MANAGING WORKFORCE DIVERSITY IN MULTICULTURAL ORGANIZATIONS: SOME OBSERVATIONS

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Abstract

In today's global economy, attaining organizational goals has become a big challenge due to increasing workforce diversity. Thus, it has become vital to analyze workplace diversity as an integral part of any organization and make it an essential instrument for achieving financial targets and overall organizational success. Technical competence and cognitive abilities of a manager merely suffice the need of managing such workplace. In order to manage an organization with diversified workforce, it is incumbent upon managers to possess effective soft skills like communication, listening, leadership, emotional intelligence, diversity awareness, intercultural competence etc.

Keywords: Workforce diversity, multiculturalism, soft skills, organizational communication, diversity awareness, intercultural competence.

Workforce diversity is a group of people belonging to different national, social, cultural, racial backgrounds. It is a group of people having a culturally pluralistic and socially diversified background. Such combination of people working in an organization creates an environment of multiculturalism in their behavior in working atmosphere. The significant aspect is to assimilate this diversified character of people in facilitating the organization for the purpose of building a uniform environment with such a relationship among them that could help in their united goal-achievement with their different origin and socio-cultural diversified pluralism.[1] In a study conducted in 12 different countries of the European region to

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[1] Ellina Bellini, Gianmarco I. Ottaviano, Dino Pinelli and Giovanni Prarolo, "Cultural Diversity and Economic Performance: Evidence from European Regions" in R. Creseenzi and M. Percoco (eds.), *Geography, Institutions and Regional Economic Performance* (Berlin: Springer, 2013), 121-141.

investigate the link between cultural diversity and productivity, it was identified that cultural diversity may affect productivity through positive externalities or even negative externalities. The same study proposes that causation runs from the former to the latter.[2] Another study carried out in the Central and Eastern Europe recognizes that each of the countries in both these regions are so diversified culturally that each country requires separate in-depth investigation.[3]

It has become an imperative for the Human Resource practitioners to have a comprehensive understanding of the European context of Human Resource Management due to the drastically growing number of cross-border coalitions and mergers both within Europe and other parts of the world. In today's era of globalization, organizations contain people who differ with each other on the basis of socio-cultural diversity. Consequently, there appears personal interest in their behavior on the basis of multicultural representation. Hence, for an organization it becomes a foremost task to endeavor such organizational culture that nourishes mutual respect and positively motivates the personnel.[4]

The organizational behavior creates organizational culture. Such culture has a pattern of behavior that is developed by the diversified interactions present in the organization. Thus diversity plays a constructive role in the creation of an organizational culture. Although most U.S. multinational corporations have substantial workforce diversity management programs in their US operations, they are only beginning to consider parallel efforts in their overseas subsidiaries and affiliates. However, due to political, legal, economic, competitive and demographic developments, the European Union is predominantly noticing the internationalization issue which consequently makes workforce diversity issues inevitable. Diversity initiatives in Europe need to be tailored as per the local needs, strategic objectives of each employer, and degree of organizational integration rather than simply duplicating the programs adopted by the U.S. For example, some European organizations prefer a strongly multi-faceted

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[2] Ibid.

[3] Michael J. Morley, Noreen Heraty and Snejina Michailova, *Managing Human Resources in Central and Eastern Europe* (London: Routledge, 2016).

[4] Chris Brewster, W. Mayrhofer and Michael Morley, *Human Resource Management in Europe: Evidence of Convergence?* (Oxford: Elsevier Ltd., 2004).

strategy while others adopt a more global approach towards dealing with diversity.[5]

