

CHAPTER 1

INTRODUCTION

1.1 Cultural Diversity

1.1.1 Cultural Diversity at Workplace

Cultural diversity or multiculturalism is a collection of diverse persons from various cultures or civilizations. Usually cultural diversity takes into account linguistics, religious conviction, race, ethnicity, gender, age and sexual alignment. Companies started to embrace corporate diversity in the initial 2000s. This was owing to numerous trends in demographics and a changing workforce.

Workplace diversity refers to the variation of differences amongst people in a corporate organization. That might sound simple but is often not so. Diversity includes race, gender, ethnic assemblage, age, character, intellectual style, term, organizational purpose, background, education, and much more. Diversity not only sums up the point that how people classify themselves, but also how they perceive others. Those perceptions affect their interpersonal interactions. For an across-the-board mixture of employees to function efficiently as an organization, human resource experts need to deal effectively with subjects such as change, adjustability and communication. Cultural Diversification will accelerate considerably in the upcoming years. This is the right time, when successful organizations have become increasingly familiar with the need for instant action, and hence are prepared and filled with enthusiasm to employ resources on managing and utilizing diversity in the workplace.

A multifarious manpower that feels at ease while communicating their varying viewpoints provides a bigger pool of ideas, concepts, wisdom and experiences. The organization can more effectively draw from that pool to encounter the needs, both of the business strategy and of the customers. A diverse assortment of skills and experiences (e.g. languages, cultural understanding) allows a corporation to deliver service to its clientele on a worldwide basis. Organizations employing a diverse workforce can bring in a larger variety of solutions to issues in sourcing, service, and distribution of resources. Employees from diverse cultural

environments bring uncommon and unique personal talents, skills and experiences in suggesting ideas that are flexible enough in adapting to fluctuating markets and all time changing customer demands. Diversity due to cultural backgrounds in the workplace encircles the variety of perspectives and experiences that crop up from employee's differences in an organization. These differences are based on race, gender, ethnic group, age, sexual orientation, personality, cognitive style, religion, tenure, organizational function, education, heritage, and more. Also known as multiculturalism, cultural diversity is born from the values, norms, and traditions of an employee that affect the way s/he typically perceives, thinks, interacts, behaves, and makes judgments. So it's not just about an individual's characteristics, but also about the way others perceive those characteristics.

1.1.2 How Does it Become Noticeable in Workplace?

When initiating the way of managing cultural diversity in the workplace, you'll need to evaluate the cultural competence of your employees. Cultural competence is the ability to be swift so as to join forces effectively with people from different cultures. There are several factors that affect each employee's cultural competence, together with mindfulness of one's personal cultural worldview, understanding of other cultural worldviews and practices, and attitudes towards cultural dissimilarities. Creating an environment where cultural competence is received positively and rewarded is the all-encompassing goal of managing cultural diversity at work.

1.1.3 Methods to Support Cultural Diversity

To support the cultural diversity within workplace is to go beyond policy requirements and legalities. It is to encourage the well-being of community so as to make a difference i.e. following the Platinum Rule: "give others the treatment *they* desire."

The biggest hurdle is simply trying to prevent the occurrence of change resistance. This should be done through including as many employees in the process as possible and executing the guidelines that follow:

- **Assess cultural competence and diversity**

Start by doing a speedy audit of your company's culture. Ask yourself: What prompted me to search about cultural diversity in the workplace? What are my goals for creating a culturally diverse environment? Does my company (and upper management) value and practice cultural diversity? What is hindering cultural diversity in my place of business?

Also, look inward to understand your own culture, identity, biases, prejudices, and stereotypes. Then make a plan to address your concerns, based on the suggestions below.

- **Offer an Employee Resource Group (ERG)**

Employee Resource Groups (ERG, also known as affinity groups or business resource groups) are voluntary, employee-led initiatives that serve as a resource for members and organizations by fostering a diverse, inclusive workplace aligned with organizational mission, values, goals, business practices, and objectives. They bring employees together based on common interests, characteristics, or shared backgrounds. These company sponsored groups have moved away from simply being a place for social gatherings to serving as think-tanks for companies to gain insight into products, services, or the marketplace. Try offering an ERG or add a multicultural, or culture specific, ERG to your current list of affinity groups.

- **Consider adding diversity training**

Diversity and inclusion training is a great addition to the steps above, especially if you assess low levels of cultural competence among your employees in step one. Most training starts with an understanding of your own cultural diversity and then moves to expanding your knowledge and tools for working with others to drive team success and impact the bottom line. The inclusion of diversity training allows your employees to discover new approaches to doing things and helps you develop a plan to create an inclusive workplace.

Another tip: always follow your efforts at managing cultural diversity in the workplace with analysis. Send employee short surveys to re-assess and make adjustments where necessary.

1.2 Benefits of Cultural Diversity

1.2.1 Better People

The more different people's experiences and backgrounds are, the more diverse their viewpoints and voices. Including all voices in your brainstorming sessions creates spaces where outside-the-box thinking can thrive. This means your team is better able to develop fresh ideas that will meet the needs of the diverse marketplace that we work in. You can also broaden your service range as cultural diversity includes inviting a variety of on-the-job skills that drive innovation in your company and reflect the world around you. As one source puts it, "If members of your team look like and understand the people in diverse target markets, they are perhaps better able to design and deliver products and services that meet the needs of these potential customers. Along those same lines, creating an atmosphere of mutual understanding and respect creates a firm foundation for building effective teamwork.

