The Importance of Workplace Diversity Management

Amaliyah*

Postgraduate Student of Airlangga University, Majoring Human Resources Development, Indonesia

Nyamplungan Street, Surabaya, 60151, Indonesia

Amaliyah3@yahoo.com

Abstract

The purpose of this paper is to review the literatures related to the workplace diversity phenomenon and the importance of its management in the organizations. By reviewing and considering the literatures, either empirical or theoretical, this paper reveals that diversity management may give positive and negative impact for the organization. These effects are depend on the factors surroundings organizations externally and internally.

Keywords: Diversity Management; Workforce Diversity

1. Introduction

Mm Diversity has been hot phenomenon for the people around the world since the human creations as the differences of gender, female and male. Then, along with the birth of children, the differences got advanced to the difference of skin color, attitude, and behavior of children. Hence, by the marriage of them, of course, the differences always got advanced. And, the differences of people then make diversity among them. In an organization, diversity may give benefits for productivity and raise conflicts at once. As stated by the authors in [10] that diversity provides benefits which will increase success if it is managed well. However, when ignored or mismanaged, it brings challenges and obstacles that can hinder the organization's ability to succeed. Jehn [14] also said that diversity may encourage social interaction among diverse perspectives to deep conceptual restructuring and new insights. It means that diversity may increase productivity, creativity, and enhanced morale among people.

----

* Corresponding author.

E-mail address: Amaliyah3@yahoo.com.

Hence, along with the benefits that can be gained from diversity if it is managed well, the organization must be able to handle and manage diversity in the workplace well. Agars & Kottke in [1] stated that even though the benefits of effective diversity management itself take times to emerge and sometimes difficult to articulate to organizations leaders in a way that leads to serious commitment on the part of organizations. Therefore, the organizations need to pay attention to the issues related to diversity management in the organizations in order that the diversity in the workplace can be accommodate well by the effective diversity management model.

In stressing the importance of diversity management, Stockdale & Crosby in [18] stated that there are two reasons of the importance of diversity management in the workplace. First, the demographic are changing and the descents of ethnic minority families, due to the immigration; and the second is technological advance that make world gets smaller. These two reasons, recently has been not only occurred in American and Europeans, but also has been happened in Asian countries, including Indonesia. Therefore, due to the complexity of the diversity, the diversity management also get importance for the organizations, in order that the conflicts that may raise due to the differences of individual and group can be managed well and will encourage individual to be productive in his/her group.

Moreover, diversity may be the issues of human rights in [5, 11], because every human need to be treated fairly, respectly, and equally. Therefore, Gold et al in [11] explained that organizations face a number of challenges with regard to diversity because central principle is that all employee will be treated with fairness, dignity, and respect. Hence, it is needed the process and operational systems that based on those principles too in which can be accommodated by managing diversity.

2. Structure

2.1 Workplace Diversity

Diversity may be defined as the differences of people due to the dimensions of difference, either physically, socially, and psychologically. The numbers of experts, either scholars or consultants have been defined diversity from the specific definitions until the more abstract conceptualizations. Hays-Thomas in [12] stated several definitions of them as follows:

"... diversity as the presence of differences among members of e social units."

"... diversity refers to the similarities and differences among individuals in a collection, whether they are employees, jelly beans, competitor companies, organizational products or functions, strategic priorities, or any other complex mixture. Diversity increases as the number and variety of the elements in the mixture increase."

Robbins in [17] defined workplace diversity as the increasing heterogeneity of organizations with the inclusion of different groups. This heterogenity then explained that:

"Workforce diversity addresses differences among people within given countries... In addition to the more obvious groups – women, African Americans, Hispanic Americans, Asian Americans – it also includes the

physically disabled, gays and lesbians, and the elderly. Moreover, it's an issue in Canada, Australia, South Africa, Japan, and Europe as well as the United States."

