

## **CHAPTER 3**

# **GENERAL ISSUES IN MANAGEMENT**

### **A Pragmatic and Holistic Approach to Managing Diversity**

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#### **Abstract**

Diversity is no longer merely a buzzword in today's organisations. It has become an asset for some companies and a liability for others. Now is the time for academics and business practitioners to develop a pragmatic and holistic approach to managing diversity. Implementation of such an approach will differentiate post-modern organisations from the rest.

This paper presents differing concepts of diversity and diversity management, and then suggests a pragmatic and holistic framework for diversity management. The framework is based on the inter-relationships between, and integration of the four main processes, viz. motivational, interaction, visioning and learning processes within the management system.

**Key words:** Diversity, management, diversity management, framework, motivation, interaction, vision, learning, process, employment equity, affirmative action.

#### **Introduction**

##### *Concepts of Diversity and Diversity Management*

Loden & Rosener (1991) define diversity as that which differentiates one group of people from another along primary and secondary dimensions, which are as follows:

- Primary dimensions of diversity, those exerting primary influences on our identities, are gender, ethnicity, race, sexual orientation, age and mental or physical abilities and characteristics.
- Secondary dimensions of diversity are less visible, exert a more variable influence on personal identity and add a more subtle richness to the primary dimensions of diversity. They include: educational background, geographic location, religion, first language, family status, work style, work experience, military experience, organisational role and level, income and communication style.

There is a definite trend towards definitions of a multiplicity of diversity dimensions; Arredondo (2004) adds culture, social class and language to the primary dimensions and healthcare beliefs and recreational interests to the secondary dimensions. She further adds a tertiary dimension, which encompasses historical moments experienced. Maier (2003, pp. 132-134) lists no less than 38 possible diversity dimensions, and further suggests that his item "character traits" is "infinitely expandable". He illustrates this multi-dimensionality by reference to the individual as a kaleidoscope.

The analogy of an iceberg comes to mind in the face of these potentially endless dimensions (Figure 1); the obvious characteristics of race, ethnicity, gender, age and disability relate to the small, visible portion of the iceberg, and are the basis of much anti-discrimination legislation around the world. Other dimensions such as religion, culture and political orientation are less obvious, and could be said to constitute the secondary dimensions lying just below the surface, which may be revealed with time. The tertiary dimensions as illustrated in Figure 1 are often the core of individual identity and lie deeper below the surface. It is the vast array of qualities that lie beneath the surface that provides the real essence of diversity to be tapped into, and these have not until recently been acknowledged. It should be noted that only some of the possible dimensions are shown in Figure 1; the lists are in no way exhaustive.

Thomas (1996) sums the situation up by observing that diversity in business has for too long been associated with multicultural, multiethnic and multiracial aspects of the workforce. He defines diversity as “any mixture of items characterised by differences and similarities” (Thomas, 1996, p. 5).

In support of this view, this paper proposes that diversity be redefined as:

*“The collective, all encompassing mix of human differences and similarities along any given dimension.”*

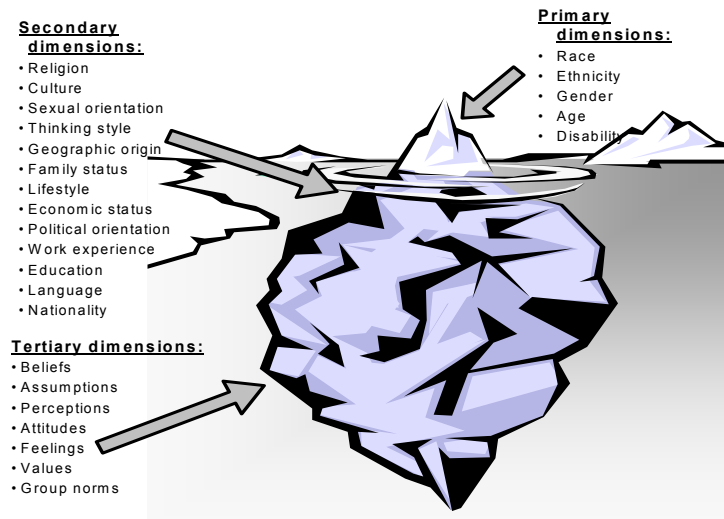


Fig. 1. Dimensions of Diversity

Figure 1 indicates that diversity has many dimensions. These may intertwine to produce unique syntheses of human profiles, made up of both differences and similarities. The dimensions interact with and influence one another, and emerge or are displayed differently in different contexts, environments and circumstances, making analysis and management complex. Race, for example, may be more dominant than age in a certain social situation, but may be less dominant than education in a work context. Thus the position and dominance of each dimension are not static, but dynamic, making the concept of diversity and diversity management more complex.

