

# HRM and Employment Retention Strategy for Diversity and Inclusion

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**ABSTRACT:** Diversity and inclusion are vital elements of effective human resource management (HRM) in the contemporary workforce, influencing employee retention and organizational performance. This paper investigates the significance of these factors in creating a thriving workplace culture where varied perspectives are valued. A robust literature review highlights how diverse teams enhance creativity, problem-solving, and employee satisfaction, which in turn reduces turnover rates. The study outlines comprehensive HRM strategies aimed at fostering an inclusive environment, such as mentorship programs, equitable career development, and ongoing diversity training. It emphasizes the importance of gathering employee feedback to ensure diverse voices are considered in decision-making. The findings underscore that organizations must move beyond mere compliance and actively implement inclusive practices to unlock the full potential of their diverse workforce.

## INTRODUCTION

In today's dynamic workforce, diversity and inclusion have emerged as critical components of effective human resource management (HRM). As organizations strive to cultivate a culture that values varied perspectives and backgrounds, employment retention strategies focused on diversity and inclusion become essential. This approach not only enhances employee satisfaction and engagement but also drives innovation and business performance. By implementing targeted retention strategies, organizations can create an environment where all employees feel valued and empowered to contribute, ultimately leading to improved organizational outcomes. This paper explores the significance of diversity and inclusion in HRM, examining effective strategies that promote retention and foster a thriving, inclusive workplace culture.

In the contemporary business landscape, diversity and inclusion are not merely ethical imperatives but also strategic advantages that can significantly enhance organizational effectiveness. As workplaces become increasingly globalized, organizations are

presented with a unique opportunity to tap into a broad spectrum of talents, perspectives, and experiences. However, attracting a diverse workforce is only the first step; retaining these valuable employees is crucial for maximizing their contributions.

To achieve this, organizations must implement comprehensive HRM practices that focus on creating an inclusive culture. This includes targeted mentorship programs, equitable career development opportunities, and regular training on unconscious bias and cultural competence. Additionally, gathering and acting on employee feedback can ensure that diverse voices are heard and considered in decision-making processes.

## LITERATURE REVIEW

The importance of diversity and inclusion in the workplace has garnered significant attention in recent years, prompting extensive research on their impact on employee retention and organizational performance. According to Shore et al. (2011), a diverse workforce can enhance creativity and problem-solving by bringing together different viewpoints and experiences. This aligns with the social identity theory, which posits that individuals derive a sense of identity from their group memberships. When employees see themselves represented in the workplace, they are more likely to feel a sense of belonging, leading to increased job satisfaction and reduced turnover (Hewlett et al., 2013). Retention strategies that prioritize diversity and inclusion are particularly vital in addressing the unique challenges faced by underrepresented groups. Research by Roberson (2006) indicates that organizations with robust diversity initiatives often experience higher levels of employee commitment and engagement. These initiatives may include affinity groups, diversity training, and equitable promotion practices. A study by Guchait et al. (2016) found that employees in inclusive environments

reported higher levels of organizational commitment and job satisfaction, which directly correlated with lower turnover rates. This suggests that a focus on inclusion not only aids in attracting diverse talent but is also essential for retaining that talent.

In conclusion, the literature emphasizes the critical role that diversity and inclusion play in employee retention and overall organizational success. Effective HRM strategies that prioritize these elements are not just beneficial but necessary for creating a competitive advantage in today's diverse marketplace. By understanding the intricate dynamics between diversity, inclusion, and retention, organizations can better position themselves to harness the full potential of their workforce. Future research should continue to explore the long-term impacts of these strategies, providing organizations with a roadmap for developing sustainable and inclusive work environments.

#### OBJECTIVES

- To retention the employee is to keep employee satisfied and engage and reduce employee turnover
- To make diversity engage
- To make equity for all working employees
- To make better inclusion by creating inclusive workplace culture

#### METHODOLOGY

**Assessment and Analysis:** Conduct a diversity audit to evaluate current demographics and inclusion practices. Gather employee feedback through surveys and focus groups to understand workplace culture perceptions.