Mathis & Jackson in [16] explained the heterogenity in defined diversity as the differences of employee and environment conditions, due to gender, age, marrital status, disability, sexual orientation. Whereas, Vecchio & Appelbaum in [19] defined the workplace diversity as follow:

"*Workforce diversity refers to a work force characterized by people with different human qualities who belong to different cultural groups. From the perspective of an individual, diversity means including people who are different from ourselves in age, ethnicity, gender or race.*"

Based on the definitions above, the dimension of diversity can be classified into two dimensions, the primary dimensions and secondary dimensions, that was explained in [19]. The primary dimensions of diversity include "inborn differences, or differences that have an ongoing impact throughout one's life. These include learning style, types of intelligence, age, ethnicity, gender, physical abilities, race and sexual orientation. These dimensions are core elements through which people shape their self-image and world view".

The secondary dimension of diversity can be acquired or changed throughout one's lifetime. These dimensions tend to have less impact than those of the core, but nevertheless, they have an impact on the person's self-image and world view. These dimensions include such categories as education, religious beliefs military experience, geographic location, income, work background, and marital status. From this view on diversity, it is understandable how we can consider all groups to be diverse. It is important to keep in mind, however, that individuals can be influenced by more than one dimension at a time.

Daft in [8] also classified diversity into two dimensions, self image (gender diversity, racial diversity, and age diversity) and acquisition (work style, communication style, and level of education and skill). While, Spielberger in [18] classified diversity into demographic dimension (ethnicity, gender, education) and opinion dimension (self interest and perceived fairness).

2.2 Diversity Management

Based on the diversity definition above and how the diversity may be give the impact to the organizations. Gold [11] quoted Kandola & Fullerton' study that classified the impact of diversity on organizations into three levels, the proven, debatable, and indirect benefits.

 In which, these impacts depended on the diversity policies that were applied by the organization. Those impact on diversity policies on organization brought to the conclusion that diversity must be managed effectively to maximize the positive impact of diversity. As stated by Robbins in [17] that:

"*Workforce diversity has important implications for management practice. Managers will need to shift their philosophy from treating everyone alike to recognizing differences and responding to those differences in ways that will ensure employee retention and greater productivity while, at the same time, not discriminating*".

Diversity management itself comes from terms 'management' and 'diversity' that may be defined as the way to manage diversity in the organizations. As the general management definition, the diversity management may be the process in planning, leading, organizing, and controlling the diversity in the organization comprehensively. As Hays-Thomas in [12] quoted that:

"*Roosevelt Thomas statement about managing diversity as*: *a comprehensive managerial process for developing an environment that works for all employees*". ... *Yet, white men believe that diversity management is the current terminology for affirmative action.*"

This appears that diversity management and affirmative action are two terms that have similar meaning

3. Methods

This paper is a qualitative literature review in which a researcher was allowed to analyze and evaluate both quantitative and qualitative literature within a domain to draw conclusions about the state of the field.

4. Discussion

Diversity has been a must in the organization that has to be faced wisely and effectively, because diversity can raise conflicts like in the research before [3, 6], friction in [2], and benefits in [11]. Therefore, Appelbaum & Saphiro [3] stated that diversity is the challenge for the organization, because the partnership between diversity and managing conflict efforts is necessary to the optimum success of either. Which, in the current competitive and global environment, each organization must ask itself a two-part question: What core principles are so fundamental to the integrity and success of the organization that everyone must adhere to them? And what are the dimensions that support these principles and that depend on the expression, display, and application of people's differences?

Diversity conflict based in human differences

Inclusion
Multiculturalism
Often healthy and productive
Competitive advantage

Exclusion
Prejudice and Power
Previlege and violence
Destructive and nonproductive
Competitive disadvantage

