

Importance of Diversity In The Workplace

Case duration (Min): **45-60**

Human Resource Management (HRM)

Promoting diversity**Worldwide****Case summary:**

This case focuses on DIFFERENCE - Interacting and working productively with others and how best to use human resources to meet organizational goals through high levels of performance (motivated, effective and efficient workers) and competing in the global marketplace. We begin this case by exploring the changing nature of the workplace; We then explore what is meant by diversity and consider the business case for promoting and managing diversity within contemporary organizations.

Learning objectives:

Evaluate diversity and multiculturalism as a source of sustainable competitive advantage and identify the benefits of diversity for organizations.

Case problem:

What is meant by diversity and should organizations seek to be diverse?

Food - Major Diversified

Company

Aramark

<http://www.aramark.com/>

ARAMARK is a leader in professional services, providing award-winning food services, facilities management, and uniform and career apparel to health care institutions, universities and school districts, stadiums and arenas, and businesses around the world. In FORTUNE magazine's 2009 list of "World's Most Admired Companies," ARAMARK was ranked number one in its industry. ARAMARK seeks to address issues responsibly that matter to its clients, customers, employees and communities by focusing on employee advocacy, environmental stewardship, health and wellness, and community involvement. Headquartered in Philadelphia, ARAMARK has approximately 260,000 employees serving clients in 22 countries. ARAMARK partners with clients around the world, providing a broad range of customized services, catering to both cultural preferences and needs, whilst achieving and maintaining high standards. Their mission is to be a company where the best people want to work...people from all backgrounds, perspectives, and experiences. That mission is reflected throughout the organization – from executive offices to operations. The company is comprised of a rich mosaic of individuals. They hire, retain, and develop a workforce that reflects the marketplace they serve and maintain a workplace culture that values and leverages differences and similarities.

First, if you are taking a taught management course then consult with your tutor and ensure that the case has not been scheduled into a teaching class or tutorial. If it has not:

1. Play/ read the media associated with the case. You may need to access the Internet and enter a URL to locate any video clips.
2. Attempt the Case study questions.

Consider attempting the case study as a group exercise; you could form a study group with fellow students.

3. Check the suggested answers - remember these are suggestions only and there are often many possible answers.

Discuss questions and answers with other students.

4. If you feel your answer(s) were weak then consider reading the relevant suggested readings again (also see the case study suggested references).

Title/ Media type	URL/ Media description
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Importance of Diversity In The
Workplace :

<http://eclips.cornell.edu/themes.do?id=48&clipID=6992&tab=TabClipPage>

Film

Abigail Charpentier is Vice President of Human Resources at Aramark Harrison Lodging. She discusses the Importance of Diversity In The Workplace.

See transcript.

NOTES:

Case study questions...

Action	Pre/During/After class
1 THE CONTEMPORARY WORKPLACE : How would you describe the contemporary workplace? How is the workplace changing – why is it changing (think of the types of people within organizations, are organizations characterised by large similar groups or more dissimilar heterogeneous environments?)	During
2 DIVERSITY : There is no question that today's workforce is more diverse. As with any social construct there are many definitions for Diversity. What does diversity (in an organizational context) mean to your group?	During
3 THE BUSINESS CASE FOR DIVERSITY Abigail asks - why bother with diversity ? Drawing on comments made in the film clip and your wider readings and experiences, detail the arguments (pragmatic and ethical) for and against diversity in business.	During

Answers...

DIVERSITY

All the ways in which we differ

DIVERSITY

valuing, respecting, and appreciating the differences (such as age, culture, education, ethnicity, experience, gender, race, religion, and the sexual orientation, among others) that make people unique

DIVERSITY

Visible and non-visible differences which will include sex, age, background, race, disability, personality and workstyle.

DIVERSITY

'Diversity is the variation of social and cultural identities among people existing together in defined employment or marketing systems' (Cox, O'Neill and Quinn, 2001).

DIVERSITY

The heterogeneity of attitudes, perspectives and backgrounds among group members

Question/ Answer

1 THE CONTEMPORARY WORKPLACE :

How would you describe the contemporary workplace? How is the workplace changing – why is it changing (think of the types of people within organizations, are organizations characterised by large similar groups or more dissimilar heterogeneous environments?)

