

Impact of organizational diversity on safety culture and performance in PT. UVW Indonesia

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Article History

Received on 12 July 2024

1st Revision on 22 July 2024

Accepted on 29 July 2024

Abstract:

Purpose: This study examined the influence of organizational diversity on safety culture and performance in PT. UVW is a global chemical company based in Indonesia. Utilizing the Cultural Intelligence (CQ) framework, Social Identity Theory, and Resource-Based View (RBV), this study investigates how different employee backgrounds affect safety outcomes.

Method: By employing an approach that integrates qualitative interviews with quantitative KPI analysis, this study demonstrates that diversity improves safety culture through various perspectives and innovative solutions.

Nonetheless, to maximize these benefits, it is essential to address challenges, such as communication barriers and conflicts.

Result: The findings highlight that effective diversity management, inclusive communication, comprehensive training, and strong leadership within a diverse organizational demography of gender, age, work tenure, and educational background are vital for cultivating a positive safety culture. The research emphasizes that when strategically managed, organizational diversity can be a significant asset, enhancing safety performance and creating a safer and more efficient workplace. This research offers practical insights for multinational companies seeking to leverage diversity while overcoming the associated challenges to boost safety culture and performance.

Keywords: *organizational diversity, safety culture, cultural intelligence, resource-based view, leadership*

How to Cite: Nasarasiddi, K. (2024). Impact of organizational diversity on safety culture and performance in PT. UVW Indonesia. *Journal of Multidisciplinary Academic Business Studies*, 1(4), 801-818.

1. Introduction

A multinational company operates in at least one country other than its country of origin. It has one or more of the following: offices, factories, sales distributions, or other facilities in different countries around the globe with a centralized headquarters that coordinates global management. Multinational corporations often operate in diverse cultural environments because of their global reach and the presence of employees from different regions and backgrounds. Understanding the effects of organizational diversity on safety culture and performance is crucial for effectively managing safety KPIs.

Indonesia is a country in Southeast Asia strategically located between the Indian Ocean and the Pacific Ocean, connecting the economic sea lanes of East and South Asia and Oceania. It is the world's largest archipelago, home to over 17,000 islands and 700 ethnic and racial groups (Ministry of Foreign Affairs of Iran, 2023). A multinational company infused with different local (Indonesian) cultures and ethnicities has a complex spectrum.

Diverse individual profiles in an organization can positively or negatively impact safety culture and performance. On the positive side, organizational diversity can bring about various perspectives, ideas, and innovative approaches to work safely and solve problems. It can enhance compliance, decision-

making processes, and adaptability to change. Organizational diversity can also improve communication and collaboration across borders, increasing the efficiency and effectiveness of multinational teams.

However, managing diversity within an organization presents challenges. Differences in values, norms, and communication styles may lead to misunderstanding, conflicts, and decreased cohesion among employees. Cultural barriers can hinder teamwork and impede effective collaboration, which can exact a toll on efficacy. This necessitates exertion. Therefore, lucid comprehension of cultural advancements is indispensable. Nurturing an all-embracing working ambiance and developing employees' cross-cultural competence are imperative.

Different types of multinational corporations are also critical variables in completing this research, which examines the strategies and practices employed by different corporations to leverage the benefits of organizational diversity while mitigating its potential challenges.

Organizational diversity is an asset for multinational companies. This study explores tactics and measures employed to reap the benefits of diversity. They accomplish this by overseeing and endeavoring to alleviate the potential adverse consequences it may bring. It is crucial to thoroughly examine the effects of safety culture and performance on account of national culture, corporate values, and degree of diversity. This study focuses on this subject.

PT. UVW has a cycle of conducting a global safety audit every three years, and it was due to having it in 2020; however, it was postponed due to a medical treatment case incident occurring in that year. Due to this incident, the audit was re-scheduled at the end of 2021 to accommodate the company's actions to address the issue and further control it.

However, another severe incident occurred in early 2021, which caused a postponement of the global audit. In addition, the COVID-19 pandemic is still present, and the situation is unpredictable, causing a delay in the global safety audit until 2023. The latest global safety audit was only scheduled after the total transformation of the company started, which was in 2022, when a major organizational change occurred.

The proposed research title of "The Impact of Organizational Diversity Toward Safety Culture and Performance in PT UVW – A Multinational Company" aims to study the connection between the organizational diversity of gender, age, tenure, and educational background before and after transformation and the safety culture and performance of the company. The scope of organizational diversity mentioned is chosen because of a significant shift that happened, particularly in those aspects of PT. UVW's demographics.

This study is grounded in several significant theoretical perspectives. First, the cultural intelligence (CQ) framework helps us to understand how different employee cultures affect safety and performance. Cultural intelligence refers to a person's ability to adjust to and interact with many different cultures. This means learning about different cultures, understanding how they work, wanting to take part in them, and showing this through their actions. Using the CQ framework at work can help us to understand how employees' cultural intelligence affects a company's culture and performance (Zahedy, Jafari, & Ramezan, 2021; Zairina, Wibisono, Ngaliman, Indrayani, & Satriawan, 2023).

Second, Social Identity Theory offers valuable perspectives on the formation and function of a safety culture in the context of different employee cultures. According to this theory, individuals establish feelings of identity and inclusion through their group affiliations. This study investigates the intersection of employees' cultural identities with their organizational identities and how this interplay influences overall organizational culture, specifically in terms of safety (Hossain, Khatun, & Shanjabin, 2023).

Finally, the theory of Resource-Based View (RBV) offers a strategic perspective on effectively managing matters of cultural diversity within organizations to enhance overall performance. The RBV highlights the significance of utilizing unique resources and capabilities to achieve a competitive edge. When it comes to diverse employee cultures, the RBV approach can assist in recognizing how cultural diversity can act as a valuable resource and enhance organizational performance, specifically, safety performance.

