



# THE IMPACT OF DIVERSITY AND INCLUSION POLICIES IN HUMAN RESOURCE MANAGEMENT ON ORGANIZATIONAL PERFORMANCE

**Hermyn Benny Hina**

Universitas Kristen Artha Wacana, Indonesia

## ARTICLE INFO

### Article history:

Received January 06, 2024

Revised February 08, 2024

Accepted February 14, 2024

Available online March 24, 2024

### Keywords:

Diversity Policy; Inclusion  
Human Resource Management;  
Organizational Performance



This is an open access article under the  
CC BY-SA license.

Copyright © 2022 by Author. Published  
by Universitas Pendidikan Ganesha.

## ABSTRACT

*Diversity and inclusion policies in human resource (HR) management have become an important topic in the context of modern organizational management. This research aims to investigate the impact of diversity and inclusion policies in HR management on organizational performance. The research method used is a qualitative approach by conducting a literature review to collect information about the concepts of diversity, inclusion, HR management and organizational performance. The results of the analysis show that diversity and inclusion policies in HR management have a positive impact on organizational performance. This happens because the policy encourages the creation of an inclusive work environment, where every individual feels valued and recognized, thereby increasing employee motivation, creativity and productivity. Apart from that, this policy can also improve the company's reputation and attractiveness in the eyes of prospective employees, as well as increase employee satisfaction and loyalty. This research contributes to the understanding of the importance of diversity and inclusion policies in HR management as a strategy to improve organizational performance. Provide recommendations for future research, such as areas that need further research or methodological approaches that can be used to gain a deeper understanding of this topic. By making contributions as mentioned above, your research can provide a better understanding of the importance of diversity and inclusion policies in HR management to improve organizational performance.*

## 1. INTRODUCTION

In the current era of globalization, diversity and inclusion are very important in an organization's human resource management (HR). Diversity and inclusion policies are implemented to ensure a diverse workforce has equal opportunities to develop and participate actively in the organization. The world is becoming more interconnected regarding these advances, so organizations need to understand and utilize diversity in recruitment, career development, and working conditions. The quality of human resources is a central issue in the development process for developing countries, especially in the development of the Human Development Index (HDI) (Diniarsa & Batu, 2023).

The diversity of human resources today is a consequence of globalization, and this should not be treated as a threat to companies. On the contrary, conditions like this are seen as opportunities for companies to operate more effectively. Considering that the diversity of human resources will significantly influence the company's business management, this should be one of the top priority issues for company management to pay attention to. Several pieces of literature have mentioned the benefits companies can obtain by carrying out good management regarding the diversity of human resources. Among them were mentioned by Thomas and Ely, who stated that by managing the diversity of human resources well, companies can increase their profitability, go beyond financial measures to achieve learning, increase creativity, increase organizational and individual growth, and increase the company's ability to make adjustments quickly and to make changes successfully (Christyanti, 2021).

Many employees support global workforce diversity. According to the Michael Page website, most employees in Asia, with a percentage of 93% who work in local and foreign companies, said that they

support diversity efforts in their companies with three main focuses, namely gender, age, and ethnic minorities. In Indonesia itself, according to the Indonesia 2017 Salary & Employment Outlook reported on the Michael Page website, 96% of employees in Indonesia support diversity efforts in their companies with three main focuses, namely gender, religion, and ethnic minorities. This support means that employees in Indonesia agree with diversity in the Company (Ramadhani et al., 2023). The results of this research are the research of Sultana et al. (2013) and Ochieng et al. (2013), who stated that the success of cultural integration depends on leaders managing cultural diversity in an uncertain environment (Agustina & Mahfudz, 2020).

Human resource development is a crucial step in this transformation. Through continuous training and development, educators and education personnel can improve their skills, knowledge, and attitudes to face ever-changing educational challenges. In the era of digital technology and educational innovation, these development efforts must also include mastery of technology and understanding modern pedagogy (Fitri & Jamilus, 2023).

