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The Impact of Diversity and Inclusion Initiatives on Recruitment and Selection Outcomes

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ABSTRACT

Diversity and inclusion have become one of the most debated upon topics in the recent times as many companies are actively taking steps towards diversity and inclusion initiatives. This research paper examines the impact of diversity and inclusive initiatives on recruitment and selection outcomes, with the goal of providing insights for companies looking to improve their Diversity and Inclusion (D&I) initiatives. The findings of this study suggest that companies that adopt systematic, business-led approaches to inclusion and diversity (I&D) are making impressive gains in diversity, particularly in executive teams. The report highlights the areas where companies should take far bolder action to create a more inclusive and productive workplace. Inclusion recruitment and diversity recruiting strategies are essential for attracting, engaging, assessing, and recruiting diverse talent to drive business success. A diverse and inclusive workplace leads to increased happiness and productivity among employees.

Keywords: *Diversity and Inclusion, Selection Outcomes, Inclusive Workplace, Inclusion Recruitment, Employee Productivity.*

I. INTRODUCTION

Diversity and Inclusion have become one of the most debated upon topics in the recent times as many companies are actively taking steps towards diversity and inclusion initiatives. The main objective in doing so is to recruit people from different background and cultures which would create a diverse workforce. Diversification of workforce would help the company develop unique perspective and experience. The importance of diversity and inclusion initiatives is not only ethical, but also practical, as research has shown that diverse teams can lead to increased innovation and better decision making.

Diversity and Inclusion has a significant impact on recruitment and selection in a company as it creates a diverse pool of individuals and ensures that hiring decisions are made without any bias. This research paper examines the impact of diversity and inclusion initiatives on

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recruitment and selection outcomes, with the goal of providing insights for companies looking to improve their diversity and inclusion initiatives.

II. WHAT DOES DIVERSITY AND INCLUSION MEAN?

(A) Diversity

This recent wave of interest in the field of Diversity and Inclusion (D&I) at workplace owes much to the socio-economic and demographic changes taking place globally. The workplace diversity mostly relates to gender, age, ethnicity, nationality, disability etc². Diversity helps enhance excellence and innovation as diverse individuals bring different perspectives onto the table through their lived experiences and culture. In the organizational literature, Diversity is considered to be a description of the composition of groups or workforces. There would be potential behavioural differences as people from different cultural groups and identity differences come and work together³. Research has shown that diversity can lead to increased innovation, creativity, and problem-solving ability, as well as improved customer service and a better understanding of diverse markets⁴.

Thomas and Ely (1996) proposed a categorization of organizational approaches to diversity based on the extent to which diversity is viewed as the diverse knowledge and perspectives that members from various identity groups bring, and is integrated into the organization's strategies, operations, and practices. They identified two commonly used approaches: the discrimination-and-fairness paradigm, which focuses on equal opportunity, fair treatment, recruitment, and compliance, and the access-and-legitimacy paradigm, which aims to match the demographics of the workforce with those of key consumer groups to expand and better serve specialized market segments. However, they noted a new emerging approach, the learning-and-effectiveness paradigm, which connects diversity to organizational strategy, markets, processes, and culture. This approach involves incorporating diverse employee perspectives and approaches into business processes to leverage the benefits of diversity for enhancing organizational learning and growth⁵.

A company observes many types of diversity at the workplace. Some of the common types are:

²Nicholas Theodorakopoulos & Pawan Budhwar, Diversity and Inclusion in Different Work Settings: Emerging Patterns, Challenges, and Research Agenda, 32 J. Bus. Res. 1 (2019)..

³Quinetta M. Roberson, Disentangling the Meanings of Diversity and Inclusion in Organizations, 67 Am. Psychol. 592 (2012).

⁴Taylor Cox & Susan Blake, Managing Cultural Diversity: Implications for Organizational Competitiveness, 5 Acad. Mgmt. Exec. 45 (1991).

⁵Quinetta M. Roberson, Disentangling the Meanings of Diversity and Inclusion in Organizations, 67 Am. Psychol. 592 (2012).

