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Company Diversity

BUILDING DIVERSITY BASED ON EQUAL TREATMENT AT A MID-SIZED COMPANY

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Table of Contents

INTRODUCTION	2
1. WHAT IS DIVERSITY?	2
<i>1.1 Benefits of Diversity</i>	2
2. EQUAL TREATMENT:	3
<i>2.1 Rationale Behind Equal Treatment:</i>	3
<i>2.2 Benefits of Equal Treatment:</i>	3
<i>2.3 Limitations of the Equal Treatment Approach:</i>	3
3. DEVELOPING GUIDELINES FOR DIVERSITY BASED ON EQUALITY	4
<i>3.1 Why Equality and Equity are Important:</i>	4
3.1.1 Impact of Job Equality on Employees:	4
3.1.2 Effects of Gender Discrimination on Workplace Satisfaction	4
<i>3.2 Challenges</i>	5
<i>3.3 Essential Guidelines for Developing Effective Diversity Policies</i>	6
<i>3.4 Insights from Facebook and Accenture on Diversity Guidelines</i>	7
3.4.1 Facebook's Approach:	7
3.4.2 Accenture's Approach	8
<i>3.5 Guidelines for diversity based on the principle of equality</i>	9
CONCLUSION	11
REFERENCES	12

Introduction

In today's global business environment, diversity and equality are essential for organizational success. As the Human Resources Manager of a company with around 2,000 employees, promoting a diverse and inclusive workplace is both a moral obligation and a strategic advantage. This case study explores how a mid-sized company can effectively build diversity through equal treatment. It begins by defining the key concepts of diversity and equality and examining their benefits. The study then assesses whether equal treatment alone is enough to foster a diverse workplace and highlights the limitations of this approach. Finally, it develops practical guidelines for implementing diversity strategies, drawing insights from leading companies like Facebook and Accenture. The aim is to identify actionable strategies that can enhance inclusivity and equality within the company.

1. What is Diversity?

Diversity means having a variety of differences among people in an organization. These differences include race, gender, age, religion, disability, sexual orientation, education, and national origin. Accepting diversity involves understanding, accepting, and valuing these differences.

1.1 Benefits of Diversity

Recent studies highlight the significant benefits diversity brings to organizations. Research, including work by McKinsey & Company, shows that companies with diverse leadership teams, especially those with more women and a mix of ethnic and cultural backgrounds, tend to perform better financially than their less diverse counterparts. For example, companies in the top 25% for gender diversity on their executive teams are 21% more likely to have above-average profitability. Similarly, companies with the most ethnically diverse executive teams are 33% more likely to outperform their peers. These findings indicate that diversity is not just a social or ethical issue but also a key factor in financial success (Hunt et al., 2018).

In addition to financial benefits, diversity improves several important aspects of organizational effectiveness. Diverse teams offer a broader range of perspectives and ideas, which leads to more innovative solutions and better decision-making. This diversity in viewpoints is essential for understanding and meeting the needs of a global customer base, which in turn boosts

customer satisfaction and loyalty. Furthermore, a commitment to diversity can improve a company's reputation, making it more appealing to top talent. By creating an inclusive culture where all employees feel valued and supported, companies can enhance employee satisfaction and retention, thereby driving further business success (Hunt et al., 2018).

2. Equal Treatment:

Equal treatment means applying the same rules and standards to all employees regardless of their race, gender, age, religion, sexual orientation, or disability. This approach aims to offer everyone the same opportunities and resources, ensuring fairness and consistency in all HR practices.

2.1 Rationale Behind Equal Treatment:

Managers who advocate for equal treatment argue that this approach is fair because it provides all employees with the same chances to succeed based on their abilities and performance. They believe that a merit-based system will naturally lead to a diverse workforce over time.

2.2 Benefits of Equal Treatment:

Ensuring equal treatment in the workplace brings several advantages, for example:

Legal Compliance: Following anti-discrimination laws helps avoid legal problems.

Employee Trust: When employees feel they are evaluated based on performance and qualifications, trust is built.

Standardization: Simplifies HR policy implementation and management.

2.3 Limitations of the Equal Treatment Approach:

While equal treatment is important, it has some limitations, for example:

Ignoring Systemic Inequities: Equal treatment does not address existing disparities or barriers that certain groups may face.

