organizations embrace diversity and become more creative and open to change in their working environment or organization. Despite recognition of changes in the workforce, growing and improving diversity at work in recent years is an important management issue. Since management of diversity is always a challenge for organizations, managers tend to gain management skills required in a multicultural world and to train others for the recognition of cultural differences within their organizations and respect for all employees. Diversity is an enormous challenge for some business managers, but has no market limits and no boundaries.

### Outlook on Diversity

The US saw for the first time in the 1960's and 1970's the need to promote diversity. In 1961, President John F. Kennedy acknowledged that the President's Committee on Equal Employment's goal was to end racial discrimination in employment. The 1964 Civil Rights Act continued, preventing any discrimination. Promoting diversity in workplaces continued to advance and developed a policy to promote equality of opportunity for employment by creating a program in any department for a long period of time. In the

1980s, the significance of different forms of demographics, including religious practices and sexual orientation, has been expanding.

A diverse number of people are constantly recognized as necessary for enhancing the success and importance of the business which companies can no longer disregard. It is now well known that diversity adds tangible and intangible values, even though it requires sometimes accompanying problems and costs.

## II. THE CONCEPT OF MANAGEMENT OF DIVERSITY

Management of diversity can be characterized by planning, managing, coordinating and applying all holistic management skills to the development of an organisation atmosphere in which the various workers consciously and efficiently contribute to a business or organization's competitive advantage irrespective of their differences and similarities.

Diversity has become more and more viewed by business management as an important issue in recent years. This is because of the growing population divergences, globalisation, the growth of international business and business transactions across borders. In the corporate community businesses tend to focus more on diversity and find ways to take advantage of the diversity opportunities by recognizing that diversity can deliver higher productivity and competitive benefits.

The diversity management, which is part of human resource management, involves identifying, implementing successfully and harmonizing individual employee identities. Successful diversity management allows administrators to optimize workplace knowledge and expertise to accomplish corporate objectives better (Allen, 2004). Diverse factors may contribute to diversity, such as age, race, temperament, cultural beliefs, social and marital status, disability or sex. (Shen et al. 2009).

### Advantages and Disadvantages of Management of Diversity

Growing employee productivity was a big challenge for executives, managers and the whole business. Due to the unique structure and goals of each organization, different strategies can be used to question and resolve the business with a view to increasing productivity. Another strategy involves embracing and handling diversity in the workplace efficiently.

Diversity in the workforce offers workers the opportunity to grow in person. This may help everyone to understand their place in the world, and therefore in their own environment and intellectually, when new cultures, innovations and opportunities are exposed to workers.

Workforce diversity greatly improved more effective coordination between a company and certain customer classes. The customer service department is one of the places where effective communication is important.

There are its own weaknesses and forces in every diverse culture, so each worker has its own unique strengths and weaknesses, not just its individuality, but its own culture. If a company handles the unique feature of each employee correctly and efficiently, it can leverage strengths and add to the weaknesses to have a high impact on the employee.

During recent times, companies have a great deal of diversity management program taking the size and the staff of the enterprise into account. Many training programs involve high travel costs and cost of participation. Discrimination by both managers and employees is a big bottom line for a number of workers. There can only be a poorly managed cache element of a workplace. When a worker is discriminated against, his performance and equity understanding are impaired and litigation concerns posed.

Workforce diversity can adversely impact contact between the organization. It can impede effective communication, causing productivity to be reduced and diminishing worker cohesion. Although time spent on understanding the employees will reduce communications obstacles and, in certain cases, it is difficult for employees to coordinate themselves and their first interactions in a cultural conflict.

### III. COMPANY CASE STUDIES ON MANAGEMENT OF DIVERSITY

Different case studies and reality reports demonstrate that management of diversity will result in increased efficiency, productivity or market share. The following section contains three examples.