1. Cultural Diversity:

Cultural diversity refers to the differences in culture, beliefs, and traditions among individuals within a community or society. It is an essential aspect of our world and brings richness and uniqueness to our lives. Cultural diversity is significant in workplaces, schools, and communities, as it promotes inclusivity, understanding, and tolerance⁶.

One of the most significant benefits of cultural diversity is that it promotes creativity and innovation. People from diverse cultural backgrounds bring different perspective and experiences, leading to the development of new ideas and solutions to problems. This diversity also helps to bridge the gap between cultures and fosters mutual respect, which can create a more harmonious and cohesive society⁷.

However, cultural diversity can also lead to misunderstandings, conflicts, and discrimination. It is essential to create an environment that values and respects diversity, where everyone feels included, regardless of their cultural background. This can be achieved through education, training, and policies that promote diversity and inclusion in the workplace and society⁸.

P&G is a global manufacturer of consumer goods with operations in more than 180 nations. Recognizing the need of a varied workforce for its success, the company has prioritised cultural inclusion and diversity in all aspects of its business operations. The "Diversity and Inclusion" programme is one of the ways P&G has shown its dedication to cultural diversity. This initiative strives to develop an inclusive workplace where workers from all backgrounds sense support and worth. Additionally, P&G has an internal Diversity Council that is in charge of creating plans and programmes to encourage cultural diversity and inclusion inside the business.

The presence of staff resource groups demonstrates P&G's dedication to cultural diversity yet another time. (ERGs). These teams are made up of workers who have similar backgrounds or experiences, such as the Hispanic/Latino ERG or the African Ancestry Leadership Network. These organisations give staff members a forum for interaction, mutual support, and education on the company's cultural diversity.

The dedication of P&G to cultural diversity has been acknowledged by other organisations. The business was recognised as one of the "Best Workplaces for Diversity" by Fortune magazine in 2020, and DiversityInc also named it one of the "Top 50 Companies for Diversity."

⁶Derald Wing Sue & David Sue, *Counseling the Culturally Diverse: Theory and Practice* (6th ed. 2012)..

⁷ David A. Thomas & Robin J. Ely, *Making Differences Matter: A New Paradigm for Managing Diversity*, 74 *Harv. Bus. Rev.* 79 (1996).

⁸ Taylor Cox & Susan Blake, *Managing Cultural Diversity: Implications for Organizational Competitiveness*, 5 *Acad. Mgmt. Exec.* 45 (1991).

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In conclusion, cultural diversity is a valuable asset to our society, providing benefits such as creativity, innovation, and tolerance. It is important to recognize and embrace cultural diversity, create inclusive environments, and celebrate our differences to build a more harmonious and united world.

2. Racial Diversity

In a contemporary society, Racial diversity is an important component. It refers to the representation of different races and ethnicities within a workplace or organization. It promotes inclusion, equity, and social justice which are crucial for overall growth and development in a society and organization.

Research over the year has shown that diverse societies are more creative, innovative and productive than homogeneous ones. A study was conducted by the McKinsey and Company showed that companies which has more diverse teams had better financial performance than with teams which are less diverse. The study also found that companies which promote racial diversity were 35% more likely to have financial returns above their respective national industry averages.

One example of a company that promotes racial diversity is Salesforce. Salesforce is a cloud-based software company that has made a commitment to promoting diversity, equity, and inclusion (DEI) both within the company and in the broader community. Salesforce has implemented a number of initiatives to promote racial diversity, including:

- The appointment of a Chief Equality Officer, who is responsible for overseeing the company's diversity and inclusion efforts.
- The implementation of unconscious bias training for all employees.
- The creation of employee resource groups (ERGs) for underrepresented groups, including the Black Employee Resource Group and the Latinx Employee Resource Group.
- The establishment of a supplier diversity program, which aims to increase the number of diverse suppliers used by the company.

Salesforce was named one of the Best Workplace for Diversity by Fortune magazines in the year 2020. Salesforce has also received a score of 100 on the Human Rights Campaign' Corporate Equality Index, which measures corporate policies and practices related to LGBTQ+ workplace equality.

