

# Examining Workplace Diversity within Social Enterprises: A Case Study of *Goonj*

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## **ABSTRACT:**

*All human beings are diverse and diversity essentially exists among individuals, families, groups and the communities we all live in. To value diversity is to respect human worth. Keeping this in mind, the Sustainable Development Goals (SDGs) adopted in December 2015 by the United Nations, recognize the role of cultural diversity as a driver and enabler of sustainable development.*

*In the backdrop of achieving sustainable development goals and promoting inclusive growth within workplace, social enterprises have recently become a subject of attention in academia and politics due to its nature of business model and the way it operates in the economy.*

*India is a diverse country and if any social enterprise wants to actually prove its mettle in working for the community, they need to first cater to the needs of extremely dynamic and diverse communities.*

*Taking Delhi based social enterprise Goonjas the point of study, this research tries to find out how workplace diversity is needed to enhance the experience of social enterprises, boost innovation and foster creative problem solving.*

**Keywords:** *Workplace Diversity, Social Enterprises, Innovation, Diversity Management, Performance*

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## **INTRODUCTION:**

*“Our rich diversity . . . is our collective strength.”*

- (Johannesburg Declaration, 2002)

The world we live in - has people coming together from different backgrounds, ethnicity, race, religions, gender, etc. They have diverse ways in which they view the world and hence collaborate on unique ideas. The rapid globalization has ushered the importance of workforce diversity and it is increasingly recognised in all political, legal, social, corporate and educational systems.

The United Nations General Assembly also recognized the role of cultural **diversity as a driver and enabler of sustainable development** and is continuing to strengthen its advocacy and action in favour of the **link between diversity and sustainable development**.

A diverse workforce usually come up with better solutions and display more cooperative behaviour in comparison to a situation where only people from similar backgrounds work together. Hence workforce

diversity is a valuable resource for attaining development goals and present a vision of equality by promoting diversity at the heart of every business strategy.

In the recent time, social entrepreneurship in India have become a panacea for achieving social change & improvement. There are various factors that determine the success and efficiency of a social enterprise and one of them is workplace diversity which is becoming increasingly instrumental in improving the organisation's overall performance. But despite India's economic transformation and growth in the last few years, the nation is yet to overcome various social inequalities and the problem of lack of opportunities among the less privileged.

To understand this concept clearly, this research will focus on a Delhi based social enterprise *Goonj*, it will look at how and whether workplace diversity reflects in their core team. The primary method throughout the research will be *In-depth Interviews* of members of the core team of *Goonj*. To substantiate the findings of the study, the researcher will also look at various documents of the organisational structure of *Goonj* like HR policy and other such documents (in case they have any).

## **LITERATURE REVIEW:**

Since 2005, India has seen considerable growth in social enterprise activity. This has happened because of the changing economic and development climate of India. (GIZ, 2012). "A Social entrepreneurs play the role of change agents in the social sector who deal with diverse communities directly or indirectly" (Dees, 2001). "It is a *business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners*" (UK Business, Innovation and Skills Department).

The primary attribute of a social enterprise is to play a role in shaping governance models that intensify at various extents - the contribution of stakeholders and democratic management, thus contributing to the adoption of strategic decisions for the community through participatory mechanisms" (Giulia and Borzaga, 2009).

### **Diversity and Workplace Diversity**

**Diversity:** "Diversity can mostly be defined as acknowledging, understanding and accepting individual differences irrespective of their *race, age, class, gender, ethnicity, physical ability, sexual orientation, spiritual practice* and so on" (Dike, 2013).

**Workplace Diversity:** "It refers to the variety of differences between people in an organization" (Patrick & Kumar, 2012).

Acceptance and respect are the key factors of managing diversity. Diversity can be directly related to recognising the fact that the world we live in - has people coming together from different backgrounds, ethnicity, race, religions, gender etc. Workplace diversity alludes to the variety of disparities and dissimilarities

between people in an institution. It also involves not only how do people recognize themselves but also how do they perceive others.

