# Research Anthology on Organizational Change and Transformation

# Research Anthology on Organizational Change and Transformation

Edited by

Aneet Bedi and Bushra S. P. Singh

Research Anthology on Organizational Change and Transformation

Edited by Aneet Bedi and Bushra S. P. Singh

This book first published 2025

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Copyright © 2025 by Aneet Bedi, Bushra S. P. Singh and contributors

# TABLE OF CONTENTS

# INTRODUCTION

# OVERVIEW OF ORGANIZATIONAL CHANGE AND TRANSFORMATION

Organizational change and transformation are among the most critical aspects of ensuring sustainability, competitiveness, and success in today's rapidly evolving business landscape. With globalization, technological advancements, and shifting societal values, organizations must continuously adapt to maintain relevance and operational excellence. This anthology brings together scholarly research and innovative perspectives on various dimensions of organizational change and transformation, emphasizing strategic human resource management, marketing innovations, sustainability, education, trade analysis, and entrepreneurship.

## Purpose of This Anthology

The objective of this research anthology is to provide readers with a comprehensive understanding of the mechanisms and impacts of organizational change across different industries and domains. Each chapter highlights the multifaceted approaches organizations must adopt to navigate disruptions and leverage opportunities effectively. This collection is designed to serve as a resource for academics, practitioners, and policymakers striving to integrate contemporary insights into their strategies for development and transformation.

## Structure of the Anthology

1. Chapter 1: Human Resource Management and Organizational Growth delves into how strategic HR practices and cultural diversity can drive innovation and sustainable growth.
2. Chapter 2: Marketing and Consumer Behavior explores the evolution of consumer values and expectations, particularly among millennials, and the adaptation required in cause-related and digital marketing strategies.

3.  Chapter 3: Sustainable Development and Corporate Social Responsibility examines the role of social media in fostering eco-social narratives and how CSR practices contribute to sustainable business models.
4.  Chapter 4: Education and Technology discusses the transformative influence of technological advancements in reshaping educational paradigms.
5.  Chapter 5: Economic and Trade Analysis focuses on methodologies to evaluate trade potential and their implications for economic policies and strategies.
6.  Chapter 6: Entrepreneurship and Employment highlights the dynamic interplay between entrepreneurial aspirations and the realities of employment through an engaging case study.

This anthology not only provides a holistic view of the factors influencing organizational change but also offers actionable insights for fostering resilience and growth in dynamic environments.

# CHAPTER 1

# HUMAN RESOURCE MANAGEMENT AND ORGANIZATIONAL GROWTH

# PAPER 1

# HRM PRACTICES FOR HUMAN RESOURCE INNOVATIONS FOR SUSTAINABLE GROWTH

## DR. AMAN KHERA ASSISTANT PROFESSOR

### UNIVERSITY INSTITUTE OF APPLIED MANAGEMENT SCIENCES (UIAMS) PANJAB UNIVERSITY, CHANDIGARH, INDIA

## Abstract

Innovation is a crucial factor in the success of modern companies. Global changes in business, such as the increasing importance of services, knowledge, creativity, and digitalization, are shaping a new kind of economy. In this economy, resources like knowledge, creativity, company reputation, and innovation are becoming increasingly important. Modern organizations need to be innovative not only in campaigns and episodic efforts but also in the overall construction of the work process. Innovative solutions enhance efficiency and competitiveness, build a positive company reputation, and contribute to higher employee satisfaction. Human resource management (HRM) innovation involves programs, policies, or practices designed to influence employee attitudes and behaviors and is perceived as new by organization members. The acceptance of HR innovations, such as recruitment innovation, onboarding, learning and development (L&D), talent management, and performance management, depends on employees' favorable attitudes toward these innovations. This paper identifies ways HR practitioners can foster innovation by  strategically implementing HR activities that support the creation of human resource innovation within organizations.

**Keywords**: Human Resource Management, Human Resource Innovation, HR activities, HR practitioner

# Introduction

Innovation is essential for modern organizations to stay competitive. HRM innovations can influence employee attitudes and behaviors, leading to greater efficiency and competitiveness. Innovation is a key factor in the success of modern companies. Global changes in business, such as the increasing importance of services, knowledge, creativity, and digitalization, are shaping a new kind of economy. In this economy, resources like knowledge, creativity, company reputation, and innovation are becoming increasingly important. Modern organizations need to be innovative not only in campaigns and episodic efforts but also in the overall construction of the work process. Innovative solutions enhance efficiency and competitiveness, build a positive company reputation, and contribute to higher employee satisfaction. Innovation is crucial for modern companies' success. The increasing importance of services, knowledge, creativity, and digitalization has created a new economy where resources like knowledge, creativity, company reputation, and innovation are vital. Human Resource Management (HRM) innovations, such as recruitment, onboarding, learning and development, talent management, and performance management, can drive employee satisfaction, efficiency, and competitiveness.