In conclusion, racial diversity is a fundamental aspect of modern society that offers various benefits including creativity, innovation and inclusivity. It is essential for individuals and organizations to understand the importance of Racial Diversity and promote it to create more equitable and inclusive communities.

3. Religious Diversity

Religious Diversity refers to the existence of wide range of religious beliefs and practices given within a society or community. It has become an important issue in the recent years due to globalisation and immigration. As employers are recruiting people of different ethnicities and religious backgrounds, they should be aware of the diverse religious beliefs of their employees and make sure that they're not discriminated in any way. This can be achieved through a creating a culture of respect, providing accommodations of religious practices and by promoting inclusion.

Employees usually expect their employers to accommodate their religious beliefs and practices in the workplace. This can include, time off during religious holidays, allowing employees to dress according to their customs and providing prayer spaces. Failure to do so can potentially attract discrimination law suits and negative publicity to the company⁹.

Salesforce is also known for promoting religious diversity as it implemented various initiatives to support religious diversity, such as offering flexible work schedules to accommodate employees' religious practices and creating "Ohana Groups" for different religious groups. The company also provides resources and training to educate employees on different religious beliefs and practices.

In conclusion, religious diversity in the workplace is an important issue that requires attention and sensitivity from employers. By creating a culture of mutual respect and inclusivity they create a positive environment encouraging a productive culture among employees.

4. Gender Diversity

Gender diversity refers to the inclusion of individuals of different genders within a particular

⁹ Pew Research Center, Most Americans Say Employers Should Accommodate Employees Who Want to Wear Religious Clothing, Pew Research Center (2016).

organization or community. It is an essential component of modern society and promotes inclusivity, equality, and social justice. Gender diversity ensures that individuals of different genders have equal opportunities to contribute to society and participate in decision-making processes.

Research has shown that gender diversity is beneficial for organizations and society as a whole. A study conducted by McKinsey & Company found that companies with more gender diversity in their leadership positions were more likely to have above-average financial performance¹⁰. Another study found that gender-diverse teams were more innovative and creative¹¹.

Moreover, gender diversity is critical in promoting gender equality and reducing gender-based discrimination. A study conducted by the World Economic Forum found that gender diversity in the workplace can lead to reduced gender pay gaps and improved economic growth.

An Indian business that supports gender diversity is Tata Consultancy Services (TCS). By AVTAR Group and Working Mother Media in 2020, TCS was named the top company for women in India. The 'Women in Leadership' program, which offers mentorship and training to female workers to help them develop in their careers, is one of several efforts that TCS has put in place to encourage gender diversity. Additionally, TCS has a policy of offering flexible work schedules to its workers, which helps to meet the demands of women who might have additional obligations outside of the workplace. In addition, TCS is strongly committed to gender pay parity, making sure that there is no pay discrepancy based on gender inside the organisation. These programmes and regulations have aided in developing.

In conclusion, gender diversity is an essential aspect of modern society that promotes inclusivity, equality, and social justice. It is crucial for organizations and policymakers to recognize and promote gender diversity to create more equitable and productive communities.

These are some of the common types of diversities one can find in companies globally. By adapting to the culture of diversity and inclusion the company encourages and respects its employees' culture, race, gender, sexual orientation etc. which would help them gain a positive opinion on the company and even promotes employee loyalty which goes a long way in a corporate.

¹⁰Vivian Hunt, Dennis Layton & Sara Prince, *Why Diversity Matters*, McKinsey & Co. (2015), <https://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters..>

¹¹Scott E. Bell et al., *Getting Specific About Demographic Diversity Variable and Team Performance Relationships: A Meta-Analysis*, 37 *J. Mgmt.* 709 (2011).

III. INCLUSION

We often use Diversity and Inclusion synonymously. Although they're related concepts, they have different meanings. Diversity refers to the differences among the people in a workplace such as race, ethnicity, gender, age, religion, sexual, etc. It acknowledges that everyone is unique and brings their own perspectives, experiences and talents to the workplace.