“To manage a diverse range of employees and to ensure smooth functioning of the organisations, managers need to deal effectively with and pay more attention to issues such as communication, trainings, adaptability and change” (Patrick, Kumar, 2012).

In the recent times, it is being recognized as a necessity to have a diverse workforce and that it is important when it comes to the improving the organisation’s performance. Gender diversity is the initial form of diversity that was managed by several organisation around the globe. “After having a robust gender inclusivity programme in place, organisations go on to applying the same template to cultural and generational diversity” (NASSCOM, 2016). To some extent, reservation provided a scope for workplace diversity in public sector organisations.

Various studies have suggested that there are some pros and cons of managing a diverse workforce within any sort of organisation. Increased level of productivity, diverse ideas, collaborative team work, better learning and effective communication are some of the suggested pros of managing a diverse workforce. “Workplace diversity can also foster an attitude of openness, boost innovation and can provide with different ways of analysing and confronting challenges” (Dike, 2013).

“India having more than 10,000 distinct communities (Castes and Tribes), several religious sects and sub-groups, over a hundred major linguistic categories is unique in the name of diversity” (Singh K. , 1996). Thus, it becomes extremely crucial for these social enterprises to ensure a diverse workforce if and so they are dealing with the communities directly or indirectly.

Taking all the arguments in consideration, the researcher feels that there is more scope of academic work that can be done on the interconnections of social enterprises and workplace diversity with respect to India specifically. Most of the research work is done from the perspective of human resource management. The research is mostly conducted on for-profit organisations like – variety of leading business houses having different ownership patterns and industrial sectors in India which operates in traditional commerce settings. Thus this study is going to look at how and whether workplace diversity reflects in the core team of *Goonj* which is a social enterprise.

## **OBJECTIVES:**

- To study whether these social enterprises embrace diversity within their workplace.
- To study the importance of workplace diversity in social enterprises.
- To discuss how organisation manage with a diverse workforce.
- How workplace diversity helps in sustaining and improving work in a multicultural society.

## METHODOLOGY:

The study is an analytical and descriptive account of interconnections between workplace diversity and social enterprises. The primary method that is used throughout the research is *In-depth Interviews* of core team members who associate themselves with policy making and decision making work in Goonj. Thus, the sampling technique used in this study is *Purposive Sampling*.

The researcher have focused keenly on trying to get through various documents of the organisational structure of *Goonj* like HR policy and other such documents.

## RESEARCH QUESTIONS:

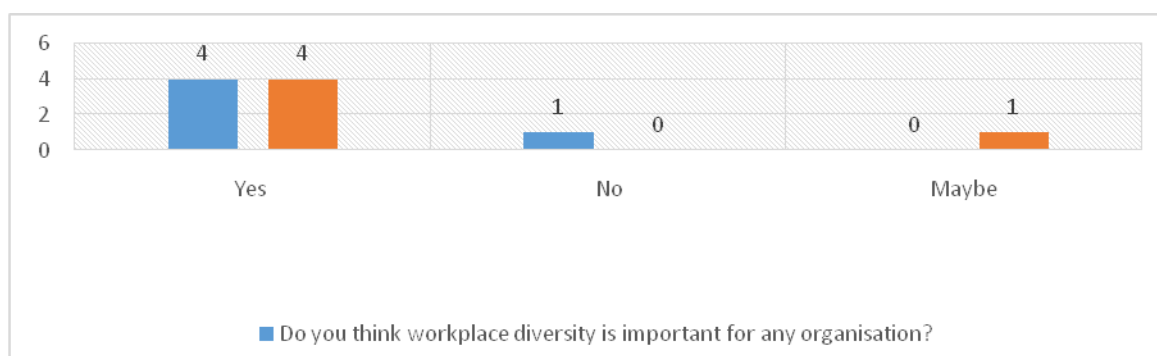
- ☞ **How and whether *Goonj* embrace workplace diversity?**
  
- ☞ **To what extent have *Goonj* developed a strategic approach to manage diversity to enhance their performance?**

## FINDINGS:

The findings are categorised in three sections which are as follows:

- Importance of workplace diversity
- Innovation and workplace diversity
- Sustaining and improving workplace diversity.