1.2.2 Better Company

When your employees feel valued and happy on the job, you are more likely to have low turnover and absenteeism. These two factors contribute to unnecessary expenditures in your company because you have to take out time to find new employees and train them. Plus, more engaged employee means higher productivity and better attitudes toward co workers, managers, and clients. Once your internal operations are optimized, your reputation as an employer of choice will allow you to attract the best talent from our ever shrinking labor pool. People want to work for employers who care about and value their unique characteristics. Thus, by managing cultural diversity in the workplace you can make recruitment easier and more effective. Lastly, when you have a diverse workforce, diverse customers in your target market are more likely to trust your brand and feel comfortable doing business with your company. All of these factors contribute to your current marketing efforts, allowing you to capture more of the market.

Ignoring the mounting costs of mismanaging cultural diversity in the workplace will have long-term effects on your company's future. Mismanaging cultural diversity at work causes unhealthy tensions between employees and employers and a loss of team productivity. Your company's reputation as an employer of choice is dependent on its atmosphere of acceptance.

If you can't recruit or retain talented people of all kinds, your company has lost its most valuable asset: employees. Remember, as our economy becomes increasingly global, our workforce will also become increasingly diverse. Your competitiveness and success will depend on your ability to manage the cultural diversity in your workplace.

1.3 Work-Life and the Racially and Culturally Inclusive Workplace

Creating and maintaining inclusive work environments requires that companies not only foster diversity in the workplace, but also address issues of race and culture that impact employees' lives outside of work as well.

1.3.1 Why is it Important to Address the Racial and Cultural Dimensions of Work-Life?

By viewing the diversity among employees as strengths and demonstrating a willingness to accept the different worldviews of their employees, organizations can benefit in many ways. Research indicates that organizations retain diverse workers if they consistently: (a) respect and acknowledge the unique contributions that diverse workers bring into the workplace, (b) demonstrate a willingness to accept the different worldview of their employees, and (c) acknowledge and attend to racial and cultural issues in the work and personal lives of their employees (Storke et al., 2005).

While many racially and culturally diverse professionals hold leadership roles (e.g., mentoring, community involvement) in their lives outside of work, companies have been hesitant to recognize, value, or help employees transfer these skills into the workplace (Hewlett, Luce & West, 2005). A Harvard Business Review article, entitled *Leadership in Your Midst: Tapping the Hidden Strengths of Minority Executives* (2005) found that this lack of recognition can lead diverse employees to feel invisible in the workplace and, in conjunction with their contributions outside of the workplace, can lead to feelings of overextension and burn out.

1.3.2 How Can Companies Address the Racial and Cultural Dimensions of Work-Life?

Work-life programs that focus on flexibility and allow for individualized schedules promote healthy work-life balance for employees of all races and cultures. Flexibility is rooted in diversity, looking at each individual and their unique needs. Work-life programs that are

sensitive to individual and family needs show how companies can assist in addressing diverse influences in workers' lives. For example, Chinese males are obligated to provide filial care for their elderly parents as a form of repaying their parents for bearing the emotional and financial cost of raising them. However, fulfilling this cultural obligation is becoming increasingly difficult for many Asian workers in the United States; therefore, they have begun to hire home care workers to fulfill their care-giving obligations (Lan, 2002). Companies need to take into consideration cultural variations in care-giving, and the subsequent impact that these differences may have on the lives of their employees when creating work-family programs.

1.4 Strategies for Effective Inclusive Workplace Practices

Beyond the recruitment of racially and culturally diverse employees, strategies for effective inclusive workplace practices require organizations to demonstrate their commitment to issues of diversity in the workplace, providing professional supports such as mentoring and/or networking opportunities for racially and culturally diverse workers, and implementing organizational changes that reflect the respect and value that the organization has for its workers. An organization must be willing to fully communicate its commitment to the issues of race and culture in order to establish an inclusive work environment. An organization's commitment to diversity can be reflected through its mission or vision statements, anti-discrimination and compliance policies, and action plans for an inclusive work environment that are realistic and sustainable. Additionally, organizations can utilize advertising, public relations and their websites to further communicate their commitment to an inclusive workplace not only to their employees, but also to their consumer bases. This communication should include ongoing training and seminars focused on diversity in the workplace provided for employees at all levels of the organization. An organization must be willing to provide organizational supports that can assist in fostering professional growth of diverse workers. Researchers suggest that organizations must establish and encourage supports for employees from racially and culturally diverse backgrounds that can include: Mentoring aimed at supporting professional development, Support networks, Employee Resource Groups or Affinity Groups and training and career development opportunities to assist with the advancement of employees (Barak, 2000; Sparks, 2006; Sue, 1998).

Organizations must promote inclusive work environments by establishing a system of rewards and consequences. Organizations need to establish reward systems to encourage behavior change and provide a system of compensation and benefits for adherence to inclusive work environment practices (Sparks, 2006). To do so, an organization could establish measures of inclusive practices as a component of employees' performance evaluations and/or standards that are necessary to meet in order to advance within the corporation, or provide rewards and recognition from the organization. At Verizon Communications, 5% of bonuses for directors and above are related to diversity (Cole, 2004).