A human resource management (HRM) innovation involves programs, policies, or practices designed to influence employee attitudes and behaviors and is perceived as new by organization members. The acceptance of HR innovations, such as recruitment innovation, onboarding, learning and development (L&D), talent management, and performance management, depends on employees' favorable attitudes toward these innovations. This paper identifies ways HR practitioners can foster innovation by strategically implementing HR activities that support the creation of human resource innovation within organizations.

# Types of Innovation

Innovation varies in scope, duration of implementation, and impact on the social environment. There are four main types of innovation: product, process, marketing, and organizational. HRM innovations can be categorized into incremental, radical, big (disruptive), open, and closed innovations.

There are four main types of innovation based on the object of innovation:

1. **Product Innovation**: Involves introducing a product or service that is new to the market or significantly improved. This can include enhancements to specifications, components, materials, software, and user facilities. Examples include innovations in the music, automotive, and software industries.
2. **Process Innovation**: Entails introducing highly improved methods of production, involving significant changes in technology and techniques. It includes new marketing methods and significant improvements in product design, packaging, advertisement, and pricing.
3. **Marketing Innovation**: Focuses on introducing and offering a variety of products to improve sales. It involves creating new marketing methods that have not been previously used by the company, leading to new marketing concepts and overall improvement.
4. **Organizational Innovation**: Involves implementing new business strategies, work environments, or relationships with external entities, such as buyers and suppliers. It aims to increase company profit by reducing costs and improving satisfaction through innovative processes.

## Innovations in HRM Processes and Practices

Innovation in HRM processes involves new ideas for employee development, evaluation, and retention, along with in-house training systems. Innovations can be categorized based on their result orientation:

1. **Incremental Innovation**: Involves modifying, refining, simplifying, and consolidating existing products and services, often leading to cost increases. Many innovations fall into this category, including subsequent models of new technology and software.
2. **Radical Innovation**: Linked with implementing innovative services and products, creating new values for holistic company growth.
3. **Disruptive Innovation**: Creates products that bring about radical changes. Examples include the invention of computers, printers, and cameras.
4. **Open Innovation**: Relates to the companies' ability to acquire innovative technology and maximize resources through partnerships with organizations developing similar products.
5. **Closed Innovation**: Involves hiring highly trained individuals to create innovative products or services within the organization.

## Measuring the Efficiency of Innovation

Innovation metrics evaluate an organization's ability to generate and implement new ideas. Both startups and large companies must ensure access to detailed, accurate information about innovative ideas. Innovation methods vary based on organizational setup, requiring either qualitative or quantitative metrics or both. Key resources for successful innovation implementation include financial capital, human resources, ideas, surveys, and research costs. Efficiency is measured by project return, progress analysis, and the number of new ideas taken during the process.

## Technological Innovation

Several major environmental changes are influencing management and work with people:

- **Mobile Internet**: Expected to reach 4.3 billion users by 2025.
- **Artificial Intelligence**: Enhances efficiency and decision-making through machine learning, speech recognition, and facial recognition software.
- **Virtual Reality**: Projected to become an $80 billion market by 2025.
- **Cloud Technologies**: Increasingly used for IT services and applications, despite cybersecurity risks.
- **Internet of Things**: Expected to grow from 9 billion to 50 billion connected devices in the next decade.
- **Robotics**: Advances in AI, sensors, and materials will require technical support for growth.
- **Biometric Technologies**: Expected to replace traditional passwords with facial, voice, fingerprint recognition, and signature identification by 2025.
- **Genomic Engineering**: Advances in DNA technology and analytical data will impact agricultural production and human life.
- **Blockchain**: Known for its use in Bitcoin, blockchain has 64 different uses in over 200 companies, enhancing security and transactions.

# Innovation in the Recruitment & Selection of Human Resources

**1. Recruitment innovation: AI-based recruitment tools** have powered recruitment digital revolution with new computerization such as selecting resumes, cover letters, and other usage of materials and then choosing the most capable applicants based on job necessities. It can also point out applicants that don't meet the essential credentials for a job. Here are a few models of tools that enable AI-powered recruiting: Manatal, Eightfold, Fetcher AI — a hiring platform with a application on the computerization of applicant tracking and outreach.

