

The Multifaceted Impact of Discrimination: Psychological, Social, and Economic Consequences

Tahmina Akhter

Business and Management, Yorkville University, Concord, Canada

takhter@yorkvilleu.ca

ORCID: 0009-0005-9061-1343

Harmandeep Kaur

Business and Management, Yorkville University, Concord, Canada

harmandeepkaur.257@yorkvilleu.ca

ORCID: 0009-0004-3876-2104

Cite this paper:

Akhter, T., & Kaur, H. (2025). The Multifaceted Impact of Discrimination: Psychological, Social, and Economic Consequences, <i>Scientific Societal & Behavioral Journal</i> , 1(1), 92-101. DOI: 10.63329/av3nz1239

Received: October 30, 2024

Revised: December 31, 2024

Accepted: February 28, 2025

Abstract

The article examines the impact of discrimination on individuals' wellbeing and performance of businesses across the globe to assess the profound impact of psychological, social, and economic on individuals and businesses. We used empirical data, real-world cases, and theoretical frameworks to understand the origin, nature, attributes, and consequences of discriminatory practices. Thus, it broadens phenomena of understanding specific discriminations and discriminatory actions encountered by individuals and groups within social interaction. It explores the social and economic impacts resulting from such discrimination, calling for business ethics. The article calls for actions to bring major systemic reforms, inclusive workplace policies, and technological advancements to combat discrimination and promote equity. Through a comprehensive analysis, this study aims to provide actionable insights for policymakers, organizational leaders, and society at large to foster inclusive environments and sustainable growth.

Keywords: *Discrimination, psychological impact, socioeconomic restrictions, workplace equity, policy reform*

JEL Classification: J71, J78, IM14

Introduction

According to Ikpen (2020), discrimination is defined as the treatment, consideration, or distinction made in favor of or against a person or thing on the basis of prejudiced factors, including but not limited to race, religion, gender, cultural equivalencies, disability, age, or functional

capacity. Discrimination is also influenced by prejudices or stereotypes that support social systems. If any meaningful progress is to be achieved toward the equality of citizens and societies, prejudice must be addressed immediately, even in the face of advancements in the law on fairness in society and respect for rights.

The case study attempts to distinguish between the many types of discrimination, examine those types, their causes, and their impacts, and provide potential solutions to this issue. The purpose of the paper is to outline the people, methods, and outcomes of the fight against these practices. By realizing how serious the issue is, people and organizations will be able to take the necessary steps to guarantee safe working conditions. To give a comprehensive picture of discrimination, the theoretical portion is supported by empirical data gathered from numerous cases, policies, and scholarly arguments.

This article focuses on three main types of discrimination: gender, age, and disability. As a result, the focus is on analyzing the three main types. Even though there are numerous varieties, their scope is limited to three because of their widespread occurrence, substantial social influence, and applicability to workplace dynamics. It looks at the effects on people and organizations that are psychological, social, and economic. By fusing case studies, empirical data, and legal frameworks, the research offers a thorough understanding of discrimination. Additionally, it looks at how socioeconomic factors fuel inequality and evaluates potential solutions including legislative reforms and technological advancements.

Millions of individuals around the world are still affected by discrimination, which is a significant barrier to social and economic progress. By examining the many facets of inclusion and equity, this article adds to the current conversation on these topics. It so provides useful recommendations for how society, corporations, and laws might effectively counteract prejudice. The study highlights the need of creating inclusive workplaces to enhance both human well-being and organizational success.

Although there are major improvements in anti-discrimination and civil rights legislation, structural prejudices still impede social and economic progression. The World Bank (2021) estimates that discrimination costs the world economy up to \$160 trillion in lost human capital, highlighting how urgent it is to solve this problem. Hence, reflecting the importance of this article.

Age, gender, and disability are the three primary forms of prejudice that are investigated in this study. It examines the psychological, social, and financial effects of discrimination on employees and businesses using case studies and empirical data. Additionally, the case study evaluates the efficacy of the existing legislative frameworks and offers practical solutions to advance fairness and inclusion. By addressing these issues, this piece hopes to add to the ongoing conversations on discrimination and provide useful recommendations for the public, private sector, and legislators.

Types of Discrimination

Gender-Age-Disability

In this section, three distinct types of discrimination evident at the workplace are discussed. Although there are several other types, this section explores the most common ones with the practical (real-world) examples and the acts that were violated by big corporations. Below is the framework to show the type of discrimination affecting the different considered attributes (Figure 1). A plethora of research confirmed that employees, their work performance, business

performance, the workplace operations, business reputations, and motivation are affected by distinct types of discrimination.