1.5 Benefits of Reducing Race-Based Discrimination and Supporting Acceptance of Diversity

At a personal level, race-based discrimination has negative outcomes for both targets and perpetrators. For those who are targeted, it can “traumatise, hurt, humiliate, enrage, confuse, and ultimately prevent optimal growth and functioning of individuals and communities” (Harrell, 2000, p. 42). Race-based discrimination may also have negative effects on individuals who perpetuate it, distorting their personalities and their perceptions of the world with some evidence of an association between reported levels of unhappiness and prejudiced attitudes (Borooah & Mangan, 2007).

There is strong evidence that race-based discrimination causes ill health, especially mental health and well-being problems such as anxiety, depression and stress and poor quality of life (Paradies, 2006a; Pascoe & Richman, 2009; Williams & Mohammed, 2009). These health impacts are summarised in Table 1. People who report race-based discrimination are also more likely to be overweight or obese and to engage in behaviours known to cause poor health, including smoking and substance and alcohol misuse. While there are conflicting findings, some studies show an association between race-based discrimination and both infant low-birth weight and heart disease/stroke. The link with heart disease is supported by emerging evidence of an association with factors known to increase the risk of heart disease and stroke (e.g. high blood pressure, increased heart rate, early coronary calcification and damage to red blood cells).

Table 1: The association between self-reported race-based discrimination and poor health outcomes, 2011

	Well established (a)	Established in some studies (b)	Emerging (c)
Negative outcomes for mental health	Psychological, psychiatric, emotional distress Depression/depressive symptoms Anxiety Stress		Psychiatric disorders (e.g. post traumatic stress disorder) Suicide risk Sleep disturbance Chronic fatigue
Negative outcomes for mental wellbeing	Quality of life Work and personal satisfaction	Self-esteem General mental health	Psychological wellbeing

Race-based discrimination at work has been found to contribute more to poor job quality than other occupational stressors such as low task variety and decision authority, heavy workloads, and poor supervision (Hughes & Dodge 1997). Race-based discrimination leads to ill health via a number of pathways:

- It restricts access to resources required for health (e.g. employment, housing and education) and increases exposure to health risks (e.g. unnecessary contact with the criminal justice system)
- Affected individuals internalise negative evaluations and stereotypes of their own group, leading to poor self-worth, self-esteem and psychological wellbeing
- Stress and negative emotions/thoughts produced may have negative psychological and physiological effects
- It can result in individuals disengaging from healthy activities (e.g. exercise, taking medications and maintaining good sleep patterns) as well as attempting to cope by engaging in behaviours that impact negatively on their health (e.g. smoking, excess alcohol consumption and drug use)
- It can lead to injury through racially motivated assault resulting in further negative physical and mental health outcomes
- Children of parents affected by race-based discrimination are at a higher risk of developing behavioural and emotional problems.

CHAPTER 2

LITERATURE REVIEW

2.1 Scope and Nature of Workplace Race-Based Discrimination

Discrimination encompasses behaviors or practices that result in avoidable and unfair inequalities in power, resources or opportunities across groups in society based on various characteristics. These include gender, sexual preference, ethnicity, race, culture, religion, age, social class and relationship status. Individuals may simultaneously experience multiple discriminations on the basis of two or more of these characteristics (Paradies et al., 2009).

Systemic race-based discrimination refers to the way in which the rules, regulations and norms of an institution can be set up such that they function to disadvantage certain racial groups whether intended or not (Harrison, 1999). Systemic discrimination operates through the structures of society in that seemingly ‘normal’ ways of doing things may consciously or unwittingly promote sustain or entrench differential advantage for some people and disadvantage for others (Tator, 2005). Thus, whilst systemic racism can be explicit and official, it is often unofficial and unnoticed (Hollinsworth, 2006).

Systemic discrimination that occurs in critical areas such as education, employment and housing can lead to social disadvantage and, in turn, contribute to intergenerational disadvantage. It is important to note that systemic discrimination can persist in institutional structures and policies in the absence of interpersonal discrimination and its operation may be unintentional and often unrecognized by those practicing it (Paradies et al., 2009). Hollinsworth (2006) notes that racism exists as much in our established and respected institutions as in the hearts and minds of those who work in institutional settings. For these reasons, systemic discrimination may be difficult to pinpoint and disentangle from other factors contributing to disadvantage (Paradies et al., 2009).

Race-based discrimination can occur on individual, interpersonal, community and societal levels. Racism includes complex interactions between deeply held stereotypes and prejudices, discrimination in the form of everyday acts, and systemic discrimination embedded within ideologies and structures (Paradies et al., 2009). Racism at community and societal levels strongly influences workplace structures and practices (Brief et al., 2005; Di Maggio &

Powell, 1983; Meyer & Rowan, 1977) as well as shaping employer and co-worker attitudes, beliefs and behaviours (Syed & Pio, 2009).

Race-based discrimination in the workplace has numerous manifestations. First, many employers recruit applicants primarily by word-of-mouth referrals (Brief et al., 2005). Because word-of-mouth referrals travel through employees' social networks, they tend to produce applicants similar to those employees already in place and exclude those from racial, ethnic, cultural or religion minority groups who already experience employment disadvantage.