In addition to this, the secondary dimensions are more malleable and many of them will change over time. Diversity is not simple, not easy to grasp and not easy to manage.

The relationship between diversity management, employment equity and affirmative action is viewed in various ways in the literature. Some see diversity management as being the same as other concepts such as employment equity or affirmative action, and use the terms interchangeably. Some view the three ideas as being complementary, and others believe that diversity management is simply a less controversial alternative to employment equity or affirmative action (Agocs & Burr, 1996). However, managing diversity needs to take a broader perspective than employment equity or affirmative action alone (Agocs & Burr, 1996; Wilson & Iles, 1999).

This paper (Table 1) argues that, even though diversity management is different from employment equity or affirmative action:

- the successful management of diversity depends on the application of employment equity and;
- the successful application of employment equity relies on the effective implementation of diversity management.

Table 1

Differences Between Employment Equity and Diversity Management

EMPLOYMENT EQUITY	DIVERSITY MANAGEMENT
<ul style="list-style-type: none"> <li>• Changes the way an organisation looks</li> <li>• Changes the mix of people</li>   <li>• Focuses only on differences</li> <li>• Focuses on race, gender and disabilities</li> <li>• Anti-discrimination</li> <li>• An end in itself</li> <li>• Externally driven</li> <li>• Legally mandated; social and moral justification</li> </ul>	<ul style="list-style-type: none"> <li>• Changes the way an organisation works</li> <li>• Changes the mix of people, environment, systems, processes...                             <ul style="list-style-type: none"> <li>→ empowerment</li> <li>→ transformation</li> </ul> </li> <li>• Focuses on both differences and similarities</li> <li>• Focuses on all dimensions of diversity</li> <li>• Pro-inclusivity</li> <li>• The means to an end</li> <li>• Internally driven</li> <li>• Voluntary; a business imperative</li> </ul>

In other words, employment equity, affirmative action and diversity management complement each other and it is a strategic necessity for organisations to integrate all three if they wish to succeed in making diversity an asset.

Diversity and its implications for effective management have become increasingly important over the last two decades (Duchatelet, 2001), and global trends indicate that managing diversity has become a business imperative (Cox & Beale, 1997). Indeed, companies have gradually come to understand how diversity in the workplace affects the management system and, thereby, the performance of groups and of the organisation.

Cox & Beale (1997, p. 13) are of the opinion that managing diversity “consists of taking proactive steps to create and sustain an organisational climate in which the potential for diversity-related dynamics to hinder performance is minimised and the potential for diversity to enhance performance is maximised”. Organisations willing to make this type of environment in reality will profit from many benefits of diversity. This paper suggests that, in order to create value out of both human differences and similarities, it will be essential to create a management system and environment that welcomes and stimulates employment equity programmes.

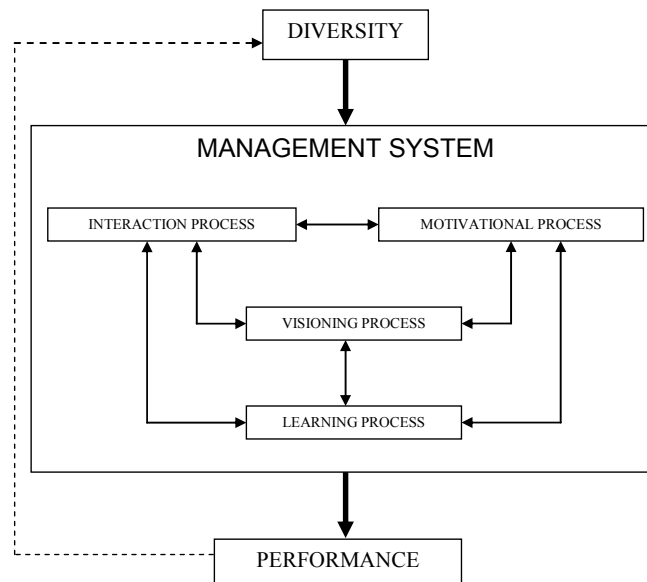


Fig. 2. Influences of Diversity on Management System

### ***Pragmatic and Holistic Framework for Diversity Management***

Rijamampianina (1999) and Rijamampianina & Maxwell (2002) argue that diversity does not directly influence the group and/or organisational performance, but rather impacts the management system at the level of the four main organisational processes – namely, motivational, interaction, visioning and learning processes. These in turn influence the group and/or organisational performance (see Figure 2).