Immigration, changing demographics, globalisation, increased international business and technology impact upon today's workforce which is older, more racially diverse, and more female, more varied. Consequently Harvey and Allard (2005) describe the 21st century workplace as having a diverse (heterogeneous) workforce. Where there is a need to motivate, communicate & work productively, this necessitates an understanding of workers as people. Within such environments the management aim remains to maximize benefits and minimize costs and to enable all workers to achieve their full potential.

2 DIVERSITY :

There is no question that today's workforce is more diverse. As with any social construct there are many definitions for Diversity. What does diversity (in an organizational context) mean to your group?

It has been described as the heterogeneity of attitudes, perspectives and backgrounds amongst group members; valuing, respecting, and appreciating the differences (such as age, culture, education, ethnicity, experience, gender, race, religion, and sexual orientation, amongst others) that make people unique or more simply as - all the ways in which we differ.

3 THE BUSINESS CASE FOR DIVERSITY

Abigail asks - why bother with diversity ? Drawing on comments made in the film clip and your wider readings and experiences, detail the arguments (pragmatic and ethical) for and against diversity in business.

Within today's workforce we can observe the extensive use of cross functional, heterogeneous teams designed to produce creative solutions to business problems, and the increased reliance on non-traditional workforce talent. This clearly demonstrates that diversity management has become a critical aspect of operating business. Diversity integration requires a long-term commitment and the payback is often not as tangible or predictable as say investing in new product development. However, a competitive edge can be gained by optimising the people resource of the organization. A critical challenge for senior management today is to turn cultural diversity into a differentiating advantage in an increasingly competitive global marketplace. Human resource executives must create a clear, compelling business case for diversity, linked to the company's strategic business objectives.

Business reasons for managing diversity include:

Cost savings - higher turnover costs (dissatisfied employees leaving the company), higher absenteeism rates and possible lawsuits on sexual, race and age discrimination.

Winning the competition for talent - companies must attract, retain and promote excellent employees from different demographic groups. Companies cited as the best places to work for women and minorities have reported an increased inflow of applications. 'If we are going to have the best and the brightest to come and help us solve our client solutions, we need people who have perspectives from the very perspectives and vantage points that our clients come from and to have those people and have again the best and the brightest,'

Improved marketplace understanding - your workforce should reflect your consumer base.

'mimics our very diverse client backgrounds and client markets that we're operating in'.

Enhanced creativity and increased quality of team problem-solving - research shows that heterogeneous teams produce more innovative solutions to problems.

Societal expectations 'we have some expectations that business and the way business is done is going to have a diverse representation. That's a question that we are asked every time we go to win new business, is- what does our workforce look like?'

A diverse workforce with established customer relationships is an example of such a difficult to imitate resource. A diverse and multicultural workforce can deliver sustainable competitive advantage because it is difficult to imitate, creative and mirrors the marketplace and therefore better able to understand worldwide customer needs. Not only are there economic arguments for the development of a multicultural organization but social arguments suggest that it is the right and responsible way to manage the international organization - in compliance with the CSR principles.

There are however significant costs to manage diversity :

A multicultural organization is both difficult and costly to manage and has the potential for negative outcomes. It is therefore important for international organizations to understand how people from different social and cultural groups behave, interact and perceive the world.

Employees of the international organization and its affiliates must learn to work together productively; furthermore, employees must understand how to do business with entities located throughout their supply chain; the international organization must understand the role of cultural variables in determining how work is carried out in different countries and how their outputs (products and services) may need to be adapted for differing customer tastes worldwide. In short, the international organization and its human resource must learn how to manage difference. With Globalization comes increased mobility for workers and organizations. As a consequence, many international organizations and their subsidiaries or operating units have become increasingly diverse. To capitalize on diversity benefits and comply with diversity laws whilst minimizing the potential costs, leaders are advised to create multicultural organizations. Many of the associated challenges can be presented as integration and communication problems.

Case study references

Cole, G A. and Kelly, P P. (2011) 'Management Theory and Practice', Ed. 7. Cengage EMEA.

Kelly, P P. (2009) 'International Business and Management', Cengage Learning EMEA.