Multiculturalism is a specific kind of cluster which is created within a community or organization and is composed of diversified cultural value-system.[6] In such a multicultural cluster, there is need to have respect and understanding among the people representing cultural diversity. Therefore, for making an organization strong and successful and fulfilling its goal-achievement it becomes essential to create team work and collective activities through a strong interpersonal relationship through communication and socialization.[7] Moreover, multicultural organization has a positive influence on business because it exposes different section of the population. The positive influence therefore, it needed to be adjusted accordingly that can suit the process of interaction among the population of the organization. For such purpose a continued motivation is required to be developed in an organization. For motivation it is needed to establish a regular forum which could provide opportunity for the diversified people for participation, mobilization and socialization through which each one could understand and appreciate sensitivity of multiculturalism and cultural diversification. This in return would help in bringing and maintaining a unified and desirable behavior in the organization. The cultural diversity has been taken as a positive aspect in the organization of today's world of globalization. It expedites an organization's stalk for glory.[8] Cultural diversity can be managed through communication. There is a need to create awareness of diverse values among the people working in organization which can be done through communication process. There is need to cultivate culture of acknowledgment, support and encouragement among employees for the performing functions. Further, capitalizing

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[5] Mary Lou Egan and Marc Bendick, "Workforce Diversity Initiatives of US Multinational Corporations in Europe", *Thunderbird International Business Review* 45, No.6 (2003): 701.

[6] Giovanni Semi, Enza Colombo, Ilenya Camozzi and Annalisa Frisina, "Practices of Difference: Analysing Multiculturalism in Everyday Life" in A. Wise and S. Velayutham (eds.), *Everyday Multiculturalism* (Palgrave-Macmillan, 2009), 66.

[7] Lynn M. Shore, Beth G. Chung-Herrera, Michelle A. Dean, Karen Holcombe Ehrhart, Don I. Jung, Amy E. Randel and Gangaram Singh, "Diversity in Organizations: Where are we Now and Where are we Going?", *Human Resource Management Review* 19, No.2 (2009): 117-119.

[8] Michele J. Gelfand, Miriam Erez and Zeynep Aycan, "Cross-cultural Organizational Behavior", *Annual Review of Psychology* 58 (2007): 479-514.

strategies such as planning, reengineering, employee development, performance management and reward system are also required.[9]

By the end of the World War II, the concept of culture has come in front with reference to nationalism and internationalism. The formation of UNO led to the concept of internationalization of global society. The end of the World War II also opened a new chapter of concept of nationalism with the decline of colonization and creation of many new nations in the world, particularly in Asia and Africa.[10] With growth in the number of nation-hoods, the concept of cultural value-system increased in the mind of local communities. Hence many nations carried with themselves different cultural value-system. The minute definition of culture could be feelings and beliefs. Therefore, it becomes difficult for a person to understand another person as he does not understand his feeling and beliefs. Hence for a person it is necessary to understand the culture of other person to understand him. It implies that culture is an important element of human behavior in his relation to another human being.[11]

An organization, therefore, has a significance value of its cultural behavior, particularly because each organization which is a cluster of number of people representing different culture i.e. values and beliefs relates to people of different beliefs and values or culture. Thus assimilation becomes necessary for creating a team work in an organization for its successful goal-achievement. Moreover, when people are working together as a group they spend time together creating a combined social habit or social values to behave within the group which automatically takes shape of culture of that group. Thus an organization having employees with different individual cultures, turn into a common inclusive culture shaping a new corporate culture promoting a common understanding.[12]

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[9] Thomas G. Cummings and Christopher G. Worley, *Organization Development and Change* (Stamford: Cengage Learning, 2014).

[10] Ernest Gellner and J. Breuilly, *Nations and Nationalism* (New York: Cornell University Press, 2008).

[11] Helen Ting, "Social Construction of Nation – A Theoretical Exploration", *Nationalism and Ethnic Politics* 14, No.3 (2008): 453-482.

[12] Anthony Ferner, Phil Almond and Trevor Colling, "Institutional Theory and the Cross-National Transfer of Employment Policy: The Case of 'Workforce Diversity' in US Multinationals", *Journal of International Business Studies* 36, No.3 (2005): 304-321.

