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### **Diversity Group Research Paper**

America's recent reckoning with the deep-seated racial inequalities that exist within the country have spurred calls to action. Individuals have been asked to reflect upon, and work towards unlearning, their biases and harmful stereotypes against minorities. Similarly, there has been pressure for businesses to expand upon their diversity and inclusion initiatives. Faithfully abiding by stated values and goals pertaining to diversity is necessary for all members of an organization in order to truly diversify itself. The definition of diversity expands past race to additionally include people of various religions, sexual orientations, genders, and nationalities. Senior management accepting the idea of working towards a diversified workforce is paramount towards achieving this goal. The tone at the top sets guidelines for lower level employees to follow, and in order to become diverse must fully embrace hiring and retaining a varied set of employees. It is crucial to identify the barriers minorities have and continue to face towards achieving leadership positions in the workplace and why those obstacles exist. While minorities continue to face discrimination in the workplace, there is an overall trend towards hiring, retaining, and promoting an increasingly diverse workforce.

Companies must foster a sense of inclusion and belonging for all employees in order to retain a diverse workforce. Vertex Pharmaceuticals stands out in terms of taking diversity and inclusion seriously. When interviewing Philippe Attias, the VP of internal audit at Vertex, he made sure to mention that the company is the sole large biotech firm with a female minority CEO. A minority woman at the helm of the company clearly sends the message that minority

employees are valued and able to hold leadership roles. In addition to a minority leader of the company, 40% of board members are either female or people of color. To ensure that the company's values are disseminated to all employees, there are mandatory annual diversity workshops and trainings for every department. New employees receive a code of conduct along with diversity training on their first day. There is a specific committee dedicated to diversity, equity, and inclusion which seeks to recruit minority employees as well as holding trainings for all employees. Vertex's annual diversity, equity, and inclusion week is dedicated to providing relevant education to employees around issues minorities face in the workplace. The ultimate goal is for employees to reflect upon, and work towards eliminating, their implicit biases. The week is also a time to evaluate how well employees feel the company's diversity initiatives are being implemented. In 2019, Vertex added a set of questions to their annual employee survey seeking to answer the question of whether minority employees feel fully accepted and included. The results confirmed that the company continues to promote a culture of not only accepting, but seeking out, diversity.

Business diversity is necessary as it provides equal opportunities for individuals with various backgrounds in categories such as: religion, culture, sexual orientation, educational background, and abilities. It is also necessary because it tends to help the overall growth of businesses. First, by bringing together employees who have various backgrounds and experiences, this brings in new opinions and ideas. This helps with both improving the innovation and creativity for businesses which is essential for businesses growth and differentiate themselves from their competitors. According to PrincePerelson and Associates (A company that focuses on staffing and recruiting) in their article called "The Importance of Diversity in the Workplace", "a heterogeneous workforce will be able to exchange unique perspectives and spark

fresh ideas” (*The Importance of Diversity in the Workplace*, 2020). This supports the idea that diversity of employees within the organization can allow for more ideas and thoughts to be exchanged among co-workers which can potentially lead to greater success. This also connects to the idea that workplace diversity brings higher productivity. According to McKinsey&Company’s chapter titled “Diversity Matters,” after analyzing 366 companies workplace diversity in comparison to their financial progress, companies that were in the top quartile for both racial and ethnic diversity were 35% “more likely to have financial returns that were above their national industry median” (Hunt, Layton, & Prince , 2015). Having employees with different backgrounds and skills allows for employees to understand a variety of customers needs and wants. In addition, stated by PrincePerelson and Associates, having an increase in diversity, can overall boost the morale of employees causing employees to want to work efficiently and effectively to get their responsibilities done.

Additionally, in order to understand and connect with potential customers and clients, workforce diversity is essential to have within an organization. Having employees who come from different backgrounds, speak different languages, and are of different genders, allows for employees to reach “a wider range of consumers.” When employees are as diverse as their clients, it is easier for them to understand and better provide for their specific needs. Speaking the same language as a foreign client or an act as simple as wishing a religious minority a happy holiday can go a long way. For example, Accenture, a global professional services company, is a company that has been excelling at working towards achieving an inclusive company culture and towards workplace diversity. They are known to be the first technology company to outwardly express to the public their workforce demographics as well as their progress toward internal diversity goals. (*4 Excellent Examples of Diverse and Inclusive Company Cultures* 2020).

According to Emplify in their article titled “4 Excellent Examples of Diverse and Inclusive Company Cultures,” Accenture “... has partnered with more than three-quarters of the Fortune Global 500 and serves clients in over 120 countries and across some 40 industries.” in result of their efforts to bring diversity into the workplace. Through being so transparent with the organization's diversity statistics, Accenture is making sure the public holds the company accountable to their stated diversity goals. Accenture is known for “embracing diversity as a source of innovation, creativity, and competitive advantage (*4 Excellent Examples of Diverse and Inclusive Company Cultures* 2020). It is evident that Accenture’s efforts to achieve diversity, is not only bringing positive change to the organization but also is bringing them success.