1.1 Research Questions & Objectives

Based on the aforementioned, the problem formulation explicitly used for this research material is as follows.

1. What are the specific ways in which employee diversity (based on gender, age, tenure, and educational background) can shape perceptions of safety at work in PT. UVW?
2. How can safety perception be achieved in PT? Does UVW improve the company's safety KPI (leading and lagging indicators)?

The primary objective of this research is to analyze the correlation between the diversity of employee culture, safety culture, and performance within PT. UVW. This study aimed to:

1. Exploring the ways in which diverse employee cultures influence safety culture in multinational companies
2. Investigate the impact of diverse employee cultures on organizational performance/KPI
3. Identify the challenges and barriers associated with managing cultural diversity in PT. UVW and its implications for safety culture and organizational performance.
4. Examine the strategies and practices employed by PT. UVW effectively manages cultural diversity and creates a positive organizational culture that enhances safety performance.

1.2 Research Scope and Limitation & Writing Structure

The research scope needs to be clearly defined, as there are many aspects of diverse employee cultures that could be explored. Several areas of focus of this research are as follows:

1. The different types of diversity considered included gender, age, tenure, and educational diversity.
2. Different ways in which diverse employee cultures can impact safety culture and performance.
3. The research was strictly confidential and limited to UVW companies in manufacturing plants in Indonesia.

There are several limitations to this study that should be considered when conducting research on this topic. Some of these limitations include the following.

1. The exclusion of a large sample size beyond the manufacturing sector (sales and marketing, cluster/regional integrated supply chain organization), as the impact of diverse employee cultures, may vary depending on the specific sector and/or context.
2. Specific region/area of operation of the UVW Company, Indonesia.
3. The exclusion of comparing different type of multinational company which may include competitor or different line of business

Despite these limitations, research on the impact of diverse employee cultures is important area of study. However, even with these limitations, the research is still valid and can provide valuable insights into the impact of diverse employee cultures on organizational culture and performance in order to better manage these cultures and reap the benefits that they can offer (Afriyani, Indrayani, Indrawan, Wibisono, & Ngaliman, 2023).

2. Literature Review

2.1 Theoretical Foundation

2.1.1 Organizational Diversity & Culture

Organizational diversity encompasses various dimensions of differences among individuals in the workplace. These dimensions include, but are not limited to, gender, ethnicity, age, nationality, cultural

background, sexual orientation, religion, socioeconomic background, etc. Workplace diversity goes beyond visible characteristics to include differences in perspectives, experiences, skills, and knowledge. Workplace diversity is widely recognized as a valuable asset that can lead to numerous benefits for organizations. Diverse workforces are innovative, creative, and adaptable (Cox, 1994). Organizations can foster a culture of creativity and problem-solving by bringing together individuals from different backgrounds and perspectives, leading to better decision-making and improved performance (Ghorbani & Khanachah, 2020; Martins, 1996).

Impact of Diversity on Organizational Outcomes

1. **Innovation and Creativity:** Diverse teams are more likely to generate innovative ideas and solutions because of the variety of perspectives and approaches they bring to the table (Herring, 2009). Schnippers (2007) showed that diverse teams outperform homogeneous teams in terms of creativity and problem-solving.
2. **Employee Engagement and Satisfaction:** Organizations that embrace diversity and create inclusive environments tend to have higher levels of employee engagement and satisfaction (Kunze, Boehm, & Bruch, 2011). Employees feel valued and respected for their unique contributions, leading to greater loyalty and commitment to the organization.
3. **Organizational Performance:** Richard, Barnett, Dwyer, and Chadwick (2004) found a positive relationship between diversity and organizational performance across various industries. Diverse organizations are better able to attract top talent, retain employees, and adapt to changing market conditions.
4. **Social Responsibility and Reputation:** Embracing diversity demonstrates commitment to social responsibility and ethical business practices. Organizations that value diversity are considered more socially responsible and likely to attract socially conscious consumers and investors (Pless & Maak, 2004).

Organizational culture can be understood as collective knowledge and practices that a group acquires over time as a means of addressing the challenges of survival in an external context and assimilating its members within the group (Nosike & Egbunike, 2021; Schein, 1990).

This form of learning encompasses behavioral, cognitive, and emotional processes. This encompasses shared perceptions, language, and thought processes within a group, ultimately acting as the primary causal factors influencing emotions, attitudes, professed values, and observable behaviors (Schein, 1990).

The robustness and extent of internal coherence within a culture are derived from factors such as the durability of the group, the group's historical longevity, the intensity of the group's learning experiences, the methods employed for knowledge acquisition (e.g., positive reinforcement or avoidance conditioning), and the strength and lucidity of the assumptions upheld by the group's founders and leaders (Bagga, Gera, & Haque, 2023).

2.1.2 Safety Culture

Workplace safety culture is a critical aspect of an organization's success that directly impacts employee productivity and overall performance. This theory suggests that shared perceptions of safety-related regulations, practices, and standards or procedures within an organization influence individual and group behavior regarding safety.

The safety climate is shaped by factors such as leaders' commitment to safety, communication about safety issues, employee involvement in safety-related decision-making, and prioritizing safety over productivity. Safety culture includes a variety of elements, including leadership commitment, communication, employee engagement, safety training, and organizational learning (Zohar, 1980).

An effective safety culture is characterized by proactive safety practices, open communication channels, shared safety values, and a continuous improvement mindset. Leadership plays a central role in creating safety culture. When leaders prioritize safety, commit resources to safety initiatives, and actively participate in safety-related activities, they can communicate the importance of safety to employees throughout the organization (Zohar, 1980).