### Importance of workplace diversity



**Fig-1**

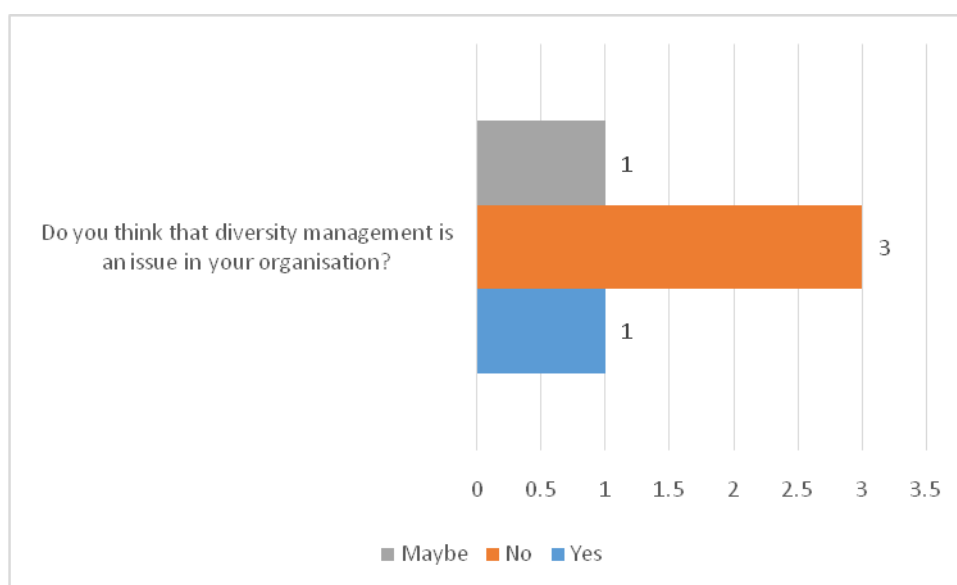
The findings of the study demonstrate that **4 out of 5** core team members strongly agree to the research question – ‘**Do you think workplace diversity is important for any organisation?**’ (Refer Fig-1)

The respondents who agree to the aforementioned question believe that having workplace diversity is extremely crucial for any organisation. In general, their responses were of a similar viewpoint. They pointed out that having employees from different backgrounds and experiences can alter the experience of business.

Each individual bring together a variety of perspectives, ideas and thoughts on different matters and thus any organisation experience increase in their productivity and deliver better results.

When asked about their thoughts on the question – “**Do you think it is crucial specifically for *Goonj* to have a diversity management policy since most of the time you directly deal with diverse communities?**”, **4 out of 5** respondents were of a belief that having a diverse workforce is of a prime concern for *Goonj* (Refer Fig-1). Not just *Goonj*, they also pointed out that how important is it to have people from diverse backgrounds in all the social enterprises.