Discrimination can also occur through differences in access to, and utilisation of, job search agencies (Berman et al., 2008). There is clear evidence that

In the workplace, race-based *drace-based* discrimination occurs in selecting applicants for interviews (Booth et al., 2009; Riach & Rich, 1991) and within job interviews (Dipboye & Colella, 2005).

In the workplace, discrimination can occur at either a systemic and/or interpersonal level. At the systemic level, race-based discrimination can result in non-recognition of qualifications and under-employment (Berman et al., 2008). It can also result in avoidable and unfair inequalities in job allocation, seniority, role ambiguity, performance evaluation, training, promotion, remuneration, dismissal, resignations, retirement and absenteeism among staff of various racial, ethnic, cultural and religious backgrounds. This may in turn lead to inequalities in satisfaction, involvement, attachment, motivation, commitment and intention to leave among staff of various racial, ethnic, cultural and religious backgrounds (Paradies et al., 2009)

Interpersonal discrimination occurs when interactions between people result in avoidable and unfair inequalities across groups. Both overt and subtle forms of interpersonal discrimination can manifest in workplaces. More overt forms may include bullying, harassment, rudeness, name-calling, exclusion, excessive surveillance, verbal/physical abuse, unfair performance appraisal and firing biases. In some cases, jokes and teasing can work to intensify current stereotypes and may result in the exclusion of people from social and work activities. However, humour has been found to act as a form of social glue, helping to accumulate bridging capital and serving anti-racist purposes by making light of difference and reducing conflict between groups (Loosemore et al., 2010).

More subtly, interpersonal discrimination can take the form of apparently positive and well-intentioned behaviour that nonetheless results in inequalities in opportunity, resources or benefits. In a workplace this may include unrealistically positive feedback, overzealous helping, assigning overly easy tasks or tokenistic inclusion. Such behaviour results in reduced opportunity to acquire further competence, knowledge, skills and abilities (Dipboye & Colella, 2005).

2.2 How are Companies describing their Commitment to the Inclusion of Race and Culture in their Organizations?

Alcatel-Lucent – We achieve our shared purpose by embracing the full richness of our people’s differences. We believe the diversity of our people enriches our work experience and is the source of our innovation and our competitive advantage. We adhere to Alcatel-Lucent’s core values and treat everyone with dignity and deepest respect.

Chevron Corporation – We express our belief in the value of diversity through principles, practices and accountability. This begins with The Chevron Way, which states, "We learn from and respect the cultures in which we work. We value and demonstrate respect for the uniqueness of individuals and the varied perspectives and talents they provide. We have an inclusive work environment and actively embrace a diversity of people, ideas, talents and experiences." Our principles endorse a spirit of inclusion and foster an environment where everyone can reach their full potential. We are committed to being recognized as a global leader that backs its words with accountable actions and quantifiable results.

Ford Motor Company – Diversity embodies all the differences that make us unique individuals. At Ford Motor Company we recognize diversity as a strategic advantage in today’s global marketplace. We are committed to building an inclusive culture that leverages all of the many elements of diversity; encourages innovation; allows employees to perform to their fullest potential; and, ultimately, drives business results.

Turner Construction – We will build and maintain an inclusive, diverse workforce that effectively accepts, utilizes and values our employees. We will maintain an environment where employees can contribute creative ideas, seek challenges, assume leadership roles and continue to focus on meeting and exceeding business and personal objectives. We will

provide opportunities and training that allow each individual to achieve their maximum potential.

2.3 Today's Racially and Culturally Diverse Workforce

Today's workforce is more diverse than ever. It has transformed over the past several years due to changes in worker demographics, the impact of the global marketplace, and the career and personal life goals of diverse workers. Today's workers are from different racial and ethnic backgrounds and bring varied sets of motivations and priorities towards their employment. According to the Bureau of Labor Statistics, foreign-born workers (including legal immigrants, refugees, temporary residents and undocumented immigrants) made up over 15 percent of the U.S. civilian labor force aged 16 and over in 2006. It has been predicted that 57 percent of the labor force will be women and people of color by 2014 (NAS, 2007). With projected declines in the general population and in the labor force due to factors such as the retirement of aging workers, it will become increasingly essential for developed nations such as the U.S. to utilize foreign labor sources (Heet, 2003). In addition, many U.S. based companies are doing business abroad, acquiring or merging with international firms, or outsourcing portions of their business to other parts of the world. These factors necessitate the development of a new skill set to foster competent cross-cultural communication. Understanding the incredibly diverse motivations and priorities of today's workers is necessary in order to develop strategies for retaining organizational talent. A 2005 study by Storke, et al. showed that while employees in general placed high values on advancement and learning, employees from racially and culturally diverse backgrounds emphasized these issues even more than White employees. Additionally, when asked about their "ideal job", employees from diverse groups emphasized opportunities for advancement, learning new skills, and working for an organization that has good education and training benefits. Furthermore, when asked to provide their priorities over the next 3-5 years, these employees were more likely than White employees to list being promoted, taking on new challenges at work, continuing their education and training, and advancing in their current career.