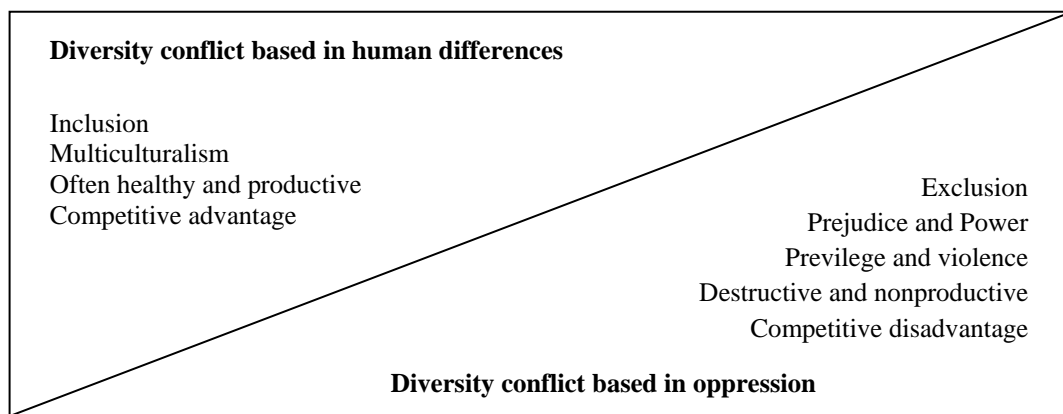**Diversity conflict based in oppression**

Figure 1. Two Sides Diversity Conflicts adapted from [6]

The conflicts that raised in the diversity can be classified into two sides, figure 1 shows them; they are (1) diversity conflict based in human differences, is disagreement and conflict resulting from the different interests,

skills, backgrounds, perspectives, values, experiences, abilities, and contributions of members of all groups, and (2) diversity conflict based in oppression, is a system of inequality, privilege, and violent actions, behaviours, and practices that benefit dominant group members and harm members of marginalized groups. Oppression-based diversity conflict is conflict between dominant and marginalized groups and group members that results from racism, sexism, heterosexism, and other forms of oppression [6].

Instead of conflicts that may be increased due to diversity and diversity management, [5] mentioned several positive benefits of diversity management, they are:

1.   Enhanced personal effectiveness and interpersonal communications among employees.

2.   Responsiveness to social and demographic changes.

3.   Reduction of litigation and quicker resolution of disputes.

4.   A climate of fairness and equality.

5.   Greater productivity on complex tasks.

6.   Increased sales, revenue, and profits.

Meanwhile, Kandola & Fullerton, as quoted by Gold in [11] classified the benefits of diversity management in the organizations, they are proven, debatable, and indirect. These classifications can be seen in figure 2:

Moreover, Bergen in [5] summarized that when diversity management is handled improperly, it can easily turn into a losing situation for all involved, leading devaluation of employees who are perceived as culturally different, reverse discrimination against members of the majority group, demoralization and reinforcement of stereotypes, and increased exposure to legal risks. Yet, when it is handled properly, diversity management can result in win-win situation for organizations and workers alike. Such as, facilitating better working relationships among employees, reduces costs, increases productivity, and boosts the bottom line.

Hence, by considering the negative impacts of diversity when it is not managed well and effectively, the diversity management become the crucial policies and programs for the organization in minimizing the negative impact and maximizing the positive ones. As stated by Barak [4] that:

