

What is a challenge of diversity?

Colleagues from some cultures may be less likely to let their voices be heard. **Integration across multicultural teams can be difficult in the face of prejudice or negative cultural stereotypes.** Professional communication can be misinterpreted or difficult to understand across languages and cultures.

13 benefits and challenges of cultural diversity in the workplace

As national politics and discourse seem to grow more inward-looking and divisive across America and Europe, successful businesses must continue to think inclusively and globally. Embracing cultural diversity in the workplace is an important first step for businesses that want to be competitive on an international scale.

From the Virgin Group to Disney and PricewaterhouseCoopers, organizations across industries are embracing the benefits of a diverse workforce. But with benefits necessarily come challenges of working across borders, cultures, and languages.

At Hult, diversity and global mindedness are integral to our DNA. Our mission is to prepare our students to thrive in a fast-paced, unpredictable, and fundamentally international business environment. As our students develop into the global business leaders of tomorrow, they can certainly expect to encounter these **13 key benefits and challenges of cultural diversity in the workplace.**

Benefits:

1. [Diverse cultural perspectives can inspire creativity and drive innovation](#)
2. [Local market knowledge and insight makes a business more competitive and profitable](#)
3. [Cultural sensitivity, insight, and local knowledge means higher quality, targeted marketing](#)
4. [Drawing from a culturally diverse talent pool allows an organization to attract and retain the best talent](#)
5. [A diverse skills base allows an organization to offer a broader and more adaptable range of products and services](#)
6. [Diverse teams are more productive and perform better](#)
7. [Greater opportunity for personal and professional growth](#)

Challenges:

8. [Colleagues from some cultures may be less likely to let their voices be heard](#)
9. [Integration across multicultural teams can be difficult in the face of prejudice or negative cultural stereotypes](#)
10. [Professional communication can be misinterpreted or difficult to understand across languages and cultures](#)
11. [Navigating visa requirements, employment laws, and the cost of accommodating workplace requirements can be difficult](#)
12. [Different understandings of professional etiquette](#)
13. [Conflicting working styles across teams](#)

1. Benefit: Diverse cultural perspectives can inspire creativity and drive innovation

Our culture influences the way in which we see the world. A variety of viewpoints along with the wide-ranging personal and professional experience of an international team can offer new perspectives that inspire colleagues to see the workplace—and the world—differently.

Diversity of thought has been shown to breed creativity and drive innovation, helping to solve problems and meet customer needs in new and exciting ways. For example, cosmetic giant L'Oréal attributes much of its impressive success in emerging markets to its multicultural product development teams.

Multiple voices, perspectives, and personalities bouncing off one another can give rise to out-of-the-box thinking. By offering a platform for the open exchange of ideas, businesses can reap the biggest benefits of diversity in the workplace. A recent study from Forbes echoed this notion, concluding that *“the best way to ensure the development of new ideas is through a diverse and inclusive workforce.”*

2. Benefit: Local market knowledge and insight makes a business more competitive and profitable

A multicultural workforce can give an organization an important edge when expanding into new markets. Often, a product or service needs to be adapted to succeed overseas. Understanding local laws, regulations, and customs, as well as the competitive landscape, can help a business to thrive. Moreover, local connections, native language skills, and cultural understanding can boost international business development exponentially.

And being more competitive ultimately means being more profitable. Diversity Inc annually recognizes the top 50 most diverse companies and measures their success against the broader market. Recent research from McKinsey also underscores the fact that diversity is good for a business's bottom line. In fact, ethnically diverse companies were shown to be 35% more likely to have financial returns above the national industry median.

3. Benefit: Cultural sensitivity, insight, and local knowledge means higher quality, targeted marketing

Cross-cultural understanding, along with local market knowledge, lends itself the production of more effective marketing strategy and materials. For example, high quality and culturally sensitive translations of websites, brochures, and other assets are essential. But these can be overlooked without the input of a native speaker.

Even brand taglines can get badly lost in translation. A frequently cited example is from KFC in China, whose chicken was marketed as so tasty, you'll “eat your fingers off!” (A poor translation of their brand tagline, “Finger lick in' good.”)

Market-specific knowledge and insight is invaluable when it comes to for imagery and design, too. What might work well on a billboard for a British company could fail or offend elsewhere. A memorable McDonald's print ad in Finland may have been considered clever locally, but it was seen as confusing and even grotesque by foreign audiences.

The danger of making a serious marketing blunder, which can cause irreparable damage to a brand or business abroad, can be mitigated by employing a diverse workforce with local marketing savvy.

4. Benefit: Drawing from a culturally diverse talent pool allows an organization to attract and retain the best talent

According to a Glass door survey, two thirds of job hunters indicated that diversity was important to them when evaluating companies and job offers. In a competitive global job market, demonstrating that your business is invested in fostering a multicultural and inclusive environment can make you stand out to the right candidates. Making diversity an important part of the recruiting process will broaden your talent pool of prospective employees.

Not only does hiring from a more diverse talent pool makes your business attractive to ambitious, globally minded candidates, it also helps you to keep them on board. Diversity, including diversity of gender, religion, and ethnicity, has been shown to improve retention and reduce the costs associated with employee turnover.