



**Research Article**

**DIVERSITY MANAGEMENT AND ORGANIZATIONAL EFFECTIVENESS**

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**ARTICLE INFO**

**Article History:**

Received 16<sup>th</sup> December, 2017

Received in revised form 20<sup>th</sup>

January, 2018 Accepted 4<sup>th</sup> February, 2018

Published online 28<sup>th</sup> March, 2018

**Key words:**

leadership, diversity, diversity management, coaching skills, situational leadership, communication and management.

**ABSTRACT**

The recent business trend of globalization and increasing inter-group differences has turned scholarly attention to the management of demographic differences. These diversities exist in today's modern company where demographics, cultural and personal differences among the workers and customers who do business with the company, i.e. surface – level diversity and deep level diversity. The relationships between racial and gender diversity often affects the business organizational performance.

There are challenges businesses stumble upon with diversity in the workplace. Many companies have along the way hopes of pressing forward with revision and prepare for diversity in the organization in the future.

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**INTRODUCTION**

**Definitions**

**Diversity:** The many identities that define each employee as a unique individual including age, education, race, socioeconomic class, ethnicity, gender, language, religion, and physical and mental challenges.

**Organizational Effectiveness:** Organizational effectiveness is the concept of how effective an organization is in achieving the outcomes the organization intends to produce. The main aim of effectiveness is to beat competitors.

**Diverse Teams:** With increasing globalization, many organizations face tougher competition at the same time they are working in a more complex environment, needing to coordinate geographically dispersed operations and a cross-cultural workforce. This leads to diverse teams becoming more common at all levels of the organization. Diversity can be based on various characteristics such as gender, age, nationality, ethnic and/ or cultural group etc, or on indicators of cognitive diversity such as international experience, education, industry and work experience that can all lead to different perspectives.

**Diversity management:** Diversity management (DM) is the label given to a wide range of management practices which seek to promote the employment and career development of a

range of specified groups. Many countries in the world have enforced the rights of employees to non-discrimination in employment on the basis of age, beliefs, religion, gender, sexual orientation or ethnicity.

**Diversity Tree:** Diversity can be explained in the form of tree which is as follow



A tree is having solid base with strong roots with leaves & branches as diversity. Above is classic example of diversity in simplified way.

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**Introduction**

Current management techniques related to Leadership, are based on post-depression industrial revolution methods and have become redundant in the modern fast-paced business world, which has been shaped by Internet connectivity, migratory workforce and cheaper international travel.

Diversity is a subject that can be very powerful and emotional for everyone who deals with it either directly or indirectly. Diversity topics deal with issues of being different and alike, inspiration and perspiration, sadness and gladness, privilege and lack thereof, culture and religion, tolerance and justice, and hatred and animosity. Diversity challenges and opportunities impact all nations around the world to one extent or another. Today, issues of cultural identification, religious protection, ethnic cleansing, racial supremacy, oppression of minority groups, unfair compensation to various groups of people based on their minority status or gender, and other such critical issues impact various nations around the world.



Leadership and diversity management have been part of the work life since the beginning of formal organizations and a critical element of globalization. Those managers and leaders who are properly prepared to deal with the challenges and take advantages of the opportunities it offers will likely succeed by being effective coaches in a diverse workplace.

Diversity management is about creating synergistic results that are equal to or greater than the sum of the individual parts. Managing diversity is about enabling each member of the workforce to perform above and beyond his or her potential.

**Organisation Effectiveness Indicators**

**Retention-** It is one of the important indicators of a healthy progressive organization.

**Low turnover** –Although informal, low turnover has traditionally been the indicator of robust management system in place.

**Morale-** There is a direct correlation between a team with good morale and productivity.

**Change Profile-** It can be defined as the nimbleness of any organization to adapt to change.

**Productivity-** Increased productivity in teams has been known to be linked to strategic results.

**Teamwork** –Telescoped life span from forming a new team through to its performing stage can be critical in today’s business world.

**Communication**–Removal of barriers to communication are indicators of organizational effectiveness.

**Upward Management** – Whilst it is imperative to manage direct reports, in today’s business world, it is equally vital to manage your boss upwards.



