

Managing Workforce Diversity and Creating Multicultural Organizations....

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Abstract

In this era of Globalization "Workforce Diversity" has become an essential business concern. It is not a moral imperative for the business rather a global necessity. When one embrace diversity, it embrace success and thereby creates multicultural organizations - where people value diversity and differences, assimilate in different colors of culture and integrate these into the corporate culture to perform extremely well.

Despite its challenges diversity brings about many

advantages to an organization and its members. To sustain in the competitive market place top organizations started to recognize the power of workforce diversity as a competitive tool and started managing diversity. The whole purpose of managing diversity is to bring out the best of employees Talent, Abilities, Skills and Knowledge for the benefits of individual employees as well as the well-being of the organization.

In this article an attempt has been taken to explain the concept of "managing workforce diversity" and how the managers and leaders can take optimum advantages of diversity and can nurture and manage diversity more effectively to develop multicultural organizations.

Key Words: Workforce Diversity, Multicultural Organizations, Corporate Culture.

Introduction

Global Business of the 21st century demands excellence through diversity. In the contemporary business world Diversity is not a buzz word rather it is a business imperative. When organizations embrace diversity they embrace success. Any business that intends to be successful must have a borderless view and an unyielding commitment to ensuring that workforce diversity is part and parcel of its day-to-day business conduct.

Workforce Diversity as a concept emerged in the organizational context after globalization when the need arise for business to go globally to cater customers across the world. Work force Diversity management becomes an important issue for organizations mainly because of the free movement of labour due to globalization and the fight for human rights by certain minority groups who feel excluded from the employment sector and to further the availability equal opportunities in the workplace. The increased mobility and interaction of people from diverse backgrounds as a result of

improved economic and political systems and the recognition of human rights by all nations has put most organizations under pressure to embrace diversity at the work place.

Workforce Diversity Defined

Diversity has increasingly become a "hot-button" issue in corporate, political, and legal circles. There is an increasing need to understand more about workforce diversity in a deeper level than what we generally see at the surface.

When people think of diversity, they may think first of ethnicity and race, and then gender; however, diversity is much broader than that. Diversity is defined as "otherness or those human qualities that are different from our own and outside the groups, to which we belong, yet present in other individuals and groups." Dimensions of diversity include, but are not limited to: age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience (Loden and Rosener 1991, 18-19).

By "diversity" is meant all the differences that people bring to an organization or group. "Diversity includes all characteristics and experiences that define each of us as individuals." A common misconception about diversity is that only certain persons or groups are included under its umbrella, when in fact, exactly the opposite is true. Diversity includes the entire spectrum of primary dimensions of an individual, including Race, Ethnicity, Gender, Age, Religion, Disability, and Sexual orientation (referred to by the Diversity Task Force as "REGARDS"). Secondary dimensions commonly include: communication style, work style, organizational role/level, economic status, and geographic origin . It is a simple fact that each of us possesses unique qualities along each of these dimensions.

Diversity refers to the co-existence of employees from various socio-cultural backgrounds within the company. Diversity includes cultural factors such as race, gender, age, colour, physical ability, ethnicity, etc. The broader definition of diversity may include age, national origin, religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status (Wentling and Palma- Rivas, 2000).

Managing Workforce Diversity

Managing Workforce Diversity is crucial and a manager must learn to respect the diversity .He has to recognize the differences of different employees and respond to them accordingly which will ensure employee satisfaction. An increasingly Workforce Diversity presents both opportunities and challenges for the organization.

Broadly, defined diversity management as the systematic and planned commitment by the organizations to recruits, retain, reward and promote a heterogeneous mix of employees. Diversity can improve organizational effectiveness. Organizations that develop experience in and reputations for managing diversity will likely attract the best personnel (Carrel et al., 2000).

Managing diversity means acknowledging people's differences and recognizing these differences as valuable; it enhances good management practices by preventing discrimination and promoting inclusiveness. Good management alone will not necessarily help you work effectively with a diverse workforce. It is often difficult to see what part diversity plays in a specific area of management.

Managing diversity means enabling the diverse workforce to perform its full potential in an equitable work environment where no one group has an advantage or disadvantage (Torres and Bruxelles, 1992).