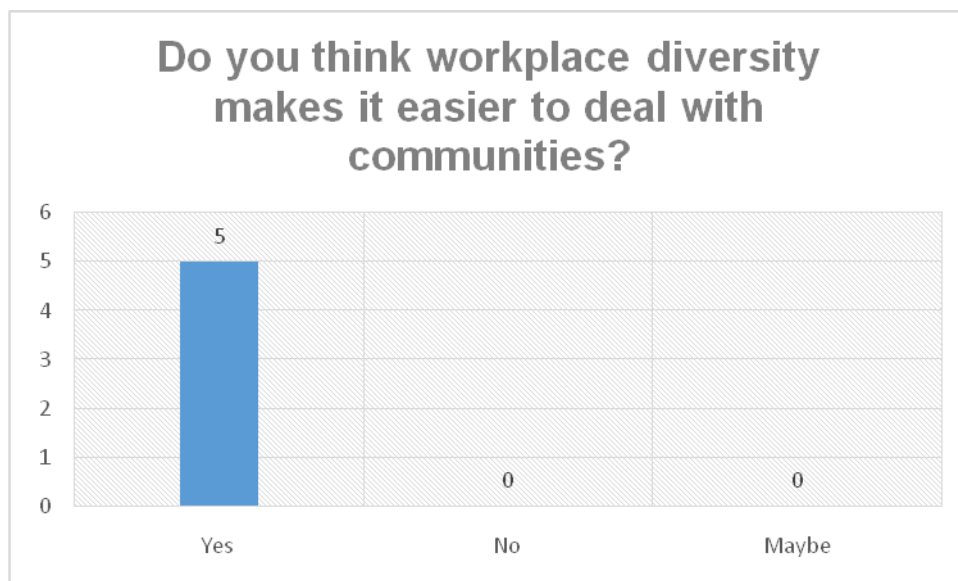
Aforementioned viewpoints of the core team members directs our attention to the above argument. There is no denial of the fact that most of the team members believe that having workforce diversity is quite instrumental for increased productivity and growth. By diversifying its workforce, the organisation especially a social enterprise on one hand can survive in the market forces as well as excel in their commitment towards the society.



**Fig-2**

On asking the question that – “**Do you think that diversity mangement is an issue in *Goonj*?**”, the responses were – **3 out of 5** respondents said that they do not think that diversity management is an issue in *Goonj* (Refer Fig-2). By ‘issue’, the researcher meant whether *Goonj* had faced or face any sort of problem when it comes to managing diversity within their workforce.

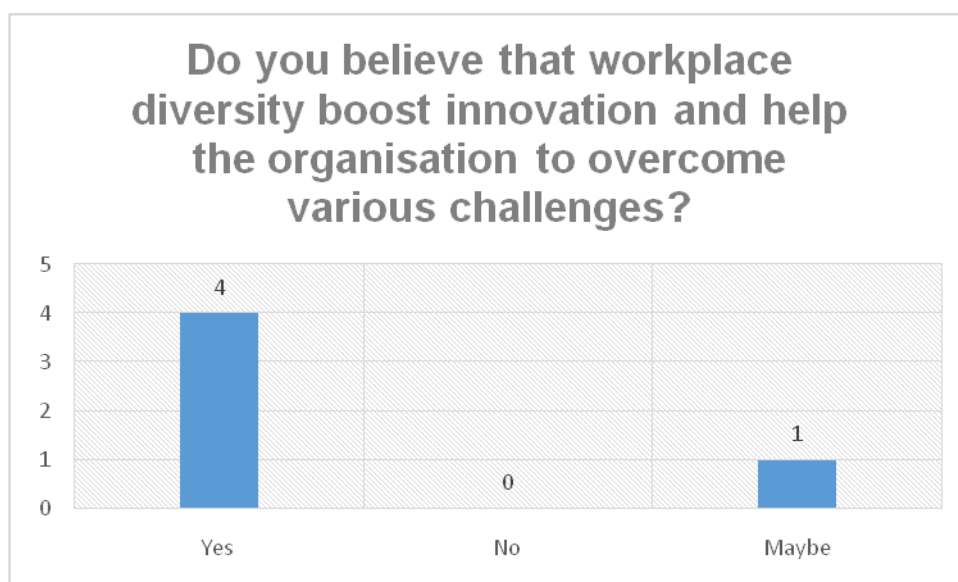
**1 out of the 5** respondents felt that diversity mangement is definetely an issue in *Goonj*. The respondent said that there is no proper channel and way of hiring in *Goonj*. The approach is quite fluid, thus, managing and ensuring diversity within the team becomes a matter of concern.



**Fig-3**

Respondents who agree to the above question went meticulously point by point and stated that diversity enhance creativity and makes the process of problem solving easier. Interestingly **all the 5** respondents think that having workplace diversity makes it easier for them when it comes to deal with communities (**Refer Fig-3**). In fact it becomes really helpful for them to have diverse viewpoints within their team as it help them to build strategies to deal with on ground complexities.