On the other hand, there are challenges that businesses face while trying to work towards business diversity and implement diversity training. One challenge is the ethnic and cultural differences between individuals. This becomes an issue in the workplace when some employees have “unfair prejudices” towards other people because of one's race/ethnicity/faith. When prejudice like actions occur in the workplace, this causes there to be less cohesiveness among employees which can negatively impact the future success of these businesses.

Another challenge that gets in the way of businesses achieving workplace diversity are generation and age gaps within the workplace. In today’s society, companies are often hiring people who are younger, while simultaneously there are older employees who are retiring. Age gaps within companies tend to cause a shift in the workforce and cause different perceptions among employees. (Big Think Edge, 2020). This becomes a challenge for companies because the age gap among employees can cause there to be differing views and opinions which can impact the companies overall cohesiveness. According to Big Think Edge article “Diversity In The Workplace: 4 Common Challenges And Solutions,” “ millennials are known to have a greater

educational background and are also less likely to be married (having more time to work), less likely to have served in the military and lastly, more likely to have grown up in metropolitan areas. (Big Think Edge, 2020). Therefore, this can cause there to be bias towards employees who are older, as they might not seem as capable to get their jobs and responsibilities done.

Since diversity is so vital in creating a successful business, what are some ways that businesses can tangibly manage for diversity despite these challenges mentioned above? There are lots of tips and recommendations for managing diversity in an organization, however, arguably some of the most important is the hiring process as well as the policies and practices that are enforced by individual organizations. In regards to the hiring process, it is crucial to recruit and hire talent from a range of different backgrounds to build the foundation for a diverse work environment. Having a committee or governing body that specifically manages diversity and inclusion within a company can help make decisions on suitable candidates, as well as helping with the recruiting process from a diversity standpoint. At the very least, companies should ensure that their interview panels for hiring consist of a diverse pool of their employees to ensure that every step of the process is fair and equitable for all applicants. In terms of the policies and procedures that should be implemented in an organization, it is essential that policies regarding diversity are covered within employee handbooks. An example of this could look like a code of conduct that outlines the company's policy toward diversity, and a non-discrimination policy lets employees know about diversity (Dyson, 2020). In addition to this, diversity and sensitivity training is another important aspect in creating a positive diversity climate within an organization. This training is incredibly important, and as stated in this article by PeopleScout, "Employees need to be aware of how to coexist with a diverse range of people, as well as be cognizant of cultural sensitivity, to achieve harmony within a diverse workplace. Sensitivity training can help an organization manage diversity in the workplace by helping employees become

more self-aware, which plays a vital role in helping employees understand their own cultural biases and prejudices” (Dyson, 2020).

Overcoming barriers to diversity in the workplace is attainable through organizations continuously being committed to practicing their stated diversity goals. Nearly all companies have value statements which serve the purpose of communicating their beliefs and morals with employees and customers. Beyond a value statement, a diversity statement in conjunction with a specific plan to achieve the mentioned goals is necessary to achieve a diverse workplace. A 2019 study published in *Journal of Education for Business* was conducted to investigate diversity within business school faculty members in the United States. The findings revealed that institutions that incorporated diversity into their strategic planning and goals were more successful in recruiting and retaining minority faculty members. Moreover, hiring diverse faculty members in higher positions within the organization and specifically recruiting in minority areas were found to be key. (Moshiri & Cardon, 2019, 116) These practices go beyond universities as they also apply to corporations seeking a varied set of employees. With minorities in leadership positions, a message is sent to diverse lower level employees that their race, religion, sexual orientation, etc. will not be an impediment to potential promotions. It is essential for managers to take the time to identify the specific needs of their department, or company as a whole, and then proceed to choose the best fitting diversity initiative. A common error is that managers choose the most popular diversity plan without consulting their staff for their input. A diversity initiative that has been successfully implemented for one company does not mean it will produce the same outcomes for every company. (Brief & Bradley, 2008, 265-267) Effective diversity programs require input from a variety of employees and are required to be carefully chosen as the best fit for a given organization.

When looking at diversity in our current workforce, we can analyze statistics that demonstrate important trends in diversity in years past and present. When looking specifically at the age demographic in the workforce, chapter 11 of McGraw-Hill's Connect Textbook states that the proportion of employed workers over 65 rose from 12.8 to 16.8 percent from 2000 to 2016. In addition to this, the U.S Bureau of Labor Statistics states that the 65-to 75-year old and 75-and-older age groups are projected to have faster rates of labor force growth annually than any other age groups. It is predicted that by 2025, millennials will make up 75% of the workforce (Reiners, 2019). In examining the racial and ethnic diversity in the workplace, an article published in 2019 states that in 1980, working age minorities made up 18% of the workforce (Reiners, 2019). They also predicted that by this year, minorities of working age will make up more than a third of the workforce. This article also states that over the past 30 years, the percentage of Hispanic and Latinx workers in the U.S. population rose from 7.4% in 1980 to 16.8% in 2016 (Reiners, 2019). Although racial and ethnic diversity in the workforce is trending upwards, the U.S. still has a long way to go. The U.S. needs to do much better by minority populations, specifically men and women of color. A statistic that truly highlights this is that only 1% (only five to be exact) of Fortune 500 companies have African American or Black CEOs (Reiners, 2019). This statistic is quite shocking, especially when looking at the overall increase of minorities in the workforce as a whole. Lastly, when examining the amount of people with disabilities in the workforce chapter 11 of McGraw-Hill Connect states that approximately 1.9 percent of the U.S. population has physical or mental disability, and only about 30% of those between 16 and 64 are employed. As a group, full-time, year-round workers with a disability earn 87 cents for every dollar earned by those with no disability (U.S. Census Bureau, 2019).