**Objectives**

1. To prove that present team building and traditional leadership styles are not adequate to create and encourage performance in diversity teams.
2. To suggest new modules for diversity management

One of the main advantages to having a diverse workforce is the synergy that occurs between people from different backgrounds, cultures and work values. Collaboration among diverse populations can bring out the creativity in otherwise bland work teams. Employees feel good about diversity that occurs naturally, instead of forcing diversity into the workplace. If your company enjoys a reputation of fair employment and good business practices, recruiting a diverse pool of applicants is not at all difficult.

This comprehensive listing of issues reflects a broad concept of diversity that is apparently not reflected in the kinds of concepts used by companies in their diversity management programs. In companies, Diversity management tends to deal with one or two issues simultaneously (e.g. nationality, ethnicity), even though companies may have relevant programs in other areas (e.g. older workers, disabled people). The concept (or perhaps the organization) of diversity management used by companies is more limited than that implied by legislation.

**Approaches to diversity management vary**

Companies develop diversity management programs for a range of reasons. Some companies are active in their approach, i.e. they tend to introduce diversity management in order to comply with legislation. Others are reactive – they introduce diversity management programs in response to circumstance, e.g. when job applicants come from different ethnic backgrounds. Other companies are more proactive, i.e. they seek to take business advantage of the opportunities offered by a diverse workforce.

There is a need to develop more robust and easily applicable indicators of diversity management and its impacts in order to strengthen the business case. These should focus on the measurement of progress and on linking diversity management programs and business benefits. There is also a need to

develop a reliable and easy-to-use method for linking these indicators.

Companies need to get people to connect in meaningful ways in a diverse workplace, to guarantee good relationships with customers, suppliers and investors. The bottom line connection for diversity management is the business case for it.

If companies are to keep pace with the growth anticipated in the years to come, they should adjust their practices to effectively attract and retain this new generation of human capital. Creating inclusive organizations where all employees feel valued is increasingly important to the reputation of a company and ultimately its employer brand.

Talented individuals leave companies not because of pay related issue but rather because of feeling marginalized as a result of the style of leadership they encounter, which is typically characterized by an inability to effectively manage diversity. These findings apply to black and white professionals alike. This trend is particularly noticeable amongst the younger generation Y professionals and will not be solved by simply offering higher salaries.

Looking at the economically active population, Generation Y is now entering the workplace and a large portion of this demographic segment is comprised of black females; companies need to ensure that they create a new paradigm for managing diversity if they wish to benefit from the skills and perspectives of this new workforce. Ideally, they should consider incorporating a 'generation Y outlook' into their culture and business strategy.

There is a strong business case for strategically aligned diversity management. Aggressive management of diversity has been shown to offer a substantial return on investment. Innovation comes with diversity - companies cannot expect new ideas to emerge if everyone thinks the same. Diversity management is about building connections across race, gender, sexual orientation, disability, life style and – very importantly - age.

Workplace experts say that a surprising number of the problems that personnel managers juggle on a daily basis stem from miscommunication. Whether you're dealing with a dilemma that's as simple as a botched shift change or as complicated as an employer-employee personality clash, there's likely a good chance that communication problems play a role.

In today's diverse workplace, communication issues can take on an added dimension of complexity. Every culture has its own set of tacit assumptions and tendencies when it comes to face-to-face interactions, and trying to get your point across effectively can sometimes be difficult. Even when a language barrier doesn't exist, cross-cultural communication is one of most challenging aspects of diversity management.

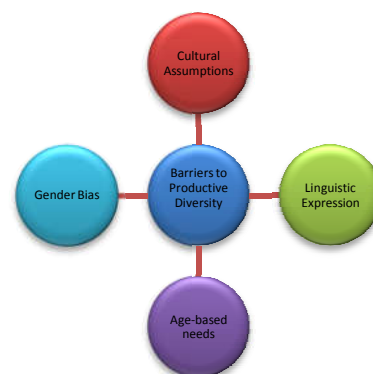
These companies are those who establish deep understanding of the complexities of contemporary diversity management. They fully integrate diversity and inclusion into the strategic agenda and people management practices, driven by top leadership. Valuing people, appreciating them for who they are, their values, experiences, beliefs and most of all their insight and perspectives become ingrained in how these companies do business.