#### **Innovation and workplace diversity**



**Fig-4**

**4 out of 5** respondents strongly agree to the point that workplace diversity boost innovation and help the organisation to overcome variety of challenges (**Refer Fig-4**). Iftikar Ahmed, core team member of *Goonj* believe that in their organisation, most of the time, they directly deal with grassroots communities. The needs of

all the communities vary as per the region, religion, caste, gender etc. and in order to cater to such a vast diversity of consumer, we need to be prepared with the best of strategies and plans.

Other team members also supported the viewpoint that having a diverse workforce can help social enterprises to enhance innovation and their business performance.

### Sustaining and promoting workplace diversity

The framework - 'Implementation checklist for Diversity Management' lists variety of elements on the basis of which, an organisation can assess the status of workplace diversity. One of them is 'recognising and integrating diversity management principles in their policies'. This suggest that having specific policy or agreement related to diversity.

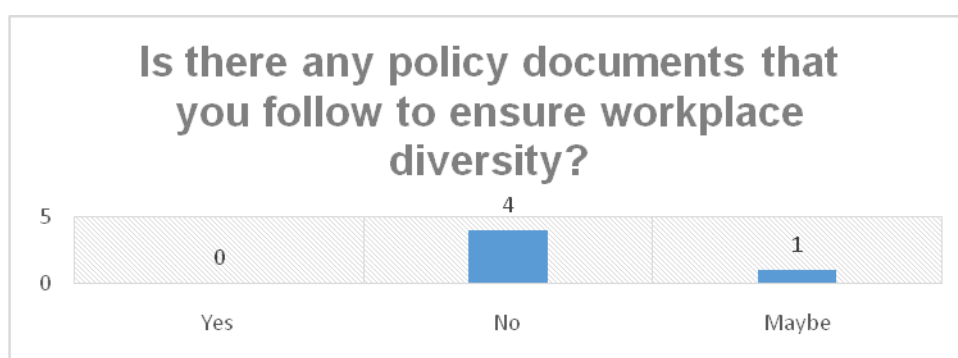


Fig-5

However, **4 out of 5** respondents instantly said that there is no such policy or written document to ensure workplace diversity. 1 respondent was also not sure whether the organisation have or follow a written document or policy with respect to workplace diversity (**Refer Fig-5**).

Priyanka pointed out that there is no denial that personal commitment of top level management and all the team members is a must to ensure diversity within any social enterprises. However, one must try to incorporate diversity policies into every aspect of the organization's function. Beliefs and attitudes toward diversity management originate at the top and filter down to all the other team members at the bottom.

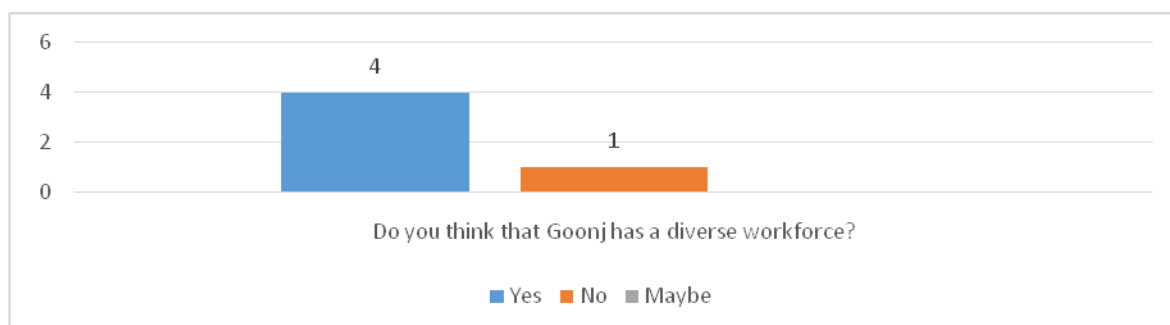
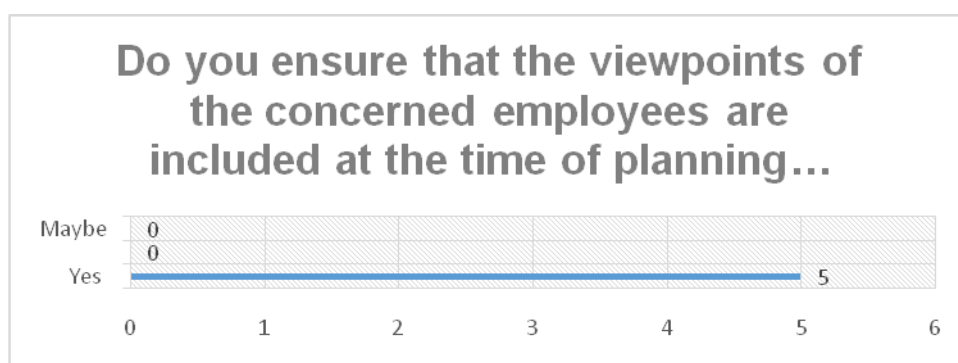