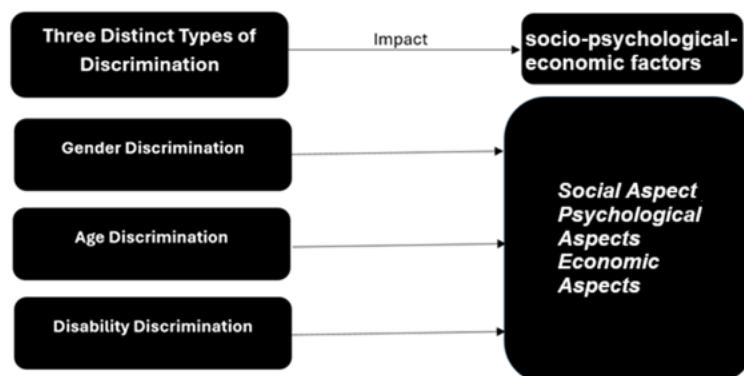


Figure 1: *Conceptual Framework - Three Distinct Types affecting socio-psychological-economic factors*

Gender Discrimination

Men and non-binary individuals are not free of gender discrimination despite most of its impact on women. The discrimination exists in several ways including the unfair gender pay where women are paid less for the same positions occupied by men, and the lack of women and other non-binary persons in decision-making roles in industries. Along this line, workplace harassment suggests the presence of more deeply seated social flaws where one's promotion is hindered because one's work environment is hostile. Such challenges emphasize just how far away gender equity still is. As discussed earlier also that at the workplace, gender discrimination—especially against women and non-binary people—remains a major obstacle. For every dollar earned by males, women make around 82 cents, and the disparity is worse for women of color (Hegewisch & Williams-Baron, 2018). With only 8% of Fortune 500 CEOs being female, this inequality is made worse by the underrepresentation of women in leadership positions (Catalyst, 2023).

#MeToo has had a remarkable influence in as far as awareness on gender oppression as well as sexual harassment perpetration is concerned and urging actions against such abuse, which has encouraged both women and men to come out of abuse and injustices. Studies show that 38% of women have experienced sexual harassment at work, leading to increased anxiety, depression, and job turnover (National Sexual Violence Resource Center, 2021). Although laws like the Civil Rights Act of 1964's Title VII aim to address these issues, their inconsistent implementation emphasizes the need for stronger policies and cultural shifts. These are steps in the right direction, though not every desire has been achieved. Reforming laws as well as systems and practice as pain transparency gets enforced, leadership developed diverse populations at workplaces and established an office where everyone is free to work is what is needed most (Johnson and Patel, 2021). Nonetheless, breaking different stereotypes will call for struggle such as changing policies, values in the society and active support for changing the behavior of some trends for a society of equal opportunities.

While gender discrimination mostly affects women, it also affects men and non-binary people. Inequitable gender pay, when women are paid less for the same jobs held by males, and the underrepresentation of women and other non-binary people in positions of decision-making within industries are just two examples of the various ways discrimination occurs. Accordingly, when a person's advancement is impeded due to a hostile work environment, workplace harassment

indicates the existence of deeper social defects. These difficulties highlight how far gender equity has come. As was previously said, gender discrimination, particularly against women and non-binary individuals, continues to be a significant barrier in the workplace. Women make about 82 cents for every dollar made by men, and the gap is much more pronounced for women of color (Hegewisch & Williams-Baron, 2018). The underrepresentation of women in leadership roles exacerbates this imbalance, as only 8% of Fortune 500 CEOs are female (Catalyst, 2023).

In terms of raising awareness of sexual harassment and gender inequality and calling for action against such abuse, #MeToo has had a tremendous impact. This has inspired both men and women to escape injustice and abuse. 38% of women have been sexually harassed at work, according to studies, which has been linked to higher rates of anxiety, depression, and job turnover (National Sexual Violence Resource Center, 2021). Even if Title VII of the Civil Rights Act of 1964 and other legislation attempt to address these problems, their uneven application highlights the need for more robust regulations and cultural changes. Even though not all of the desires have been fulfilled, these are positive steps. What is most required is the reform of laws, procedures, and practices as well as the enforcement of suffering transparency; leadership should also cultivate varied populations in workplaces and create an office where everyone is free to work (Johnson and Patel, 2021). However, dispelling these prejudices will require work, including modifying laws and societal values as well as actively supporting the reversal of certain tendencies in order to create an equal opportunity society.