Managing diversity should be a comprehensive, holistic process for managing the differences that people bring for the productive well being of all, especially the firm and its mission. A holistic model of managing diversity recognizes its two dimensions: the primary or Horizontal (mainly biological, usually visible: age, gender, race, ethnicity, sexual orientation, disabilities), and the secondary or Vertical (psychosocio- spiritual, usually invisible: values system, worldviews, mindsets, ethics, paradigms, core intelligences). These differences have the potential of giving rise to conflicts, but if managed well can result in a synergetic unity, where the effect of all working together is greater than the sum total of all the parts working independently.

Diversity requires a type of organizational culture in which each employee can pursue his or her career aspirations without being inhibited by gender, race, nationality, religion, or other factors that are irrelevant to performance (Bryan, 1999).

In today's fast-paced work environment a successful organization is one where diversity is the norm and not the exception (Lawrence, 2001). That's why today's organizations need to recognize and manage workforce diversity effectively. For a few of the country's top companies, diversity is not a matter of conversion, but of corporate culture.

Benefits of Managing Workforce Diversity

It is argued that organizations that value diversity will definitely cultivate success and have a future in this dynamic global labour market (Jain and Verma, 1996).

Workforce Diversity provides an opportunity for people from diverse backgrounds to utilize a broader range of their talents and abilities. Managing diversity can create a competitive advantage because different viewpoints can facilitate unique and creative approaches to problem-solving, thereby increasing creativity and innovation, which in turn leads to better organizational performance (Allen et al., 2004). Potential benefits of diversity include better decision making, higher creativity and innovation, greater success in marketing to foreign and domestic ethnic minority communities, and a better distribution of economic opportunity (Cox, 1991; Cox and Blake, 1991).

Organizations with a diverse workforce can provide superior services because they can better understand customers' needs (Wentling and Palma-Rivas, 2000). Hiring women, minorities, disabled, etc. will help organizations to tap these niche markets (Mueller, 1998) and diversified market segments (Fleury, 1999). As all the segments of society have a stake in the development and

prosperity of society as a whole, creating and managing a diverse workforce should be seen as a social and moral imperative (Mueller, 1998).

"We view diversity as something more than a moral imperative or a business necessity—we see it as a business opportunity." Aligning diversity with the mission and business of the organization increases employee satisfaction and retention; improves Competitiveness and productivity; increases responsiveness; and adds value to the customer.

Experience and recent research indicate that when recognized and valued, diversity enhances individual productivity, organizational effectiveness, and sustained competitiveness.

Disadvantages

Many people feel threatened by working with people of a different age, sex, or culture with diverse workforce. To well adjust with a diverse workgroup and organizational culture training in various forms are required leading to increase in the cost of training.

If irrespective of training people cannot adjust then it increases the level of conflict that creates a chaotic environment individuals or groups do not see eye to eye on a particular situations even. In regard to diversity, conflicts arise largely due to ignorance. Prejudice feelings or derogatory comments cause a lack of acceptance. "This can produce negative dynamics such as ethnocentrism, stereotyping and culture clashes" (White, 1999).

In a diverse workforce there are always difficulties in communication, coordination and cooperation and it is a major hindrance for smooth goal attainment.

High labour turnover, absenteeism and low employee satisfaction and productivity are the disadvantages in a diverse workplace. Employees who perceive themselves as valued members of their organization are hard working, involved, participative and innovative. Unfortunately, minority-group members often feel less valued than do majority-group members due to stereotyping, ethnocentrism, and prejudice. Mismanagement of diversity in the form of denied access or unfavorable treatment can have negative consequences, such as inhibiting workers' abilities and motivation. This leads to lower job performance. Therefore, when an organization ignores the existence and importance of workforce diversity, conflict can emerge and neither the corporation nor its employees will realize their potential (Goetz, 2001).

It is believed that organizations should put in place strategies to enhance workforce diversity. It is the approach to diversity, not the diversity itself which determines the actual positive and negative outcomes (Adler, 1997).