Fig-6

Hence, to understand the core team’s perception, the researcher asked the respondents – “**Do you think Goonj has a diverse workforce**”. On asking this question, it was fascinating to see that **4 out of 5** core team members believe that *Goonj* has a diverse workforce (**Refer Fig-6**).

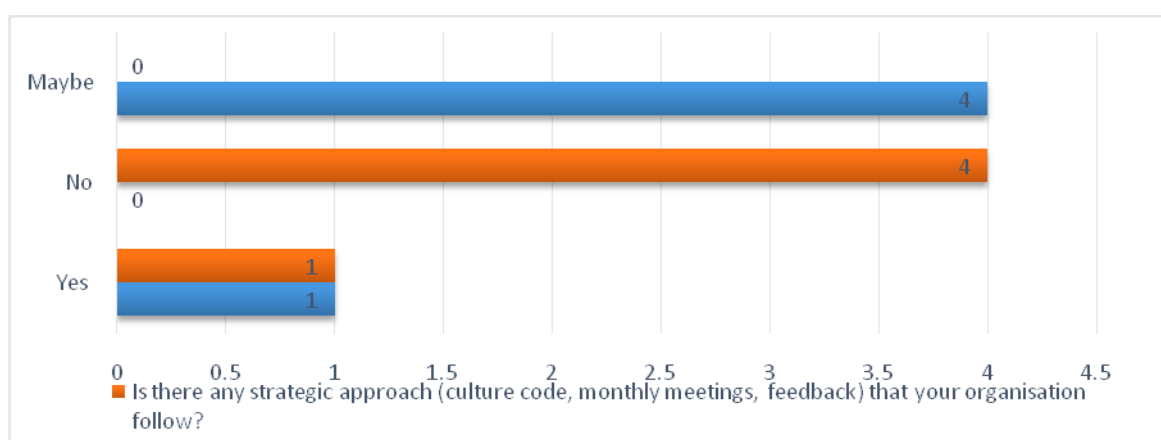
As business models, social enterprises are inarguably more representative of the population than traditional businesses (The Guardian, 2012). On the similar lines, a visit to the *Goonj* office and its processing centre makes it quite evident for anyone that almost 80-90% workforce consist of females. In fact 2 out of 5 core team members of *Goonj* are also women.

“After having a robust gender inclusivity programme in place, organisations go on to applying the same template to cultural and generational diversity” (NASSCOM, 2016). The aforementioned arguments gave me an entry point to argue that no doubt, *Goonj* has a gender diverse workforce but there is negligible action that the social enterprises take to manage diversity in terms of religion, ethnicity, socio – economic status, region and on the basis of other parameters.