Age Discrimination (Ageism)

Ageism affects both older and younger workers, perpetuating stereotypes that hinder career growth. In other words, ageism has a detrimental impact on all age groups and favors neither the young nor the old socially. Due to their perceived lack of adaptability or technical proficiency, older workers are sometimes forced to retire early or have less opportunities for promotion (AARP, 2020). When it comes to older age workers, there is often a phenomenon called devaluation when older people are viewed as less capable or less likely to adapt to changes, thus facilitating elongation of their working in a more unfavorable condition, or even their earlier retirement. On the other hand, even if they have the necessary qualifications and skills, younger employees are usually referred to be inexperienced (Anderson, 2020). It could be argued that young people are held back from achieving their potential in the workplace too – typically by being called inexperienced or under-skilled irrespective of the fact that their competencies and abilities are relevant and optimal (Anderson, 2020). These unequal expectations promote biases in the employment sector and hinder the professionals' growth or promotion purely because of age and not competence.

Legal frameworks like the Age Discrimination in Employment Act (ADEA) in the United States aim to protect against such discrimination by prohibiting age-based bias in hiring, promotions, and workplace policies. However, enforcement of age discrimination laws remains inconsistent across regions, leaving gaps in protection for many individuals (Smith & Lee, 2021). Addressing age discrimination requires both robust legal enforcement and cultural shifts to value diverse age perspectives in professional environments.

Both younger and older employees are impacted by ageism, which reinforces preconceptions that impede professional advancement. To put it another way, ageism negatively affects people of all ages and does not socially favor the young or the old. Older workers may be pushed to retire early or have less prospects for advancement because of their perceived lack of technical competency or flexibility (AARP, 2020). However, dispelling these prejudices will require work, including modifying laws and societal values as well as actively supporting the reversal of certain tendencies in order to create an equal opportunity society. When it comes to elderly workers, a phenomenon known as devaluation frequently occurs when they are perceived as less competent or less likely to adjust to changes, which allows them to continue working in less advantageous conditions or even retire earlier. Conversely, younger workers are typically referred to as inexperienced, even if they possess the requisite training and abilities (Anderson, 2020). One could argue that young individuals are also prevented from reaching their full potential in the job, usually by being labeled as inexperienced or under-skilled, even when their skills and competencies are ideal and relevant (Anderson, 2020).

In addition to impeding professionals' advancement due to age rather than skill, these unequal expectations foster biases in the workplace. In the United States, laws such as the Age Discrimination in Employment Act (ADEA) aims to protect against age-based bias in hiring, promotions, and workplace regulations in an effort to prevent this kind of discrimination. However, different jurisdictions continue to apply age discrimination legislation differently, which leaves many people without enough protection (Smith & Lee, 2021). Strong legal enforcement and cultural changes that appreciate a range of age perspectives in the workplace are both necessary to combat age discrimination.

Disability Discrimination

People with disabilities continue to face barriers from society, inadequate and insufficient accommodations, and societal stigma at work because of disability discrimination. According to the U.S. Bureau of Labor Statistics (2023), only 21% of people with disabilities are employed, compared to 65% of their non-disabled peers. Legal frameworks like the Age Discrimination in Employment Act (ADEA) in the United States aim to protect against such discrimination by prohibiting age-based bias in hiring, promotions, and workplace policies. However, enforcement of age discrimination laws remains inconsistent across regions, leaving gaps in protection for many individuals (Smith & Lee, 2021). Lawsuits like *EEOC v. UPS*, in which the corporation neglected to give handicapped employees with alternative work schedules, demonstrate that compliance is still inconsistent (Scot Law Team, 2024). In addition to enforcing the law, addressing disability discrimination requires both robust legal enforcement and cultural shifts to value diverse age perspectives in professional environments.

Discrimination Against People with Disability due to disability discrimination, people with impairments still encounter social barriers, poor accommodations, and stigma in the workplace. Just 21% of individuals with disabilities are employed, compared to 65% of their peers without disabilities, according to the U.S. Bureau of Labor Statistics (2023). In the United States, laws such as the Age Discrimination in Employment Act (ADEA) forbid age-based bias in hiring, promotions, and workplace regulations in an effort to prevent this kind of discrimination. However, different jurisdictions continue to apply age discrimination legislation differently, which leaves many people without enough protection (Smith & Lee, 2021).

Compliance is still uneven, as seen by lawsuits such as *EEOC v. UPS*, where the company failed

to provide disabled workers with alternate work schedules (Scot Law Team, 2024). Addressing handicap discrimination necessitates not just strict legal enforcement but also cultural changes that recognize different age viewpoints in the workplace.