Transparent and open communication channels are crucial to fostering a positive safety culture. Effective communication ensures that safety-related information is quickly shared, concerns are promptly addressed, and employees feel comfortable reporting safety risks and incidents.

When employees in an organization are involved in decisions and initiatives that are related to safety, they can take responsibility for the safety of both their co-workers and them. A stronger commitment to safety is created when employees identify hazards, propose solutions or actions to prevent or mitigate them, and participate actively in safety training.

Comprehensive safety training is essential to equip employees with the knowledge and skills needed to perform their jobs safely. Training should cover topics such as hazard recognition, emergency procedures, use of personal protective equipment (PPE), and safe work practices.

Organizations committed to a culture of safety foster continuous learning and improvement. Regular conduct of safety audits, analysis of near misses and incidents, and corrective actions to prevent future incidents (Zohar, 1980). By learning from past mistakes and near misses, companies can proactively identify and mitigate safety risks.

2.1.3 Key Performance Indicator (KPI)

Key Performance Indicators (KPIs) are numbers that show how well a company is doing to achieve its goals. It is a way to measure and keep track of how well a company is doing, and it helps managers understand what the company is doing to achieve its goals.

KPIs include both financial and non-financial metrics used by organizations to assess and measure performance (Noe, Hollenbeck, Gerhart, & Wright). These indicators are designed to provide concise information, highlighting the most critical aspects of organizational performance that are essential for current and future success.

A clear vision and goals are important for a company to be successful. KPIs help companies determine if they reach their goals and how well they are doing overall. KPIs help ensure that everyone is working towards the same main goals by ensuring that individual and team efforts line up with what the organization wants to achieve.

As benchmarks for performance evaluation, KPIs help identify areas for improvement and implement corrective actions to enhance organizational effectiveness. By offering real-time insights into performance levels, KPIs allow organizations to monitor progress towards targets and make informed decisions.

2.1.4 Relationship between Diversity with Safety Performance in Workplace

Diversity in an organization offers a range of perspectives and problem-solving methods, resulting in more effective identification of potential safety hazards and the development of solutions. Page (2007) asserted that cognitive diversity boosts problem-solving abilities, enabling teams to address complex safety challenges more efficiently. Thomas and Ely (1996) concur that diverse groups leverage varied experiences to enhance overall performance, including safety outcomes. These different perspectives lead to a more thorough understanding of safety risks and potential interventions.

Effective communication is crucial for maintaining safety performance, and diversity can enhance communication within teams, particularly in multicultural organizations where recognizing different communication styles improves information exchange (Maznevski, 1994). Roberson and Park (2007) discovered that organizations with greater diversity reported improved safety outcomes. This enhancement is linked to diverse teams feeling more confident about raising safety concerns without fear of retaliation, thereby promoting a proactive safety culture.

Although diversity has the potential to improve communication, inadequate management can result in misunderstanding and conflict. Varied cultural backgrounds may lead to differing interpretations of safety protocols and communication breakdowns (Jehn, Northcraft, & Neale, 1999). Kochan, Bezrukova, Ely, Jackson, and Joshi (2003) emphasize that the absence of effective diversity management can escalate conflicts, adversely affecting team unity and safety performance.

Diverse work environments frequently cultivate feelings of inclusivity and affiliation, potentially boosting employee engagement and dedication to an organization's safety objectives (Shore et al., 2011). Engaged workers are inclined to follow safety protocols and actively engage in safety training initiatives, thereby improving their overall safety performance (Hofmann & Morgeson, 1999).

However, companies that struggle to integrate diverse employee members may encounter a lack of unity, potentially impeding safety performance. Employees who sense exclusion or marginalization are less inclined to participate in proactive safety measures. Barriers to successful diversity integration, such as unconscious biases and lack of inclusive leadership, can exacerbate these challenges (Thomas & Ely, 1996).

2.1.5 Cultural Intelligence (CQ)

Cultural intelligence (CQ) refers to a theoretical framework that outlines an individual's ability to interact effectively and adaptively with people from various cultural backgrounds. This framework includes a range of cognitive, motivational, and behavioral skills that allow individuals to navigate and understand cultural differences, collaborate in diverse teams, and communicate across cultural boundaries (Earley & Ang, 2003).

Cultural intelligence goes beyond simply knowing different cultures. It focuses on the ability to understand and interpret cultural cues, adjust behaviors and communication strategies, and effectively manage diverse situations. This concept incorporates three fundamental elements.

1. **Metacognitive CQ:** This refers to an individual's level of conscious cultural awareness during intercultural interaction. It involves the cognitive processes used to acquire and interpret cultural knowledge as well as the ability to plan, monitor, and revise cultural strategies when interacting with people from various cultures.
2. **Cognitive CQ:** This represents an individual's knowledge and understanding of different cultures, including their norms, values, customs, and communication style. It involves being aware of one's own cultural assumptions and biases, and recognizing and appreciating cultural differences.
3. **Emotional CQ** refers to an individual's ability to manage and adapt their emotions to cross-cultural interactions. It is a state of the ability to be open-minded, empathetic, and respectful towards individuals from different cultural backgrounds. Emotional CQ helps individuals develop positive attitudes and reduce their prejudice.
4. **Behavioral CQ:** This aspect focuses on an individual's ability to adjust their behavior and communication styles flexibly in different cultural contexts. It involves adapting nonverbal cues, language, and communication style to effectively interact with individuals from various backgrounds. Behavioral CQ also includes the ability to resolve conflict in multicultural environments.

