

## HR Compliance Library, ¶42,400, Workplace diversity

When a company treats its employees equally, it ignores their differences. When a company treats its employees equitably, it recognizes their differences. Diversity is about acknowledging any difference that can impact the fair or equitable treatment of people. Among the many characteristics that may affect how people are treated are differences based on gender, race, age, sexual orientation, disability, religion, education, class and marital status.

Systems that are based solely on equity—or fairness and merit—will allow an organization to attract the most qualified workers. The equitable treatment of those workers will lead to higher employee satisfaction, which in turn will lead to increased commitment, retention and productivity.

**How can a cultural diversity policy coexist with the equal employment opportunity laws that ban different treatment of employees based on "protected" categories?** The key is to focus on individuals. While the law allows employers to recognize differences and attributes *among individuals*, it does not allow them to assume that those certain differences and attributes can only be found among a certain group of individuals.

Indeed, a diversity program can be seen as a way to go beyond EEO into a deeper commitment to draw from the entire work force to get the most qualified applicants and to develop them into an optimally functioning unit. But doing that means understanding the needs and values of each group and using that information to create a workplace that helps to develop and motivate each individual to strive toward the company's goals. An effective diversity program is one that ensures the recognition of differences moves individuals in the work force closer together, not farther apart.

The difference between diversity programs and programs prohibiting discrimination can be characterized as one of emphasis. Programs prohibiting discrimination in the workplace, as a general rule focus on don'ts—do not ask certain questions; do not use certain criteria; do not draw certain distinctions based on nonwork categories, etc. While diversity programs provide suggestions and ideas of things to do in the workplace—employee holiday programs and festivals; employee groups and participation programs, mentoring etc.

**Understand that there are competitive advantages of workforce diversity.** The realities of America's shifting demographics are requiring companies to rethink the way they hire, promote and retain employees. It is as much a bottom line issue as it is a matter of evaluating new points of view, and many firms are finally realizing that there are advantages to diversity.

If the goal is to hire and retain the best and brightest workers, an organization must be able to manage an increasingly diverse group of people. The company that properly does this stands to create a richer work environment, with improved decision-making because opinions are drawn from a wider variety of viewpoints.

**There is a relationship between customers and diversity.** The relationships a company has with its customers are established through individual employees. Thus each employee becomes an important link to determining customer expectations and delivering increased value. This link will become stronger if a company has satisfied, committed and productive employees. Further, with increasing diversity in the global marketplace of potential customers, the likelihood of customer loyalty increases with a diverse workforce. Customer loyalty can be measured by customer retention, repeat sales and referrals. Loyal customers lead to increased revenues and profits.

The business case for diversity in the workplace is simple: It can lead to increased revenues and profits. In short, diversity drives employee satisfaction, which drives customer satisfaction, which drives profits.