

# Impact of Organizational Diversity Toward Safety Culture and Performance in PT. UVW Indonesia

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**Abstract:** This research examines the influence of organizational diversity on safety culture and performance at PT. UVW Indonesia, a global chemical company based in Indonesia. Utilizing the Cultural Intelligence (CQ) framework, Social Identity Theory, and Resource-Based View (RBV), it investigates how different employee backgrounds affect safety outcomes. By employing an approach that integrates qualitative interviews in respect to the quantitative KPI analysis, the research demonstrates that diversity improves safety culture through varied perspectives and innovative solutions. Nonetheless, to maximize these benefits, it is essential to address challenges such as communication barriers and conflicts. The findings highlight that effective diversity management, inclusive communication, comprehensive training, and strong leadership within a diverse organization 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, more efficient workplace. This research offers practical insights for multinational companies seeking to leverage diversity while overcoming associated challenges to boost safety culture and performance.

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

## 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 extract 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 rescheduled at the end of 2021 to accommodate the company's

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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.

#### A. Research Question & 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.

#### B. 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

### A. Theoretical Foundation

#### 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) *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

#### 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.

#### 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).

#### 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.

### B. 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 1.



Fig. 1. Conceptual framework

## 3. Research Methodology

### A. 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

### B. Data Collection Methods

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

#### 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

#### C. Data Analysis Method

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 section 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.

#### A. 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.

#### 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.

## 2) *Organizational Diversity*

From interviews conducted at PT. UVW Indonesia, several key factors were identified regarding how employee diversity impacts the perception of workplace safety. The results emphasize the complex ways in which different aspects of diversity shape the safety culture and perceptions among employees.

### 1. *Gender Diversity*

Gender diversity significantly enriches the perception of safety concerns within 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 the vulnerabilities they face. In contrast, men typically emphasize procedural safety and the risks associated with machinery, which align with their roles and interactions within the company. This divergence in focus areas means 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 the organization. Teams that include both men and women are more likely to foster open and 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 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.

### 2. *Age Diversity*

Age diversity significantly impacts the perception and management of workplace safety by combining varied risk perceptions and facilitating mentorship and knowledge transfer. Younger employees, with their fresh perspectives, are adept at identifying new or emerging hazards but may underestimate long-term risks due to their limited experience. Conversely, older employees bring extensive experience, enabling them to recognize subtle, long-term risks that younger workers might overlook. This combination ensures that both immediate and long-term hazards are addressed, maintaining a comprehensive approach to workplace safety.

The interaction between younger and older employees fosters valuable mentorship and knowledge transfer. Older employees guide younger ones, sharing best safety practices and lessons from past incidents, helping them develop a thorough understanding of workplace safety. This mentorship reinforces a safety-conscious culture across the organization, ensuring continuity in safety practices. The exchange of knowledge promotes collaboration and mutual learning, enhancing the overall safety culture. By leveraging the strengths of both younger and older employees, PT. UVW can build a more resilient safety framework, leading to a safer work environment for all.

### 3. *Tenure Diversity*

Work tenure diversity plays a pivotal role in shaping the safety culture at PT. UVW, balancing fresh perspectives with established practices. This research finds that employees in PT. UVW Indonesia with shorter tenure often bring new, innovative safety ideas and technologies to the table. Their fresh outlook can challenge the status quo and introduce new approaches that enhance overall safety. These types of employees are typically more open to experimenting with the latest advancements in safety measures, which can lead to significant improvements in how the company handles various safety concerns.

On the other hand, long-tenured employees provide stability and deep institutional knowledge. Their extensive experience within the company ensures that safety protocols are adhered to meticulously. These employees have a rich understanding of the organization's historical data and past incidents, which allows them to continuously improve safety practices. Their long-term perspective is invaluable in maintaining a robust safety culture, as they can identify potential issues based on historical patterns and experiences that newer employees might overlook.

### 4. *Educational Background Diversity*

Educational background diversity significantly enhances the perception and management of safety at PT. UVW by bringing varied problem-solving approaches and necessitating comprehensive training programs. Employees with different educational backgrounds contribute distinct analytical and problem-solving skills to safety issues, with a focus on varying levels of educational attainment such as masters, bachelors, and diplomas. For instance, those with engineering backgrounds focus on technical solutions, addressing machinery-related risks and procedural safety enhancements through robust safety mechanisms and detailed risk assessments.