The theory of cultural intelligence posits that individuals with higher CQ levels are more likely to succeed in culturally diverse environments. They are adept at building relationships, collaborating

effectively, and being sensitive to various cultural norms and expectations (Earley & Mosakowski, 2004). CQ is particularly important in today's globalized world, where organizations and individuals often encounter diverse cultural contexts in areas such as international business, multicultural teams, and cross-cultural interactions.

Cultural intelligence is not something we are born with, but rather something that can be developed and enhanced through education, training, and real-life experiences. By increasing CQ, individuals can communicate better, understand, appreciate different perspectives, and promote inclusivity and harmony in diverse settings.

2.2 Conceptual Framework

This research is initiated with the identification of a problem in which the author scrutinizes an existing business issue and connects it to the domain of organizational culture and performance. The subsequent phase entails the diagnosis of the problem through a sequence of measures, encompassing a comprehensive review of relevant literature, questionnaire creation, systematic acquisition of data, and analysis of the acquired data. Ultimately, this study culminates in providing a range of potential recommendations. The framework of this research is shown in figure below:



Figure 1. Research Framework

3. Research Methodology

3.1 Research Design

Research methodologies can be classified into three distinct categories: quantitative, qualitative, and mixed. The quantitative approach tends to be used to study topics related to theories that can be supported by specifics. By examining the connections between parts of the variable being studied, this methodology helps identify and quantify it. A quantitative approach is employed in research when the identified problem necessitates the identification of variables that exert influence on an outcome, with the purpose of determining the most accurate predictors of the outcome. In quantitative research, a

deductive approach to theory development and confirmation is frequently employed, whereby conceptual studies are conducted to address research questions and formulate hypotheses.

However, the qualitative method is a research approach primarily focused on understanding and interpreting the meaning, context, and experiences of individuals or groups within a specific social environment. This method involves gathering qualitative data, including non-numerical information, such as written passages, stories, and visual representations, with the goal of gaining a thorough understanding of people's thoughts, emotions, behaviors, and interpretations. Qualitative research aims to clarify complex phenomena by providing a detailed and comprehensive understanding of participants' viewpoints.

With the predefined approaches mentioned above, this research uses a qualitative approach to analyze the impact of diverse employee cultures on organizational culture and performance in PT. UVW, a multinational company. This allows the research to gain a deep comprehension of the topic and address multiple aspects of the research questions.

By employing a qualitative approach, this research can provide a more comprehensive and nuanced analysis, which is particularly important when studying complex phenomena such as the influence of diverse demography on the safety culture and performance of a multinational company.

3.2 Data Collection Methods

In this research, the data collection phase is aligned with the research design and focuses only on the qualitative analysis phase.

3.2.1 Qualitative Phase

In this phase, data are collected in the form of FGD or interviews. Focused group discussion/interviews with employees from different backgrounds were conducted to understand their experiences, challenges, and perceptions of safety culture. The general questions related to the interview or FGD in this analysis are outlined below.

Section 1: Basic Demographic Information

1. What are your age and gender?
2. What is your department?
3. What is your tenure at work?
4. What is your highest level of education?

Section 2: Perception of Safety

1. How committed do you feel that your organization is to ensure safety in the workplace?
2. Do leaders in an organization show care and commitment towards the safety of their workforce?
3. Can you provide examples of how management promotes safety initiatives?
4. How well do you think safety information is being communicated within your department/team?
5. How well are safety goals and objectives communicated?
6. How comfortable do you feel about reporting safety incidents or near misses?
7. How often do you participate in safety drills or trainings?
8. How effective do you think safety training programs are at your organization?
9. How is safe behavior recognized or rewarded?
10. How well is operational safety prioritized?
11. Are lessons from previous incidents and near-misses (including external sites) being implemented?
12. Do you think that our current diverse team has a direct impact on recent improvements in safety performance?

Section 3: Safety Performance and Outcome

1. What do you think about your department/team's overall safety performance?
2. How often do safety incidents occur in your department or team?

3. How would you describe your department/team's productivity?
4. To what extent does you think diversity impacts the safety performance of your department/team?

Follow up questions that aren't listed above are also asked in accordance with the participants' response to the questions above

3.3 Data Analysis Method

3.3.1 Qualitative Data Analysis

Acknowledging the importance of participants' viewpoints, this study focuses on the utilization of member checking as a means to enhance the trustworthiness of the research findings. This phase encouraged participants to thoroughly examine the findings of the analysis, enabling them to verify the interpretations and guarantee the precision of their inputs. The integration of member checking serves to enhance the veracity and credibility of our results, cultivating a spirit of partnership between the researchers and participants.

To effectively communicate our qualitative findings, a selective transcription technique was adopted to simplify and enhance our understanding. Selective transcription and field notes serve as valuable methods and tools by which they exhibit the prevailing themes and associations that arise from qualitative data. Utilization of the methodology enables us to effectively convey the intricate nature of the participants' experiences, resulting in a captive narrative that enhances the profundity of the analysis.

In summary, by implementing this methodological approach, this research is enhanced in terms of the credibility and validity of findings, valuing and confirming the valuable insights provided by individuals who graciously shared their personal narratives. In conclusion, selective transcription has emerged as a valuable tool that enables us to portray an elaborate depiction, instilling vitality into the fundamental concepts that form the basis of research discourse. This methodology elucidates the importance of cultural diversity within the organizational framework, providing the capability to establish a more encompassing and prosperous work setting that leverages the talents of a heterogeneous workforce to achieve enduring triumph.

4. Result and Discussion

This chapter presents the findings of the qualitative analysis conducted in PT. UVW Indonesia to explore the impact of organizational diversity on safety culture and performance. The primary research questions guiding this study were as follows:

1. What are the specific ways in which employee diversity (based on gender, age, tenure, and educational background) can shape perceptions of safety at work in PT? UVW?
2. How can safety perception be achieved in PT? Does UVW improve the company's safety KPI (leading and lagging indicators)?