2.4 What are the Driving Forces behind Creating Inclusive Work Environments?

Businesses are being challenged to develop strategies that meet the needs of changing demographics and a growing global economy. Propelling the need for the creation of

inclusive work environments are several factors: the increased participation in the global marketplace, the attraction and retention of racially and culturally diverse top talent, and employees' desires to be a part of inclusive workplaces. Companies must be able to acclimate rapidly to the conditions and demands of a dynamic new world of business. Because the global marketplace is characterized by a diversity of people, products, and markets, organizations must be equipped to respond to changing market conditions, technologies, and ideas. As organizations become more involved with global partners, due to changing economic policies, political changes, and foreign sourcing, they need to be able to adapt to changing market realities. By increasing their recruitment of diverse employees, companies can gain competitive advantages by establishing connections with a broader customer base. This can be achieved through leveraging the varied cultural and sociopolitical knowledge and linguistic skills possessed by diverse employees that are essential to creating and maintaining ties with diverse communities. At DuPont Merck, the sales of an anticoagulant drug in the Hispanic markets were low. A Hispanic manager identified that the drug was labeled exclusively in English; the manager translated the label into Spanish resulting in a significant improvement in sales. Now, educational materials for the drug are translated into 15 languages and bring in millions of dollars in new business. (Hart, M. A.,1997). Employee Resource Groups, Employee Councils, or Affinity Groups can contribute to the development of new products and marketing initiatives to serve new market segments. As defined by AstraZeneca, Employee Resource Groups are “Voluntary associations of employees who support corporate values and work together to enrich the concept of community in a diverse business environment” (Krupka, 2006). These groups are often involved in identifying innovative business solutions.

2.5 The Business Case for Inclusive Work Environments

Racially and culturally inclusive work environments benefit organizations in a variety of ways. Research studies have shown a strong link between companies' successful attempts to address issues of diversity and business growth, profitability, and sustainability. Racially and culturally inclusive works environments help facilitate the overall organizational growth of companies. A study conducted by the Society for Human Resource Management (Aghazadeh, 2004) found that:

- 91% of employees reported that diversity initiatives helped their organizations compete in the marketplace
- 79% believed their diversity programs improved corporate culture
- 77% said that diversity programs improved recruitment efforts
- 52% indicated that diversity programs facilitated more effective client contact

Increased diversity in work environments has a positive impact on business profitability. Organizations that embrace inclusive work practices and directly address the racial and cultural diversity of their employees have been found to benefit from experiencing both a substantial increase in profit and employee productivity. Companies with diversity practices collectively generated 18% greater productivity than the U.S. economy overall according to a 2004 study of the National Urban League. Studies have shown that there is a strong correlation between employee diversity and greater business performance in areas such as worker productivity, net operating profits, gross revenues, and shareholder value (McCuiston et al., 2004). Companies should reflect their consumers' diversity within their own workforce in order to remain competitive. Diverse workers bring knowledge about different cultures. Companies staffed by employees from different races and cultures are more likely to access and develop their markets through their knowledge of multiple political, social, legal, economic and cultural environments. Thus, having a diverse workforce also means increased profit for companies when employees demonstrate that they are able to relate to and understand the cultural values and language of their customers (White, 1999). Customers demonstrate greater loyalty to companies where they feel valued and understood (McCuiston et al., 2004).

2.6 Challenges to Implement Inclusive Practices

There are several challenges to implementing effective inclusive practices at the individual, group, and organizational levels. Implementing effective inclusive practices comes at a monetary expense. In order to effectively implement inclusive work practices, organizations need to demonstrate a willingness to commit financially to increasing diversity within their workplace. This includes allocating resources for diversity trainings for employees at all levels, increasing recruitment of racially and culturally diverse individuals, developing advancement opportunities for all employees, and hiring staff and consultants who are

knowledgeable about diversity issues and committed to maintaining an inclusive work environment (Wheeler, 2001). Change, in any form, can produce resistance. Inclusive work practices cannot be effective if individuals and organizations are resistant to change. Therefore an organization which is committed to making the workplace more inclusive should directly address issues/obstacles which may be impeding change within the workplace, such as individual employees' discomfort in acknowledging racism and bias in the workplace, and selective organizational hiring and promotional practices which exclude racially and culturally diverse individuals (Gaerner & Dovidio, 2005; Triandis, 1995). One way that organizations devoted to diversity and making their work environments more inclusive can address these obstacles is by targeting certain policies and practices that unfairly place racially and culturally diverse employees at a disadvantage compared to mainstream employees (Barak, 2000). Without support from the top, strategies for developing inclusive work environments are unlikely to succeed. Effective inclusive practices require support and commitment from top executives, and visible representation of racially and culturally diverse employees in executive positions. At Johnson & Johnson, commitment to diversity is demonstrated by their board being 31% women, strong retention of managers across racial and ethnic groups, and mandatory diversity training for its entire workforce which is held once a month for a whole day (Visconti, 2007).

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Objective of the Study:

The objective is to carry out this study to find out any discrimination being done in the Indian organization on the basis of culture thereby finding its consequences. The main aim of this study was to analyze the discrimination being done in the Indian organization and to find out possible solutions to curb the discrimination and enhance the cultural diversity in the organization.