**2. Digital Onboarding:** refers to using digital tools to help new employees through their orientation at work. It often involves systematizing organizational tasks, sending emails, employee training and development, and other daily jobs. Tools like Whatfix and ClickBoarding deliver customizable orientation workflows, digital forms, and computerized notices for new employees. Learning management systems (LMS) like TalentLMS and Docebo are also used to support digital orientation with conventional training modules.

**3. Learning and development (L&D):** An L&D package that's personalized to the inclinations of each specific employee. This means that any personnel can contact the L&D content on any kind of technological device and absorb concepts that are in line with their individual career goals. It is one of the important development in the age of an increasingly diverse and mobile workforce along with an essential requisite for organizations that need to attract – and retain – top talent.

**4. Talent management:** It is a platform that provides the recruiting agencies with detailed overview of the talented individuals who are seeking jobs. It helps recruiters to have effective connections with individuals and cultivate their ability in order to plan for the future. HR chatbots may use artificial intelligence (AI) or follow pre-defined chat streams to assist organizations/individuals with their HR needs, like replying queries about rules, benefits, and other HR-related problems. It may provide systematic objectives such as screening applicants, planning interviews, orientation, handling leaves, and more. Contrasting HR reps, chatbots are having 24/7 availability so that personnel have immediate access to any information and support. Few HR systems, like HireVue and Leena AI, provide built-in chatbot solutions.

**5. Employee wellness tools:** Meeting the well-being of the employee of the organization is one of the newest HR developments. The majority of HR leaders rate employee psychological health and well-being as their highest priority. One of the novel tactics to manage well-being at job in the organization is accepting employee wellness tools that help employees to maintain their physical and psychological health. A virtual wellness portal such as Wellspace provides manageable well-being sustenance for organizations seeking to incorporate health innovative ideas in the workplace. These tools customarily assimilate with HR systems and help management systems.

**6. Performance management:** Employee self-support portals deliver employees with easy access to HR resources, for example benefits information, payroll statistics, and organizational guidelines. These portals allow corporations to take off the burden of the HR teams while empowering employees to swiftly discover the information they require without contacting HR staff in the organization.

## Conclusion

The new generation entering the workforce is doing so during a period of significant industry and technological evolution. Unlike previous generations, they bring distinct personality traits and values concerning work, leisure, and life. Their entry into the workforce presents organizations with an opportunity to rethink hiring, management, and innovation strategies. This paper explores innovative HR practices, methods, tools, and technologies to support this evolving workplace dynamic, harnessing millennials' knowledge, skills, and abilities through technology. By shifting from a machine-centered to a human-centered work model, organizations can meet immediate business goals while fostering long-term success. The new generation entering the workforce presents an opportunity for organizations to reconsider their approaches to hiring, managing, and fostering innovation. HRM innovations can support this evolving workplace dynamic by harnessing millennials' knowledge, skills, and abilities through technology.

## References

[1]  Davenport, T. H., & Kirby, J. (2016). Only Humans Need Apply: Winners and Losers in the Age of Smart Machines. Harper Business.
[2]  Goldman Sachs. (2016). Virtual & Augmented Reality: Understanding the Race for  the Next Computing Platform.

[3]  Lawless Research. (2016). Biometric Authentication: The End of Passwords.

[4]  McKinsey & Company. (2017). Blockchain's Occasions for Innovation.

[5]  Various sources on AI recruitment tools, digital onboarding, L&D, talent management, employee wellness tools, and performance management.

PAPER 2

# "ENHANCING COMPETITIVENESS THROUGH CULTURAL DIVERSITY: A COMPREHENSIVE REVIEW OF COMPANY PRACTICES"

## DR. PALLAVI JAGGI

ASSISTANT PROFESSOR, CHANDIGARH SCHOOL OF BUSINESS, DEPARTMENT OF MANAGEMENT, CHANDIGARH GROUP OF COLLEGES, JHANJERI

## Abstract

**Purpose:** The aim of this research is to consolidate the diverse literature on cultural diversity and provide insights into potential future directions for cultural diversity management research.

**Design/Methodology:** This study examined a range of conceptual and empirical research on cultural diversity and its effects, utilizing the body of work that has been released between 2000 and 2023. The study makes use of secondary data that was acquired for the cultural diversity review.

