# Chapter 82 Developing Diversity Neutral Organizational Culture: A Study on Selected CPSEs of India

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# ABSTRACT

Workplace diversity issues have now generated enormous activities in organizations. Diversity management practices are positively seen by the stakeholders, and also contribute to organizational value-stream. Worldwide through various government actions, discriminatory employment practices based on race, colour, religion, age, disability, gender, culture, and ethnicity have now been prohibited. With diverse workforces, culture of organization becomes complex. Hence organizations need to change to accommodate the principles of valuing diversity. Among others, this requires focus on changing employees' attitudes and eliminating discriminatory behaviours. Based on literature survey on organizational practices and diversity management practices of two public sector organizations, this book chapter discusses two core diversity issues, i.e., gender neutrality and cross-cultural diversity and then outlines the diversity management principles, which can benefit Indian organizations in long-term sustainability and growth.

#### INTRODUCTION

Theoretical percepts of organizations emphasise convergence issues like collective goals, objectives, issues, problems and results, which require people to come together irrespective of their religion, caste, race, gender, etc. Organizations need to integrate different diverse entities to pursue common goals. Managing diversity requires strict conformance to the principles of uniformity. A truly diverse organization is capable to achieve efficiency and competitiveness, pooling the collective efforts of diverse workforce. Diversity also ensures innovation. Diversity must be carefully and constantly nurtured. Diversity management is the attempt to bring together competing interests into a single whole. Without productive diversity, culture of the organization can suffer from the problems of lack of new initiatives, innovation, and responsiveness to change (Bhattacharyya, 2014).

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Globally employment landscape is fast changing. Organizations now believe in gender inclusivity and cultural diversity of workforces. Definition of diversity is not however limited to gender and cultural issues, it even now encompasses ethnicity, race, age, religion, education, socio-economic background, etc. In Indian organizations, we however face the challenge of managing gender diversity (Bhattacharyya, 2010). Most of the Indian organizations are focused on managing gender diversity in work places to avoid the legal issues. But such perspectives cannot help organizations to gain from the diversity-neutral workplaces. This requires institutionalization of diversity-inclusive work culture. Again there is a subtle difference between uniformity and diversity. When diversity neutrality is practiced in organizations to avoid eventual legal complications, we call it uniformity (Olsen & Martins, 2012). Contrarily, when diversity is embedded in organizational DNA, we call it diversity inclusive workplace (Jordan, 2011). Therefore, with uniformity in diversity management practices, we achieve legal compliance, but with diversity-inclusive work culture, we can gain organizational effectiveness.

## DIFFERENT APPROACHES TO DIVERSITY

Diversity inclusion and competitive advantage of organizations could be linked by Fleury (1999), based on study of Brazilian organizations. Fleury defined diversity as mixture of people within the similar social system. Therefore diversity is an inclusive approach, encompassing race, gender, age, colour, physical disability, ethnicity, etc. (Kundu & Turan, 1999). With encouraging results for practicing diversity neutrality and embracing diversity inclusion, organizations across the world started aligning diversity issues with their strategy (Hayes & Mandez, 1997; Palich & Gomez, 1999) to get the benefit of efficiency and effectiveness in terms of achieving higher productivity and improving quality (Morrison, 1992) etc. With these gradually diversity management practices have been acknowledged as necessity in the corporate world. Cox (1993) defined diversity management as organizational systems and practices making use of potential advantages of diversity. To ensure diversity inclusion and neutrality, first thing that organizations need to do is following the principles of equal employment opportunities. For this organizations first document their policies on diversity issues, and then try to institutionalize the culture of diversity inclusion through series of interventions. Such interventions may be periodic diversity management audit, aligning adherence to diversity policies with performance management systems, periodic training reinforcements on diversity, etc. In organizations human resource management department plays the critical role in institutionalizing diversity management practices.

Diversity management has now become a business imperative for organizations. However, approaches to diversity management vary from organizations to organizations with respect to deficiency, discrimination, and differentiation (Glastra, 1996).

Deficiency approach to diversity management restricts focus on individual-specific deficiencies in knowledge, competencies, and skill. Individual specific deficiencies are assessed in terms of some preset organizational standards (Glastra, op. cit.). For example, performance standards of an organization may be pre-decided, based on certain parameters. Now when an individual employee is unable to reach the required performance standards, organizations can differentiate the compensation logically.

Discrimination approach is prejudiced diversity exclusion employment practices (Glastra, op. cit.). This is more purposive and deliberate employment practices of organizations to generate more profit through workplace inequality. At times ill effects of discriminatory approach may not be for the reasons 12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/developing-diversity-neutral-organizationalculture/182164

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