The following sections provide a detailed analysis of the themes that emerged from the data:

4.1 Data Collection and Analysis

Data were collected through semi-structured interviews with 23 employees from various levels, departments, ages, genders, work tenures, and educational backgrounds within the company. Participants were selected to provide a diverse range of perspectives on the impact of organizational diversity on safety culture and performance.

The data analysis converted the raw interview data into meaningful insights by organizing and interpreting the collected information. This process is neither straightforward nor linear but rather resembles a spiral, involving steps such as reducing the data volume, distinguishing important information from irrelevant details, identifying patterns and trends, and creating a structure to effectively communicate the key findings revealed by the data.

During the transcription and translation of the data, patterns of expression emerged, prompting the author to remain vigilant for similar or divergent themes as additional data were analyzed. Moreover, data analysis alone does not yield answers to the research questions, which are derived through the interpretation of the analyzed data. Interpretation entails elucidating and making sense of the data, which requires continuous engagement with the process. Consequently, interpretation and analysis are intricately connected, as researchers inherently interpret while analyzing.

4.1.1 General Findings

During the interviews, diverse participants showed a general impression that diverse employees in the organization helped bring a variety of perspectives and ideas, leading to a more holistic assessment in conducting safety risk assessments and innovating solutions to tackle or mitigate them. This multiplicity of perspectives helps to identify potential hazards that may be overlooked in a homogenous group.

Strong leadership and management commitment are also essential and help the diversity workforce to be aligned in promoting a robust safety culture. This commitment to safety can be made visible through clear policies, programs, and enhanced capabilities through training.

Ensuring capabilities through training is imperative for diverse work environments. Training programs that address the particular needs and challenges of different workforces can improve the safety performance. These programs should be planned to bridge gaps in knowledge and skills, guaranteeing that all employees are similarly competent in their parts. Additionally, employee engagement is a key factor in enhancing the overall safety culture; as ownership is built, employees become deeply engaged in safety practices.

In general, the findings indicate that organizational diversity plays a significant role in positive safety culture and improves safety performance. Furthermore, these general findings are then broken down into organizational diversity analysis, which includes diversity in gender, age, work tenure, and educational background as well as several themes in addressing the moderating factors.

4.1.1.1 Gender Diversity

Gender diversity significantly enriches perceptions of safety concerns in the workplace. Women, drawing from their unique experiences and perspectives, often prioritize ergonomic safety and personal security measures. Their focus on these aspects is shaped by their specific needs and vulnerabilities. In contrast, men typically emphasize procedural safety and the risks associated with machinery, which aligns with their roles and interactions within the company. This divergence in focus areas implies that a gender-diverse team can cover a broader spectrum of safety concerns, ensuring that both ergonomic and procedural aspects are adequately addressed.

Moreover, gender diversity enhances communication and reporting within organizations. Teams that include both men and women are more likely to foster open, inclusive communication channels. This environment encourages employees to report safety issues without fear of judgment or dismissal. When employees feel safe and valued, they are more likely to voice their concerns, leading to a more comprehensive understanding of the potential hazards. This proactive approach to safety allows the organization to identify and mitigate risks more effectively, ultimately creating a safer work environment for everyone.

4.1.1.2 Age Diversity

Age diversity significantly influences the perception and management of safety in the workplace by bringing together varied risk perceptions and facilitating mentorship and knowledge transfers. This study finds that younger employees, due to their limited experience, tend to focus on immediate and visible dangers, potentially underestimating certain risks. Their fresh perspective can be invaluable in identifying new or emerging hazards that might be overlooked by more experienced employees.

However, their inexperience sometimes leads them to overlook less obvious long-term risks that can be equally or even more significant.

The dynamic between younger and older employees also creates valuable opportunities for mentorship and knowledge transfers. In age-diverse teams, older employees can guide younger ones, sharing the best safety practices and lessons learned from past incidents. This mentorship not only helps younger employees develop a more comprehensive understanding of workplace safety but also reinforces a safety-conscious culture across the organization. The transfer of knowledge from older to younger employees ensures continuity in safety practices as experienced workers pass down critical insights and techniques.

This continuous exchange of knowledge fosters an environment in which safety is a shared responsibility that promotes collaboration and mutual learning. Younger employees benefit from the wisdom and experience of their older counterparts, whereas older employees can stay updated with new ideas and approaches introduced by younger team members. This synergy enhances the overall safety culture, ensuring that the organization remains vigilant and proactive in managing workplace safety. By leveraging the strengths of both younger and older employees, the PT. UVW can create a more comprehensive and resilient safety framework, ultimately leading to safer work environments.

4.1.1.3 Educational Background Diversity

Educational background diversity significantly enhances the perception and management of safety in PT. UVW by adopting various problem-solving approaches and necessitating comprehensive training programmes. Employees with different educational backgrounds contribute distinct analytical and problem-solving skills to safety issues. In this research, educational background diversity is heavily focused on the different levels of educational background: masters, bachelors, and diplomas, whereas their majors in education are briefly highlighted, but not focused.

In contrast, employees with backgrounds in health sciences emphasize preventive measures and wellness. Their approach to safety was more holistic, focusing on the prevention of injuries through ergonomic assessments, health monitoring, and wellness programs. They are adept at identifying potential health risks and advocating measures that promote overall well-being, which can reduce absenteeism and improve productivity. By integrating these diverse perspectives, the PT. UVW can help develop more comprehensive safety strategies that address both technical and health-related aspects, leading to a safer and more inclusive work environment.

