Course 08:
Cultural diversity in organisations

by Prof. SOULEH Samah

Lectures for first-year Master's students in Business Management.

Department of Economic Sciences

– University of Biskra

Academic Year: 2025/2026

Context:

- People from different ethnicities, religions, and origins are now expected to collaborate more frequently due to growing internationalization. Diversity has recently garnered substantial management implications. In particular, diversity is anticipated to become even more crucial in the coming years as diversity in communities is increasing. Individuals are nowadays a part of a global market that features competitiveness from all corners of the world, so diversity in institutes and businesses is necessary.

- Source: Morris, S. N. (2023). *Cultural diversity in workplace and the role of management*. **American Journal of Industrial and Business Management, 13**(5), 381–395. https://doi.org/10.4236/ajibm.2023.135024

Cultural diversity

- **Cultural diversity** in organizations refers to the presence of employees with different backgrounds, including ethnicity, race, age, gender, religion, and cultural practices.

- This approach fosters innovation, improves decision-making, enhances employee engagement, and increases a company's market competitiveness by incorporating a wide range of perspectives and experiences.

- An inclusive environment where these differences are respected and valued is crucial for reaping these benefits

****

- **Race = physical traits (how people are seen)**
- **Ethnicity = cultural identity (how people identify themselves)**

What it is?

- **Representation:** It is the practice of including employees from a variety of cultural and ethnic groups within an organization.

- **Inclusion:** It means creating an environment where every employee feels valued, respected, and supported, and can contribute their unique perspective without fear of prejudice.

- **Varied backgrounds:** This includes a range of differences such as age, gender, race, ethnicity, religion, physical abilities, languages, and education levels.

Benefits of cultural Diversity

- **Increased innovation and creativity:** A mix of diverse perspectives leads to more creative solutions and new ideas.

- **Improved decision-making:** Diverse viewpoints can lead to more robust and well-rounded decisions.

- **Enhanced employee engagement:** Employees who feel valued are more likely to be engaged and connected to the company's mission.

- **Better market understanding:** A diverse workforce can better understand and cater to a diverse customer base in a globalized world.

- **Stronger company image:** Companies that are seen as inclusive and respectful of cultural differences can attract a wider pool of talent and build a positive reputation.

- **Attracts global talent and customers.**
- **Builds a positive reputation and social responsibility.**
- **Encouraging team work and collaboration.**
- **Reducing conflicts and discrimination ...**

Challenges of Cultural Diversity

Is it easy to work with people from different backgroud?

No, we will meet some challenges like:

- Miscommunication due to cultural misunderstandings.
- Stereotyping or unconscious bias.
- Resistance to change or lack of inclusion.
- Need for strong leadership to manage diversity effectively.

How to implement it ?

- **Fair hiring practices:** Implement hiring processes that actively seek out and welcome candidates from various backgrounds.

- **DEI programs:** Utilize Diversity, Equity, and Inclusion (DEI) programs to build a culture of belonging and ensure equal opportunities for all.

- **Managerial training:** Equip managers with the skills to effectively manage a culturally diverse workforce and handle potential challenges.

- **Promote a sense of belonging:** Create policies and a workplace culture that makes everyone feel welcome and valued for their contributions

Key elements that define cultural diversity in the workplace

- Understanding the key elements of cultural diversity helps organizations create an inclusive culture where employees thrive. Here are the essential factors that define culture and diversity at work.

- **Ethnic and racial diversity:** A culturally diverse workplace includes employees from different ethnic and racial backgrounds. Recognizing and respecting these [differences promotes inclusion](), reduces bias, and strengthens teamwork.

- **Language and communication styles:** Multilingual employees bring valuable perspectives but may face communication barriers. Organizations must ensure clear communication through language support, translation tools, and inclusive dialogue practices.

- **Religious and spiritual inclusivity:** Workplaces should respect different religious beliefs by offering accommodations like flexible prayer breaks, dietary considerations, and inclusive holiday policies to support multicultural diversity.

- **Generational and experiential differences:** Diversity extends beyond culture—teams often include employees from different generations. Bridging generational gaps [fosters collaboration]() and knowledge-sharing between experienced and emerging professionals.

- **Socioeconomic and educational backgrounds:** Employees bring varied experiences shaped by their upbringing and education. Organizations benefit from diverse problem-solving approaches influenced by different socioeconomic perspectives.

- **Work styles and decision-making approaches:** Different cultures have distinct work ethics, leadership expectations, and collaboration styles. Understanding these nuances helps create a workplace where everyone can contribute effectively.

Why is 'cultural diversity' important to HR?

[For HR](), cultural diversity is more than a hiring metric—it's a strategy for building your own culture and a thriving workforce. Managing culture and diversity effectively ensures an inclusive environment where employees feel respected, valued, and motivated to contribute. **Here's why HR plays a crucial role in fostering multicultural diversity in the workplace:**

- **Creating fair and inclusive workplace policies:** HR must design policies that ensure fair treatment across all cultural backgrounds. From flexible holiday schedules to inclusive dress codes, these policies help accommodate diverse employee needs and foster equity.

- **Strengthening conflict resolution and communication:** Different cultural norms can sometimes lead to misunderstandings. HR professionals must [implement training programs]() and mediation strategies that help employees navigate cultural differences and communicate effectively.

- **Ensuring compliance with diversity and inclusion regulations:** Employment laws and diversity mandates vary across regions. HR teams must stay updated on legal requirements related to culturally diverse hiring, [anti-discrimination policies](), and workplace accommodations.

- **Enhancing leadership development and training:** HR plays a key role in equipping managers with the skills to lead diverse teams. By offering cultural diversity training, HR ensures leaders foster inclusion, reducing bias in promotions and [performance evaluations]().

- **Driving employee well-being and psychological safety:** A workplace that embraces multicultural diversity provides a psychologically safe space for employees. HR initiatives that promote open dialogue, [mentorship](), and inclusion reduce stress and increase workplace satisfaction.

Example

- A Disability Confident employer is a UK organization that is committed to providing equal opportunities for people with disabilities. These employers have joined the government-backed Disability Confident Scheme, which involves making workplace adjustments, ensuring fair opportunities, and providing a supportive and accessible environment. Employers must meet a three-level system and progress through it to demonstrate and improve their commitment, which is a key indicator of their inclusive practices.

Example of role/ jobs related to diversity in international settings:

- Diversity and inclusion manager
- Diversity manager
- Inclusion lead…

- Activity: check jobs related to diversity on your LinkedIn.