Unconscious Bias: It does not account for unconscious biases that may affect decision-making.

Lack of Representation: It may not ensure that the workforce reflects diverse backgrounds and perspectives.

3. Developing Guidelines for Diversity Based on Equality

3.1 Why Equality and Equity are Important:

Equality in the workplace goes beyond equal treatment. While equal treatment means treating everyone the same, equality involves recognizing and addressing individual needs and differences to ensure fair opportunities for all. This includes making adjustments and accommodations to overcome existing barriers and disparities.

Equality in the workplace is important because it ensures that all employees have fair opportunities to succeed, regardless of their backgrounds or characteristics. It addresses existing barriers and disparities, promotes diversity, and creates a more inclusive environment.

Equality in the workplace is essential for creating a fair and productive environment. When all employees are given equal opportunities and are treated fairly, it leads to several key benefits. These include increased employee engagement, enhanced job satisfaction, and improved team collaboration. An equitable workplace ensures that everyone feels valued and respected, which can significantly boost morale and productivity. Furthermore, equality helps in attracting and retaining top talent, as employees are more likely to stay with organizations where they feel they are treated fairly and have equal chances to advance.

Many studies have been carried out on this topic. In To demonstrate the significance of workplace equality and its impacts, two research studies will be discussed in the following sections.

3.1.1 Impact of Job Equality on Employees:

The article "Relationship between Job Equity and Performance of Employee: A Literature Review" by Mohammed Inuwa examines the impact of job equality on employee performance.

This study examines job equality as the independent variable and employee performance as the dependent variable, aiming to understand how job equality can enhance employee performance. Previous research indicates that job equality significantly boosts employee morale and performance. The paper advises managers and organizations to implement equality and fairness in all decision-making processes to ensure employees feel secure, thereby improving their performance and productivity. (Inuwa, 2017)

3.1.2 Effects of Gender Discrimination on Workplace Satisfaction

The research titled "بررسی پیامدهای تبعیض جنسیتی در محیط کار و چگونگی تاثیر آن بر رضایت از زندگی کارکنان" [Examining the consequences of gender discrimination in the workplace and its effects on employee life satisfaction]

was conducted by Shahpar Moshfeghi and Seyed Abbas Mousavi (2014) .The aim of this study was to examine the consequences of gender discrimination in organizations and how it affects employees' life satisfaction.

To achieve this, Moshfeghi and Mousavi (2014) reviewed theoretical literature and previous studies to develop a conceptual model and hypotheses. They collected the necessary data by distributing questionnaires among 111 employees of the Customs Supervision Headquarters in Bushehr province - IRAN. Finally, they tested the hypotheses and the conceptual model using structural equation modeling based on the gathered data.

The findings of this research show that gender discrimination in organizations leads to decreased job satisfaction, organizational commitment, and gender identity, as well as increased job involvement. Additionally, gender identity, job satisfaction, and employees' perceptions of gender discrimination directly impact their overall life satisfaction (Moshfeghi & Mousavi, 2014).

3.2 Challenges

While striving for equality in the workplace is essential for fostering a fair and inclusive environment, achieving this goal is often full of challenges. Implementing effective equality measures requires not only setting policies but also addressing deeper systemic issues that can hinder progress

The key challenges are:

Unconscious Bias:

Unconscious biases are automatic and often unintentional prejudices that influence decision-making and interactions. These biases can affect various aspects of workplace life, including hiring, promotions, and daily interactions. Even with established policies aimed at promoting equality, unconscious biases can persist and lead to unequal treatment or missed opportunities for some employees. Addressing these biases requires ongoing training and heightened awareness to ensure fair practices across all levels of the organization.

Systemic Inequities:

Systemic inequities are deep-seated and institutionalized disparities that affect certain groups based on characteristics such as race, gender, or disability. These inequities are well established in organizational structures and cultural norms, making them challenging to address. Overcoming these barriers involves more than just implementing equal treatment policies; It requires a comprehensive approach to change long-standing practices and structures that continue to cause inequality.

Resistance to Change:

Implementing measures for equality often necessitates significant changes in organizational culture and practices. Some employees or leaders may resist these changes due to discomfort with altering established norms or perceived threats to their position. To address this challenge, organizations must engage in clear communication, provide education about the benefits of equality, and demonstrate how these changes will positively impact the entire organization.