Based on the explanation above, studying diversity and inclusion policies in human resource management (HR) further is enjoyable, and it has become an essential topic in modern organizational management. For this reason, the title raised in this research is H. This research will investigate the impact of diversity and inclusion policies in Human Resources management on organizational performance.

## **2. METHODS**

This research uses a qualitative approach with a literature study method. Data was collected through literature studies regarding the impact of diversity and inclusion policies in Human Resources management on organizational performance. The research process includes searching and analyzing various related literature sources. Identifying information sources involves scientific journals, books, and research reports related to diversity and inclusion in Human Resources management on organizational performance. The literature is then analyzed with a focus on the impact of diversity and inclusion in human resources management on organizational performance. These literature findings are then integrated to form a comprehensive picture of the impact of diversity and inclusion in Human Resources management on organizational performance. This comprehensive analysis provides a basis for formulating in-depth conclusions regarding the impact of diversity and inclusion policies in Human Resources management on organizational performance.

## **3. RESULTS AND DISCUSSIONS**

### **Diversity and Inclusion Policy in HR Management**

Diversity and inclusion policies in HR management aim to create an inclusive work environment, where every individual feels valued and recognized for their contributions without discrimination. This policy covers various aspects, such as recruitment, career development, coaching and rewards, designed to support diversity in culture, gender, age and other backgrounds. The concept of diversity management is widely used as part of HRM and has been applied to less developed countries as well as to local and multinational organizations (Cooke, 2015). According to (Simanjuntak et al., 2023) diversity management implementation practices within the scope of HRM are carried out through recruitment, selection, training, promotion, compensation and providing Occupational Health and Safety (K3) guarantees. Meanwhile, according to Meena & Vanka (2017), management implementation practices can be carried out by implementing 7 (seven) processes, namely: (1) selection, (2) evaluation, (3) training, (4) compensation, (5) control, (6) free of identity, and (7) group practice (Djadi & Andadari, 2020).

Diversity management is a stage for maximizing the diversity potential possessed by individuals to achieve effective performance. Diversity management is an individual's ability to make quality decisions regarding similarities amidst differences so as not to cause tension within the organization (Gilovic et al., 1974). Diversity management is influenced by the importance of a leader's role in uniting differences, communicating, being a motivator and being able to create a strong team in the organization (Maisyura & Ameliany, 2021). Diversity management is also the provision of facilities to workers with different backgrounds to follow processes and goals to achieve competitive advantage (Femi & Prasetya 2017). Therefore, diversity management is a policy carried out by organizations to maximize individual differences by providing quality facilities and decisions so as not to cause tension so that they can achieve better organizational goals (Umbu Djadji, 2023).

Organizational culture reflects the organization's unique identity and characteristics, which differentiate it from other organizations. Organizational culture is formed through the influence of values

adopted by leaders and members of the organization, as well as through collective experiences that occur in the daily work context. Organizational culture can have a significant impact on the performance and success of an organization. If an organization's culture supports collaboration, innovation, and open communication, it can create a productive and enjoyable work environment. On the other hand, a culture that promotes unhealthy competition, excessive bureaucracy, or injustice can hinder performance and create dissatisfaction among employees (Pujiyanti & Pramono, 2023).

### **Positive Impact on Organizational Performance**

Implementing diversity and inclusion policies in HR management has positively impacted organizational performance. By creating an inclusive work environment, organizations can utilize the various potentials possessed by each individual, thereby increasing innovation, creativity, and productivity. An approach carried out systematically and organized in the organizational structure can determine changes in employee organizations from a particular state to a future state by organizational goals (Lailla & Mardi, 2022). Another thing that needs to be considered is that when you want to implement organizational change, each organization must have a communication strategy because uncertainty will negatively impact organizational change. Meanwhile, organizational performance refers to the achievement of goals and effectiveness of an organization in carrying out its functions. In general, organizational performance includes the extent to which an organization succeeds in achieving its goals, meeting the expectations of stakeholders (interested parties), and operating (Kartika et al., 2023).