**Diversity Management at Ford Motor Company:** Ford Motor Company initially took the steps necessary to ensure that its employees reflected their communities. Ford has established manufacturing or sales operations over the first 5 years, in the USA, Canada, France, Great Britain, Scandinavia, Eastern Europe and Russia. Recognize the daily growth in the diversity of the company, Ford realized it was necessary to efficiently manage the various workers and strategically so that the company could continue to benefit from its implementation.

Ford Motors creates different groups that are able to educate and act as a tool for addressing diversity problems and guiding employees through their day-to-day work and individual work, for managing a variety of workplaces successfully and promoting their diversity initiatives further. For some of the groups only: (Employee Resource Groups 2013) This is explained by the following:

- Disabled employees (FEDA): FEDA seeks to provide individuals with disabled access to the

required resources and networking tools so that their work environment is accessible and easy.

- ERGs: The group is a group of staff, jointly funded by the company.
- Asian Indian Association (FAIA): The group aims to develop employees ' skills to support them.

**Diversity Management at McGraw-Hill:** Company promotes diverse workplace management. It aims to use increasingly accessible and vital capabilities to enhance the global presence of the company. ADP is a program in the organizational talent management plan. The associate development program (ADP). The program has attracted experts from top MBA schools from a variety of backgrounds, from race and sex, experiences and insights since early 1993. McGraw-Hill companies were able to leverage global talent throughout this diversity management programme.

**Diversity Management at IBM:** IBM has a hundred-year old history of diversity based on a belief and ideology of the organization that diversity is the relation between the labour force and the business. The confidence and understanding of diversity are essential to the potential of the business to compete on the global market. Diversity management is now pervaded throughout the management, technical and management style of IBM's corners. Through overseeing particular organizational diversity initiatives, thirty members of the IBM Global Executive Council.

**Tools for Management of Diversity at Coca-Cola:** In order to train employees, manage and assist his diverse workforce efficiently and serve as the resource to solve diversity problems and to direct employees through day to day work and personal work, Coca-Cola has developed many mentoring and advocacy groups. Many groups to list just a handful The following are:

- Lesbian, Gay, Bisexual, Transgender and Ally (LG BTGA): the organization aims at promoting a working community for all, building a social forum where people feel at home and contribute to the success of the company.
- The Business Resource Group supports Coca-Cola business professionals; it supports employees in their workplace excellence and encourages them to enhance morale.
- The Women's Business Resource Group, Women's Link: the purpose of the group is to empower, strengthen women's employees and build a reputation for women's values. The company has been recognized with the Catalyst Award 2013 to empower working women. Catalyst Award (2013)

#### IV. DIVERSITY AND INNOVATION

What is relevant about diversity? The response to this question seems pretty simple: diverse and inclusive businesses are more creative. A significant range of research has shown the link between diversity and creativity. Diverse teams are more capable of unlocking technologies that accelerate business development. Diversity also allows for creative nonlinear thought and adaptability. For example, the Boston Consulting Group (BCG) has analysed 1,700 American companies of different sizes and places in terms of possible innovation. In the last three years BCG considered a measure of innovation that part of the sales of products and services of a business began. BCG has identified companies with a higher diversity than companies with a lower average diversity (26%) as having a higher proportion of the innovation sales (a total of 45%). This benefit of 19%, unexpectedly, resulted in an overall boost in financial efficiency.

To continue to succeed, businesses must generate new products and services. And the best way to implement new ideas is through a diverse, inclusive workforce. The organisational environment, which involves multiple staff, represents the best practise for a healthy culture. Every employee knows that his voice is heard and that he is a highly valued team member. Everyone recognises that they can express different views and viewpoints regardless of age, background or experience. Indeed, people are encouraged to do so, since it leads to insight into creativity and ingenuity in evaluating potential possibilities and approaching existing markets in new ways, if every voice has airtime and everybody's suggestions are taken into account. Action, risk-taking and resilience pay tribute to leadership. Budgets, communications, enterprise structures, technologies and metrics encourage and track a diversified inclusion community. The decision-making team members and leaders share responsibility for success. Management focuses on what can be done, is effective and operates correctly.