Organizational culture brings changes also. The changes in culture come through the process of mobilization and socialization of the humanity. This is significant not only in the process of development of human civilization in historical perspective, but also in the contemporary organization because of wide range of process of globalization in the 21stcentury. In the 20th century, expansion of industrialization and international commercialization developed a new organizational culture. Hence in management a team appeared in the name of 'corporate culture'. The globalization of the 21st century has turned its eyes towards global economic development which is interestingly represented by 'great cultural diversity'.[13]

Culture itself creates connection because it is a system. Since it is a belief and value therefore, it comprises complexity and culture becomes a complex system since it has two actors who inter-relate with each other to come to one understanding in their relations. Such condition not only emerges in a community or a society but also in an organization which functions for a common goal achievement. Hence such a communication is required which emphasizes the assimilation of two persons of two different cultures to reach common understanding. In this sense culture, system and communication all becomes common element for an organization or a community or a society or even a nation to achieve such a oneness that could help them reach one common goal with success and progress.[14]

By looking at the importance of culture as a rather complex system, it becomes important to look into the management of diversity in an organization. We have seen above that the diversity can be managed through communication, cultivation and capitalization. Effective management of the diverse workforce can be beneficial for an organization as multiculturalism directly leads to organizational success.[15] In fact, multiculturalism provides cost effective competitive edge to an organization. It helps in promoting cordial relations among minority

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[13] Satu Teerikangas and David Hawk, Approaching Cultural Diversity through the Lenses of Systems Thinking and Complexity Theory, paper presented at the 46th Annual meeting of the International Society for Systems Sciences (ISSS), Shanghai on August 2-6, 2002.

[14] Karen K. Myers and Kamyab Sadaghiani, "Millennials in the Workplace: A Communication Perspective on Millennials' Organizational Relationships and Performance", *Journal of Business and Psychology* 25, No.2 (2010): 225-238.

[15] Cedric Herring, "Does Diversity Pay?: Race, Gender, and the Business Case for Diversity", *American Sociological Review* 74, No.2 (2009): 208-224.

employees. It also supports in attracting customers of diverse groups with the help of diverse employees representing same culture. Finally, it makes an organization able to manage adaptability and flexibility towards environmental changes.[16]

Cultural diversity is in practice as a wide scope by organizations. Its concept makes organization to believe that inclusion of people from different cultures that is beliefs and values will help in promoting the employment opportunities from different parts of the world. This will develop uniformity among different people representing diverse cultures with work experience from global world. Historically speaking, the world civilizations developed from the cultural exchange of people who moved from one geographical area to other for trade and commerce. Moreover, such interactions have been found throughout the world. This historical background continued with the process of human mobilization ultimately leading to the adapted business organizations. Hence the history of civilization shows that more diversity kept leading to more unity for seeking the fulfillment of common goals among the human beings.

It is generally accepted that cultural diversity promotes "humanistic values, it improves 'productivity and profitability'", it helps to "create a pool of talent"; it exchanges "innovative ideas". Moreover, there are several other benefits it provides such as formulating promotion of a united cultural organizational behavior within a diverse group of employees.

The humanistic values are promoted when the organization participates in festivals and celebrations of one particular cultural group. This makes the diverse people to feel elevated with seeking importance for their beliefs and values. The productivity and profitability are improved with the direct influence of workers' effective participation as a united group with diverse experience. The organization seeks a large number of talented people being picked up from different parts of the world representing different cultures. Finally the combination of different backgrounds, different cultures and experiences lead to 'new creative and innovative ideas' which emerge from the combination of minds of diverse people. This helps in not

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[16] Raymond A. Noe, John R. Hollenbeck, Barry Gerhart and Patrick M. Wright, "Human Resource Management: Gaining a Competitive Advantage", available at https://www.scribd.com/doc/202309156/Human-Resource-Management-Gaining-a-Competitive-Advantage.

only giving new creative and innovative ideas but also provides new solutions to solve problems faced by the organization.

Multiculturalism is a word with powerful meaning. It is defined as "a system of beliefs and behaviors that recognizes and respects the presence of all diverse groups in an organization or a society, acknowledges and values their socio-cultural differences, and encourages and enables their continued contribution within an inclusive cultural content which empowers all within the organization or society".[17] Rosado explains his above definition of multiculturalism very clearly.