Individual factors can be categorized as internal, and organizational work environment factors as external factors. Measuring employee performance is intended to assess performance in a specific period (Dolonseda & Watung, 2020). According to Robbins Moehariono (Pramesti et al., 2020), every organization has its characteristics. These characteristics are what differentiate one organization from another, namely: (a) innovation and risk-taking, the extent to which employees are supported to be innovative and take risks; (b) attention to detail, the extent to which employees are expected to demonstrate precision, analysis, and attention to detail, (c) results in orientation, the extent to which management focuses on results rather than on the techniques and processes used to achieve those results, (d) people orientation, the extent to which management decisions take into account the effect on people within the organization, (e) team orientation, the extent to which work activities are organized around teams, a measure of individual satisfaction, (f) aggressiveness, related to employee aggressiveness, (g) stability, the organization emphasizes maintaining an excellent organizational culture.

The Organization of Economic Cooperation Development (OECD) defines *productivity* as income divided by resources. The European Productivity Agency (EPA) defines productivity in two ways: (a) productivity refers to the level of use of each element of production, and (b) productivity refers to the thinking that a person must believe that every task tomorrow will be better than today (Yusuf, 2019). Productivity is not a simple relationship between income and resources but is a combination of approaches to achieving a high standard of living with minimal use of resources (Fajar et al., 2022).

According to (P. & Judge, 2013; Robbins. Stephen. P, 2008), organizational culture is a system of shared meaning held by members of an organization that differentiates the organization from others (Aryowibowo & Pradana, 2021). The successful implementation of an organizational system needs to be supported by an optimal organizational culture because, with a supportive organizational culture, the implementation of the system will run well. After all, one indicator of the success of implementing an organizational system is the acculturation process, meaning that the culture that develops in the organization has become a guideline for how employees act. So, a developing organizational culture can become a system of shared meaning shared by members, which can differentiate one organization from another (Suwarsi et al., 2014).

## **4. CONCLUSION**

The importance of diversity and inclusion policies in human resource management as a key factor in improving organizational performance. By implementing this policy, organizations can harness the wider potential of diverse employee backgrounds and perspectives, which in turn can increase creativity, innovation and productivity. Through this approach, organizations can achieve optimal and sustainable performance, as well as strengthen the company's reputation and attractiveness in the eyes of prospective employees. Thus, diversity and inclusion in human resource management are not only good principles, but also effective strategies in achieving business and organizational goals.

## **5. REFERENCES**

Agustina, R., & Mahfudz. (2020). Peran Manajemen Keragaman Budaya Dalam Kinerja Organisasi Non Profit