**Fig-7**

A study has suggested while employers claim that they value diversity but they do not put a lot efforts to back their claim (Schwartz, Weinberg, Hagenbuch, & Scott). However when it comes to including the viewpoints of the concerned employees at the time of planning and implementation, all the respondents unanimously said that they do include different viewpoints of the concerned employees during the planning and implementation process (**Refer Fig-7**).



**Fig-8**



To delve deeper and to fathom, how *Goonj* try to sustain and improve a diverse within workplace, the researcher tried to understand if there is a strategic approach that they incorporate to improve and sustain workplace diversity.

The framework - 'Implementation checklist for Diversity Management' recognise having a specific approach that involves regular meetings and discussions as one element on the basis of which, an organisation can assess the status of workplace diversity.

When asked the same question – **Is there any strategic approach (culture code, monthly meetings, feedback) that your organisation follow? - 4 out of 5** said that they do not follow a strategic approach as such. 1 out the 5 feels that it is only sometimes *Goonj* follow a strategic approach(Refer Fig-8).The respondents said that they do have feedback sessions but there is no clear culture code or monthly meeting schedule that they follow. Everything depends on campaign and how much work they have otherwise.

Diversity Management ensures that all the team members are given equal opportunities, treated fairly and all their needs are taken care of - in an organisation (Dike, 2013). Interestingly, all the respondents said that they do have a mechanism in place to ensure that all employees are treated fairly and all needs are taken care of as effectively as possible. All of them mentioned about an '*anti-discrimination committee*' which consist of 2 men and 2 women members.

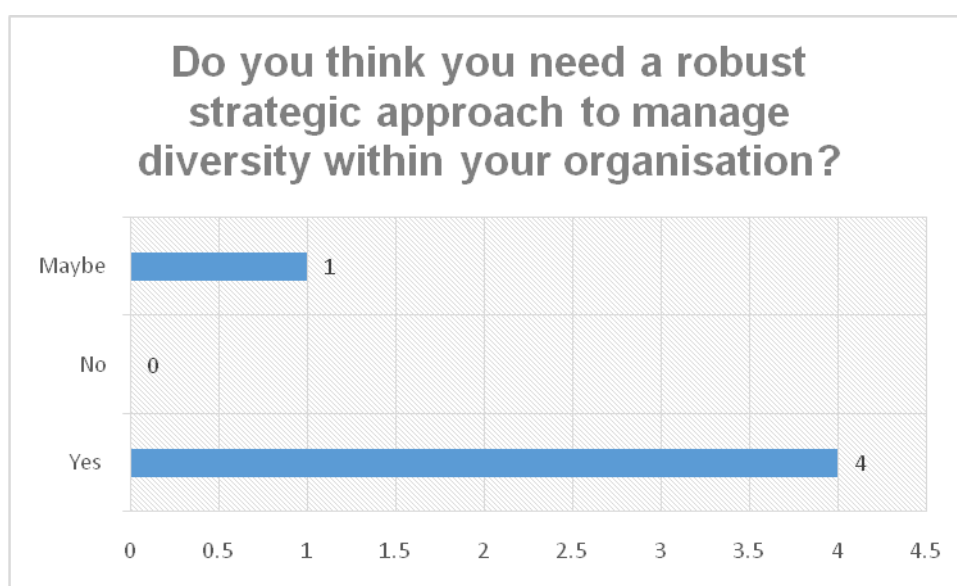
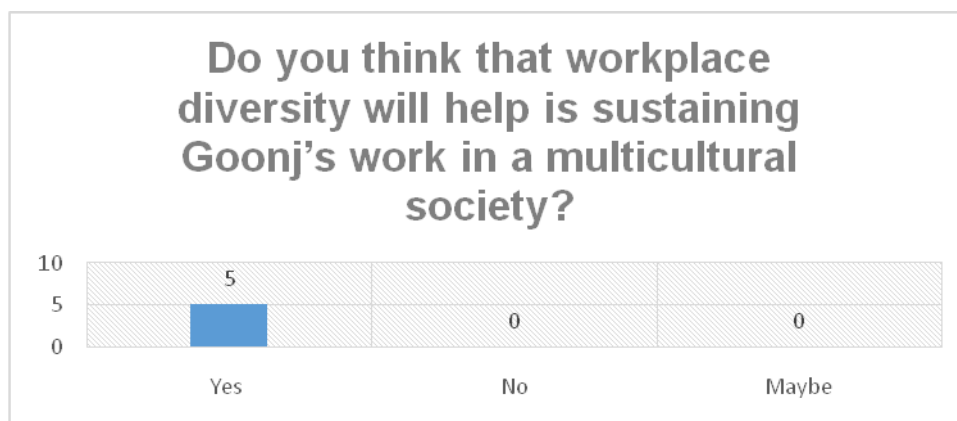