"*Diversity management refers to the voluntary organizational actions that are designed to create greater inclusion of employees from various backgrounds into the formal and informal organizational structures through deliberate policies and programs.*"
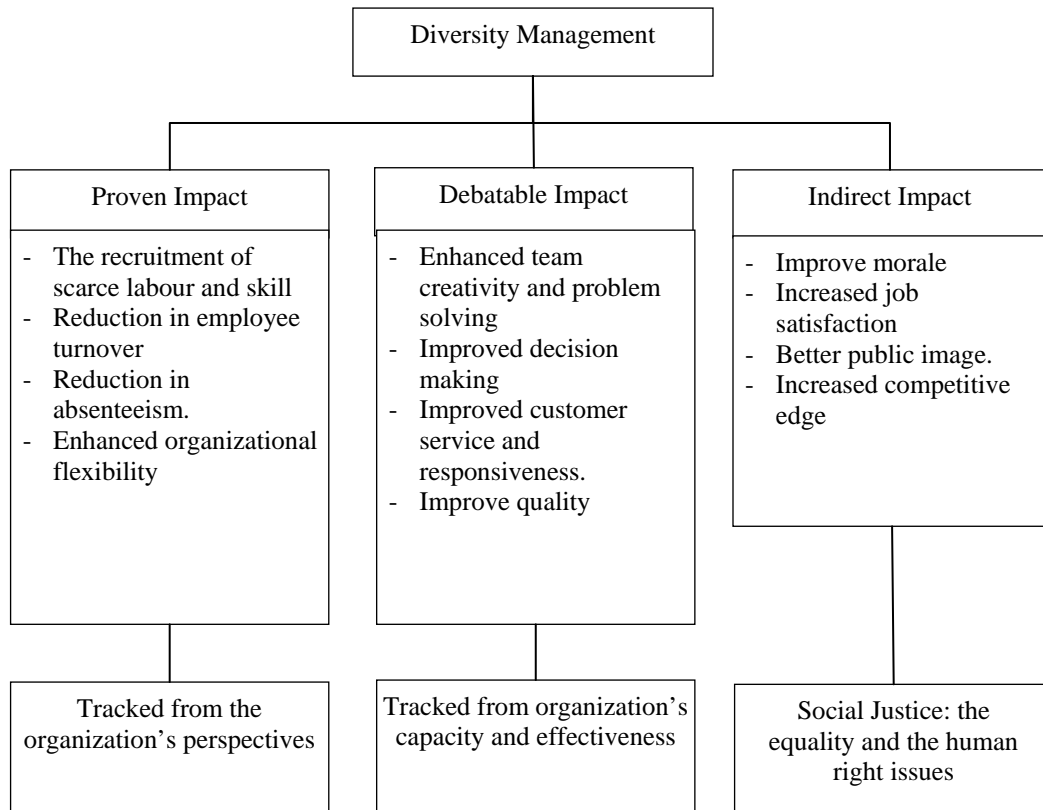
Figure 2. The Benefits of Diversity in Organization adapted from Kandola & Fullerton in Gold [11].

In which was noted by Cox in [4] that the challenge of diversity is not simply to have it but to create conditions in which its potential to be a performance barrier is minimized and its potential to enhance performance is maximized. Even, Cox & Blake in [7] stated that the marketing, creativity, problem-solving, and system flexibility argument, are derived from what were called as the "value-in-diversity hypothesis"- that diversity brings net-added value to organization processes.

Empirically, Ehimare & Ogaga-Oghene [9] proved that there is significant correlation between some of the diversity variables as well as individual diversity variables with the measures of organizational effectiveness. In which gender and ethnicity are negatively related to both employee productivity and performance bonus. In addition the study find that gender, age and tenure diversities are positively correlated and are significantly related. Therefore, this study recommended for company executives to use good strategies to effectively manage workforce diversity.

By classifying diversity into three types of workgroup diversity (social category diversity, value diversity, and informational diversity) and two moderators (task type and task interdependence) on workgroup outcomes, Jehn [13] revealed that informational diversity positively influenced group performance, mediated by task conflict. Value and social category diversity, task complexity, and task interdependence all moderated this effect. Social

category diversity positively influenced group member morale. Value diversity decreased satisfaction, intent to remain, and commitment to the group; relationship conflict mediated the effects of value diversity.

5. Conclusion

Diversity is the differences due to the heterogenity in the group or workplace in the organization. This diversity may cause conflict, friction, and other disadvantages in the organization. Yet, by effective diversity management, diversity may give positive impact on organization. Productivity, creativity, and competitive advantages can be gained by manage diversity well and effectively.

Acknowledgements

These and the Reference headings are in bold. Text below continues as normal.

References

[1] Agars, Mark D & Janet L. Kottke. 2010. Models and Practice of Diversity Management: A Historical Review and Presentation of a New Integration Theory. In *Psychology and Management of Workplace Diversity*, Edited by Margaret S. Stockdale & Faye J. Crosby. Madden, MA: Blackwell Publishing. 2010: 55-77.