Lack of Representation:

Achieving true workplace equality involves having a workforce that reflects a variety of backgrounds and perspectives. However, many organizations face difficulties in attracting and retaining diverse talent. Building a representative workforce requires targeted recruitment efforts, inclusive policies, and a commitment to creating an environment where all employees feel welcome and valued.

Insufficient Resources and Support:

Effectively implementing equality initiatives demands significant resources, including time, money, and expertise. Many organizations struggle with a lack of necessary support and resources to develop and maintain these initiatives. Ensuring that adequate resources are allocated and securing support from leadership are crucial for the successful implementation and sustainability of equality practices.

Measuring Effectiveness:

Evaluating the success of equality initiatives can be challenging. Organizations need to track progress and measure outcomes to determine if their efforts are making a meaningful impact. This requires developing appropriate metrics and gathering data, which involves careful planning and analysis to ensure that equality initiatives are effective and lead to tangible improvements.

3.3 Essential Guidelines for Developing Effective Diversity Policies

the key factors and principles that should guide the development and implementation of diversity policies and practices within the company. These criteria ensure that the company's approach to diversity is comprehensive, fair, and effective. Here's a detailed explanation of each criterion:

1. Inclusiveness:

Inclusiveness involves creating policies and practices that welcome all employees, regardless of their background. It is crucial for making everyone feel valued and ensuring full participation

in the workplace. An example of implementation is setting up Employee Resource Groups (ERGs) to support various demographic groups within the company.

2. Equity:

Equity means providing extra resources and support to employees who need them to ensure fair outcomes for everyone. It is important because it recognizes that different employees have different needs and challenges, and it ensures that everyone has an equal opportunity to succeed. An example of implementing equity is offering mentorship programs and career development opportunities specifically for underrepresented groups.

3. Transparency:

Transparency involves clear and open communication about decision-making and policies related to diversity and inclusion. It is vital for building trust and ensuring accountability within the organization. An example of transparency is regularly sharing the goals, progress, and results of diversity initiatives with all employees.

4. Flexibility:

Flexibility involves adapting policies and practices to meet the changing needs of the workforce and to address emerging issues related to diversity and inclusion. It ensures that the company can effectively respond to new challenges and opportunities as they arise. An example of implementing flexibility is regularly updating diversity training programs to reflect current best practices and emerging issues.

3.4 Insights from Facebook and Accenture on Diversity Guidelines

To develop guidelines for creating effective diversity policies, we will first review the guidelines or principles used by companies like Facebook and Accenture. These companies focus on building a culture of equality through strong planning and consistent practices. By adopting similar methods, we can create a set of actionable guidelines for our company.

3.4.1 Facebook's Approach:

Facebook's commitment to fostering a diverse and inclusive workplace can serve as a model for implementing these guidelines. The company has made significant strides in increasing representation and supporting diverse communities through various initiatives:

1. **Increasing Representation:** Facebook has made progress in increasing the representation of women, Black, and Hispanic employees, particularly in leadership roles. For example, they achieved a 38.2% increase in Black leaders in just one year, ahead of their five-year goal.
2. **Supporting Diverse Communities:** Facebook invests in diverse communities through programs like Facebook Elevate, which provides free digital skills training to 1 million Black and Hispanic community members. They also offer scholarships for Black students to pursue digital skills certifications.
3. **Pay Equity:** Facebook conducts regular pay equity analyses to ensure that they maintain pay equity across genders globally and by race in the US for people in similar jobs, considering factors such as location, role, and level.
4. **Inclusive Product Development:** Facebook introduced Responsible Innovation Principles to guide the development of more inclusive AR and VR products. They also created Inclusive Product Councils to provide diverse perspectives and feedback to product teams.
5. **Supporting Minority-Owned Businesses:** Facebook is on track to spend \$1.1 billion with diverse-owned businesses and has developed the Facebook Receivables Financing Program to support diverse-owned suppliers affected by the pandemic.(Williams, 2021)

3.4.2 Accenture's Approach

Accenture's strategy centers on creating a culture of equality through robust programming and consistent practices. Key initiatives include:

1. **Unconscious Bias Training and Mentorship:** Accenture provides comprehensive unconscious bias training and mentoring programs designed to foster an environment where diverse perspectives are valued and integrated into decision-making processes. This training helps employees recognize and address biases that might influence their interactions and judgments, promoting a fairer workplace culture.