**Results:** The assignment for the literature review was to concentrate on workplace cultural diversity. It is evident from this review that one can comprehend the contemporary consequences of cultural variety. The review's conclusions indicate that several studies on diversity and its outcomes during the previous few years exist. More research is required to contribute to the body of knowledge on diversity in the future, particularly as it relates to cultural diversity in the workplace.

**Limitations and implications of the research:** The primary objective of the article is to conduct a thorough literary analysis and highlight varying

perspectives on cultural diversity. As such, the study does not include any theoretical analysis or subjective criticism of the writers' differing angles.

**Practical Implication:** This study looks at how well literature reviews work to increase the body of knowledge in a field and develop research ideas for investigators to pursue in the future.

**Originality/value:** The theoretical insights offered by this work are crucial for managing diversity and creating diverse companies.

**Keywords:** Culture Diversity; Culture Diversity Management; Dimension; Employee Performance.

# Introduction

Evidence of the significance of managing variety can be found in the evolution of human resources in the context of globalization. The era of globalization has blurred national boundaries and opened doors, facilitating labor mobility and putting businesses in the position of having to interact with a diverse range of cultural backgrounds. In the twenty-first century, there is a growing global diversity of cultures due to the frequent migration of individuals with varying racial, ethnic, gender, and linguistic backgrounds [1]. In multicultural organizations, the secret to successful teamwork is not the individuals on the team, but rather the creative synergy that arises during team interaction—that is, how the team members recognize, embrace, and highlight one another's diversity [2]. A multicultural workplace has faced Human Resource Managers with a new set of challenges as a result of these changes in management techniques [3]. Employee performance will suffer if the business is unable to meet these obstacles, and this will have an effect on the company's ability to grow in the future. Businesses must comprehend the contributions that individuals with different origins and nationalities make to their operations and whether or not hiring a diverse staff will enhance or detract from that performance [4]. Negative effects include miscommunication, the building of barriers, and dysfunctional adaptation behaviors; positive effects include building a strong knowledge base with internal talent, which can facilitate the business's easier integration into foreign cultures [5]. Since managing diversity in the workplace continues to be challenging, managers have taken the time to develop the managerial skills necessary for a multicultural workplace and prepare themselves to mentor others in their organizations to respect cultural differences and treat every worker with dignity [6]. The

goals of this study are to: a) review the literature on culture diversity and the theories that support it; b) comprehend the various aspects of culture diversity; c) determine the positive effects of culture diversity on employee performance; and d) comprehend culture diversity management within the organization.

# Literature Review

A table displaying academic articles on ethnic diversity in enterprises is included in the input along with references.

| S.No | Contribution | Authors |
|------|-------------|---------|
| 1. | This essay explores how cultural diversity impacts knowledge sharing and working relationships in the workplace. Supervisors must comprehend not just the cultural disparities that occur both within their own company and amongst the businesses they work with, but also the causes of these variances. | Maham. Raj (2013) [7] |
| 2. | The aim of this research was to examine the relationships between organizational commitment strategies (continuation, affective, and normative) and cultural diversity issues (discrimination, communication, and training). It was discovered that not all cultural diversity issues have a positive impact on organizational commitment approaches. | Mousa, Mohamed and Ruth Alas (2016) [8] |
| 3. | The author of this study came to the conclusion that employing the best candidates and increasing marketability were the only two advantages of cultural diversity that the firms had mentioned. | Mazur, Barbara (2010) [9] |
| 4. | This descriptive essay examines the impact of Indian culture on a company's use of enterprise resource planning (ERP) systems, based on a review of the literature. Since the majority of Indian workers are under 30, utilizing the demographic dividend can help firms create a more collaborative corporate culture and flatter organizational structure, which will improve company integration and agility. | Menon and Kemthose (2019) [10] |

| 5. | A practicing manager needs to understand the benefits and drawbacks of both mono- and multi-cultural arrangements, according to this study, which also discusses relevant research findings that can be used to develop helpful paradigms for managing cultural diversity at work. | Amaram, Donatus I. (2007) [11] |
|---|---|---|
| 6. | The primary focus of this article will be the connection between workplace bullying and cultural diversity in multinational organizations. Consequently, it is imperative that the upper echelon of management put an end to or significantly reduce bullying of employees from diverse cultural backgrounds. | Leng, Chua Zi and Rashad (2014) [12] |
| 7. | The study's conclusions show that over half of managers worldwide think that multicultural factors are important when making managerial decisions and that they are aware of the different cultural origins of their staff. Furthermore, as the study's conclusions demonstrate, the majority of managers think that culturally particular elements affect how workers see their jobs and that managing cultural differences is possible if one is aware of these characteristics. | Mihaela and Sergiu Octavian (2018) [13] |
| 8. | According to the findings of several meta-analyses, the authors draw the conclusion that cultural diversity in teams can be both a strength and a weakness. It finally comes down to how well the team can manage the process and the environment in which it functions to determine if the process losses brought on by cultural diversity can be reduced and the process gains can be realized. | Stahl et al. (2009) [14] |
| 9. | The main objective of this study was to ascertain whether cultural diversity has a major impact on the use of PR business strategy in a diverse workplace. The results of this study demonstrated the importance of cultural sensitivity to good public relations practice in a global setting where various ethnic groups from Eastern and Western cultures employ public relations. | Abdullah, Zulhamri (2007) [15] |

