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# THE DIVERSITY IN ORGANIZATIONS



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# THE DIVERSITY IN ORGANIZATIONS

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## ABSTRACT

Diversity in organization represents a workforce composed of heterogeneous people of varied demographic dimensions, such as race, gender, ethnicity, age, nationality, sexual orientation, disability, religion, etc. working towards a common purpose for the organization. However, diversity in organization presents both advantages as well as challenges owing to the different observable and non-observable characteristics that exist within a demographic group as well as at the individual level within a group. Therefore, it is imperative to have an effective process of managing diversity in organization.

There is a general consensus that organizational culture can either foster or constraint diversity inclusiveness. Managing diversity through organizational policy, awareness focused, engagement through formal training, and cultural intelligence are some of the ways to effectively manage organizational diversity. Factors that can potentially mitigate against diversity management includes stereotype, and resentment by some members of a group who may feel dissatisfied by the introduction of diversity inclusion policy, which they

may feel as a threat to their enjoyment of certain prior exclusiveness status. Thus, a resistance to dissimilar ethnic or cultural groups will be mundanely fought, unless a decisive implementation force is put in place.

Nevertheless, traditional approaches to diversity management involves training members of an organization as a starting point to propagate the benefit of diversity inclusiveness so that different groups within the organization can view diversity as a positive development rather than as a negative. Though, the onus of the success of diversity management rest with the leadership and management of the organization.

Systematic cultural intelligence program that foster cultural diversity is obviously one way to provide common ground for people of diverse cultural backgrounds to begin to view other's culture through mindfulness, skill, knowledge and tolerance. The human race is not homogeneous, cultures varies from place to place, gender that was once dualistic (male or female) is now varied, and human behavior continue to evolve infinitely heterogeneously.

# INTRODUCTION



Diversity is the heterogeneity amongst humans (Richard, McMillan, Chadwick, & Dwyer, 2003), a characteristic of group of people on one or more relevant dimensions (Hitt Miller, & Colella, 2011), that refers to demographic differences, such as race, gender, ethnicity, or nationality (Hajro, Gibson, & Pudelko, 2017), all of which potentially contribute to a particular cultural identity that stems from membership of socio-culturally distinct demographic groups (McGrath, Berdahl, & Arrow, 1995).

Organizational diversity has been used to describe the composition of groups within a workforce (Robertson, 2006); it is the representation of people of varied idiosyncratic experiences, or the representation of observable and non-observable characteristics within a group, which includes age, race, gender, sexual orientation, cultural backgrounds, religious differences, disabilities, educational qualification, personalities, philosophies, or diverse value system at a common-place, working for a shared purpose for the organization. Furthermore, the concept of organizational diversity depicts the varied perspectives and approaches amalgamated through team efforts towards work by different identity groups, with varied socio-cultural, and socioeconomic backgrounds at a workplace environment (Ely & Thomas, 2001; Robertson, 2006).

Generally, diversity is widely categorized into two dimensions - primary dimension and secondary dimension. Primary dimension of diversity are the physical, observable characteristics such as race, gender, ethnicity, sexual orientation, disabilities, and religion; these dimensions are influenced by early socialization process, thus, it continue to have a powerful, sustained impact on individual experiences, values, assumptions and expectations, and individual's worldview throughout every stage of life; whereas, secondary dimension of diversity are the differences acquired, or modified over time, based on life experiences, particularly, choices and decisions that shape people's story and history; e.g., marital status, educational background, income status, work experience, language, etc. More implicitly, diversity has been categorized into five types on the basis

of how it influences group processes (Hartel & Fujimoto, 1999; Hartel, Hartel, & Trumble, 2013), such as 1) social diversity category; 2) diversity in terms of value and beliefs; 3) diversity in verbal and non-verbal behavior; 4) skill and knowledge diversity; and 5) organizational cohort diversity (Hartel et al., 2013).

The main driver of diversity cum organizational diversity in the United States and other developed countries are caused by increased migration for better opportunities, demographic labor market change and globalization of businesses (Lauring & Selmer, 2012; Tattli & Özbilgin, 2009). Several research and publications on the value of diversity in organizations have documented the advantages and positive impact of organizational diversity (e.g., Cox and Blake, 1991; Watson, Kumar, & Michaelson, 1993; Elsass & Graves, 1997; McLeod, Lobel, & Cox, 1996; Ely & Thomas, 2001; Richard, 2000; Richard et al., 2003; Robertson & Park, 2007; Lopez-Cabrales, Pérez-Luño, & Cabrera., 2009; Van Knippenberg, De Dreu, Homan, 2004; Gaur and Kumar, 2009; Stahl, Maznevski, Voigt, & Johnson; Lauring & Selmer, 2012; Tang & Naumann, 2016).

In particular, Lauring & Selmer (2012) explore openness to diversity in terms of visible and informational heterogeneity and group processes through group trust and conflict; while Hartel et al. (2013) outlined new approaches to cultural awareness training, the individual differences approach to diversity, by proposing to eliminate the need to characterize culture, address unfair discrimination, teach employees to become aware of how their attitudes affect other's job performance, and argues that associates and management should focus on job requirements rather than individual characteristics. In support of positive impact of organizational diversity, Larkey (1996) shows the effects of gender and age on team performance as important diversity elements. Member diversity in terms of ethnicity and national origin has been shown to affect team performance (Cox, 1993; Watson et al., 1993).