> Multiculturalism is a system of beliefs and behaviours 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.

He puts emphasis on "beliefs and behaviors" "recognizes and respect", "acknowledges and values", "encourages and enables" and "empowers." This collection of expressions clearly indicate the powerful value of multiculturalism. It explains how a diversified society or organization working together can be beneficial for development and progress by turning itself into a united form with above mentioned pointed definition of five powerful and meaningful expressions.[18]

Society in the 21st century has changed. It is no more concerned with industrialism and nationalism. It is rather moving towards internationalism and multiculturalism. This has pushed organizations to explore environmental interconnection with ethnic-multiplicity and structural education system. Thus diversity has become a forceful segment in the process of global economic development and change.[19]

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[17] Caleb Rosado, "What do we Mean by 'Managing Diversity'", (2006): 1-15, available at http://www.edchange.org/multicultural/papers/rosado_managing_diversity.pdf.

[18] Ibid.

[19] William I. Robinson, "Transnational Globalism or Internationalist Nationalism? Neoliberal Capitalism and Beyond", reviewed by Gerardo Otero in *Latin American Perspective* 38, No. 6 (2011): 109-116.

The diversity in an organization can be an asset. It can be developed in multicultural global organizations through communication strategies. More diversity can bring more unity and can produce a better uniform team work culture for organizations. Moreover, it can enhance the productivity of a firm while at the same time effectively achieving the organizational goals.[20]

Diversity has two notable dimensions. Firstly, the cultural value system has merged into pluralism in national and cosmopolitan societies. Secondly, the social value-system has been under tremendous pressure of stratification due to socially diversified grouping of people, nationally and internationally. Human diversity thus becomes an essential element as a segment of organization achieving financial success and the accomplishment of organizational goals.[21]

Organizational managers with emotional competencies and adaptable communication skills are required to manage an organization with diverse workforce rather than managers with just mental intelligence and cognitive abilities. People with strong emotional intelligence add tremendous value to an organization, which employs people from different cultural, social, religious, and linguistic backgrounds. It is hard to find managers with appropriate mental and emotional competencies in the developing economies as people have not been exposed to the melting pot labor force. Therefore, the presence of human diversity must be recognized in an organization with the view that how best managed such an organization filled with diverse force by utilizing this asset as important resource. Thus multiculturalism can be properly understood by avoiding *Bashism*.[22] According to Rosado, "*Bashism* is the tendency to verbally or physically attack on other person or group based solely on the negative meaning given to group membership due to biological, cultural, political or socio economic differences (such as gender, age, race/ethnicity, political

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[20] Thomas Kochan, Katerina Bezrukova, Robin Ely, Susan Jackson, Aparna Joshi, Karen Jehn, Jonathen Leonard, David Levine and David Thomas et al., "The Effects of Diversity on Business Performance: Report of the Diversity Research Network", *Human Resource Management* 42, No.1 (2003): 3-21.

[21] Egan and Bendick, Workforce Diversity Initiatives, 701-727.

[22] Caleb Rosado, "What do we Mean by 'Managing Diversity'", 1-15.

affiliation, class, education, values, religious affiliation or sexual orientation) without regard for the individual".[23]

The present world is a diversified global society which is increasing its number and strength as workforce. Multiculturalism, multiethnicism and multilinguism are increasing in the future economic participation. Therefore the effective leaders should make it a point to recognize this new direction of diversified world communities for maximizing organizational economic goal- achievement. Diversity should be seen not through judging responsibility of work rather the emphasis should be on the styles of management which can create a viable work environment in a workforce of diversified group of people. Such condition in an organization can only occur with a proper communication skill which can lead to uniformity and unity in diversity.[24]