By providing employees with real life experiences to stretch their capabilities, providing them with mentors, identifying deep-rooted skills, building networks to enhance interaction, open and honest conversations, enhancing new era diversity management, companies can generate commitment which will take care of attraction and retention of skilled talent, according to the Deloitte Institute of the Future.

Perhaps the time has come to move beyond the 'affirmative action or not' debate, and develop a corporate willingness to address diversity management if South African companies are truly serious about being market leaders, and competing globally.

Diversity clearly needs a refresh. The misinterpretations of what diversity means and what it truly represents have limited its ability to have the real impact and influence it warrants in America's corporations. In fact, the executives who get it today will tell you how concerned they are for their business, because their people, products, and services do not connect naturally with the new faces of America. As one executive told me, "Our business demands diversity and we are more uncomfortable with our lack of diversity preparedness than ever before. We are in trouble if we don't fix it!" As a result, most companies have been forced to react not only to the changing face of America and but the mindsets of the global marketplace. Consequently, executives have started to confront the inevitable: a new business model that fully integrates diversity as a business growth enabler.

### **Remove barriers to productivity**



As part of removing barriers to productivity a company should evaluate the following:

1. The comprehensiveness of initiatives
2. Transnational versus local implementation of diversity programs
3. Measuring the cost and benefits of diversity programs
4. The issue of recruitment versus career development
5. Overcoming resistance to diversity management among managers and employees

## **CONCLUSION AND SUGGESTIONS: RECOMMENDATIONS**

### **Overcoming Cultural Communication Barriers**

According to diversity management experts, as long as you're aware of the sensitivity and importance of effective cross-cultural communication, you've already won half the battle. Author and communication consultant Sheida Hodge says that with this overarching principle firmly in mind, you're well

positioned to maximize your cross-cultural communication skills.

With a repertoire of just a few basic techniques under your belt, you'll be able to significantly improve the level of cross-cultural communication in your workplace. Use these simple concepts to dramatically boost your cross-cultural communication competency.

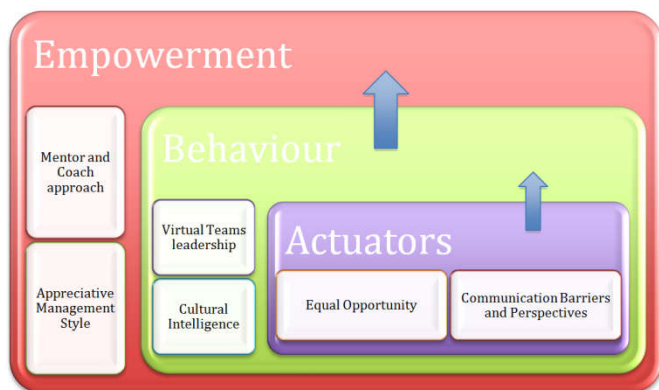
Take it slow. A common objection that non-native speakers raise is the speed with which native speakers tend to communicate. Whether you're speaking to someone who is just beginning to learn the language or a long-time English speaker who hails from a different culture, it's helpful to modulate the pace of your speech. However, keep in mind that if you slow down too much, the effect may be insulting.

Practice active listening. An effective strategy for improving cross-cultural communication is what experts call "active listening." This technique involves restating the other speaker's statements to ensure you understand their meaning and asking frequent questions. This is a great way to ensure that important information doesn't "slip through the cracks" in a cross-cultural conversation.

Group information in 'bite-size' pieces. If you stop to think about it, even a single sentence in a conversation between two fluent speakers can contain a great deal of information. That's why cross-cultural communication experts recommend limiting the amount of information you try to convey at one time. Stick to simple, direct instructions and explanations, and try to avoid complex, multi-part sentences.

Watch out for cultural assumptions. If you've ever traveled to a foreign country, you probably realize just how much of our verbal and non-verbal communication relies on a shared set of cultural beliefs and attitudes. When you're speaking to someone from another culture, try to avoid things like jokes, slang, or references that might be confusing or misleading to a non-native speaker.

When in doubt, opt for friendly formality. North American English speakers often adopt a casual, informal approach to conversations, even when they are addressing a stranger or a new acquaintance. This approach may be off-putting or unsettling to someone from a different cultural background. To ensure that you're conveying an appropriate level of respect, use a more formal mode of speaking and gradually scale back the level of formality as the relationship develops.