This paper, therefore, objectively concerns itself with organizational diversity; particularly, focusing on diversity management.

## THEORIES OF ORGANIZATIONAL DIVERSITY



Several organizational diversity theories exist, e.g., institutional theory (Kindra & Hinings, 1998; Powell, 1991; DiMaggio & Powell, 1983; DiMaggio & Powell, 1991; Scott, 1987), plurality theory of perspective on managing diversity (Bendl, Bleijenbergh, Henttonen & Mills, 2015), theories of institutional economics, which posits that organizations are subgroup, interactive, and represents two facet of one phenomenon (Chavance, 2011; North, 1990; North, 1994), and Queer theory questions categorizations and identities; therein, it uses heteronormativity to highlight important socioeconomic aspects associated with managing differences in organizations, rather than following societies' dualistic sex-model, in which every individual is defined as male or female, whereas, transgenders or intersexual persons do not fit into dual sex system, and are therefore, confronted with exclusion and suppression (Bendl, Fleischmann & Hofmann, 2009). Bendl et al. (2015) offered philosophical theories, including, positivist, constructivist, critical approach, intersectional, postcolonial, and queer perspectives to elucidate organizational pluralism.

In all, these theories offer unique lenses to spur knowledge about how diversity is viewed, and to promote inclusiveness rather than exclusiveness. To this end, the United States passed affirmative action into law in 1961 to set a new course of diversity inclusiveness.

# DIVERSITY MANAGEMENT

The equal treatment for people of different groups that make up organizations (Baggio, 2017), have become a popular topic around the world with a focus on organizing and managing inclusion and exclusion of different gender, sexualities, ethnicities, ages, classes, abilities or disabilities, and many other identity categories (Bendl et al., 2015). It is natural for people to feel more comfortable interacting and forging relationships and working with others who are similar on a variety of dimensions such as age, race, ethnicity, education, functional area, values, personality, and religious affiliation (Schneider, Goldstein, & Smith, 1995; Hitt et al., 2011). Although the foregoing is the natural fault-line in organizations (Kulkarni, 2015), however, employees must learn to work with others whose pedigree and characteristics are dissimilar in order to achieve common goals for the organization (Hitt et al., 2011). Thus, organizational diversity management has become a very crucial subject matter of interest in Human Resource Management (Bendl et al., 2015; Baggio, 2017) to foster integration of diversity in organizations, which can help to achieve competitive advantage (Williams & Bauer, 1994; Hitt et al., 2011).

Managing organizational diversity is creating a workplace climate in which each individual worker, regardless of race, gender, ethnicity and other dimensions of heterogeneity, can fully develop and move up in the organization (Thomas, 1990). The research by Hajro, et al. (2017) suggests that the type of diversity climate that prevails in an organization encourages or constraint the knowledge exchange in teams and ultimately results in low or high team effectiveness.



## Diversity Climates

According to Hajro, et al. (2017), at the organizational level, three diversity climates are crucial to diversity management: 1) policy-focused; 2) awareness focused; and 3) engagement-focused. Policy focused climates are characterized by concern for diversity, primarily from a policy standpoint and organizational leadership through Human Resource Department. The genuine commitment of the organization's leadership is the first step towards effective diversity program through effective communication that inclusiveness is important (Hitt et al., 2011). Policies and norms that require all employees to assimilate and adapt to organizational culture of inclusiveness leaves no room for flaws and otherwise. For example, the codes of conduct of an organization contains written non-negotiable principles, including standardized diversity practices that are binding and enforced on all members of the organization (Hajro et al., 2017).

Awareness-focused climate essentially refers to

workplace environment that promote and enhance diversity and proactively training employees on the need to tolerate and embrace diversity. Employees' perception that they are valued and supported by their organization has strong effect on commitment to the organization and their job satisfaction (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Hitt et al., 2011). Awareness primarily canvasses the legitimacy and governmental laws that support inclusiveness, integration, and workplace fairness. Core principles of the awareness training program at the workplace should unequivocally, declare stereotype, prejudices, and discrimination a violation of company policy as well as outline the legal consequences of such behavior.

Engagement-focused climates characteristically used diversity to inform and enhance work processes based on the assumption that cultural differences give rise to different insights within a team (Hajro et al. (2017). Such understanding by

employees has meaningful impact on the way team members respond to other coworkers, who may be dissimilar in one or more demographic dimensions. Effective diversity management calls for employees involvement in diversity program planning, otherwise, diversity programs could lead to suspicion of feelings of unfairness in some employees, particularly, if they misinterpret the diversity program to be antagonistic to the benefit they are currently enjoying based on their group status (Hitt et al., 2011). It is important for diversity programs organizers to address the needs of both minority group as well as that of the majority group members; with attention on evaluating the program's strategy and implementation; performing an annual cultural diversity audit through survey of the employees; and an informal reporting hotlines for employees to provide the organization with unsolicited whistle blowing feedback (Hitt et al., 2011).