Figure 2 also shows that the four processes are interrelated at a basic level. Thus, any activities undertaken within one of these processes will have a ripple effect, and trigger change in all the other processes leading to shifts in the performance of the group or organisation. It is therefore essential to consider and examine the management system holistically rather than to analyse each process in isolation.

Although all four processes are equally important in the management system (Rijamampianina & Maxwell, 2002), this paper proposes to start the discussion from the motivational process.

### **Motivational Process: Outcome Sharing**

Employee commitment has three levels: obligation, belonging and ownership (Rijamampianina, 1996). Managing the motivational process is primarily to increase each individual employee's commitment at the ownership level, so that they will be willing to perform at their highest potential.

Today, the trend toward teams in organisations is increasing (Milliken & Martins, 1996) and employees are compelled to work together in a variety of ways. When the workplace is diverse, the different talents and skills, interests, needs and backgrounds, as well as power and opportunity differences can be harnessed to benefit all. However, this very diversity can also hamper productivity and teamwork through manifesting as a lack of a common way of thinking and acting. The question is to discover what would motivate individual employees to willingly move his or her commitment toward the ownership level.

First, organisations need to create a feeling or attitude of ownership in the workplace by willingly sharing business outcomes (successes and failures) with employees. Outcome sharing is not a new management practice. In some companies it is termed success sharing or gain sharing and in others is part of sharing programmes or plans. The practice grew rapidly in the United States and Japan as a means of compensation and involvement, arguably because of its effect in aligning employees' interests with those of the organisation (Graham-Moore & Ross, 1990). It is a mechanism by which organisations reinforce identity, involvement and commitment.

In order to create an attitude of ownership in organisations, Graham-Moore & Ross (1990) stress that any policies devised for outcome sharing must be fair. Since a diverse workplace is usually characterised by people with power and opportunity discrepancies, this paper argues that fairness should go beyond the device of the policy. That is, both the management system and the work environment itself must be fair. Practically, the effective implementation of outcome sharing requires the following pre-conditions:

- Creation of an open and equal opportunity environment for learning, growth and success through strategic human resource development programmes, career development and succession planning;
- Transparency (that is, having everyone on the same page, seeing the same words and pictures) in the implementation of the policies (Rijamampianina & Maxwell, 2002); and
- Willingness to delegate responsibilities down the hierarchy and to encourage accountabilities upward in the organisational structure.

The successful implementation of outcome sharing in the motivational process would mean that the existence of mutual benefits is evident to all parties. This would be likely to influence:

- The interaction process; for example, employees would value healthy “competition” (since the workplace reality is made up of both competition and cooperation) in order to create a high performance work environment;
- The visioning process; for example, employees would be willing to make the organisational vision their own;
- The learning process; for example, employees would be incentivised to share and exchange information, knowledge, skills and competencies in order to attain or go beyond common goals.

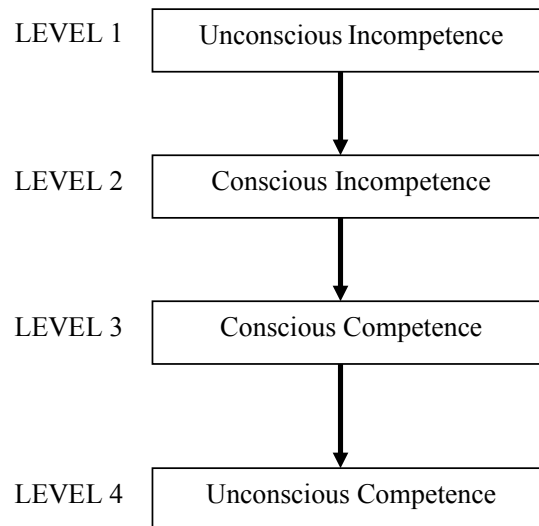
### Interaction Process: Mental Models Sharing

The second way for organisations to create a sense of ownership is through mental model sharing. The purpose of this process is to enable the diverse group to reach the gradual co-creation of a shared set of meanings and a common thinking process – mental models sharing.

When people interact, they consciously or unconsciously communicate both verbally and/or non-verbally (for example, using body language). When people communicate, they convey messages through their mental models, which are shaped by their cultures, educational backgrounds, gender, age, and the other dimensions along which diversity can be viewed, as seen in Figure 1.