**Strategic Planning:** Set measurable diversity and inclusion goals aligned with organizational objectives. Ensure initiatives support broader business values and targets.

**Inclusive Recruitment Practices:** Broaden recruitment channels by partnering with diverse organizations and using inclusive job descriptions. Avoid jargon to attract a wider range of candidates.

**Onboarding and Training:** Develop inclusive onboarding programs to make new hires feel welcomed. Provide diversity and inclusion training for all employees, focusing on unconscious bias.

**Retention Strategies:** Implement mentorship programs that connect diverse employees with leaders. Offer tailored professional development opportunities to support career advancement.

**Creating an Inclusive Culture:** Support Employee Resource Groups (ERGs) to foster community and amplify diverse voices. Organize events to celebrate various cultures and backgrounds.

**Monitoring and Evaluation:** Conduct regular assessments to measure the effectiveness of diversity initiatives. Be willing to adjust strategies based on feedback and demographic changes.

**Leadership Commitment:** Ensure visible support from leadership for diversity initiatives. Hold the organization accountable for progress in diversity and inclusion efforts.

#### DISCUSSION AND CONCLUSION

HR diversity management has gained momentum because of the pressures on business that become internationally competitive, the changing labour force composition, growing awareness of the importance of human resources management and a backlash created by perceptions of special treatment for women and ethnic minorities. Critically reviewing the literature, this study reveals three prominent features of HR diversity practices. First, despite growing commitment to EEO in many organizations, there is wide discrimination in employment. This is evidenced by low employment of women and minorities and the lack of minority representation at higher organizational levels. Also, female and minority employees are always disadvantaged in training, performance appraisals and remuneration.

Second, HR diversity is often restricted to hiring by numbers (Agus and Burr 1996). Relatively, little is done on other HR activities including training, management development and individual-based appraisal and pay. Often, minority employees are recruited for lower positions and provided few promotion opportunities. While many organizations provide diversity training most training programmes reinforce norms and values of the dominant organizational culture. Organizations normally do not take individual differences into consideration when formulating and implementing training, appraisal and pay policies. Pay inequality, especially gender income inequality, still remains a significant issue in diversity management. Ethnic minorities are

frequently not comfortable with open expression of their opinions. Empowerment of a truly diverse workforce is not yet a norm.

Third, an important focus in HR diversity management is placed on the notion of equality, usually described as fairness or workplace discrimination. Most companies do not really have effective diversity management practices that value and make use of diversity. The major incentive for implementing EEO and AA is to gain greater marketing capability and attract ethnic minority customers by mirroring increasing diverse markets. Therefore, most organizations have not built the requisite diverse workforce nor launched diversity programs to unleash the potential of the diverse workforce they employ.

The findings of this study have significant practical implications. The review indicates that there is a continuing need for effective diversity management and for HRM to play an irreplaceable role in this regard. Effective diversity management through good HR practices and procedures leads to positive outcomes. Ineffective diversity management in HR is most likely to result in conflict, demotivation, higher employee turnover and low organizational performance.

Therefore, further research is necessary on the state of HRM diversity management beyond EEO and AA. Such research in developing and transitional economies is urgently needed as most past studies have been conducted in the Western contexts, such as the US, EU nations and Australia. As mentioned earlier there are different diversity issues in different national contexts. Research in non-western contexts would develop a better understanding of the effects of different socio-cultural environments on diversity management. Also, due to the fact that managers, employees and different groups within an organization may have different perceptions of diversity management, such perceptions can often be the result of poor implementation of HR diversity policies. Future research should examine diversity management from multiple perspectives. Moreover, past studies are usually prescriptive in exploring the relationship between HR diversity practices and organizational performance. As a result, there is, so far, no study statistically examining the contribution of diversity management in HR to organizational performance from financial and non-financial perspectives. Further empirical research on this aspect would advance our understanding of the

contributions of HR diversity management.

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