## Factors Affecting Diversity Management

There are several roadblocks to diversity (Hitt et al., 2011), however, organizations must effectively manage and create environment that foster diversity inclusion. Most of the factors affecting diversity management includes; 1) prejudices, which is simply an unfair negative attitudes people hold against other people who are of dissimilar social or cultural groups, e.g., racism, sexism, homophobia, etc., these acts causes discontentment, anxiety, hate, fear, and negative emotional reactions as a consequence of discrimination (Hitt et al., 2011); 2) stereotype is another issue affecting diversity management, which in general, characterizes a

group with unrealistic, rigid, negative sets of belief about a group, and mostly based on erroneous conclusions (Hitt et al., 2011); and 3) effective communication problem is by far the most adversely affecting diversity management in organization because some coworkers may not be fluent in the dominant language, for example, English language is the official language of communication at workplace in the United States, and this can have adverse effects on new immigrants, making such an employee to not participate or contribute to conversation in a team (Hitt et al., 2011). On the other hand, poor communication from management on how to mitigate such language barriers to employees in the organization may lead to isolation, and poor integration of new immigrant employee to a team.

The approach used by management in the implementation of diversity training program has a significant effect on the likelihood of achieving positive outcomes (Kulik & Roberson, 2008), such as the individual development, productivity of workers, or negative outcomes, such as resentment, dissatisfaction and polarization among some or all groups of employees in an organization (Roberson,

Kulik, & Pepper, 2009). Consequently, traditional approaches to diversity training have two key weaknesses (Hartel et al., 2013). First, when cultural characteristics are the unit of analysis for the diversity program, it simply means that diversity is viewed as culture, and therefore, an entire culture is reduced to a manageable number of stereotypes, which Ho (1995) described; in a nutshell, that having prior information about a group can lead to the automatic activation of certain expectations based on the perception of such a group, and judgments about members associated with that group (Devine, 1989). Thus, intra-cultural differences are totally reduced (Rhuly, 1976), which potentially can escalate the risk of offending both members and non-members of the target culture (Solomon, 1990). Based on the aforementioned problem, Ho (1995) argued for a more equitable approach that takes into account that no two individuals share the same worldview (Hartel et al., 2013). Second, teaching employees about specific cultures may serve to make the differences among cultures more conspicuous, which can reduce some common grounds in cultural similarities, consequently, raising the level of perceived widened dissimilarity amongst the different cultures.

# Cultural Intelligence and Its Importance in Diversity Management



The application of cultural intelligence is crucial to organizational diversity management. For simplicity, cultural intelligence is the capacity to interact effectively with people from different cultural backgrounds, particularly, enabling people to recognize cultural differences through knowledge and mindfulness, thus, helping people to act appropriately across diverse cultures (Thomas & Inkson, 2009). Cultural intelligence comprises knowledge of the culture under consideration, mindfulness of other people's culture, and skills in learning, recognizing, adopting and adapting to the new culture (Thomas and Inkson, 2009).

Cultural intelligence can only be acquired through practice, immersing oneself in other people's cultures, or living and working in culturally different environment to one's native culture (Thomas & Inkson, 2009). Acquisition and application of cultural intelligence involves learning and observing the way of life as well as the day-to-day experiences of the new culture in order to have meaningful and effective cultural intelligence. Therefore, as the cultural learning is ongoing,

mindfulness is key to cultural intelligence (Thomas & Inkson, 2009).

Thomas & Inkson (2009) asserted five stages that are relevant to the development of cultural intelligence quotient (CQ), which includes: (a) reactivity to external stimuli; (b) recognition of other cultural norms and motivation to learn more about them; (c) assimilation of diverse cultural norms into alternative behaviors; (d) accommodation of other cultural norms and rules in one's own mind; and (e) proactivity in cultural behavior based on recognition of changing cues that others do not perceive (Thomas & Inkson, 2009). Cultural intelligence, therefore, provides a means of dealing with group development and process issues that are caused or exacerbated by cultural differences (Thomas & Inkson, 2009).

Cultural intelligence also enables people to observe and understand the different actions and the intensions of group members culture (Thomas & Inkson, 2009). Based on the concept of cultural intelligence, it is more easier to manage and implement organizational diversity program.



The human race is not homogeneous, cultures varies from place to place, gender that was once dualistic (male or female) is now varied, and human behavior continue to evolve infinitely heterogeneously. These differences that exist between groups can create stereotype, discrimination, racism, and other types of negative human behavior, which have consequential effects, e.g., tensions between ethnicity and discontentment at the organizational level, while protest and riots will be a natural reaction to discrimination in the society at large. For these reasons, the need for diversity inclusion has become

important economic discuss, that aims to reduce social-cultural biases, and the legal challenges it can cause in organizations. Thus, diversity management has become an inescapable reality for today's organization (Tatli & Özbilgin, 2009).

Although organizational diversity has its negative and positive implication depending on the local context and leadership management efforts (Williams & O'Reilly, 1998), however, diversity has positive effects on group process, and performance (Cox, 1993; Watson et al., 1993).

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