Table 1: Cases of Discrimination and Acts

Types of Discrimination	Act	Example
Gender Discrimination	Title VII of the Civil Rights Act of 1964	Walmart faced a major class-action lawsuit known as <i>Dukes v. Wal-Mart</i>), where Betty Duke (an employee) alleged unequal pay and promotions (Cotter, 2011; Court Case 338(2011).
Age Discrimination (Ageism)	Age Discrimination in Employment Act (ADEA) of 1967	IBM faced allegations of systematically pushing out older employees in favor of younger hires as part of a workforce reorganization. Sixteen senior employees went to court (Terrell, 2019; Gosselin, 2019).
Disability Discrimination	Americans with Disabilities Act (ADA) of 1990	UPS was sued for not accommodating workers with disabilities, such as failing to provide modified work schedules or tasks. EEOC filed a lawsuit, and they reached out of court settlement (Scot Law Team, 2024; EEOC vs. UPS, 2009).

Source: *Own illustration based on secondary analysis*

Table 1 reflects the classic cases when organizations ignore the fundamental policies, laws and regulations, and prescribed acts. The consequences have a drastic adverse impact on the businesses (Table 1).

Psychological and Social Impacts

According to Williams and Mohammed (2013), discrimination has serious psychological and social repercussions and frequently results in long-term stress, anxiety, and depression. Social stigma and isolation are frequently experienced by marginalized people, and this worsens mental health issues. For instance, according to a study conducted by the American Psychological Association (APA, 2021), 45% of people who experienced discrimination and prejudice at work reported having depressive symptoms in comparison to 20% non-discriminated colleagues.

Discrimination restricts access to healthcare, employment, and education, which escalate social cycles of inequality. This reinforces systemic prejudices and discrimination by creating a feedback loop that further puts these vulnerable individuals at disadvantage, indicating strong systematic bias (World Health Organization, 2020).

Economic Impacts

Businesses, societies, and individuals - all suffer and are subjected to economic costs because of discrimination. Individuals suffer from limited career advancement, lost wages and increased healthcare expense due to stress and depression-related illnesses (Hegewisch & Williams-Baron, 2018). Discrimination by businesses results in lawsuits, harming their reputation, and decreased productivity. The financial risks of gender discrimination are evident in the case of *Dukes vs. Wal-Mart* as Walmart had to settle the lawsuit by giving \$17.5 million as compensation (Cotter, 2011).

At a macroeconomic level, discrimination is a key factor in the decline in global GDP. Achieving gender parity might boost the world economy up to \$12 trillion by 2025 (McKinsey World Institute, 2020). Addressing ageism and disability discrimination might also lead to substantial economic benefits, highlighting the necessity of structural changes and systematic reforms.

Legal and Policy Framework

Existing legislative frameworks extensively crucial for protections against discrimination include Title VII, the ADEA, and the ADA. Nevertheless, inconsistent enforcement and coverage gaps restrict their efficiency and effectiveness. For instance, Title VII stops discrimination based on gender, but it does not mention the intersectional discrimination against women of color experience (Crenshaw, 1989). To address these inequalities, policy shifts and structural reforms like mandatory diversity training sessions and transparency in hiring procedures are crucial components. Furthermore, biases in recruiting procedures might be reduced to some degree by adoption of technological advancements like AI-driven recruitment tools (World Economic Forum, 2022).

Conclusion

From the above three discussed types of discrimination, it is concluded that it is intentional attempt to create partial opinion and deprived individuals from their workplace rights. It is also concluded that discrimination is in different forms—such as race, gender, age, religion, or economic status. It adversely impacts the social well-being of the individuals as well as organization. Furthermore, legal issues might have a greater financial impact on a company; as a result, they also have an economic impact.

Discrimination has a greater detrimental impact on health, its psychological effects—such as social isolation, anxiety, and depression—highlight the urgent need for systemic change. Due to lost wages, reduced productivity, lawsuits, and other financial damage, discrimination costs businesses a significant amount of money, as evidenced by actual cases and settlements. Although legal frameworks like Title VII, ADEA, and ADA provide significant protections, gaps in coverage and enforcement restrict their efficacy.

A multifaceted strategy is a requirement to resolve these issues and challenges. Businesses need to implement inclusive policies such as equitable pay plans, transparent hiring practices and diversity training programs. Anti-discrimination laws must be strengthened by policymakers and ensure that these laws are consistently enforced, especially when it comes to intersectional discrimination. For society to be inclusive, preconceptions and stereotyping must be stopped while awareness and education should be raised. In addition to being morally right, combating discrimination is an absolute economic necessity. We can unlock the full potential of workers and workplace by

establishing egalitarian conditions. In other words, creating equitable environment that will not only promote social development but also ensure sustainable growth. As this article has consistently demonstrated through real-world examples and literature at hand that achieving equality urges for actionable plan. A plan that promotes teamwork, strict and inclusive laws, and an honest approach to address structural discrimination. By individual and collective efforts, we can together create a future where discrimination is eliminated while diversity is appreciated.