Strategies for Diversity Management

The importance of workforce diversity is constantly evolving and presents new and different challenges, especially as businesses become more global. So today's business organizations should look the matter from an strategic point of view. The strategy (diversity or otherwise) must be based on the will of the human resources, strength, and culture of the organization (Hayes, 1999).

Managers must understand their firm's culture first and then implement diversity strategies according to that culture (Hayes, 1999).

Companies can succeed at diversity if the initiative to create, manage and value the diverse workforce has the full support of the top management (Hayes, 1999; Jackson et al., 1992).

The organization should create such a working environment which will increase the motivation, satisfaction, and commitment of diverse people. For the same the organization should devise strategies in the key areas related to diversity like Leadership and Management, Workplace Culture, Recruitment, and Employment Support and Development.

Organizations should have an appropriate and responsive management to maintain diversity and must identify people with a strong leadership role to cultivate diversity. Workplace culture must reflect a greater appreciation of diversity. The organizational culture plays a central role in diversity management implementation. If the organizational culture isn't integration-oriented and if it hasn't the integration values, every attempt of diversity management fails (Cox, 2001; Pless and Maak, 2004). Promoting greater diversity awareness, Intercultural awareness among the employees through diversity dialogues, guest speakers and staff workshops on targeted issues can be successful strategies for managing diversity. Recruitment strategy should be carefully monitored to include a heterogeneous group of people having different backgrounds, talents and skills. Organizations should focus on creation of the support system, to reduce isolation and discrimination and to help for adaptability in the multicultural setting. This can be done through the encouragement of a formal system and informal networks. Various types of diversity training programs to develop language competencies, cultural adjustments are required. Organizations can develop promotional materials describing the positive experience of managers adopting best practice in the area of workforce diversity. Above all before implementing all these strategies it is important to first communicate what diversity is and what the organization hopes to achieve by managing it more effectively (Bagshaw, 2004).

According to the Bureau of Labor Statistics, by 2010, employers will face a shortage of 10 million skilled workers. Numerous other sources show that the demographics of our workforce are shifting toward an increase in the percentage of women and people of color. As we move from the dawn of the twenty-first century toward the completion of its first decade, the ability to acquire, manage, and retain a diverse workgroup will clearly be a large factor in determining what companies move to the front of the pack. By effective management of a diverse workforce today, organizations are in a better position to gain a powerful competitive edge tomorrow.

Creating Multicultural Organizations through Diversity

Multiculturalism is a system of beliefs and behaviors that recognizes and respects the presence of all diverse groups in an organization or society, acknowledges and values their socio-cultural differences, and encourages and enables their continued contribution within an inclusive cultural context which empowers all within the organization or society. It includes what people believe about others, their basic paradigms, and how this impact, and are impacted by, behavior.

In an age of cultural pluralism, multiculturalism is needed to manage diversity effectively. In essence, then, multiculturalism is nothing more than the art of managing diversity in a total quality manner. It is the only option open to educators, leaders and administrators in an ever-increasing culturally pluralistic environment.

In the business world the process of multiculturalism is best maintained through managing diversity—an intrinsic approach to business ethics and human interrelations that acknowledges and respects the contributions which the various racial/ethnic groups, as well as women, have made to society, and incorporates these contributions in an overall program of human resources management which meets the needs of an ever-changing society and its demands on business, and is sensitive to the personal and social development of all entities concerned.

Multiculturalism, as the art of managing diversity, is an *inclusive* process where no one is left out. The mere presence of an ethnically and racially diverse workforce population, due to legal, economic or social imperatives, does not make a business multicultural. This is merely being concerned with affirmative action. This was the main accomplishment of the 1960s and 70s, giving people access to the system. In the 1980s the concern was with “valuing differences.” In the 1990s the push is for “managing diversity.” But in the 21st century the focus of schools and corporations needs to be on “living diversity” that truly creates multicultural organizations.

Conclusion

In today's competitive corporate culture multiculturalism and diversity are the secrets of success for any organization. The more and more people assimilate with varied cultures and diverse background the more progressive they become. The corporate leaders should take the initiation to bring forth multicultural settings where people can work together as a family with the philosophy of “work for everyone” with optimum utilization of their ability, knowledge and skills.

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