A diversified and inclusive workforce is needed to facilitate innovation, encourage creativity and lead business strategies. Several voices are contributing to and promoting creativity, innovative projects and new technologies. Today, corporations see diversity and inclusion no longer as distinct from others and recognise that diverse individuals can differentiate between them and their competitors by hiring top talents and attracting new customers. The introduction of these policies and practises, while attempts to diverse and incorporate enterprises continue, presents also internal and external barriers to organisations. Businesses also face negative challenges internally. Diversity views have affected many businesses' recruiting efforts while externally a turbulent recovery has impeded.

Innovation through diversity has many examples. Cosmetics giant L'Oréal USA, there formula for diversity management is DIVERSITY + INCLUSION = Creativity & SUCCESS,

which reflects the value of diversity and inclusion. This formula encompasses a wide range of roles from recruiting to distribution to public relations. In order to improve company and encourage future development, the recruiting of diversified talent for their organisation is important. Company engage over 3,000 students every year through business games, faculty collaborations, student groups and campus presentations on campuses. Managers also create a network of strategic alliances through which "experienced" talent can be linked. These partnerships include young military personnel, excellent women in research, recruiting fairs for national diversity, among others.

#### V. CONCLUSION

As described above, diversity in working places is recognized as having advantages and inconveniences. Evidence and cases show that diversity is a potential source, though not easy to implement and manage diversity, of competitive advantages and improved performance for companies. The diverse workplace company seems to have trouble mismanaging diversity or incapacity by the leader or manager to identify and implement and effectively manage diversity. Variety also tends to be a curse rather than a blessing for novice managers.

In an increasingly global market, businesses with different staff are more suited to support a range of external customers. The needs of legal, financial, educational, economic and cultural contexts are better understood by such organizations. By properly managing the presence of diversity, synergies can be created and organizational performance improved. Diversity is believed to be a strong strategy because management can depend on certain people's strengths if it is not aware of other people's shortcomings. A person's strengths can offset other people's weaknesses, while other people's strengths are weaknesses, which is essential for a highly successful team. A diverse group of people provides unique perspectives, observations, experiences and skills that improve creativity and eventually impact the bottom line of a business. Today's diversity and inclusion investors will be tomorrow's most creative, sustainable and prosperous.

#### REFERENCES

- [1] Allen, T. D. (2004). Career benefits associated with mentoring for protégé: A meta-analysis, *Journal of Applied Psychology*, 89, 127-136.
- [2] Armstrong, M. (2008). *Strategic Human Resource management—A guide to action*, London: Kogen page Ltd.
- [3] Chambers, E. G.-J. (1998). The War for Talent, *The McKinsey quarterly*, 3, 1-8.
- [4] C Krishnan, July, 2009, Globalization and its impact on business environment, *IndianMBA. com*
- [5] C Krishnan, AK Choubey - Performance appraisal & its effectiveness in HDFC standard life insurance, *International*



