# DIVERSITY AND INCLUSION TOWARDS ORGANISATIONAL COMPETITIVENESS

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# ABSTRACT

Diversity and inclusion in the workforce are thought to benefit organizations because they increase the breadth of perspectives and areas of expertise. The aim of this research is to consolidate the diverse literature on workforce diversity and inclusion and to provide insights into potential future directions for workforce diversity management research. The review of workforce diversity and inclusion in the paper makes use of secondary data that was collected. The evaluation made it quite evident what the modern period means for diversity and inclusion in the workforce. The review's conclusions indicate that a substantial amount of study has been done on diversity and its effects. Further Since inclusion is a relatively new area of study, more research is required to fully understand its consequences. This study looks at how well literature reviews work to expand on what is already known about a particular topic and help researchers come up with ideas for new research directions. Originality/value: This study offers a theoretical framework for managing important diversity and building diverse companies. Quantitative data was collected using the non probability, self administated questionnaire that consisted of influencing factors are identified and also using parametric test (ANOVA, correlation) and non parametric test (U test, correlation,Run test) analysis tools suitable interpretation was found it make positive change.

Key words: Diversity and inclusion, dimension, environmental challenges, strategies adoption, inclusive practices, engagement.

# **1.1 INTRODUCTION**

Organizations are made up of individuals with diverse backgrounds, values, personalities, beliefs, traditions, cultures, nations, and languages. These individuals collaborate to achieve common goals, and the extent to which these goals are met depends on how they think, feel, communicate, act, and react within the organization. To attract and retain the best and most skilled workforce, organizations must expand their labor force to include people with a variety of human characteristics. Wage force diversity management involves creating and maintaining a welcoming environment where each employee's unique qualities and characteristics are valued. It requires understanding the value of

differences and recognizing people's uniqueness. Positive outcomes arise from an organization's ability to make a person feel comfortable and like a valuable member of the team by incorporating their perspectives and ideas. Diversity is viewed as a two-edged sword, having both beneficial and negative effects on employees or work-related results. Advantages include a greater range of perspectives, higher quality decision-making, and increased innovation. Disadvantages include weakening group identification, lower employee happiness, retention, and engagement, and potential conflicts, irritation, and disagreements in the workplace.

There are three dimensions of workforce diversity: primary dimensions, secondary dimensions, and tertiary dimensions. The task at hand is to distill diversity to its core and strategically manage it for the benefit of individuals and the company. Organizations are increasingly realizing that diversity and inclusion (D&I) in the workforce is essential for gaining and retaining competitiveness in the rapidly changing global landscape. This study investigates the complex dynamics of inclusion and diversity in the workplace and how they affect the competitiveness of organizations. This research explores the impact of inclusion and diversity in the workforce on businesses' competitiveness in the modern global business environment. It examines how inclusive practices affect creativity, employee engagement, and overall success within the company.

The study explores various aspects of diversity, including age, gender, ethnicity, and cognitive variety. The ultimate goal is to reveal strategic insights that enable businesses to develop an inclusive workplace culture, where different viewpoints coexist and flourish, advancing the enterprise towards long-term success. The study emphasizes that diversity alone cannot solve all organizational problems, and true transformation occurs when combined with an inclusiveness-focused approach. The study also examines the effects of inclusion and diversity on organizational performance, particularly employee engagement. The research aims to provide insights and tactics that enable firms to draw in diverse talent and foster environments where diversity and inclusion are essential elements of long-term success.

#### **NEED OF THE STUDY**

Diverse teams foster creative problem-solving and the development of novel solutions because they bring a range of viewpoints and ideas to the table. Organizations looking to foster a supportive and inspiring work environment must look at the connection between diversity, inclusion, and employee engagement. Elevated levels of involvement are positively correlated with heightened productivity,

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work contentment, and staff retention. The goal of the research is to determine how businesses may use diversity to their advantage by appealing to a wider spectrum of clients and meeting a variety of market demands. The study emphasizes the moral need for firms to embrace inclusivity as it tackles the societal aspect of diversity and inclusion. Through investigating how diverse and inclusive behaviors affect society, the study adds to the larger conversation about ethical leadership and corporate social responsibility.