On the other hand, Inclusion refers to creating an environment in which everyone feels valued, respected and supported regardless of their differences. It is all about embracing and leveraging diversity to create a culture of belongingness, where all employees feel they can contribute and be themselves.

Companies take various strategies to promote inclusion at the workplace. One of the most important strategies is to create an inclusive workplace culture where everyone feels included. This can be achieved by communicating expectations to the workforce and building a company culture where everyone feels valued and respected. In a recent Deloitte survey, 80% of employees consider inclusion an essential factor in choosing an employer. Therefore, companies need to ensure that their employee experience is more than stellar¹².

Another strategy is to provide reasonable accommodation at all stages of the employment relationship. This can help address barriers and contribute to greater workplace equality, diversity, and inclusion. The International Labour Office has published a practical guide that provides a range of good practice examples of reasonable accommodations that can be made in varying circumstances. This guide is designed to be a flexible tool that can be adapted to the needs of any enterprise or group of enterprises, regardless of size and scope, including small and medium-sized enterprises (SMEs)¹³.

A substantial diversity and inclusion strategy can help organizations attain top talent, driving innovative outcomes. A diverse workforce brings diverse viewpoints and perspectives to the company, which can help develop great new products and new ways to cater to customers. Companies can support inclusion and diversity in the workplace by improving diversity and inclusion policies, which can lead to better engagement and employee retention¹⁴. Inclusive language is also a tangible way to contribute toward an inclusive candidate experience and culture. Using inclusive language helps students and recent graduates see themselves in the

¹²Inclusion at the Workplace, Vantage Circle, <https://blog.vantagecircle.com/inclusion-at-the-workplace/> (last visited Apr.09, 2023).

¹³International Labour Organization, Diversity and Inclusion at the Workplace: A Good Practices Guide (2017), https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_536630.pdf.

¹⁴ 15 Ways to Improve Diversity and Inclusion in the Workplace, FirstUp, <https://firstup.io/blog/15-ways-to-improve-diversity-and-inclusion-in-the-workplace/> (last visited Apr. 07, 2023).

workplace, which can help build foundational relationships¹⁵.

In conclusion, companies take various strategies to promote inclusion at the workplace, including creating an inclusive workplace culture, providing reasonable accommodation, improving diversity and inclusion policies, and using inclusive language. These strategies can help companies attain top talent, drive innovative outcomes, and build foundational relationships.

IV. MEASURES TAKEN BY DIFFERENT COMPANIES REGARDING DIVERSITY AND INCLUSION AND ITS RESULTS

Diversity, equity, and inclusion (DE&I) are important for companies to create a more inclusive and productive workplace. McKinsey & Company¹⁶ found that companies should pay greater attention to inclusion, even when they are relatively diverse. The report shows that companies that adopt systematic, business-led approaches to inclusion and diversity (I&D) are making impressive gains in diversity, particularly in executive teams. The report highlights the areas where companies should take far bolder action to create a more inclusive workplace. American Psychological Association¹⁷ (APA) provides inclusive language guidelines to address its role in racism and other forms of discrimination. The guidelines aim to eliminate discrimination and other barriers that contribute to inequitable opportunities to join and be a part of a work group, organization, or community. The focus is on social identities that correspond to societal differences in power and privilege, and thus to the marginalization of some groups based on specific identities such as ethnicity.

Social Sciences and Humanities Research Council¹⁸ suggests that companies should ensure all team members have equal access to mentoring opportunities, especially with senior researchers. The organization also recommends that companies should consider equity, diversity, and inclusion perspectives in research design. The feasibility criterion is used to assess equity, diversity, and inclusion requirements and their related considerations. The criterion considers the research team and the research environment, including team composition and recruitment processes, training and development opportunities, and inclusion. The organization defines diversity as differences in race, colour, place of origin, religion, immigrant and newcomer

¹⁵70 Inclusive Language Principles That Will Make You a More Successful Recruiter, Handshake Blog, <https://joinhandshake.com/blog/employers/70-inclusive-language-principles-that-will-make-you-a-more-successful-recruiter/> (last visited Apr. 08, 2023).