As Diversity becomes more important in the workplace, actually diversifying takes a lot of time and hard work. Although this work might be hard, it has been proven to be worth it. A study by a

boston consulting group found “diversity brings many advantages to an organization: increased profitability and creativity, stronger governance and better problem-solving abilities.” (Eswaran, 2019) These increases have also led to “19% higher revenues due to innovation” (Eswaran, 2019). While this study has shown the clear, tangible benefits of diversifying, actually diversifying a workplace takes a lot of effort from all parties included. For instance in the Health Tech field “Our recent survey of 403 people working in health tech, for example, found that 90% of respondents were in a company where the majority of senior leaders are men.”(Denend, Yock, & Azagury, 2020) While this already demonstrates a problem, additionally: “Many men seem to think sufficient progress has been made and that women now enjoy equal standing and opportunity.”(Denend, Yock, & Azagury, 2020) The problem of diversifying can only effectively be carried out by the people in charge and if the people in charge believe there to be no problem then achieving diversity becomes much more hard.

Specifically, in the Health Tech industry one company, Stanford University’s Byers Center for Biodesign, has decided to implement a strategy referred to as “Small Wins”(Denend, Yock, & Azagury, 2020) to help address the issue of sexual/racial workplace inequality. The small win strategy refers to “setting and achieving narrow, attainable goals to produce a sense of success that is contagious and builds momentum for larger gains and systemic transformation.”(Denend, Yock, & Azagury, 2020) by implementing short term goals to accept more women fellowship researchers, diversify the application review board, and target minority STEM programs, Biodesign has seen an increase in diversity. Specifically, “ Historically only about one-fourth of our fellowship graduates have been women, but 40% of those accepted to the program for 2020-21 are women and two out of 12 are Black.”(Denend, Yock, & Azagury, 2020) When all of the little “small wins” were compounded together it ultimately led to a big increase in women and women of color at Biodesign. This increase of women in the workplace has shown to have positive workplace and profitability incentives for



companies. A study found “It has been estimated that closing the gender gap would add \$28 trillion to the value of the global economy by 2025 – a 26% increase.”(Eswara, 2019) The strategy of small wins by biodesign is just one of the many ways companies can start or continue to diversify their industries.

While Biodesign has taken concrete action, there are other companies who struggle to do the same. Although it might not be an easy task, diversifying the workplace is definitely beneficial and there are more broad actions companies can take to achieve diversity. One study found that “ethnically diverse organizations are 35 percent more likely to outperform their peers.” (Williams , 2020) This study shows the benefits of diversifying yet colonies lag behind because they aren’t willing to change with the times. Specifically a lot of major companies that are assumed to be very diverse, simply aren’t diverse. A demographics study found that “Google’s workforce is 3 percent Latino and 2 percent Black. Intel is doing slightly better: 8.05 per cent of the workforce is Latino, while 3.67 percent is Black.” (Williams, 2020) This study shows that even the biggest and most successful bluechip tech companies are not very diverse either. Diversity can lead to increased employee engagement, more ideas and solutions, increased viewpoints, and employee’s that represent their consumer base. A way to combat this lack of diversity would be to “Engage and Empower your workforce” (Picincu, 2020). When this is practiced, studies have shown that “people take pride in working for companies that have a positive impact on the local community and provide equal opportunities for employees” (Picincu, 2020). The implementation of a chief diversity officer along with increased diversity hiring practices can lead to a further increase in workplace diversity. Although not every company is perfectly diverse and some companies lag behind in diversity efforts, there is a push towards hiring, retaining, and promoting an increasingly diverse workforce.

In conclusion, there is a plethora of evidence that supports a more diversified workforce as a recipe for success. It is important to create and foster environments where every employee is valued

and respected no matter their gender, age, ethnicity, race, sexual orientation, physical abilities, religion, etc. Although there may be challenges in achieving diversity within some organizations, it is essential in creating a safe and positive work environment for every employee involved. Not only will it create a space for all employees that is free of discrimination and prejudice, but it also creates opportunities for businesses to grow and flourish. An increase in diversity leads to different viewpoints, perspectives, and ideas which can contribute to better products and services. In our current day society, diversity is seen as one of the key factors that can contribute largely to the advancement of U.S. businesses.

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