Journal of Management, IT and Engineering, 2014, Volume : 4, Issue 10, 312-334

- [6] Chitra & Fatma Al-Harthy & Said Ali Al Mukhalladi & Muneera Salim AL Jabri, A Study on Impact of Employee Motivation on Employee Performance with Special Reference to Schools in Ibra, Oman, Amity Global Business Review 13 (2), 39-47
- [7] Collings, D. a. (2009). Strategic talent management: a review and research agenda. Human Resource Management Review, Vol. 19, pp.304–313.
- [8] Collings, D. G. (2008). Resourcing international as signees. International Human Resource Management: A European Perspective, 87–106.
- [9] Collings, D. S. (2011). European perspectives on talent management. European Journal of International Management, Vol. 5, pp.454–462.
- [10] Coleman, J. 2013, Harvard business review. 6 may 2013. John Coleman: Blog. [http://blogs.hbr.org/cs/2013/05/six\\_components\\_of\\_culture.html](http://blogs.hbr.org/cs/2013/05/six_components_of_culture.html) (Accessed on 20 January 2020)
- [11] Coleman, T. (1994). Managing diversity: Keeping it in focus. Public management, 76, 10-16.
- [12] Cornelius, N. (1999). Human Resource Management: A Managerial Perspective. Cornwall: Thomson Business Press.
- [13] Cox, T. H. and Blake, S. (1991). Managing Cultural Diversity: Implications for organizational competitiveness. Academy of Management Executive, 5(3), 45-56.
- [14] Globalisation and business 2013 [http://www.tutor2u.net/business/external/globalisation\\_effect.shtml](http://www.tutor2u.net/business/external/globalisation_effect.shtml) (Accessed on 01 February 2020)
- [15] Johnson, D. W. (2003). Reaching out: Interpersonal effectiveness and self-actualization (pp. 360).
- [16] Kreitner, R & Kinicki, A, 2001, Organizational Behaviour: 5th Edition, New York: McGraw-Hill.
- [17] Krishnan C, Goel R, Gurinder S, Bajpai C, Malik P, Sahai S. (2018) Emotional Intelligence: A Study on Academic Professionals Pertanika Journal of Social Sciences & Humanities 25 (4), 1555-1567
- [18] Nkomo, S. and T. Cox Jr (1996). 'Diverse Identities in Organisations'. In: S. R. Clegg et al. (eds), The Handbook of Organization Studies, p. 338-356. Sage, London.
- [19] O'Leary, A. (2004). The Essential Guide to Doing Research. London: SAGE Publications. Robin, C. (2002) Real World Research (2nd edn), Oxford, Blackwell
- [20] Patrick, H. A. (2010). Organization culture and its impact on diversity openness in the information technology organizational context. Dimensions, 1(1), 67-72
- [21] Sanjeev Chaturvedi & Chitra Krishnan, a study on Talent management practices and its impact on employee satisfaction in Service Industry in NCR, International Journal of Strategic Management, Mauritius, 2016, Vol 1, Issue I, 63-68
- [22] Sparrow, P. F. (2013). An empirical study of the role of the corporate HR function in global talent management in

professional and financial service firms in the global financial crisis. International Journal of Human Resource Management.

- [23] Stewart, J. &. (2010). The implications of talent management for diversity training: An exploratory study. Journal of European Industrial Training.
- [24] Tarique, I. &. (2010). Global talent management: Literature review, integrative framework, and suggestions for further research. Journal of World Business.

### Brief biographical sketch of the author(s).

**Dr. Chitra Krishnan** is Assistant Professor – Human Resource Management & Behavioral Science at Amity International Business School, Amity University Noida. She has done several International assignments and also worked with Ministry of Manpower, Oman. Before her academic career she has worked in industry in various positions of responsibility. In her academic career of 14 years, she has been actively involved in rigorous academic pursuits in the field of higher professional education to enhance skill sets that promote holistic development of learners. She has a number of publications in acclaimed journals at National and International level and has also participated in many national and international conferences. She has been empaneled as member of review committee for conferences and journal of repute and also serving as Editor of Annual International Referred Journal. Her area of interest includes Human Resource Management, Organisation Behavior, Talent Management, Diversity Management, Employee Satisfaction and Knowledge Management.

**Prof. (Dr.) Gurinder Singh**, Group Vice Chancellor - Amity Universities, Director General, Amity Group of Institutions and Vice Chairman, Global Foundation for Learning Excellence & Director General Amity International Business School, has an extensive experience of more than 26 years in Institutional Building, Teaching, Consultancy, Research & Industry. A renowned scholar & academician in the area of International Business, he holds a prestigious Doctorate in the area along with a Post Graduate degree from Indian Institute of Foreign Trade where he illustriously topped with 7 merits. He holds the distinction of being the youngest Founder Pro Vice Chancellor of Amity University for two terms, the Founder Director General of Amity International Business School and the Founder CEO of Association of International Business School, London. He has been instrumental in establishing various Amity campuses abroad including at London, USA, Singapore, Mauritius, Tashkent & other parts of the world.