| 10. | This work adds to overcoming such limits by first addressing three commonly held views in the literature that are relevant to understanding these processes. Then, it is said that these points of view assist organizations in focusing on different facets of human variation and that, thus, they should not be distinguished when examining the complex settings that culturally diverse organizations embody. This is demonstrated using data from an ethnographic field study conducted in a Danish multicultural organization. | Lauring, Jacob (2009) [16] |

# Methodology

## Dimension of Culture Diversity

Beliefs and values not only influence people's lives and actions, but also shape culture, which may be examined from various angles and in various dimensions. One of these tactics that is often mentioned is the Hofstede concept. Individualism vs collectivism, power distance, masculinity versus femininity, and uncertainty avoidance are the four facets of national culture that Hofstede recognized [17]. These traits show individual differences in behavior and attitudes at work [18]. Hofstede's study, which was founded on national culture, is the foundation of cultural variety, and understanding the differences is seen as a competitive advantage. Hofstede described these four dimensions as follows:

- The first-dimension power distance (PDI) measures how different perspectives on the central problem of human inequality may be identified from one another. The power distance versus closeness scale indicates people's acceptance or dislike of hierarchies and the domination of a small number of people over the majority [19]. People in decreased power distance civilizations prefer to be active in decision-making, in contrast to cultures with high PDI scores. In societies where there is a greater power differential, people act in ways that are directed or desired by their managers and/or superiors [20].
- Uncertainty avoidance (UAI), which has to do with how anxious society is about the future, is the second component [20]. The Uncertainty Avoidance Dimension [21] centers on the level of stress that a group experiences when adjusting to unanticipated and future events.

- The third component, which has to do with how people integrate into the larger group, is called individuality versus collectivism (IDV). The degree to which a person perceives himself as an independent individual (individualism) or as a member of a close-knit community of persons (collectivism) is known as individualism against collectivism. The degree to which a person believes that members of their group are interconnected with each individual is known as collectivism. Team ties are important to collectives. They are more comfortable in casual, voluntary teams than in individuals who want to concentrate on their own emotions [22].
- The difference in emotional roles that men and women play is connected to the fourth dimension, masculinity vs femininity (MAS). The opposition between masculinity and femininity emphasizes cooperation, solidarity, and caring for others (femininity) as opposed to ambition, success, and competitiveness (masculinity). According to Hofstede, a society is considered to be masculine if its members place a higher importance on hard work and the materialistic desire to accumulate wealth than they do on people [23]. Male-dominated cultures are thought to be more inventive and have higher rates of entrepreneurship.

## Benefit of Culture Diversity

Diversity of culture has many positive effects on an organization. First and foremost, cultural diversity is good for the workplace because it creates a robust knowledge base shaped by a range of cultural experiences, an internal pool of cultural trainers and informers, and a higher likelihood of the business branching out into other cultures [25]. Cultural diversity has the potential to improve an organization's financial standing, boost its profitability, and confer a competitive edge [26]. Third, in workforces with varied cultural backgrounds, different viewpoints may lead to improved problem resolution [27]. Fourth, because it will be viewed as a more progressive company and appeal to people from different backgrounds, a company that encourages diversity will draw in a wider spectrum of candidates for its job opportunities [28]. Fifth, cross-cultural diversity has several benefits that an organization may take advantage of, including market knowledge, greater employee motivation, and the ease with which competent personnel can be found due to the presence of a larger talent pool [30]. Sixth, cross-cultural diversity among the staff can result in many favorable benefits to an organization, including lower absenteeism and employee turnover [29]. Developing an inclusive diversity culture in a company is a

difficult task that requires consistent attention, much like any other "cultural work" in an organization [31]. In light of all that has been said thus far, each company that displays a certain degree of cultural diversity needs to improve management and create a plan of action. In addition to providing the organization with knowledge about its workforce and working environment, the development of this strategic plan will provide enough information to allocate the necessary resources for the implementation of good diversity practices, as well as challenges, objectives, and goals that will yield the desired results [32].