In the 21st century the global organizations increased the use of diversified workforce with different origin of nationality, religion, race, cultural values and gender. The group of diversified people creates unity among diversity with their involvement through communication which results into diversity being of strong importance for the organizational communication. It creates exchange of ideas, views, values, experiences, and approaches into one set of idea to work towards a common goal. It develops a team work strongly and instead of conflict and differences there emerges togetherness through discussion and communication. The basic reason of such situation emerges from a 'collective understanding' leading to defuse tensions within the diverse groups.[25]

Communication, moreover, plays a significant role within the diversified group working together in an organization by creating meaningful interactions with clients, diverse business partners and the people of different communities because many a time there is need to use those languages by the company workers which their customers understand.[26] Also a customer feels internally pleased when he comes across with the company worker's culture of his own. A cross-cultural global experience in an international organization or multinational organization plays a

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[23] Ibid.

[24] Kochan, Bezrukova, R. Ely, et al., "The Effects of Diversity on Business Performance", 3-21.

[25] K. K. Myers and K. Sadaghiani, "Millennials in the Workplace", 225-238.

[26] W. I. Robinson, "Transnational Globalism or Internationalist Nationalism?", 109-116.

constructive role in developing the business goal because the workers have ability to understand and tolerate the impact of different ethnic, racial and cultural distinctions of the people. The managers should have a clear mind with his visionary thought for goal-achievement. For such purpose he needs to be effectively involved into meaningful communication processes creating unified understanding among the diversified work force. He should monitor the interaction of the people working together representing different racial, cultural, religious, or gender group. Here communication has to do with both, use of language verbally as well as the body language while expressing his feelings. In other words, it depends more on managers how better they present themselves in a diversified group of workforce.[27]

Communication plays a significant role in filling the gaps occur from the representation of diversity. Therefore communication is used for creating understanding among the people of different socio-cultural religious or racial background. Generally speaking, employees are individuals. When their individuality is challenged or it feels being degraded, neglected, opposed or discarded it goes to its group, representing his socio-cultural, racial, religious values. This way there emerges conflict between diverse groups. An effective communication technique can handle individuality and create opportunities to avoid many such circumstances. Hence, if communication is used with a proper approach it can convert misunderstanding into a unified understanding between two diverse groups of people.[28]

The rapid increase in diversity representing workforce in organization has equally created concern for the managers to handle the organizational culture for successful goal-achievement.[29] Therefore, for managers it is a great challenge to deal with diversity. He needs to learn how to communicate with people of different background based on diversity in an organization. The diversity is also taken up as difference in age as well. Therefore, a young manager must know how to communicate with an old age worker to get the required job done because the sensitivity of old age becomes much stronger whereas the young age carries an emotional

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[27] S. K. Bhatia and Poonam Chaudhry, *Managing Cultural Diversity in Globalization* (New Delhi: Deep and Deep Publications, 2003).

[28] K. K. Myers and K. Sadaghiani, "Millennials in the Workplace", 225-238.

[29] T. Kochan, K. Bezrukova, R. Ely, et al., "The Effects of Diversity on Business Performance", 3-21.

expression not only with the use of words or tone of expression but also by body language. Similarly the minority group in an organization is always sensitive to its identity. Here also the manager who belongs to a majority group should be careful in communication with such workforce.[30]

Communication also depends upon styles of leadership because it has to do a lot in manager-workforce relation. A good leader always understands how to adjust himself in a critical situation with his style of communication with the workforce. He knows how to use his communication skills in dealing with the workforce representing emotional values. The most important thing in interaction between the managers and employees is the way of communication. It is the language that creates barriers among the diverse groups. If even a common language has been used it is more important that the tone of expression and body language should be appropriate.[31]

Communication which has impact on managing cultural diversity has two kinds: Formal Communication and Informal Communication. Formal communication is the rules and regulations of organization which is presented through the official notification. Informal communication is through the use of verbal expressions which occur in day-to-day interactions in organizational culture. Informal communication spreads rapidly which is difficult to be verified and validated.[32] Managers are required to go an extra mile to avoid rumors form spreading and damaging the working environment. It means that informal communication is effective and dangerous for the organization more than formal communication. Therefore, managers must use a proper communication while they interact with workforce realizing the impact of both informal and formal communication. However, both are crucial and effective.[33] Moreover, the business develops with expression of behaviors and use of words which are represented by organizational culture. Thus, more than

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[30] Eric Kearney and Diether Gebert, "Managing Diversity and Enhancing Team Outcomes: The Promise of Transformational Leadership", *Journal of Applied Psychology* 94, No.1 (2009): 77.