2. **Flexible Work Arrangements and Equal Benefits:** The company offers flexible work options and ensures equal benefits for same-sex couples where local laws permit. This flexibility accommodates diverse personal needs and supports work-life balance, contributing to a more inclusive environment where all employees can thrive.
3. **Pay Equity:** Accenture conducts annual reviews to ensure pay equity, achieving dollar-for-dollar pay parity for women and racial minorities in several countries. This commitment to fair compensation reflects a broader strategy to promote equality and prevent disparities based on gender or race. (Accenture, n.d.)

As it mentioned companies can draw valuable lessons from the diversity and inclusion strategies of industry leaders like Accenture and Facebook. Both organizations have made significant progress in implementing comprehensive diversity initiatives, providing practical examples that can guide other companies in their efforts.

3.5 Guidelines for diversity based on the principle of equality

Based on everything we've discussed so far, including the strategies from different companies and industry leaders, let's now summarize and identify the strategies we can use for our own mid-sized company.

Equal Opportunities:

Ensuring equal opportunities means giving everyone the same chance to apply for jobs and promotions. Companies should make sure their job ads reach a wide audience. For example, they can post job ads on websites that many different types of people visit.

It creates a fair work environment and can be implemented without significant structural changes, making it ideal for a mid-sized company.

Unconscious Bias Training and Mentorship:

Unconscious bias training helps employees recognize and address their hidden prejudices. This training is important for creating a fair workplace. For example, a company might hold regular training sessions to teach employees how to spot and reduce their biases.

This is relatively straightforward to implement in a mid-sized company, with a high return on investment in terms of employee engagement and retention.

Flexible Work Arrangements and Equal Benefits:

Offering flexibility and equal benefits helps accommodate the diverse needs of employees, improving job satisfaction and work-life balance. This is particularly important in today's work environment, where flexibility is often expected.

For a mid-sized company, these changes require minimal resources but can greatly boost employee morale and attract a diverse workforce.

Pay Equity:

Pay equity means paying employees fairly for the same work, regardless of their gender, race, or other characteristics. Companies should regularly review their pay practices to ensure fairness. For example, a company might conduct annual salary reviews and adjust pay to fix any imbalances.

Pay equity is important but can be complex and resource-intensive for a mid-sized company. It often requires a thorough review of pay structures but can be managed as part of a long-term strategy.

Increasing Workforce Representation:

To increase diversity, companies should set goals to hire more people from underrepresented groups. For example, a company might aim to double the number of women and minority employees within five years.

This is crucial, but achieving it quickly can be challenging, especially with a smaller talent pool. It's an ongoing process that may not show immediate results in a mid-sized company.

Diverse Supplier Engagement:

Engaging with diverse suppliers means working with businesses owned by minorities, women, and other underrepresented groups. This supports economic diversity. For example, a company might commit to spending a certain amount of money with diverse suppliers each year.

Engaging diverse suppliers is valuable but may not have an immediate impact on internal diversity compared to other strategies. Its significance increases as the company grows and expands.

Inclusive Product Development:

Inclusive product development ensures that products are accessible and useful for everyone. Companies should involve diverse perspectives in the development process. This is more relevant for companies with large product development teams and may not be a primary concern for a mid-sized company unless it is specifically focused on product development.

Overall, mid-sized companies can effectively use at least three of these strategies: Equal Opportunities, Unconscious Bias Training and Mentorship, and Flexible Work Arrangements and Equal Benefits. By implementing these practices, companies can foster equal treatment and build a diverse, inclusive workplace. This approach not only upholds ethical standards but also enhances business performance and employee satisfaction.

Conclusion

In summary, this case study on building diversity through equal treatment for a mid-sized company first explained what diversity and equality are and their benefits. We then looked at whether just focusing on equal treatment is enough to build diversity and discussed its limitations. Next, we developed guidelines for improving diversity based on equality, starting with the importance of equality and the criteria needed. We also examined the diversity practices of companies like Facebook and Accenture to choose strategies that fit our company's situation. This approach helps create a more inclusive workplace suitable for the needs of a mid-sized company.

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