**Table 1.2-2** Empirical Studies of Culture Diversity that are Significant

| S.No | Sample | Findings | Author |
|---|---|---|---|
| 1. | Using a sample size calculator from a survey software system, 39 employees were selected as the study's sample size. The employees of Abu Dhabi University will be surveyed using this sample size. | Two factors have been found to have an impact on Abu Dhabi University's performance level after the analysis. The efficacy of work teams and cultural diversity can have both positive and negative correlations. Employees at ADU are happy with their workplace overall and don't seem to mind working in a multicultural team. However, some workers complain about issues and assert that particular cultural clusters emerge and make it challenging for other team members to make choices. | Cherian et al. (2020) [33] |
| 2. | Twenty employees of Karolinska Institute University took part in the study to look at the consequences of cultural diversity. | The research findings indicate that there is a persistent positive correlation between cultural diversity and customer-related concerns. It also became evident that the performance system of the company is always influenced by its valving system. | Goswami & Easwaramoorthy (2019) [34] |

| 3. | The sample frame consisted of 22 chartered public institutions, and 245 managers were questioned within this group. | The results demonstrated that workplace diversity was significantly and favorably impacted by organizational culture practices. The study's findings demonstrated that Kenya's public universities ought to endeavor to create an environment that will enable them to achieve their goals. | Bana et al. (2016) [35] |
|---|---|---|---|
| 4. | A total of 118 individuals have labored for at least six months. This is the actual population under research. | The findings highlight how cultural diversity has a significant influence on employees' ability to build or join teams. Consequently, their production is affected by this. This study suggests that companies should endeavor to create an organizational culture that not only acknowledges and celebrates the diversity of the cultures within its workforce but also fosters relationships between employees despite their disparate backgrounds and nationalities. | Ukachukwu (2013) [36] |
| 5. | Workers at casual ethnic restaurants that used both local and foreign labor were chosen as the study's sample. | The study found that the three characteristics of diversity—orientation, determinism, and collectivism—had distinct effects on collaboration and/or output. This study provides restaurant managers with the most up-to-date information on workplace events, enabling them to prepare strategically for managing diversity within multicultural teams. | Ab-Latif, Z et al. (2020) [22] |

# Theoretical Foundations and Literature Review

## Theory of Social Identity

One component of "self-concept" is social identity theory, which examines how individuals view themselves as individuals. According to social identity theory, individuals behave, think, and feel like they belong to certain organizations, communities, and cultures [37]. According to this hypothesis, cultural homogeneity in management teams may boost morale, enhance output and collaboration, and lessen emotional conflict [38].

## Behavioral Theories

In order to evaluate and interpret both individual and group behavior, social and behavioral scientists have created a number of theories and models. Because a wide range of behaviors are observed in organizations, the majority of which are consistent with the theoretical framework, the theory of organizational behavior is an important component that requires attention. According to the majority of prior research, an organization is made up of people and groups that regularly engage in mutually beneficial activities with a focus on objectives [39].

## Competency Theory

Within the organization, competency theory is more prevalent. Competence inside the organization is currently its greatest asset since it enables it to adjust to changing market conditions, gain a competitive edge, and generate significant profits. The favorable association between employee competency and business success has been validated by numerous studies [40]. Companies can accomplish their objectives through competency management in the current environment, which is shaped by the process of globalization, uncertain environmental changes, and technology advancements. Thus, academics and business experts are becoming more interested in management ability. The fact that businesses these days are searching for employees with specialized skills is another reason why competency management is crucial [41].

### Diversity in Culture's Impact on Employee Performance

The productivity of employees is crucial for any business. It is necessary to evaluate employee productivity in order to guarantee excellent performance, boost morale, and lessen stress and conflict. Doing a task, even one

that is concrete and quantifiable, is referred to as performance, achievement, or accomplishment. A benefit of having cultural diversity in the workplace is that, because of differences in educational backgrounds, nationalities, and languages, employee performance is improved, leading to enhanced productivity and innovation [42]. Employee performance is the active fulfillment of one's obligations in order to produce outcomes. What counts is an employee's ability to fulfill the job requirements.