- Berbasis Aliansi (Studi Kasus Pada Jakarta Centre for Law Enforcement Cooperation). *Diponegoro Journal of Economics*, 9(1), 25–42. <https://ejournal3.undip.ac.id/index.php/jme/article/view/31488/25638>
- Aryowibowo, R. B., & Pradana, B. I. (2021). *Pengaruh Strategi Terhadap Kinerja Perusahaan Melalui Budaya*. 1–13.
- Christyanti, D. (2021). Dampak Industri Film Bollywood Dalam Hubungan India Dan Indonesia Di Bidang Sosial Dan Budaya Tahun 2012-2016 [Syarif Hidayatullah Jakarta]. In *Repository.Uinjkt.Ac.Id*. <https://repository.uinjkt.ac.id/dspace/handle/123456789/58507%0Ahttps://repository.uinjkt.ac.id/dspace/bitstream/123456789/58507/1/DOVI%20CHRISTYANTI.FISIP.pdf>
- Cooke, J. (2015). *Law of Tort*. Pearson.
- Diniarsa, M. R., & Batu, R. L. (2023). Evaluasi Penerapan Kebijakan Diversitas Dan Inklusi Dalam Manajemen Sumber Daya Manusia Terhadap Kinerja Organisasi. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 7(2), 1439–1456. <https://doi.org/10.31955/mea.v7i2.2852>
- Djadji, O. U., & Andadari, R. K. (2020). Implementasi Manajemen Keragaman Sumber Daya Manusia. *Jurnal Samudra Ekonomi Dan Bisnis*, 12(1), 62–75. <https://doi.org/10.33059/jseb.v12i1.2348>
- Dolonseda, H. P., & Watung, S. R. (2020). Dampak Lingkungan Kerja dan Etos Kerja Terhadap Kinerja Pegawai. *PUBLIC POLICY (Jurnal Aplikasi Kebijakan Publik & Bisnis)*, 1(2), 288–297. <https://doi.org/10.51135/publicpolicy.v1.i2.p288-297>
- Fajar, S. M., Herawati, J., & Kurniawan, I. S. (2022). Pengaruh kepemimpinan yang positif dan kepemimpinan yang mendukung terhadap produktivitas sdm dengan dimediasi persepsi pegawai yang positif. *KINERJA: Jurnal Ekonomi Dan Manajemen*, 19(1), 183–193. <https://doi.org/10.30872/jkin.v19i1.10904>
- Fitri, L., & Jamilus. (2023). Transformasi sumber daya manusia pada lembaga pendidikan dalam upaya meningkatkan kualitas dan kinerja. *DIRASAH: Jurnal Study Ilmu Dan Manajemen Pendidikan Islam*, 6(2), 468–479. <https://ejournal.iaifa.ac.id/index.php/dirasah/article/view/946/753>
- Gilovic, Thomas, Griffin, D., & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases. *Science, New Series*, 185(4157), 1124–1131.
- Kartika, G., Andriani, N., Pattiran, M., Idie, D., Meiningsih, E., & Organisasi, K. (2023). Kepemimpinan Strategis Dan Kinerja Organisasi: Sebuah Meta-Analysis. *Jurnal Review Pendidikan Dan Pengajaran*, 7(1), 158–166.
- Lailla, N., & Mardi. (2022). Organizational Change On Employee Performance. *Procedia of Social Sciences and Humanities*, 3(c), 404–410. <https://doi.org/10.21070/pssh.v3i.145>
- P., R. S., & Judge, T. A. (2013). *Organizational behavior*. 15th ed. Prentice Hall.
- Pramesti, L. I., Hidayat, N., & Parlyna, R. (2020). Dampak Budaya Organisasi dan Lingkungan Kerja terhadap Kinerja Pegawai pada Perusahaan X di Jakarta. *Bisnis, Manajemen, Dan Keuangan*, 1(01), 97–109.
- Pujiyanti, N., & Pramono, S. E. (2023). Strategi Pengelolaan Sumber Daya Manusia dalam Konteks Budaya Organisasi di Perguruan Tinggi yang Berglobalisasi. *Prosiding Seminar Nasional Pascasarjana*, 6(1), 570–575.
- Ramadhani, R., Bandung, P. N., Firmansyah, Y., & Bandung, P. N. (2023). Dampak Keberagaman Demografis Tenaga Kerja. *ULTMA Management*, 15(1), 100–123.
- Robbins. Stephen. P. (2008). *Perilaku Organisasi*. PT. Indeks Kelompok Gramedia.
- Simanjuntak, M., Pratiwi, I., Mandagi, D. W., Fitrianna, N., Lorensius, M., Hutabarat, M., Wardoyo, S., Handiman, U., Syafrida, H., Sahir, S. H., Hidayatulloh, A., Abraham, H., Lelengboto, L., Aksa, A., Ridow, J., Penerbit, Y., Menulis, & Metekohy, A. (2023). *Feminist Entrepreneurship*.
- Suwarsi, S., Setiyawan, S., Moch.Malik, Yuana, W. A., & Ramadhina, A. (2014). Analisis Pengaruh Budaya Organisasi Terhadap Kinerja Organisasi (Survey Pada Bumh Sektor Usaha Energi Di Indonesia). *Prosiding SNaPP2016 Sosial, Ekonomi, Dan Humaniora*, 689–707.
- Umbu Djadji, O. (2023). Praktik-Praktik Manajemen Keragaman di Tempat Kerja. *Jurnal Samudra Ekonomi Dan Bisnis*, 14(3), 443–455. <https://doi.org/10.33059/jseb.v14i3.6620>