Moreover, these employees typically have a strategic and holistic view of safety, considering the long-term implications of safety practices and integrating them into the overall organizational strategy. This perspective ensures that safety is viewed as a critical component of the company's long-term success and sustainability, rather than just a compliance requirement. Additionally, bachelors-level employees focus on the implementation and compliance aspects of safety, ensuring that policies and procedures are correctly followed and that the workforce adheres to established safety standards. This compliance focus helps the organization meet regulatory requirements and maintain consistent safety performance across different operational areas.

4.1.1.4 The role of diversity in enhancing safety culture.

This theme is generated from deep elaboration of question 12 in section 2 in the perception of safety: “Do you think that our current diverse team has a direct impact on recent improvements in safety performance?” and a follow-up question with respect to the participants’ answers.

1. Overview

The participants consistently emphasized that diversity significantly enhanced the organization's safety culture. They perceived that diverse teams offered varied perspectives, leading to more comprehensive safety practices. Their value in accepting differences aligns with their value in respecting people, in which their safety and well-being are part.

2. Findings

a. Increased Awareness

“Our team comprises individuals from diverse backgrounds, each contributing their unique experiences and safety ideas. This diversity enhances our awareness of potential risks that might have otherwise been overlooked.” – Participant 4

b. Improved Problem-solving

“Having a diverse team allows us to approach problems from various perspectives. In terms of safety, this diversity enables us to discover creative solutions that a more homogeneous team might overlook.” – Participant 9

c. Improvement in communication

“The diversity within our team has enhanced our communication regarding safety issues. Team members are more willing to voice their concerns, and we have become better at listening to one another and this is seen positive and infectious to the shopfloor/operator team” – Participant 17

4.1.1.5 Leadership and Management’s Commitment towards Safety

This theme is generated from the elaboration of question 1 and 2 in section 2 in the perception of safety: “How committed do you feel that your organization is to ensure safety in the workplace?”, “Do leaders in the organization show care and commitment towards safety of their workforce” and “Can you provide examples of how management promotes safety initiatives?” follow-up question with respect to the participants’ answers.

1. Overview

Participants of various genders, age groups, tenures, and educational backgrounds from all departments highlighted that leadership and management play a significant role in enhancing the safety culture of the organization. Leadership was perceived to portray a clear direction and commitment in ensuring workplace safety.

2. Findings

a. High empowerment and accountability

“The management here gives empowerment and accountabilities in taking ownership of safety practices as well as assigning those outside of HSE department to be a subject matter expert in 1 safety standard.” – Participant 11

b. Modeling behavior

Diversity and transformation in recent years have shaped the management team to be clear and prioritize safety at all times. They are willing to voice safety concerns and more than welcome to give insight. The shopfloor team sees this as a positive attitude in which they can copy.” – Participant 3

c. Improved resource allocation

“Over the years, I've seen a significant increase in the resources allocated to safety training and equipment. We conduct regular safety audits and drills, ensuring that everyone is up to date with the latest protocols.” – Participant 1

4.1.1.6 Employee Engagement and Participation

This theme is generated from the elaboration of question 6 and 7 in section 2 in the perception of safety: “How comfortable do you feel about reporting safety incidents or near misses?” and “How often do you participate in safety drills or training” and a follow-up question with respect to the participants’ answers.

1. Overview

By promoting a safety mindset, inclusive communication, enhancing teamwork and participation, encouraging diverse perspectives and approaches, and building trust and respect, a diverse workforce helps to create a safer and more cohesive work environment. This inclusive strategy not only leads to better safety outcomes, but also cultivates a more engaged and proactive workforce dedicated to upholding a safe workplace.

2. Findings

a. High levels of Participation

“As there are many new hires as well as more female coming in to the company, I see an increase in the engagement on our annual safety day campaign, our near-miss/unsafe condition reporting, as well as interactive discussion related to safety concerns.” – Participant 14

b. Enhanced Safety Mindset

“As there are many new hires from different backgrounds (fresh grad/experienced), I feel there is a shift in the overall safety mindset of this organization. Our new leader emphasizes safety, so the direction is loud and clear. These new hires also have high self-awareness, which includes their safety and well-being. I feel that this “push” on safety from every angle has shaped safety into our top of mind.” – Participant 16

c. Strengthen Teamwork

“This diverse team collaborates well with employees who do not pursue common safety objectives. I feel that our environment promotes trust and mutual respect among the employees. We are more cohesive, as employees develop a heightened sense of mutual responsibility for one another’s safety, resulting in more proactive engagement in safety practices.” – Participant 20

4.1.1.7 Rewards and Recognition

This theme is generated from the elaboration of question 9 in section 2 in the perception of safety: “How is safe behavior recognized or rewarded?” and a follow-up question with respect to the participants’ answers.

1. Overview

A fair process, despite the background, was implemented to provide positive recognition for good safety behavior and negative consequences for unsafe behavior. Safe behaviors and good safety performance are considered when assessing and promoting employees. Likewise, unsafe behaviors and poor safety performance were also considered in the process.

2. Findings

a. Inclusive Recognition Program

“Recognition programs that emphasize diverse contributions make all employees feel appreciated for their unique input into safety practices, promoting a more inclusive and supportive safety culture. Specific allocation on rewards and recognition to align with safety performance enhances the significance and effectiveness of these programs in this environment.” – Participant 22

b. Enhanced Motivation

“When employees from different backgrounds observe their peers being recognized for safety initiatives, it encourages them to become more actively involved in safety practices, knowing their contributions will also be acknowledged. Fair and transparent reward systems that offer equal opportunities for recognition foster trust and promote widespread participation in safety programs.” – Participant 5

c. Improved Morale and Retention

“Inclusive rewards and recognition programs boost job satisfaction and morale, as employees feel their safety contributions are valued and appreciated. High morale and a strong sense of belonging from fair recognition enhances employee retention, ensuring a stable and experienced workforce dedicated to safety.” – Participant 15

4.1.1.8 Continuous Improvement

This theme is generated from the elaboration of question 11 in section 2 in the perception of safety: “Are lessons from previous incidents and near-misses (including external sites) being implemented?” and a follow-up question with respect to the participants’ answers.