[31] Ibid.

[32] Erika L. Kirby and Lynn M. Harter, "Speaking the Language of the Bottom-line: The Metaphor of Managing Diversity", *Journal of Business Communication* 40, No.1 (2003): 28-49.

[33] Ibid.

rule of books, it is the culture of an organization which determines how an organization behaves.[34]

The multicultural environment of a competitive market in global economy has created notable challenges for multinational organization. The significant challenge is related to information and communication because of the internationally diverse workforce which is gathered together involving into multicultural team work. Naturally, therefore, organizations are feeling difficulties in understanding the environmental effect related to the effectiveness of the globally mixture of team of multicultural workforce. Consequently, communication is influenced by cultural diversity.[35] The nature of multinational organizations is changing with the increased participation of multicultural workforce where communication is playing significant role. This has created a team based concept in the working of an organization. Such example is found in organization which have impact of 'Virtual Team' creating 'Building Blocks'.[36] Communication helps in sharing information in diversified workforce which increases performance of the organization by participation through communication.

Cultural diversity has both positive and negative effects. Adverse impact of workplace diversity is that cultural diversity increases complexities due to heterogeneity. It creates miscommunication because of cultural and language differences, which, eventually leads to distrust. Cultural diversity creates positive impact by effective teamwork germinating intercultural unity through communication which helps in decision making.[37]

In sum, communication is the most effective instrument in managing organizational diversity in multicultural context. The effectiveness of an organization largely depends upon skills and talent of workforce, in multicultural workforce organization. Therefore, it becomes essential for

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[34] Michele J. Gelfand, Miriam Erez and Zeynep Aycan, "Cross-cultural Organizational Behavior", 479-514.

[35] Pnina Shachaf, "Cultural Diversity and Information and Communication Technology Impacts on Global Virtual Teams: An Exploratory Study", *Information & Management* 45, No.2 (2008): 131-142.

[36] Katherine M. Chudoba, Eleanor Wynn, Mei Lu and Mary B. Watson-Manheim, "How Virtual are We? Measuring Virtuality and Understanding its impact in a Global Organization", *Information Systems Journal* 15, No.4 (2005): 279-306.

[37] Pnina Shachaf, "Cultural Diversity and Information and Communication Technology Impacts on Global Virtual Teams", 131-142.

organizational effectiveness to seek advantages of skills and talents of diverse workforce through effective communication skills. We have seen above that the different cultural groups of workforce can be benefitted for an organization because they contribute different values and experience representing their culture. This way the working of organization becomes effective in goal-achievement but the skills of diverse force represented diverse skills must be effective in communication within the organizational setup. Green rightly observes that "ineffective communication of key objectives results in confusion, lack of team work, and low moral".[38] We also found that formal communication is less effective than informal communication. However, formal communication must be construct carefully so that it is received by the members of the organization with accurate meaning. Informal communication many at times becomes dangerous because it represents both verbal and body languages. Hence for organization it is appropriate to make use of a combination of both, formal and informal communication so that communication seeks a successful achievement in its purpose using diversified workforce. In short, multicultural workforce diversity in an organization may assist in solving varieties of problems in an organization. It helps in dealing with global customers representing global cultures and values.[39]

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[38] Jospeh H. Greenberg, *Language Universals: With Special Reference to Feature Hierarchies* (Berlin: Walter de Gruyter, 2005).

[39] Natalie Jomini Stroud, "Media Use and Political Predispositions: Revisiting the Concept of Selective Exposure", *Political Behavior* 30, No.3 (2008): 341-366.