Satisfaction among workers "can frequently be influenced by cultural or ethnic diversity, every company has a corporate culture, and when the corporate culture meets cultural diversity, it will have both a positive and negative influence on employee satisfaction," says Pirraglia [43]. In one study, the author discovered that cultural diversity among employees has a number of benefits, including learning from one another, creativity, problem solving, motivation, satisfaction, commitment, team bonding, and performance. Support from the organization also has an impact on these benefits [44]. Hiring staff from varied cultural backgrounds is encouraged for businesses. Although there may be certain hurdles for businesses, the advantages outweigh the disadvantages; challenges will still arise if they are handled properly [45].

**Culture Diversity Management**

As times change, more prospects for social and commercial encounters as well as fruitful international cooperation are presented by today's economic activity. A concrete way for different countries of the world to engage is through multinational corporations. Globalization makes it feasible to hire and manage advancements from different time zones and throughout the globe [47]. The organization creates specialized policies and initiatives to attract, develop, and keep workers from diverse cultural and ethnic backgrounds. Fundamentally, people should not be treated differently from one another based on their color, ethnicity, culture, religion, or social class [48]. To manage its diverse people resources and leverage that diversity to achieve its goals, a business needs diversity management [49]. In response to the increasing cultural diversity of the global workforce, which demands special attention when addressing cultural diversity inside an organization, organizations implement diversity management techniques [50]. The term "cultural diversity" refers to the grouping of people from different demographic, educational, and geographic backgrounds who have joined together in an organization to work for common goals [11]. Cultural management is essential because every member of an international team has a background that surely affects the nature and performance of the team. In this case, management serves as a communication tool, pro-

moting greater understanding between team members and optimizing each person's performance [51]. A diverse culture is crucial for the organization. A harmonious and enjoyable work environment is facilitated by a diverse workplace culture [52].

Consequently, it's critical to comprehend the advantages of culturally diverse work environments, which include the following: Initially, recruiting and keeping a skilled staff [53]. Teams comprising members from diverse cultural backgrounds frequently contribute distinct and varied viewpoints to the conversation, which can result in more original ideas and solutions [54]. Second, a variety of cultures inherently fosters conflicting viewpoints and creative friction. Third, employees from diverse cultural backgrounds will bring a variety of perspectives and approaches to the table, which can enhance the way businesses cater to a wide range of customer needs. While some studies suggest that cultural differences have an effect on productivity, numerous studies also demonstrate a connection between cultural diversity and innovation [55, 56].

The bottom line is that having a diverse workforce in the workplace benefits the business as a whole in addition to employers and employees. The adoption of new approaches and solutions that are beneficial for the growth of the business is facilitated by the dissemination of fresh perspectives and problem-solving techniques that come with having employees from diverse backgrounds, which can have an impact on current levels of productivity, interaction, creativity, and skills [57].

Table 3 lists the several literature reviews that have been done on the empirical studies of workforce diversity. Because of the diversity of the literature, workplace diversity management has produced a wide range of results.

| S.No | Contribution | Authors |
|---|---|---|
| 1. | This study demonstrates that the presence of cultural variety gives the innovation team a creative edge, but this is only possible if there is intense cross-cultural rivalry among team members. | Jones et al. (2020) [58] |
| 2. | According to this study, recruiting workers from particular, diverse nationalities and cultures will boost employers' favorable opinions of workplace multiculturalism, which will help with diversity management and promote inclusion in company culture. | Orisini and Magnier-watanabe (2022) [59] |

| 3. | The findings demonstrate that team members' performance and inventiveness are positively impacted when they support cultural diversity. It was also discovered that team member creativity was directly impacted by cultural intelligence. | Kadam et al. (2020) [60] |
|---|---|---|
| 4. | According to the study's findings, national innovation was favorably correlated with both ethnolinguistics and cultural diversity on their own. More crucially, when combined, the cultural variety measurements show a considerable increase in national innovation levels. | Puia and Ofori-Dankwa (2013) [61] |
| 5. | According to the study's findings, national innovation was favorably correlated with both ethnolinguistics and cultural diversity on their own. More crucially, when combined, the cultural variety measurements show a considerable increase in national innovation levels. | Hofhuis (2022) [62] |
| 6. | The study's conclusions showed that, separately, ethnolinguistics and cultural variety were positively connected with national creativity. More importantly, the assessments of cultural variety when combined indicate a significant rise in national innovation levels. | Jones and Wright (2020) [58] |

## Findings of the study

- Globalization has almost abolished national borders in today's globe, forcing businesses and organizations to interact with individuals from a variety of cultural backgrounds. Almost all writers concur that building a multicultural team is crucial for today's corporate environment. If it is properly implemented and controlled, it can increase a company's production.
- While managing cultural diversity has become a major issue for many organizations due to negative stereotypes, miscommunication, and conflicting working styles, diversity also brings many benefits to an organization, including efficiency, better employee productivity, and organizational performance. Everything is directly impacted by how people behave, which eventually results in catastrophe.
- Cultural management is essential in international groups since the diverse backgrounds of group members undoubtedly impact the

dynamics and nature of the group. In order for these components to communicate with one another and maximize the performance of each component individually, management plays a crucial function as a communication tool.