Fig-9

On asking what is core team's opinion on - **whether they need a strategic approach to manage diversity within their organisation? - 4 out of 5** feels that they definitely need a strategic approach to manage diversity within their organisation. **1 out of 5** feels that maybe in certain areas, *Goonj* need to have a strategic approach (Refer Fig-9).

Chaturvedi express his concern that *Goonj* should have robust HR policies (hiring, promotion, salary hikes, and so on). He said that just like other companies, there should be a proper HR policy which should recognise the team members based on their performance and do not discriminate against employees of any background. Not just that, he points out that there should be proper sessions during which ‘anti - discrimination laws’ should be discussed and explained to each and every employee. Everyone should be made aware of the consequences of breaking any law.



**Fig-10**

All the core team members of *Goonj* also thinks on similar lines with respect to the above argument. **5 out 5** respondents said that they do think that workplace diversity will help *Goonjin* sustaining its work in a multicultural society (**Refer Fig-10**).

The analysis of the findings suggest that when it comes to workforce diversity, *Goonj* claims to be gender diverse however there is no other parameter like caste, region, ethnicity, sexual orientation, on the basis of which they are currently trying to view or manage diversity within their organisation. The core team members support the idea of having overall workplace diversity as it can help them build strategic and sustainable plans. From the analysis, the researcher feels that there is definitely a need and scope to develop a policy that also takes managing diversity in consideration.

### **SCOPE and LIMITATIONS:**

Due to constraint of time, the study will not include the perspective of the community/beneficiaries towards the diversity of a social enterprise. The community perspective is quite crucial to further our understanding around how social enterprises with diversity within their organisation will impact the community and vice versa.

In the future, other research work can shed light on various other social enterprises and how the concept of workplace diversity operates within them. Apart from caste, class, gender and religion, diversity can also be examined in terms of sexual orientation, geographical location and other socio economic markers.

## CONCLUSION:

With the evolution of global markets and with the emergence of a fast paced shift in workforce demographics shift, workplace diversity has gone up on the priority list of all organisations. Rather than, waving workplace diversity as a banner to show their organisation's commitment towards embracing diversity and creating an open mindset, the organisations are slowly understanding the fact that workplace diversity is becoming a business necessity.

The growing importance of managing diversity within organisations is an indicator that everyone including the workforce, stakeholders and the organisations are changing in various ways. Creating inclusive behaviour, people centric policies and a collaborative work culture in which individuals feel like an integral part of the organisation proves to be of utmost importance.

Social enterprise caters to different communities and in order to deal with communities with diverse backgrounds, they need to have all the mechanisms in place. The study has come with findings that demonstrate how workplace diversity can enhance the experience of social enterprises, boost innovation and foster creative problem solving. The study argues that since social enterprises have to deal with diverse communities, hence having diverse workforces can help them identify the needs of diverse communities and accordingly they can build sustainable solutions in the long run.

The study suggests that having a diverse workforce also presents the opportunity to combine their unique strengths and expertise which works to the advantage of the organisation. The study has further explored the arguments that managing diversity and promoting inclusion enables the organisation especially social enterprises to adapt to their changes quickly and be ahead in a continuously evolving global marketplace. However, the action that they take to sustain and improve diversity within their organisation is not close to the organisations with traditional business models.

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