1. Overview

Benchmarking against other companies in the same industry is driven by diverse leaders aspiring to be the best in the industry. Safety data depict key indicators, analyze trends, and are accessible to everyone. This is used to adapt strategies and strive for continuous safety improvements.

2. Findings

a. Inclusive Feedback Mechanisms

“Recent inclusive communication channels that encourage open discussion about safety issues and enhancements on multiple platforms, ensures every voice is heard and valued. Consistent feedback from a different employee helps pinpoint areas needing improvement and ensures that safety practices adapt to meet the needs of all workers.” – Participant 10

b. Benchmarking

“We always do benchmarking to our sister companies in Indonesia and abroad as well as reference to our competitor. Benchmarking is not limited to performance and market share, but in fact, safety implementation on site. This strategy aids in the continuous enhancement of the safety standards. New employees (diverse backgrounds) contribute knowledge and experiences from different industries from their past experiences, which is leveraged to improve safety practices.” – Participant 2

c. Innovation

“I see there are many innovations done in addressing safety matters here in the company. To name a few, we started to conduct joint emergency drills with neighboring sites by conducting a self-assessment of safety culture, expanding safety standard ownership to relevant stakeholders, and many more. This innovation fosters continuous improvement and establishes higher safety standards.” – Participant 21

4.2 Integration of Findings

The integration of findings on the impact of organizational diversity on safety culture and performance yields numerous advantages that can transform the organization into a more effective, inclusive, and secure environment. The integration of the findings of diverse employees’ perceptions of safety and Section 3 questions on Safety Performance and Outcome, as well as the Safety KPI metrics, is outlined in this section. An organization characterized by diverse backgrounds, perspectives, and experiences naturally enhances the awareness of potential hazards and fosters innovative problem-solving strategies. This diversity ensures that safety measures are comprehensive and robust as various viewpoints contribute to a holistic understanding of safety issues. Improved communication channels, promoted by an inclusive environment, facilitate open discussions about safety concerns and improvements and ensure that all voices are heard and valued. In terms of organizational diversity, PT research. UVW Indonesia shows that gender, age, work tenure, and educational background significantly influence the development of a positive safety culture within a company. Gender diversity brings varied perspectives on safety issues, with women often prioritizing ergonomic safety and personal security, whereas men might concentrate on procedural safety and machinery risks. This wide range of safety concerns has led to comprehensive risk assessments and well-rounded safety strategies. In addition, gender-diverse teams promote open communication and encourage employees to report safety issues without fear, resulting in a more inclusive and proactive safety culture.

Age diversity enhances safety culture by blending the fresh perspectives of younger employees with the extensive experiences of older employees. Younger employees might focus on immediate and visible dangers, whereas older employees can identify less obvious long-term risks. This balance ensures that both immediate and long-term hazards are addressed. Moreover, mentorship opportunities arise, allowing older employees to guide younger employees in best safety practices, ensuring continuity, and reinforcing a safety-conscious culture.

Diversity in work tenure combines the innovative ideas of new employees with the stability and institutional knowledge of long-tenured employees. Newer employees introduce new, innovative safety ideas and technologies, while long-tenured employees ensure adherence to and continuous improvement of safety protocols based on historical data. This dynamic maintains a consistent safety culture, while incorporating new insights.

Educational background diversity further strengthened this positive safety culture. Employees with varied educational experience bring different analytical and problem-solving skills to safety issues, resulting in more holistic safety strategies. Tailored safety training programs ensure that all employees,

regardless of their educational background, have a thorough understanding of the safety protocols. This inclusive training approach and the integration of diverse perspectives creates a robust and effective safety culture that enhances workplace safety for everyone.

However, this diversity creates a moderating factor that influences safety culture. The moderating factors outlined in the conceptual framework were divided into nine themes. First, empowerment and accountability are heightened as employees from different backgrounds feel that their unique contributions are recognized, leading to greater ownership of safety responsibilities. Inclusive behavior modeling by the leadership team sets a standard that encourages others to adopt similar attitudes, thereby strengthening the overall safety culture. Efficient resource allocation is achieved by leveraging diverse perspectives and ensuring that safety measures are effectively targeted and implemented. An enriched understanding of safety protocols, proactive hazard reporting, and enhanced engagement in safety initiatives contributes to a more resilient safety culture.

Second, comprehensive training programs tailored to diverse needs equip all employees with the necessary skills and knowledge to uphold their safety standards. Inclusivity fosters a welcoming environment in which everyone feels valued, reinforcing a safety mindset that prioritizes the well-being of all employees. Strengthened teamwork, inclusive reward and recognition programs, boosted job satisfaction, morale, and retention, creating a stable and experienced workforce dedicated to safety.

Thorough risk assessments, benchmarking against diverse industry standards, and continuous innovation driven by varied perspectives ensure that the organization maintains high safety standards. Reduced bias in incident analysis further promotes fairness and objectivity, leading to more accurate and effective safety interventions. We can see that with diverse research participants, cultural intelligence is relatively similar between different genders and ages. In terms of cognitive CQ, those with less than three years of service in PT. UVW (35%) is able to understand and identify the safety habits, practices, and communication styles of those with more service years, especially those with over 10 years (40%).