The conveyor delivers the message (verbal and/or non-verbal) through his or her mental model; the receiver receives the message through his or her mental model, interprets the message based on his or her mental model and replies with another message filtered through his or her mental model, which the conveyor receives and interprets through his or her mental model, and so on. Communication between individuals of nearly identical diversity profiles can, and often does, go awry. However when those communicating are from different cultures or backgrounds, the opportunities for misunderstanding, miscommunication, misinterpretation and conflict increase exponentially (Rijamampianina & Maxwell, 2002).

These problems are more likely to occur in the early interactions between particular individuals. Indeed, the quality of their communication is positively correlated to the levels of their communication as illustrated in Figure 3.



Source: Adapted from Woldring (2001).

Fig. 3. Levels of Communication

In practice, most relationships between strangers emerge incrementally, tending to begin with small, informal deals that initially involve little risk (Friedman, 1991). The more they continue to interact, the more likely it is that their communication evolves to the next level. The very nature of their communication may shift from simple message delivery into a learning conversation. Hence repeated interactions between individuals are essential to the sharing of mental models, and are considered to be the first pre-condition to such sharing.

“As these interactions are repeated through time, and meet basic norms of equity and efficiency – that is, they are satisfactory for both parties – they may be able to [exchange and] negotiate [their differences and possibly] make commitments... to create and develop a social network” (Rijamampianina & Maxwell, 2002, p. 5).

This social network, the second pre-condition of mental models sharing, will increase the likelihood that parties:

- Shape the nature of their cooperation from simple assistance, help and support to mutual interdependence, that is, the understanding of “I need you and you need me”;
- Move toward a higher level of communication (see Figure 3);
- Either prevent conflict, or transform potential conflict into fuel for creativity, innovation and learning, that is, towards constructive conflict;
- Develop mutual understanding, trust and respect; and
- Co-create or develop shared mental models.

A group with shared mental models is one in which most, if not all, of the people involved think about a phenomenon or situation in a similar manner (Cannon-Bowers, Salas & Converse, 1990). However, this does not necessarily mean that assimilation of dominant mental models will occur. Indeed, Figure 4 shows that three scenarios are possible.

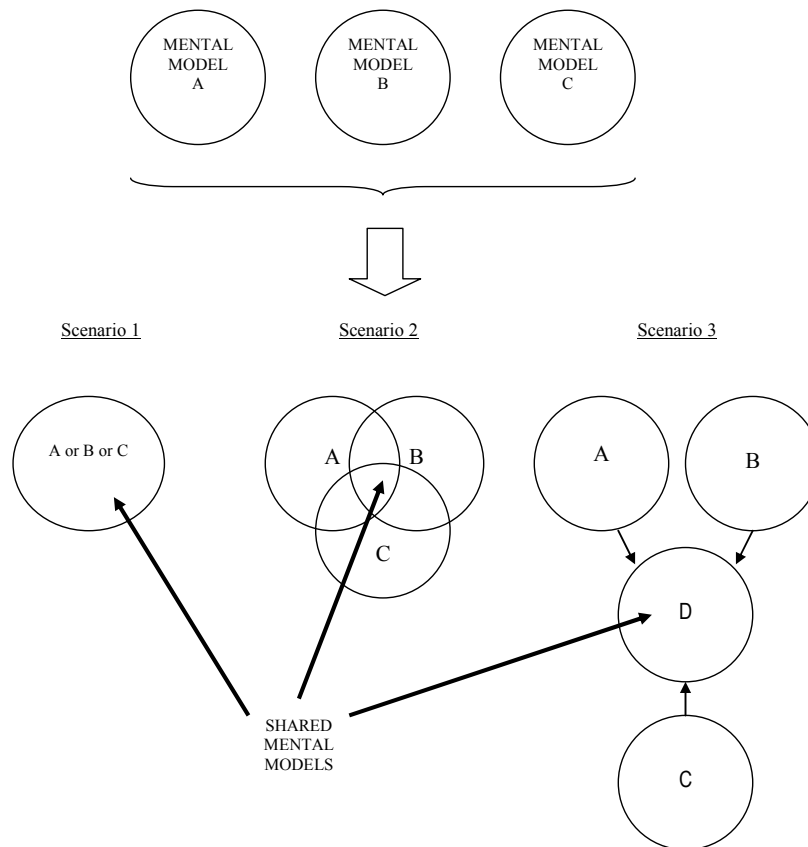


Fig. 4. Different Scenarios of Shared Mental Models

As a result, having shared mental models within a diverse group would not necessarily mean that the group had become homogeneous. Rather, it would suggest that an increase in synergy within the group would become more likely.