This study also gives a glimpse over the racial discrimination which is present in the organizations because of certain reasons.

3.2 Data Collection:

The primary data being collected for the study was collected through interviews of at least the Assistant Manager Level of various companies and also secondary data was taken through trusted sources in order to study the impact of culture or race based discrimination in different organizations.

3.3 Sample Interviews:

1. Aradhya Sharma-Asst. Manager (Walmart India)

Number of employees

516

Location of Organization

Gurugram

Headcount from Delhi NCR

429

Reasons why employees are being hired from Delhi NCR?

Because of the location constraint we have to hire from nearby places so that we can reduce the risk of retaining the employees.

Are you not ignoring the fact that it will prevent you from increasing culture diversity in your organization?

Yes

Are you indirectly discriminating on the basis of culture also because of employees belonging majorly to local area?

Yes, but this condition is inevitable as all the organizations have to do this so as to retain the employees and to work efficiently.

How can you stop this discrimination?

This is not possible until and unless people become ready to live at different location away from their home state and moreover it is not possible by one company to reduce or eliminate this discrimination. This is possible if all the organizations find a way of recruiting and sending their employees to new locations so that large number of people relocate at all places. This will eventually help people of different cities or states to relocate at a newer place because they can find people of their own culture at new location.

Companies at their point do a lot to reduce this discrimination like we also to try to promote each culture by celebrating festivals of all the religion or culture but this cannot solve the purpose alone.

Have you ever faced any situation where a person is not hired because of the fact he/she does not belongs to nearby place of organization?

No, but the one who lives nearby and have same talent as of person living far place than the preference is given to the one who lives nearby because of retention.

2. Shrikant Deshmukh – Head Compliance HR (Colgate Mumbai)

Number of employees

486

Location of Organization

Powai, Mumbai

Headcount from Mumbai and nearby places

437

Reason why employees are being hired from Mumbai or nearby place?

People belonging to Maharashtra are little bit more interactive to people of their area and moreover the cost of living is very high in Mumbai so people belonging to other places face problem in adjusting with salaries being offered.

Are you not ignoring the fact that it will prevent you from increasing culture diversity in your organization?

Yes but it helps us to retain the employees for longer period.

Aren't you indirectly discriminating on the basis of culture also because of employees belonging majorly to local area?

This is something understood because of the fact I gave you already.

How can you stop this discrimination?

It is very difficult to reduce this problem at a place like Mumbai as people belonging to other places are not able to cope up with the environmental and cultural issues.

Have you ever faced any situation where a person is not hired because of the fact he/she does not belongs to nearby place of organization?

No.

Similarly few more interviews were taken from HR of different organizations located at different locations so as to find out the issues related to discrimination related to cultural diversity.

Secondary data being taken was for discrimination based on caste, culture, religion in Indian organization such as:-

More than 165 million people in India continue to be subject to discrimination, exploitation and violence simply because of their caste. Caste-based divisions continue to dominate in housing, marriage, employment and general social interaction—divisions that are reinforced through economic boycotts and physical violence. In 2007, for instance, the IHRC issued a series of statements and a report based on its analysis of India’s failure to uphold its international legal obligations to ensure Dalit rights, despite the existence of laws and policies against caste discrimination. The report *Hidden Apartheid*—which was produced in collaboration with Human Rights Watch—was released as a “shadow report” in response to India’s submission to the United Nations Committee on the Elimination of Racial Discrimination, which monitors implementation of the International Convention on the Elimination of All Forms of Racial Discrimination. IHRC also participated in proceedings related to the Committee’s review of India’s compliance with the Convention and presented the report’s findings.

Table 2: The association between self-reported race-based discrimination and poor health outcomes, 2013

	Well established (a)	Established in some studies (b)	Emerging (c)
Negative outcomes for mental health	Psychological, psychiatric, emotional distress Depression/depressive symptoms Anxiety Stress		Psychiatric disorders (e.g. post traumatic stress disorder) Suicide risk Sleep disturbance Chronic fatigue

Negative outcomes for mental wellbeing	Quality of life Work and personal satisfaction	Self-esteem General mental health	Psychological wellbeing
Negative outcomes for physical health		Heart disease and stroke Infant low birth weight/decreased gestational age	Self reported pain Breast cancer Workplace injury, illness and assault
Development of health risk factors	Overweight and obesity	High blood pressure	Other risk factors for heart disease and stroke (e.g. increased heart rate, early coronary calcification) Abnormal/higher fasting glucose (diabetes risk factor) Damage to red-blood cells (risk factor for a range of health problems)
Behaviours increasing the risk of poor health	Smoking Substance misuse Alcohol misuse		

Impacts on health care	Patient satisfaction	Use of screening tests Access to health care and treatment Adherence to treatment	
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CHAPTER 4

DATA ANALYSIS

4.1 Impact of Discrimination at Work Place

Race-based discrimination at work has been found to contribute more to poor job quality than other occupational stressors such as low task variety and decision authority, heavy workloads, and poor supervision.