- We have gained an understanding of the different aspects of cultural diversity that employees in firms engage in thanks to this study. Power distance, avoiding ambiguity, individualism against collectivism, and masculinity versus femininity are some of these aspects.

## Gaps in the Study

- The many unresearched results have not been looked at. Based on current research, certain outcomes, such as language and behaviors, have been thoroughly examined, while other outcomes, like values, attitudes, norms, perceptions, and lifestyles, have received less attention. The author has conducted research on the importance of cultural diversity and how it affects organizational performance [63]. Thus, this study suggests that other aspects must to be taken into account in subsequent research.
- Further research might be conducted on the potential impact of cultural diversity on organizational performance. Reports state that more research should clarify the ways in which organizational performance is impacted by cultural diversity in various sectors and businesses [45].
- The study can be used to ascertain how cultural variety affects the national cultures that are represented in the organization, both positively and negatively.

## Conclusion and Future Research Areas

Because it offers a comprehensive overview of the literature on cultural variety, this research is notable. The diverse attitudes, beliefs, and values that affect how people from a particular nation, region, or group approach their occupations, their workplaces, and usually how they interact with one another can be referred to as cultural differences in the workplace. Diversity in organizational culture can impact worker performance in both positive and negative ways. A company or organization should have a strong strategic plan in place so that the upper management can minimize the negative effects of workplace cultural diversity and enhance its positive effects.

# References

[1]  Kahn, Alam Nojiul. (2020). The Impact of Multicultural Working Environment to Job Satisfaction. Tallinn University of Technology: School of Business and Governance.

[2]  Distefano, J. J., & Maznevski, M.L., (2000), Creating Value with Diverse Teams in Global Management, Organizational Dynamics, 29 (1), 45-63.

[3]  Ayega, Emily Nyanchama & Stephen Muath. (2018). Critical Review of Literature on Cultural Diversity in the Workplace and Organizational Performance: A Research Agenda. Journal of Human Resource Management, 6(1), 9-17.

[4]  Ishaq, Zahra Gulead Bait & Bambang Rizki Pratomo. Impact of Cultural Diversity on Organizational Performance in Ooredoo Oman. Journal of Student Research, 1-8.

[5]  Lakshmipathiaiah M.G. (2020). Effects Of Cultural Diversity in The Workplace. Journal Of Emerging Technologies and Innovative Research (Jetir), Vol 7(10), 1056-1059.

[6]  Balamurugan, G & B. Santhiya. (2020). Cultural Diversity among the Employees and its Effect in Organizational Climate. International Journal of Engineering and Management Research, 10(1), 84-86.

[7]  Maham, Raj. (2013). To Recognize Cultural Diversity that Influences Knowledge Sharing in an Organization. International Review of Management and Business Research, 2, 1092-1100.

[8]  Mousa, Mohamead & Ruth Alas. (2016). Cultural Diversity and Organizational Commitment: A Study on Teachers of Primary Public Schools in Menoufia (Egypt). International Business Research, 9, 154-163.

[9]  Mazur, Barbara. (2010). Cultural Diversity in Organisational Theory and Practice. Journal of Intercultural Management, 5, 5-15.

[10] Menon, K. R. Vrinda & Kemthose Paul. (2019). Impact Of Indian Cultural Diversity on Enterprise Resource Planning Implementation Success. Global Journal of Engineering Science and Research Management, 8, 18-22.

[11] Amaram, Donatus I. (2007). Cultural Diversity: Implication for Workplace Management. Journal of Diversity Agustina Dian Putri ManurungIndonesian Journal Economic Review(IJER). Vol. 3, No. 2, October, 2023, pp. 43–52. Page 50of 10DOI: https://doi.org/10.59431/ijer.v3i2.190Management, 2(4), 1-6.

[12] Leng, Chua Zi & Dr. Rashad Yazdanifard. (2014). The Relationship between Cultural Diversity and Workplace Bullying in Multinational