

Making diversity a workplace asset

Focus on inclusion and employee well-being

Diversity pros and cons

In many workplaces across the globe today, employee diversity has become a defining characteristic. Diversity advocates firmly believe that bringing together people with different backgrounds and experiences can help take a firm's performance and innovation levels to new heights.

Considerable skepticism persists among other observers though. Although the potential gains from diversity are readily acknowledged, they are equally quick to point out that implementing a diversity policy is no guarantee of benefits being yielded. Indeed, scope exists for negative effects to emerge too. Plenty evidence shows that people are still prone to be suspicious and mistrustful of anyone they perceive as being different to them.

Like most other things, diversity comes in various forms. Demographic diversity is an obvious example. Also labeled 'surface diversity' in certain quarters, it essentially relates to observable features like age, gender and ethnicity. Within an organizational context, 'knowledge diversity' is highly important as well. This brand of diversity is 'task-related' and emphasizes differences between individuals in their skills, experience and practical know-how.

Much diversity work to date has tended to focus on performance outcomes. By comparison, knowledge about affective outcomes appears considerably lower. That said, scholars have pointed out the scope for a range of negative effects that include heightened feelings of inferiority and inadequacy. Decreased levels of job satisfaction are inevitable when this happens.

Results overall are inconclusive though and more knowledge is needed to ascertain how diversity might help enhance the well-being of the workforce. However, it must be noted that the bulk of this work focused on objective diversity.

How surface and knowledge diversity shape EWB

Past research has illustrated the vital nature of employee well-being (EWB) both for the individual and their contribution to firm performance. Negative consequences run counter to expectations where diversity is concerned. It is therefore a matter of priority to investigate the potential for surface and knowledge diversity to impact differently on affective outcomes like EWB. Various factors have been shown to influence EWB including meaningful work tasks, job improvements, support from leaders and a positive firm environment.

Employee perception is the common denominator in all these factors and, indeed, to both forms of diversity. Consequently, insight into how perceived surface diversity (PSD) and perceived knowledge diversity (PKD) relate to EWB should widen understanding of potential diversity effects.

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According to the certain analysts, PSD is more prone to result in an unfavorable impact on how employees feel about their overall well-being. This is largely attributed to the salient nature of diversity shaped by demographics. People classify others on the basis of observable features and this often generates an 'us and them' mentality. Prejudice is an unwelcome consequence of this with individuals treated differently depending on their ascribed status of being inside or outside a particular group.

The picture often appears a brighter one where PKD is concerned. Evidence suggests that people essentially view diversity of knowledge in favorable terms. Having access to a broader array of skills, experience and expertise better equips businesses to use novel approaches to address challenges and find effective solutions.

But perhaps the most notable aspect of PKD is the galvanizing effect that can emerge in the wake of employee willingness to share knowledge and ideas. When effective collaboration takes place, an increase in mutual trust and understanding becomes highly likely. Biases diminish in strength or disappear altogether and individuals feel more psychologically secure. In this scenario, affective outcomes of diversity are clearly positive.

Balancing inclusion and uniqueness

It is logical to assume that certain contextual factors possess the capacity to shape diversity effects to some degree. Employee perception of inclusion has been noted in this regard. Inclusion:

- is reflected by the prevailing climate within a firm;
- encompasses feelings of being accepted; and
- means experiencing a sense of belongingness as result.

Many observers point out that inclusion helps break down barriers and generate positive outcomes. From a business perspective, inclusion in relation to knowledge diversity encourages greater sharing of knowledge and cross-functional integration. This helps increase project success which, in turn, enhances self-efficacy and strengthens shared professional identity.

Another notable aspect here is that individuals feel valued more for their unique contributions. This is important as people believe that integration should not mean that their distinctiveness is no longer recognized.

A favorable effect on EWB is a likely end result of inclusion, which can be exacerbated when organizational leadership supports diversity initiatives. Treating employees fairly helps demonstrate such commitment from leaders, who should also advocate diversity principles and ensure they are adequately reflected in human resource policies.

Context must be considered within any diversity discussions. Initiatives launched in one cultural setting may not be pertinent within another. In light of this, [Jaiswal and Dyaram \(2020\)](#) conduct a study into the expansion of workplace diversity across India.

Increased presence of multinational firms in the country has naturally raised the importance of this issue. India is an interesting study context, not least because of the inflexible social categorization that persists and functions as a barrier to workplace integration.

This example also illustrates how the significance of different diversity markers can be context-dependent. For instance, the growing number of women in the workplace increases the importance of gender. Existence of various religious faiths and belief systems ensure that ethnicity is likewise influential in terms of PSD. Education is a key facet of PKD, partly due to the fact that access to provision varies across different social groups. Tenure within a firm and seniority are other variables to note. Both are respected and associated with status and expertise accordingly.

The search for a demographic mix in the workplace prompted the authors to focus on large companies for the survey. An online questionnaire was distributed and analysis corroborated much evidence from previous work. In the main, respondents felt that PSD harms their well-being, while the impact is viewed in positive terms with PKD. Potential for inclusion to mediate the latter relationship was likewise indicated. In this regard, the study supports claims that inclusion provides employees with psychological reassurance and helps allay any fears of a 'backlash' due to the cognitive diversity of the workforce.

But intrusion showed no effect on the link between PSD and EWB. The need to achieve an acceptable balance between uniqueness and a sense of belonging offers one conceivable reason for this. According to the authors, these respective needs are likely to vary in importance within different contexts.

On this evidence, companies should recognize that diversity effects are most accurately portrayed through their members' perceptions. Diversity management must then proceed on this premise. The collectivist culture of India means that friendly relationships are cherished. A focus on exploiting knowledge diversity in work projects can help in this regard by satisfying needs for inclusion and belongingness.

They must also remain alert to the negative impact of PSD on EWB and the apparent inability of inclusion to alleviate harmful affective outcomes. This finding emphasizes the role of social context. Strict social divisions within India help sustain factions and hierarchies which highlight otherness and detrimentally affect individual well-being.

In order to address this ongoing categorization, firms are urged to focus on individual qualities and allocate important work roles and responsibilities to employees that utilize their strengths. This will hopefully shift the focus to PKD and subsequently usher in greater inclusion and unity. Such measures must be part of an ongoing aim to increase diversity awareness that also features prominently within frequently-held programs and training initiatives.

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When effective collaboration takes place, an increase in mutual trust and understanding becomes highly likely.

Keywords:

Inclusion,
Employee well-being,
Perceived knowledge
diversity,
Perceived surface diversity

Comment

The review is based on: "Perceived diversity and employee well-being: mediating role of inclusion" by Akanksha Jaiswal and Lata Dyaram, published in Personnel Review. Diversity in the workplace has scope to function as a double-edged sword. Firms must recognize different forms of diversity and their scope to vary in how they shape employee well-being. A focus on measures that increase employee perceptions of inclusion can alleviate the detrimental impact on affective outcomes of diversity.

Reference

Jaiswal, A. and Dyaram, L. (2020), "Perceived diversity and employee well-being: mediating role of inclusion", *Personnel Review*, Vol. 49, No. 5, pp. 1121-1139, ISSN 0048-3486, doi: [10.1108/PR-12-2018-0511](https://doi.org/10.1108/PR-12-2018-0511).

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