In contrast, employees with backgrounds in health sciences emphasize preventive measures and wellness, adopting a holistic approach to safety. They focus on preventing injuries through ergonomic assessments, health monitoring, and wellness programs, identifying potential health risks and advocating for measures that promote overall well-being. This diversity in educational backgrounds allows PT. UVW to integrate technical and health-related perspectives, developing comprehensive safety strategies that enhance both safety and inclusivity in the workplace.

Employees with masters-level education bring a strong analytical and research-oriented approach to safety, emphasizing data-driven decision-making and advanced tools for risk mitigation. They view safety strategically, integrating it into the organizational strategy for long-term success. Those with bachelor-level degrees offer a practical and balanced approach, combining theoretical knowledge with practical application to implement effective safety measures and ensure compliance with regulations. Diploma holders focus on hands-on and operational aspects of safety, providing immediate solutions and swift responses to safety problems, which are crucial in high-risk areas. This blend of educational backgrounds ensures that PT. UVW can address a wide range of safety challenges comprehensively and effectively.

### 3) *Generating Themes*

To understand each question, it's important to carefully read and understand the whole interview before breaking it down into smaller parts. Within the data, trends or recurring patterns emerged, reflecting the participants' strongest feelings.

While generating themes, both participant particularities and generalizations are very prevalent. The meaning expressed by one participant often helped to understand and contextualize the responses of subsequent participants. Additionally, theme analysis involved recognizing how one participant's feedback aligned with a chosen theme, while another's response might diverge from it.

- *Diversity role in enhancing safety culture*

Participants consistently emphasized that diversity significantly enhances the organization's safety culture. They perceived that diverse teams offer 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 wellbeing are part of it. Through this, an increased of improvement in risk awareness, problem-solving, and communication is seen.

- *Leadership and management's commitment towards safety*

Participants throughout various gender, age groups, tenure and educational backgrounds from all department on average highlighted that the leadership and management plays 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 through their modelling behavior, high empowerment and accountabilities as well as resource allocation.

- *Communication of safety*

Overall participant felt the communication on safety enhanced greatly. This is aligned with the improvement of safety culture and performance in the organization. Practices that prioritize inclusive communication from all age, gender, tenure, as well as background boosts the engagement, collaboration, and trust, resulting in improved proactiveness and safety outcomes. When diverse leaders demonstrate a commitment to safety and clearly communicate safety goals throughout various platform, it increases accountability and strengthens the positive safety culture.

- *Ensuring competence through trainings*

Competence is determined by testing knowledge and work skills. The cycle in which worker is determined competence is through a sequence of in class training, on the job training, and a 3-month qualification process. Interpersonal skills are deemed as important as technical knowledge. Their different perspective is valued greatly in shaping a critical thinking environment. Employees can identify their own additional training needs outside of the identified mandatory trainings.

- *Employee engagement and participation*

By promoting safety mindset, inclusive communication, enhancing teamwork and participation, encouraging diverse perspectives and approaches, and building trust and respect, a diverse workforce helps 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.

- *Rewards and recognition*

A fair process despite background is 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 are also taken into account in the process. These offered programs are inclusive to everyone without exception and via this, their motivation and morale are enhanced.

- *Operational safety*

Workplace safety is the top priority. There is open dialogue about how workplace safety is managed. It is understood that both business excellence and workplace safety are hand-in-hand and equally important and it is achieved through the same actions. The resources and time allocated for achieving workplace safety are strictly maintained for their intended purpose and protected from other demands. Through a diverse organization an enhanced assessment on safety risk is shown in contrast to a homogenous workforce.

- *Continuous improvement*

Benchmarking against other companies in the same industry, driven by diverse leader who aspire to be the best in the industry. Safety data depicts key indicators and analyzes trends, and it is accessible to everyone. This is used to adapt strategies and strive for continuous safety improvements, where inclusive feedback mechanisms and innovation happens.

- *Learning from incidents*

Actions focus on strengthening barriers and addressing root causes. Efforts are prioritized to prevent the company from bearing excessive burdens. Teams are involved to help them understand specific incidents and improve work practices. The company attempts to learn from incidents at other companies, but the relevance is not always clear.

### 4) *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.

#### A. 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.

#### B. 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.

#### C. 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.

#### D. Recommendation

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

- 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.
- 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.
- 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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