

Diversity And Its Impact on The Workplace: A Literature Review*

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Abstract

The study was motivated by the increasing importance of diversity in the workplace in an era of globalization and heightened awareness of social justice issues. It highlights that diversity is increasingly viewed as a social reality and a necessary consideration in organizations, particularly given demographic and societal developments that necessitate a more diverse workforce. The study aims to systematically explore and understand the opportunities and challenges associated with diversity. The gap in the literature arises from the need to explore the evolution of the concept of diversity from merely individual differences to encompassing social otherness and potential discrimination. Previous definitions of diversity did not adequately consider social groups that deviate from the norm and are therefore potentially subjected to discrimination. This study contributes to a better understanding of the modern concept of diversity and its impacts in corporate contexts. The methodology of the study involves a systematic literature review aimed at exploring the development of the concept of diversity and the associated opportunities and challenges. This review collects and analyzes publications from peer-reviewed academic journals to systematize empirically observed opportunities as well as potential difficulties of diversity in the workplace and develops recommendations for organizations on how to strategically manage diversity. The findings of the study indicate that a sensitive understanding of diversity can enhance team creativity, innovation, and collaboration, which in turn improves business performance and sustainability. However, it also points out that perceived differences can lead to negative dynamics that intensify segregation and discrimination. The study provides suggestions for companies on how to strategically manage diversity to maximize its benefits, including developing policies and training programs that promote diversity and combat discrimination.

Keywords: diversity; understanding of diversity; workplace; shareholders, business performance and sustainability.