

Diversity in workplace enhances bottom line

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(PhysOrg.com) -- The more diverse a company's workforce is, the more loyal, happy and productive its employees tend to be, according to a new study led by a Ryerson University professor.

The commitment to diversity must be more than superficial, the researchers say.

“There are organizations that are doing what research and popular practice tells them to do. They are showing pictures of diverse workers on their website and say they have a commitment to diversity, but they're not really going beyond what people may see as simply window dressing,” said Kristyn Scott, lead author of the study, *The Diverse Organization: Finding Gold at the End of the Rainbow*, and a professor with Ryerson University's Ted Rogers School of Management. “That's contrasted with an organization that has woven diversity into every fibre of its [corporate culture](#) and business practices.”

Scott and her co-authors, Professor Joanna Heathcote of University of Toronto at Scarborough, and Professor Jamie Gruman, University of Guelph, conducted a review of about 100 studies, mostly from the U.S. but some from Canada and elsewhere, from 1991 to 2009. They evaluated the studies based on six key advantages of corporate diversity as outlined by Cox and Blake's framework, a U.S.-based study published in 1991, which are: recruitment, greater creativity, problem-solving, flexibility (better reaction to change), cost (employee turnover) and marketing (i.e. – stronger financial performance).

The researchers broadly defined the term diversity to include ethnicity, age, gender, educational background and professional experience.

While the researchers found mixed results on individual elements, they theorized that overall, the more organizations embraced elements of diversity in their corporate culture the more prosperous the company became and the happier and loyal its workforce.

“When you have an inclusive corporate culture, recruiting top talent becomes easier, group processes will be enhanced, which means employees are more likely to stay, which, in turn, increases the company’s bottom line,” said Scott, whose study has been published in the current issue of the journal Human Resource Management.

The study cited Campbell Soup Company as a shining example of a diverse organization. Highlights of the U.S based-company’s Catalyst award-winning diversity efforts include programs for its employees including women, gay, Hispanic and Asian-specific initiatives; its mission to consistently reinforce inclusion throughout all levels, from senior management to front-line workers; and training for managers on inclusive leadership, diversity awareness and being aware of unconscious biases.

Scott says for organizations that just don’t want to “talk the diversity talk, but walk the talk,” it comes down to a cultural paradigm shift.

“By weaving diversity into the very fabric of the company, not only does this embrace its employees, it makes for a happier and more productive workforce.”

Provided by Ryerson University

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