Decreased Employee Productivity

When an employee is discriminated against, he often feels helpless and anxiety-ridden, and may suddenly lack interest in job responsibilities, career advancement or the company's welfare, says Douglas N. Silverstein, a Los Angeles-based employment and labor law attorney at Kesluk & Silverstein, P.C. An employee who feels like an outsider because of his religious beliefs or nationality might lose self-esteem and stop contributing ideas. His morale begins a downward spiral, which can result in absenteeism, disregard for others' time and lack of motivation to complete assignments on deadline.

Disgruntled Employees

Getting unfairly passed up for promotions based on gender or sexual orientation can lead to frustration and anger. A male fire chief, for instance, might refuse to promote women fire fighters because he believes men inherently perform better at the physical duties, or a boss may continuously send out an attractive female employee on new-business meetings instead of a seasoned salesperson. According to attorney Silverstein, these forms of devaluing discrimination can make employees feel resentful and helpless, which can lead to friction with management.

Financial

If an employee quits escaping discrimination, the employer must spend money recruiting a replacement. In addition, when employee morale is down, employers often hire costly team-building experts to motivate and encourage employees. Hiring new employees is also a strain on the company's budget because administrating, educating and training employees on

policies and technology can be time-consuming and expensive, according to Recruiter.com, a website offering recruiting and career advice to professionals.

Physical Effects on Employees

An employee may rack up sick days or be continuously late to escape discrimination. Absenteeism can take a toll on an employee's workload, causing her to appear nervous and stressed about looming deadlines or presentations. As a result, she may take anti-depressant medication. Another physical sign of discrimination is someone who refuses to participate in friendly conversation, look co-workers in the eye, smile or keep good grooming habits. This is especially detrimental to the company if it's a salesperson or receptionist representing the company.

Legal Trouble

An employee can bring legal action against the company in the form of a complaint to the government. If a company is found guilty by the U.S. Equal Employment Opportunity Commission of docking an employee's pay, for example, the employer is forced to pay back wages. A company that wrongfully fired an employee may be required to re-hire the person. If the commission cannot resolve the issue or prove discrimination, it will close the case without filing a federal lawsuit and give the employee 90 days to file a personal lawsuit.

Race-based discrimination leads to ill health via a number of pathways:-

- It restricts access to resources required for health (e.g. employment, housing and education) and increases exposure to health risks (e.g. unnecessary contact with the criminal justice system).
- Affected individuals internalise negative evaluations and stereotypes of their own group, leading to poor self-worth, self-esteem and psychological wellbeing.
- Stress and negative emotions/thoughts produced may have negative psychological and physiological effects.

- It can result in individuals disengaging from healthy activities (e.g. exercise, taking medications and maintaining good sleep patterns) as well as attempting to cope by engaging in behaviours that impact negatively on their health (e.g. smoking, excess alcohol consumption and drug use).
- It can lead to injury through racially motivated assault resulting in further negative physical and mental health outcomes.
- Children of parents affected by race-based discrimination are at a higher risk of developing behavioural and emotional problems.

Race-based discrimination also impacts on individual productivity, with consequences for achievement in both education and employment such as:-

- Race-based discrimination can reduce organisational productivity, commitment, trust, satisfaction and workplace morale as well as increase cynicism, absenteeism and staff turnover.
- An estimated 70 per cent of workers exposed to race-based and other forms of discrimination take time off work as a result.
- Considerable resources are required to deal with the consequences of race-based discrimination through health care and social service.
- There are direct economic costs associated with the impacts of race-based discrimination on individuals including unemployment, early school-leaving, poor educational outcomes.
- There are increased skill shortages in the labour market due to under-employment and over-qualification for jobs as well as increased likelihood of migrants returning to their own home state.

CHAPTER 5

RECOMMENDATIONS AND SUGGESTIONS

I identified few case studies which occurred at the organisational/system level and demonstrated some effectiveness in reducing race-based discrimination. While many interventions detailed efforts to promote and/or manage diversity in workplaces, such case studies were only included if they also had a focus on reducing race-based discrimination.

These case studies will help in understanding the fact that the race or culture based discrimination can be removed easily and effectively. Founded cases being presented at the solutions are:-

5.1 ASDA Stores

ASDA is a British supermarket chain that retails food, clothing, toys and general merchandise. ASDA introduced an equal opportunities policy in 1984 in order to increase its commitment to employing people from the local community and to gain a reputation for race equality. The policy has been implemented at numerous levels, including recruitment, promotion and performance management as well as specific race equality actions. Each store has a personnel manager who implements race equality measures at a local level and monitors the ethnic profile of the store. Head office developed an action planner to assist the personnel manager in developing and reviewing race equality activities. Staff and managers receive information and training on race equality, including information on equal opportunities and harassment policies, while managers receive further training on communication and behaviour. Other information, such as leaflets and a poster on harassment are displayed on notice boards. Measures to accommodate cultural differences, including flexible leave and utilities for Muslim prayer rooms have been adopted.

As a result of the initiative, customer service improved and sales have been enhanced by targeted local recruitment as stores are more in touch with local demand. Equal opportunities practices also benefited ASDA in terms of reduced turnover rates and increased retention of ethnic minority staff. About 7.5 per cent of ASDA employees are from ethnic minorities, which is considered to be fairly representative of the ethnic minority population for non-

managerial staff (including supervisors). However, the percentage of managerial staff from ethnic minorities is still low. The demographic composition of the workforce is more representative of diversity in areas with high ethnic minority concentration. At two case study stores, more than half of the stores' employees, 53 per cent and 59 per cent respectively, were from ethnic minority backgrounds.