For behavioral CQ, the management team had to adjust their communication and leadership styles to convey the importance of safety to the team. They had to communicate throughout every platform possible, made it accessible to everyone, and made strict and balanced reward/recognition as well as punishment in order for the safety agenda to run. This management team comprises more than 50% of the team with less than three years of work experience in PT. UVW and is below 40 years of age, with males still being dominant.

As evident in the interviews, diverse teams can approach safety improvement from various angles, identifying potential hazards that have been overlooked before (homogeneous team prior 2022). The collective approach led to the development of comprehensive safety strategies that were more effective in preventing incidents and promoting safety culture. This validates valuable resources from RBV theory. Furthermore, the findings of the PT. UVW's employee's perspective regarding safety reflects the safety culture of the company and is directly proportional to the safety performance of the company, as shown in the graphs below. Starting from 2022 onwards, there is a huge improvement in all the KPIs, where major organizational change in diversity occurred.

Ultimately, embracing organizational diversity not only enhances safety culture and performance, but also cultivates a supportive, innovative, and engaging work environment in which every employee can thrive. This comprehensive integration of diversity into safety practices is essential for achieving sustainable improvement in organizational performance and fostering a culture of safety excellence.

5. Conclusion

This study aimed to investigate the impact of organizational diversity on safety culture and performance in PT. UVW, Indonesia, and a multinational chemical company. Using theoretical frameworks such as

Cultural Intelligence (CQ), Social Identity Theory, and Resource-Based View (RBV), this study explored how different employee backgrounds influence safety outcomes. By integrating qualitative interview analysis with quantitative KPI evaluation, this research revealed significant insights into how diversity enhances safety culture and performance. This chapter summarizes the main findings, discusses their implications, recognizes the study's limitations, and provides recommendations for future research and practice.

5.1 Summary of Finding

The research findings reveal that organizational diversity has a positive effect on the safety culture of PT. UVW Indonesia. Employees from various backgrounds contribute to unique perspectives and innovative solutions, leading to a more comprehensive approach to safety practices. The inclusion of diverse employee groups specifically enhances problem-solving abilities and helps to identify potential hazards that might otherwise be missed.

The interviews revealed that employees view management's commitment to safety as a key factor in nurturing a positive safety culture. Leaders who show strong dedication to safety, allocate necessary resources, and maintain open communication are essential to fostering this culture. Additionally, the study found that effective diversity management, inclusive communication, comprehensive training programs, and strong leadership are critical elements in developing a positive safety culture.

An analysis that incorporated the KPI showed a marked improvement in safety performance metrics, such as total injury rate (TIR), behavior-based safety (BBS), near-miss reporting, and LTI, following the implementation of diversity-focused initiatives. These improvements underscore the importance of strategically managing organizational diversity to enhance safety outcomes.

5.2 Implications

This study has diverse and significant implications. For practitioners, this study underscores the importance of viewing organizational diversity as a strategic asset. Companies can harness the varied backgrounds of their employees to enhance the safety culture and improve performance outcomes. This necessitates a proactive approach for managing diversity, including cultivating an inclusive environment, offering comprehensive training, and maintaining open and transparent communication. From a theoretical standpoint, the findings affirm the relevance of the Cultural Intelligence (CQ) framework, Social Identity Theory, and Resource-Based View (RBV) for understanding diversity dynamics within organizations. This study illustrates that these frameworks can provide valuable insights into how diversity impacts safety culture and performance. Furthermore, this study emphasizes the need for continuous evaluation and adjustment of diversity management practices. As the workforce evolves, companies must diligently assess the effectiveness of their diversity initiatives and make the necessary modifications to address new challenges and opportunities.

5.3 Limitations

While this study offers valuable insights, it has certain limitations. First, the research was confined to PT. UVW Indonesia at the manufacturing site, making this a single case study. Consequently, the findings may not be applicable to other organizations or industries. Future research should include multiple organizations across different sectors to validate and enhance the generalizability of the results. Additionally, the study relied on self-reported data from the interviews, which can be subject to bias. Despite efforts to ensure data accuracy and reliability, there remains the risk of respondents providing socially desirable answers or withholding negative information. Future studies could improve the robustness by incorporating additional data sources, such as third-party assessments, to triangulate the findings.

Finally, the focus was primarily on the perspectives of employees and management at the operational level. Future research could benefit from exploring the viewpoints of other stakeholders, including

customers, suppliers, and regulatory bodies, to achieve a more comprehensive understanding of the impact of organizational diversity on safety culture and performance.

5.4 Recommendation

Based on the findings and limitations of this study, several recommendations can be made for future research.

1. Future studies should include multiple organizations from different industries to improve the generalizability of the results. Comparative studies could offer deeper insights into how organizational diversity affects safety culture and performance in various contexts.
2. To address the limitations of self-reported data, future research should incorporate additional data sources such as direct observations, third-party assessments, and longitudinal data. This approach would help to triangulate the findings and provide a more comprehensive analysis.
3. Future research should explore the perspectives of a wider range of stakeholders, including customers, suppliers, and regulatory bodies to obtain a more thorough understanding of the impact of diversity on safety culture and performance.

In conclusion, this research has shown that organizational diversity can greatly improve safety culture and performance at PT. UVW Indonesia. By strategically managing diversity, fostering an inclusive environment, and ensuring strong leadership commitment, organizations can utilize the unique perspectives and skills of their diverse employee to create a safer and more efficient workplace. The findings offer valuable insights for multinational companies aiming to capitalize on the benefits of diversity while addressing related challenges to enhance safety culture and performance. As the employee evolves, continuous research and adaptation of diversity management practices will be crucial for maintaining these advantages and achieving long-term success.

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