A thorough, evidence-based strategy is required to tackle these complicated difficulties. According to research, companies that adopt inclusive policies—like fair compensation plans, open hiring procedures, and diversity training—see a rise in worker happiness, output, and creativity (Dobbin & Kalev, 2016). Moreover, governments must enhance anti-discrimination legislation and assure their consistent enforcement, particularly in cases of intersectional discrimination, as research reveal that marginalized groups often endure compounded disadvantages (Crenshaw, 1989).

Through education and awareness campaigns, which have been shown to lessen biases and improve social cohesiveness, stereotypes must be challenged and dismantled to create an inclusive society (Paluck & Green, 2009). Eliminating prejudice is not only morally right, but also economically necessary. According to McKinsey & Company (2020) research, companies with diverse workforces perform better financially than their counterparts, which emphasizes the necessity for equal working conditions.

A tangible and implementable plan is necessary to achieve equality, as this article has demonstrated through empirical data and real-world case studies. This strategy should prioritize cooperation, the establishment of strict yet inclusive legislative frameworks, and a dedication to tackling the underlying causes of systemic discrimination. We can build a future where variety is actively respected and acknowledged via persistent individual and group efforts, guaranteeing long-term economic sustainability as well as social advancement.

To effectively combat discrimination and promote inclusive environments, the following suggestions are put out for society, corporations, and policymakers:

To encourage fair and transparent behaviors as well as increased awareness of unconscious biases, businesses should implement diversity and inclusion training programs. According to research, workplace inclusion increases by 24% in companies that provide thorough diversity training (Harvard Business Review, 2021). Businesses should reduce decision-making biases by using transparent hiring and promotion procedures. For instance, blind recruitment and uniform performance reviews could assist businesses in dealing with systematic and other discriminations. Conducting routine audits must be carried out to identify and address salary disparities based on age, gender, or disability. This would help to ensure pay parity and equity. Provide secure channels for workers to report incidents of harassment or discrimination without being worried about retaliation.

Legislators must enforce existing anti-discrimination legislation, including Title VII, the ADEA, and the ADA, ensure industry-wide compliance, and keep an eye on businesses' operational procedures. Expand legal protections to combat intersectional discrimination, where individuals encounter many forms of bias and discrimination (Crenshaw, 1989). Legislators ought to mandate that organizations release reports evaluating diversity measures and discrimination complaints. Transparency and openness should be promoted in organizations. This data can be used to inform evidence-based policy initiatives. To combat stereotypes and promote diversity in communities,

businesses, and educational institutions, policymakers ought to fund public awareness campaigns.

Societies must raise awareness of the detrimental effects of discrimination through media coverage, school curricula, and community efforts. To guarantee that underprivileged communities are empowered, support and encourage grassroots initiatives. Institutions ought to answer for their functions. Social conventions that uphold or support injustice and discrimination should be challenged, and societies should embrace diversity in order to foster cultural transformation. In order to create a fair environment that benefits people, companies, and society as a whole, stakeholders may work together.

Despite providing important insights into the causes and consequences of discrimination, this study has limitations. Future research would take a more comprehensive approach and produce more comprehensive findings if these limitations were addressed.

Prejudice based on gender, age, and disability was the main emphasis of the study; racial, religious, and LGBTQ+ prejudice was not included. There is a greater reliance on case studies and secondary data, which limits the conclusions' predictability. Surveys, focus groups, interviews, and observations are examples of primary data collection techniques that could yield more in-depth insights. Not all aspects of the intersectionality of discrimination have been discussed in this article, where individuals encounter many overlapping forms of bias. A woman of color with a disability, for example, may face compounded discrimination, which is not taken into consideration by this methodology.

Future studies should look at the intersectionality of prejudice to have a better understanding of how different forms of bias interact and aggravate each other's effects. This can entail taking into account qualitative studies that chronicle the actual experiences of individuals who face intersectional prejudice. Future research will look at how technology can either increase or decrease discrimination. For example, whereas AI-driven technologies can lessen human biases in hiring, they may exacerbate pre-existing gaps and inequality if they are not developed inclusively (World Economic Forum, 2022). Future study will take a longitudinal approach to track the long-term efficacy of anti-discrimination laws and workplace activities. This would provide priceless insight into long-term fixes. To comprehend the global features of discrimination, future research will take into account cross-cultural comparisons and the effects of prejudice in both advanced and emerging economies.

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