[2] Alam, Bachtiar & Sri Ayu Wulansari. 2012. To Stay or Not to Stay:Diverse and Conflicting Interactions between Indonesian Nurses' Socio-Cultural Backgrounds and Their Work Environment. *Southeast Asian Studies*, Vol. 49, No. 4, March 2012: 611-628.

[3] Appelbaum, Steven H. & Barbara Shapiro. 1998. The Management of Multicultural Group Conflict. *Team Performance Management*, Vol. 4 No. 5, 1998: 211-234. © MCB University Press, 1352-7592.

[4] Barak, Michalle E. Mor. 2011. *Managing Diversity*: *Toward a Globally Inclusive Workplace*. Thousand Oaks, California: SAGE Publications, Inc.

[5] Bergen, C.W. Von, Barlow Soper, & Teresa Foster. 2002. Unintended Negative Effects of Diversity Management. *Public Personel Management*, Vol. 31 No. 2 Summer 2002: 239-251.

[6] Brazzel, Michael. 2003. Diversity Conflict and Diversity Conflict Management. Chapter XIII in H*andbook of Diversity Management: Beyond Awareness to Competency Based Learning* (Ed.), Edited by Deborah L. Plummer. Lanham, MD: University Press of America, Inc., 2003: 363-406.

[7] Cox, H. Taylor & Stacy Blake. 1991. Managing Cultural Diversity: Implications for Organizational Competitiveness. USA: *Academy of Management Executive*, Vol 5, Number 3, 1991: 45-56.

[8] Daft, R. 2008. *The Leadership Experience.* USA: Thomson Learning, Inc.

[9] Ehimare, Omankhanlen Alex & Joshua O. Ogaga-Oghene. 2011. The Impact of Workforce Diversity on Organizational Effectiveness: A Study of a Nigerian Bank. *Annals of the University of Petroşani, Economics*, 11(3), 2011: 93-110.

[10] Gardenswartz, Lee & Anita Rowe. 2009. The Effective Management Of Cultural Diversity. In *Contemporary Leadership and Intercultural Competence: Exploring the Cross-Cultural Dynamics Within Organization*, Edited by Michael A. Moodian. Thousand Oaks, California: SAGE Publications, Inc. 2009: 35-43.

[11] Gold, Jeff, Rick Holden, Paul Iles, Jim Stewart, & Julie Beardwell. 2010. *Human Resource Development*: *Theory & Practice*. New York: Palgrave Macmillan.

[12] Hays-Thomas, Rosemary. 2010. The Contemporary Focus of Managing Diversity. In *Psychology and Management of Workplace Diversity*, Edited by Margaret S. Stockdale & Faye J. Crosby. Madden, MA: Blackwell Publishing. 2010: 3-30.

[13] Jehn Karen A., Gregory B. Northcraft, & Margaret A. Neale. 1999. Why Differences Make a Difference: A Field Study of Diversity, Conflict, and Performance in Workgroups. *Administrative Science Quarterly*, Vol. 44, No. 4. (Dec., 1999): 741-763.

[14] Jehn, Karen A. 1998. Managing Work Team Diversity, Conflict, and Productivity: A New Form of Organizing In The Twenty-First Century Workplace. *U. PA. Journal of labor and Employment Law*, Vol. 1 No. 2, 1998: 473-486.

[15] Mathis, R. L., & Jackson, J. H. 2006. *Human Resource Management (Manajemen Sumber Daya Manusia) Ed. 10.* Jakarta: Salemba Empat.

[16] Robbins, Stephen P. 2000. *Organizational Behavior, 9th Edition*. Upper Saddle River, New Jersey: Prentice Hall.

[17] Spielberger, C. 2002. *Encyclopedia of Applied Psychology.* USA: IAAP.

[18] Stockdale, Margaret S. & Crosby, Faye J. (2010), *The Psychology and Management of Workplace Diversity.*Boston: Blackwell.

[19] Vecchio, R.P. & Stephen H. Appelbaum. (1995), *Managing Organizational Behavior: A Canadian Perspective*, Toronto, Canada: Dryden-Harcourt Brace and Co.