The implication of having shared mental models from the interaction process would positively impact:

- The motivational process; because everyone would view the importance of an open and equal opportunity environment more or less similarly and, as a result, would be likely to work together to create and sustain such environment;
- The visioning process; because having shared mental models would facilitate the co-creation of a shared vision;
- The learning process; because everyone would be willing to manage the quality of conflict in the workplace to generate a higher level of information, knowledge, skills and competence.

### **The Visioning Process: Vision Sharing**

Vision sharing is the third way for organisations to create a sense of ownership. This process is at the heart of the management system (see Figure 2). The essence of a group is a shared vision (Rijamampianina, 1999), and, furthermore, visioning is itself a collective process (Watkins & Marsick, 1993). Thus a common vision must be co-created, and is indispensable to group success. Indeed, Rijamampianina's (1999) research on diverse groups based on multinationals in Madagascar and in Japan shows that lack of unity of vision reduces group effectiveness.

The objective of managing a diverse workforce should be to create an environment in which members with any possible diversity profile and from any background are both able and willing to contribute their full potential towards achieving their common vision. Organisational reality, however, indicates that diverse workforces lack a common base; even words may have different meanings and interpretations (Rijamampianina, 1999). Moreover, in a work environment, members of diverse groups generally experience problems in agreeing on their purpose and on what tasks to perform.

To maximise effectiveness, managers and team leaders must support the group to co-create, develop and agree on a vision that transcends their individual differences. When people work together towards a shared vision, they hold themselves responsible and accountable, both as individual members of the group and as the group as a whole.

It is, however, naïve to think that co-creation of a vision is easy to achieve without the two pre-conditions mentioned earlier: outcome sharing (motivational process) and mental models sharing (interaction process).

The existence of a shared vision will influence:

- The motivational process; because it can increase the commitment level of each individual employee;
- The interaction process; because it can improve the synergy within and between groups;
- The learning process; because it can create alignment between group/organisational learning activities and the vision.

### **Learning Process: Competence Sharing**

Diversity in human and knowledge capital has become the norm in today's organisations as the world moves towards a knowledge-based economy, and this diversity has become indispensable for organisational success.

In a diverse workplace, employees are characterised by diverse talents, knowledge, skills and competencies; by various ways of acting and thinking; and by lack of common experiences. The main challenge in this process is therefore to develop mechanisms to capture, save and share gains in learning (Watkins & Marsick, 1993). The capturing and sharing of learning gains depend on the existence of exchange mechanisms (Marsick, 1994).

This paper adds that, first, learning depends on the existence of a difference or gap in knowledge, skill or competence, and learning will not take place without acquiring or developing the new or different knowledge, skill or competence. How does this happen?

According to Rijamampianina & Maxwell (2002), diversity is a natural source of variety, which is a condition for learning. The diverse nature of the workforce itself can be a driver of learning within a group or organisation. What is needed is a mechanism that would channel the learning towards the vision.

In this paper, taking into account the inter-relationships between the key processes within the management system (see Figure 2), it is argued that if outcome sharing (motivational process), mental model sharing (interaction process) and vision sharing (visioning process) are satisfied, an environment that fosters competence sharing (learning process) can be effectively and easily generated.

If competence sharing is genuinely and continuously happening within a group or organisation, this will:

- Contribute to the creation of an open and equal opportunity environment (motivational process);
- Improve mutual trust and respect within the group (interaction process);
- Reinforce the ownership of the shared vision (visioning process).

## Conclusion

Rijamampianina (1999) found that, when managed properly, diverse groups and organisations have performance advantages over homogeneous ones. In addition, writers such as Ely & Thomas (2001) found that the common element among high performing diverse groups was the integration of that diversity.

This paper has proposed a pragmatic and holistic framework for managing diverse groups and organisations. It suggests that the effective integration and synergy of diversity within groups or organisations require the principle of sharing, which needs to govern the key organisational processes through a management focus on sharing outcomes, sharing mental models, sharing vision and sharing competence.

This paper argues that diversity, if effectively managed, can be a source of competitive advantage for the group or organisation. Only organisations that can anticipate and respond to change will be able to survive in today's business environment. Indeed ability and agility to change require ability and agility to learn, and learning requires diversity.

It is up to the management of organisations to decide whether they want diversity to be an asset or a liability for their organisations.

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