



Importance of Diversity

Due to the byproducts of a

number of events (e.g., immigration, affirmative action, declining birth rates, globalization, etc.), the U.S. workforce has undergone dramatic demographic changes over the years (Christian, Porter, Moffitt, 2006; Gummer, 2000). The U.S. labor pool can no longer be described as merely white and male, but rather consisting of more equally of male and female workers, with a host of different races and ethnicities represented. The U.S. Department of Labor made it clear in an important document, *Futurework: Trends and Challenges for Work in the 21st Century* (1999), explaining the demographic changes to be expected in the next 50 years:

"By 2050, the U.S. population is expected to increase by 50 percent and minority groups will make up nearly half of the population. Immigration will account for almost two-thirds of the nation's population growth. The population of older Americans is expected to more than double. One-quarter of all Americans will be of Hispanic origin. Almost one in ten Americans will be of Asian or Pacific Islander descent. And more women and people with disabilities will be on the job."

It is apparent that the U.S. labor force is becoming more diverse than it was in the past, and will continue to do so in the coming years. How companies approach the management of this new workforce will have a significant impact on company performance and competitiveness in the global marketplace. The importance of diversity management has been communicated by academics and professional alike, citing the many benefits of having a

heterogeneous organization in comparison to a homogeneous one.

Perhaps the most appealing argument made to most businesses is the issue of cost. By managing a diverse workforce well, organizations are increasing their ability to address the needs of a more diverse customer base; here in the U.S. and abroad. Another benefit of having many different viewpoints in an organization is an increased level of creativity and problem-solving ability. Instead of every individual bringing the same backgrounds and perspectives to the table, organizations are able to come up with more innovative solutions and ideas to tackle various matters (Konrad, 2006). Lastly, not only does a diverse workforce appeal to top industry talent, but it also attracts customer patronage from those who prefer to buy goods and services from such organizations (Hymowitz, 2008; Konrad, 2006; Robinson and Dechant, 1997).

The mismanagement of diversity in the workplace is also seen to have a number of effects on company costs. Studies have shown that there is a positive relationship between an employee's attendance, dedication, and job performance and their perceptions of being valued and cared about by their organization (Robinson and Dechant, 1997). If management and team members fail to value women and minorities, company productivity will likely suffer as a consequence. Also, companies who do not support diversity within the workplace are more likely to be susceptible to costly lawsuits and out of court settlement, due to poor management of their diverse talent pool (e.g., propagation of stereotypes, harassment, discrimination, etc.). In addition to the legal costs, they will also have to take on the expenses associated with employee replacement.

Understanding the benefits and needs of having a multicultural organization, what can organizations do to cultivate and maintain such an organization? The first step in this process is to ensure a total organizational buy-in. From the top down, team members need to understand the importance of diversity from a business and moral perspective, thus creating an atmosphere and culture conducive to its presence. To do this, the company's values would need to be changed to express a commitment to promoting diversity in the work environment. Awareness-based and skills-based diversity training would also be implemented so that all employees' socialization is congruent with the new company values (Greenberg & Baron, 2003).

also need to develop a survey to follow the progress of the diversity programs to measure their effectiveness and impact on business. This way all levels of the organization can be held accountable to the results of their programs (Robinson and Dechant, 1997).

The second step would involve creating mentorship programs in which women and minorities are given additional opportunities to grow and fill up the higher ranks of the company. Also, if a company wants to foster an environment in which diversity will flourish, the needs of women and minorities will need to be met. Such implementations as child-care, compressed workweeks, flexible educational programs, and telecommuting, among others will make the diverse workforce see the company's commitment (Greenberg & Baron, 2003). In addition to these sweeping changes, it is important to ascertain the commitment of managers to these goals. Thus, managers' bonuses would be tied to diversity goals to assure that the company is retaining as well as recruiting well-qualified employees (Mehta, 2000).

In addition to diversity management making long-term cultural changes (involving leadership commitment, corporate values, training and development, conducive environment, and manager incentives), the organization would