# **OBJECTIVES OF THE STUDY**

- 1. To find out the various dimensions of workforce diversity.
- 2. To identify the benefits of workforce diversity and inclusion to the organization.
- 3. To examine the Role of Workforce diversity and inclusion on employee performance.
- 4. To identify environmental challenges to overcome the competition.
- 5. To analyse the strategies adopted to enhance workplace diversity.

### SCOPE OF THE STUDY

The study's scope includes a comprehensive investigation of several aspects, such as race, gender, ethnicity, age, and cognitive variety, among others. The study explores the intricacies of inclusive practices in businesses with the goal of identifying and evaluating tactics that support an inclusive culture. The study attempts to quantify the effect of diversity and inclusion on organizational KPIs using surveys, data analysis, and statistical tools. Concurrently, qualitative perspectives will be acquired via interviews and case studies, offering a more comprehensive comprehension of the human experience in a variety of work environments. The study takes a longitudinal approach in recognition of the fact that organizational dynamics change over time. Through monitoring alterations and patterns over a prolonged duration, it seeks to depict the fluid character of variety and inclusion initiatives, providing insights into the sustainability and long-term impact of such practices on organizational competitiveness.

# **RESEARCH METHODOLOGY**

The research methodology examines the impact of diversity and inclusion on employees' perceived performance. A sample size of 180 employees was chosen, and data was collected through a structured questionnaire. Data was collected from primary and secondary sources, and simple random sampling was used to select a subset of participants with equal chances of selection.

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## **REVIEWS OF LITERATURE**

**Pallvi Arora (2020):** Diversity is the existence of individual distinctions among people based on factors such as gender, identity, age, physical characteristics, nationality, education, race, ethnicity, color, and knowledge base. Including There is a significant disparity in the percentage of women and men in the labor force when it comes to the historical and present condition of women's employment engagement in Indian organizations. These days, workplaces must be welcoming to women in order to promote gender diversity within the organization, as businesses have begun to recognize that women are a valuable source of human capital.

**Elizabeth B Hughes Fong (2021):** Fong highlights racism and ethnic inequality as key drivers of minority diversity in business, religion, gender, age, and socioeconomic position. Promoting racism negatively impacts workers' wellbeing, marginalized growth, and access to resources. Toxic workplaces lead to conflicts and instability, affecting productivity and profitability. Collaboration is essential for overcoming these challenges.

**Sara V Simmons (2022):** Leadership decision-makers in all industries wonder how to cultivate leaders who create diverse companies with cohesive, cooperative, and productive work cultures. When faced with the uncertain problems of an evolving workforce and the workplace, they question the effectiveness of standard leadership development approaches. The conceptual foundation of the article is based on the idea that inclusive leadership fosters the greatest relationship between leaders and followers in varied organizations. A culture where everyone strives to reach their full potential is fostered by leaders who consciously model inclusive leadership behaviors. This promotes learning organizations.

**Sanghamitra Chaudhuri (2023):** Employers are using inclusion efforts more frequently to demonstrate the meaningful participation of their whole workforce as a component of their broader diversity, equity, and inclusion (DEI) objectives. However, despite the organizations' struggles to embrace and advance inclusion, it is still unclear how inclusion is conceptualized and how it affects the organization and bigger DEI activities. Therefore, this study's goal is to analyze relevant empirical data and synthesize inclusion conceptualizations.

**Gaoguang Zhou (2024 :** This chapter explores the evolution of diversity, equity, and inclusion (DEI) concepts and the cultural factors influencing them. It validates the interrelatedness of D, E, and

I and finds that companies in Western affluent countries are more dedicated to DEI. The study uses Hofstede's culture indexes to explore the connections between national culture and DEI practices.

# ANALYSIS

# **Test of Hypothesis**

# **Statement of Hypothesis**

**H0:** There is no significant difference between mean ranks of men and women with dimension of workforce diversity, benefits of workforce diversity, strategic adopted.