¹⁶Diversity Wins: How Inclusion Matters, McKinsey & Co., <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters> (last visited Apr. 10, 2023).

¹⁷ American Psychological Association, APA Equity, Diversity, and Inclusion: Language Guidelines (n.d.).

¹⁸ Social Sciences and Humanities Research Council of Canada, Equity, Diversity and Inclusion (n.d.).

status, ethnic origin, ability, sex, sexual orientation, gender identity, gender expression, and age. Harvard Business Review¹⁹ suggests that companies should measure inclusion in the workplace. The report highlights that although organizations have found ways to successfully measure and track diversity, they haven't been able to do the same for inclusion. The report suggests that organizations should develop a unified and coherent metric that tracks inclusion. The report suggests that the greater the degree to which employees agree with statements such as "People in my organization care about me" and "Managers at my organization are as diverse as the broader workforce," the more inclusive the organization. The report highlights that organizations can take action by combining diversity in the index to achieve desired outcomes.

V. IMPACT OF DIVERSITY AND INCLUSION ON SELECTION AND RECRUITMENT

Diversity and inclusion have a significant impact on selection processes. A diverse and inclusive workplace makes all employees feel accepted and valued, leading to increased happiness and productivity. Inclusive recruitment is the process of connecting with, interviewing, and hiring a diverse set of individuals through understanding and valuing different backgrounds. A diversity recruiting strategy defines all the goals, accountabilities, action items, and success measures that are undertaken for attracting, engaging, assessing, and recruiting diverse talent to drive business success²⁰.

Diversity and inclusion are essential to ensuring a fair and non-discriminatory environment for current staff and future employees. A diverse team should be the goal of any organization, but diversity does not exist without inclusion. Creating an atmosphere that welcomes all individuals and encourages equal engagement and representation are the fundamentals necessary to build a diverse team. There is a business case for diversity and inclusion: attracting and retaining diverse talent equips a company with unique perspectives and enables it to make bold business decisions²¹.

However, diversity and inclusion must be properly implemented to avoid negative consequences. If not properly implemented, diversity and inclusion efforts can cost a company by leading to the hiring of a narrowly-defined category of "diverse" candidates, instead of focusing on belonging and inclusion throughout the company. In some cases, a company may lack diversity because it is not putting enough effort into making its existing employees feel

¹⁹ Brinkman, B. G., & Law, A., How to Measure Inclusion in the Workplace, Harvard Bus. Rev. (May 2021)..

²⁰ Evalground, Importance of Diversity and Inclusion in Recruitment (Feb. 11, 2021), <https://evalground.com/blog/diversity-and-inclusion-in-recruitment/>.

²¹ Hireology, The Importance of Inclusive Recruitment (June 22, 2020).

included²².

In conclusion, diversity and inclusion are crucial to selection processes. Inclusive recruitment and diversity recruiting strategies are essential for attracting, engaging, assessing, and recruiting diverse talent to drive business success. A diverse and inclusive workplace leads to increased happiness and productivity among employees. However, diversity and inclusion efforts must be properly implemented to avoid negative consequences.

VI. CONCLUSION

The findings of this study suggest that diversity and inclusion initiatives have a positive impact on recruitment and selection outcomes by increasing the diversity of the applicant pool and reducing bias in the selection process. However, to achieve these outcomes, organizations must implement best practices for diversity and inclusion initiatives in recruitment and selection processes. These best practices include creating inclusive job descriptions, using diverse recruitment sources, training hiring managers on unconscious bias, and using structured interviews. Organizations that implement these best practices will be better equipped to create a more diverse and inclusive workforce. Furthermore, future research should continue to explore the impact of diversity and inclusion initiatives on recruitment and selection outcomes and investigate new ways to create more diverse and inclusive workplaces.

²² Blue Signal, Diversity and Inclusion Best Practices for Hiring Managers (February 17, 2021).