5.2 Coco-Mat

Coco-Mat is a mattress, bed linen and Furniture Company committed to equality of opportunity in employment since it was founded in 1989. The company specifically employs people from diverse backgrounds, including those who have been subjected to racial, ethnic or religious discrimination. Currently the workforce comprises 13 nationalities and nine religions, with approximately 70 per cent of employees being refugees from the former Soviet Union and Turkey. The company is known locally and internationally as an equal opportunity employer and has received a number of awards including the Corporate Social Responsibility Award for HR/Equal Opportunities by the Greek Advertisers' Association in 2010.

Employees are selected on their personality, commitment, behaviour and ecological awareness as much as on their qualifications and work experience. New employees are given language training (if needed) and skills training, and are also encouraged to suggest ideas for improving the business, which has led to substantial innovation, with about 30 per cent of the company's new products being ideas from employees in minority groups.

5.3 Lloyds TSB

Lloyds TSB is a retail bank in UK. Lloyd's has taken steps to introduce equal opportunities and race equality into all aspects of the company's operations and to encourage applications from ethnic minority candidates. The company provides training courses and development tools to facilitate employee understanding of diversity and why it is essential for the company's success. All Lloyds TSB staff are expected to complete a multimedia online training package, while managers also have to undertake intensive face-to-face management training. This aims to raise awareness and understanding of the benefits of diversity to managers and provide opportunities to identify and practice skills needed to manage in a

diverse workplace. Training and employment schemes are available for unemployed people in areas of high ethnic minority populations. Graduate recruitment for ethnic minorities is promoted by the company to recruit more ethnic minorities into management roles. Other strategies have included the development of a racial harassment policy and measures to accommodate cultural diversity. The company has established ethnic minority mentors and an employee network that provides networking and personal development opportunities.

These initiatives appear to have had positive impacts on the company. This is most evident in the increase of employees from ethnic minority backgrounds, which rose from an average of 2.5 per cent in 1994–96 to 19 per cent in 1998. Other measures of success include employee reports of low levels of racial tension at work and a feeling of being treated fairly irrespective of their ethnic group. Furthermore, the number of ethnic minority managers has more than trebled since 1998.

5.4 Sainsbury's Supermarkets

Sainsbury's Supermarkets Ltd (Sainsbury's) is a large supermarket chain in the UK. Sainsbury's was forced to take a more holistic approach to diversity management following a tribunal case regarding racial harassment, findings from a staff attitudes survey and expansion into areas of high ethnic minority population. Through a range of practices, the company improved its general HR policy and practices, and introduced a range of other actions. For the new stores, recruitment was conducted so that the ethnic composition of the store's employees would reflect that of the local population. This often required pre-recruitment training.

Sainsbury's has tried to increase the percentage of ethnic minority trainees by targeting ethnic minority press and presenting at educational institutions with high ethnic minority intakes. Measures were taken in the stores to communicate race equality issues through pamphlets and by providing race awareness training to store managers and personnel managers. Other activities support cultural diversity, such as flexible leave arrangement and dress code in order to satisfy religious requirements. Special arrangements were made to canteens to cater for Muslims observing Ramadan.

According to general managers at the case study stores, fairness and racial tension improved since the implementation of diversity management strategies. There was also evidence that staff turnover had declined due to race equality, and targeted recruitment resulted in an enhanced pool of graduate employees. Sainsbury's attributed improved customer service and sales to more equitable representation in their workforce.

5.5 Tower Hamlets Borough

Tower Hamlets Borough is a local government area with a very diverse population. The council is committed to building a workforce that reflects the community of Tower Hamlets and is free from discrimination in employment. The council established a number of workforce programs to increase job opportunities for local residents within council at different stages of the job cycle. This includes the Hamlets youth training scheme, a trainee program for 16–18 year olds, providing them with work experience, vocational skills training and the opportunity to obtain qualifications. Each trainee is allocated to a mentor and receives a tax-free allowance, a target related bonus and 21 days annual holiday. The programs have had a positive impact on education, with many of the trainees going on to study at university on becoming junior managers.

The Hamlets graduate development program provides employment opportunities within the council for local graduates from black and minority ethnic communities. In 2005, 39 graduates completed the scheme with 35 of them gaining full-time employment with the council. Race for Success is another program developed by the council which aims to accelerate leadership development for people from black and minority ethnic communities. In March 2005, 37 per cent of the workforce was from black and minority communities, compared to 32 per cent in 1999–2000 with 17 per cent of the council's top earners from black and minority ethnic backgrounds.

CHAPTER 6

LIMITATIONS AND FUTURE SCOPE OF THE STUDY

The major limitation of this study is that the data being collected was not from large number of organization so it cannot be generalized. In regards to secondary data, the data was not validated but collected from trusted source. Other than this there is no major limitation in the study and the solutions being given were verified with the Head HR of 2 organizations and found to be correct.

The future scope of this study is that it can be used as reference to curb the cultural discrimination in organization and to enhance the cultural diversity at workplace. This study can further extend to all India level to bring out some new facts which are currently unknown which may give rise to more solutions.

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