**H1:** There is significant difference between mean ranks of men and women with dimension of workforce diversity, benefits of workforce diversity, strategic adopted.

Ranks						
	gender	N	Mean Rank	Sum of Ranks		
dimensionworkforcediversity	1	74	83.94	6211.50		
	2	106	95.08	10078.50		
	Total	180				
benefitsofworforcediversity	1	74	84.95	6286.50		
	2	106	94.37	10003.50		
	Total	180				
strategicadopted	1	74	86.91	6431.50		
	2	106	93.00	9858.50		
	Total	180				

Ranks

Test Statistics <sup>a</sup>						
	dimensionworkfo	benefitsofworforc				
	rcediversity	ediversity	strategicadopted			
Mann-Whitney U	3436.500	3511.500	3656.500			
Wilcoxon W	6211.500	6286.500	6431.500			
Z	-1.425	-1.201	777			
Asymp. Sig. (2-tailed)	.154	.230	.437			

a. Grouping Variable: gender

There are no significant differences in the ranks between genders across the workforce diversity, the perceived benefits of diversity, or strategic adoption.

# FINDINGS

The study reveals that 41.11% of employees are male and 58.89% are female. The majority of employees (80.5%) believe in fostering a culturally diverse and inclusive environment. The company values and supports ethnic and racial diversity, and promotes gender equality. 35% of employees are neutral in contributing to a positive workplace culture, while 30.56% agree that overall goals and values are contributed. Most employees (64.44%) perceive external market competition as a significant challenge for the organization. 31.11% of employees agree that the organization adapts to changes in the business environment to gain a competitive advantage. 28.89% are highly satisfied with the company's competitiveness and strongly agree that it collaborates with external diversity organizations or networks to enhance its strategies. The majority of respondents (32.22%) are neutral about the organization's decision-making processes related to diversity and inclusion initiatives. The analysis suggests no significant difference between genders in their perceptions of the role of workforce diversity or environmental challenges.

### SUGGESTION

The company's gender equality, cultural diversity, ethnic and racial diversity support, workplace culture, alignment with goals and values, market competition challenges, adaptability to the business environment, competitiveness retention, collaboration with diversity networks, environmental sustainability, and commitments to diversity and inclusion are all crucial aspects to consider. The majority of respondents feel the company fosters a diverse and inclusive environment, and strategies to promote gender diversity and inclusivity should be considered. Strengthening initiatives that support ethnic and racial diversity, encouraging active employee participation in shaping a positive workplace culture, and aligning with the organization's goals and values can enhance satisfaction and engagement. Addressing market competition challenges, enhancing agility and adaptability, and involving employees in identifying and implementing innovative solutions can help retain competitiveness. Strengthening collaborations with external diversity organizations can further enhance diversity and inclusion can boost employee motivation.

# CONCLUSION

The study's conclusions highlight the vital role that inclusion and diversity play in boosting organizational competitiveness. By welcoming variety in all its manifestations and cultivating an allencompassing atmosphere, establishments may harness an extensive array of viewpoints, aptitudes, and life experiences to propel creativity, improve judgment, and adjust to a constantly evolving commercial environment. Furthermore, a diverse and welcoming workplace enhances employee engagement, retention, and overall organizational performance in addition to drawing in top talent. Because of this, firms looking to succeed long-term and remain competitive in the modern global economy must invest in diversity and inclusion as a matter of strategy as well as morality. Organizations may leverage the creativity, innovation, and problem-solving potential of diverse viewpoints, experiences, and abilities by embracing diversity in all its manifestations and cultivating an inclusive culture. Additionally, inclusive workplaces promote employee engagement and satisfaction, draw in and hold onto top talent, and ultimately boost an organization's performance and ability to compete in the market. As a result, making investments in diversity and inclusion is crucial for attaining sustainability and long-term success in addition to being the moral thing to do.

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ISJEM International Scientific Journal of Engineering	and Management ISSN:			
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