Company Diversity Profile

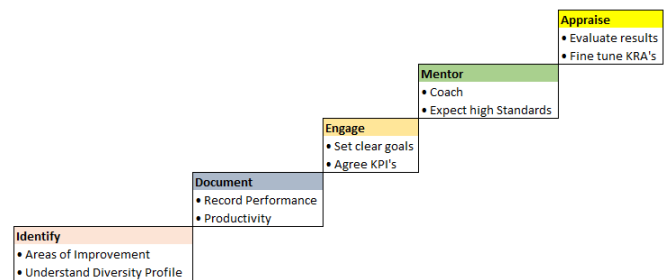
Once you get the hang of culturally sensitive communication practices, you'll be surprised at what a difference it can make in your workplace. Make the most of your diverse staff by ensuring that important information doesn't slip through the cracks.

Developing culturally competent leaders who can lead and sustain change!

The Company Diversity Profile model is to be read from the inside out. Actuators are essential stimulators that are instrumental in moving the organization towards diversity. Based on fundamentals of equal opportunity and inter-departmental communication, the company's profile to adapt to a diverse workforce can be determined.

The IDEMA Management Style is pitched at managers who are either new to diversity in their workplace or managers who feel they might have people problems they need to resolve - in other words: everybody.

The management style revolves around closing the loop on mentoring, monitoring and giving feedback when managing employees. This new-age style of management delineates goals, performance and how the employee's performance matches the organization's effectiveness based on its company diversity profile: Activators, Behaviors and Empowerment, that is, the ABE's of people management.



**IDEMA Diversity Management Style**

The manager should make sure he ("he" is she or he) identifies appropriate goals for each employee and for each task, whilst understanding the individual's diversity profile. Goals must be concrete and observable and targets must be measurable. When giving feedback, he makes sure it is constructive. If the results are positive, he provides lots of praise. If the results aren't up to par, he reviews the reasons with the employee, gets agreement, and ends the discussion on a positive note, praising the employee about one angle of the task he or she did well. The management style therefore, advocates encouraging learning by reassessing goals, and never reprimanding a learner.

Another part of the philosophy is IDEMA, which stands for

- I-identify the areas for improvement in the context of the diversity profile of the employee,
- D-ocument the performance of the employee in the area where improvement is required,
- E-ngage the employee by involving him in setting clear goals and mutually agreeing on Key Performance Indicators,
- M-entor and coach whilst expecting high standards,
- A-ppraise-Evaluate results of this IDEMA improvement and further fine-tune the Key Results Areas and select next area for improvement.

IDEMA revolves around identification and recording of planned measurable output, help or coaching along the way and checking performance against the specific targets originally set. This identification and planning of the measurable output must be arrived at together with the employee to ensure that the employee has a sense of ownership of the KPIs/targets to achieve.

### **Initiation and Sustainment**

CEO continuing involvement. Diversity initiatives are more effective if senior management put their weight behind them.

Moral Persuasion. Equal opportunity and growth is a powerful moral tool to attract and retain good talent.

Mission Statement & Strategic Plan. Diversity management plays a pivotal role in implementing the organization's strategic plan and would benefit from being included in its mission statement.

Proactive HR Function – Proper manpower management should be done taking into consideration the diverse workforce. Diversity councils should be established to resolve the issues. Career planning and mentoring should be done on regular basis and appraisals conducted objectively. Family get-together and informal gathering should be encouraged along with an inclusive atmosphere at work with facilities like crèche, paid parenting leave and ability to work from home.

Individual Level Outcomes could include penetration of the diversity glass ceiling, better integration into the workforce, enhanced organisational attachment as well as psychological dissonance.

Attitudes towards Diversity - Acceptance of people from different backgrounds, gender and ethnicity, whilst appreciating differences is a robust move towards multiculturalism and inclusion.

Organisational Benefits include better decision making by enriching the diversity of inputs, representation of qualified minorities, business with diverse & multinational customer base as well as product line development.

Organisational Outcomes directly correspond to benefits of a diverse workforce and IDEMA style of Diversity Management. It could lead to better profits, growing market share, bullish stock price and shareholder returns.

Public recognition, brand assignment and corporate identity can be enhanced through diversity awards, gender glass ceiling awards, and regional & local awards.

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