



Managing Diversity

Prof. Dr. Katrin Hansen, Tampere 2006

7.9.2006 Studia Generalia lecture
Promotion of Work Life Ability - Networks
Tampere, Finland



Overview

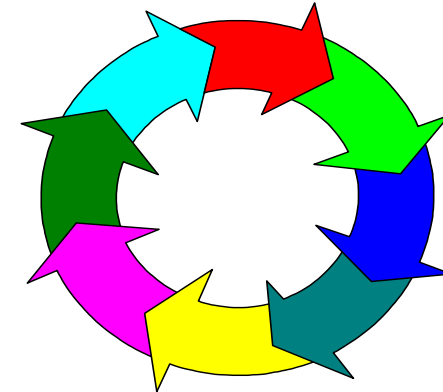
- What “diversity” means
- Why managing diversity
- How managing diversity
- Some conclusions



What Diversity means

A Definition of Diversity

- **”Diversity refers to *any* mixture of items characterized by differences and similarities.”** (Thomas 1996: 5).
- Key dimensions (not willingly changeable)
 - Gender
 - Age
 - Race/Ethnicity
 - Ability
 - Sexual Orientation
 - Religion
 - Class





Interpretations of Diversity

- „Diversity“ means dissimilarity, variety, and individuality that emerges from various differences between people.
- Positive:
 - „Diversity“ as richness, chance of many different options.
 - Variableness as differentiation as well as connection
 - Opportunity of synergies.
- Negative:
 - Hierarchical understanding of diversity.
 - „Otherness“ as a deficit.
 - Diversity as nonconformism/ inappropriateness



Question to the group:

- Which aspects of diversity did you experience personally? Which are important in your organization?
- Can you identify societal trends that enhance diversity in your country/business?

Diversity In Business



External Sources

- **Markets:**
 - Diversity of customers' needs
 - „Global Sourcing“
 - Image: „Mirror of the world“
- **Labour markets:**
 - Bottlenecks
 - Structural shifts
 - Mobility
- **Societal claims:**
 - Social reasoning, ethics
 - Sanctions (Gleichbehandlungsgesetz)

Internal Diversity

- **6 (7) „Key Dimensions“**
 - **Lifestyles/Milieu**
 - **Profession/ Education**
 - **Personality**
 - responsibility
 - self-organization competence
-
- **Functions**
 - **Hierarchies**
 - **Organizational cultures**
 - **Models of organizing work**
 - **Career paths**



A Model of Culture (Schein)

○ **Symbols**

Language, patterns of behavior, dress regulations/clothing,.....

➤ **Visible, but need of interpretation**

○ **Norms and Standards**

Prohibitions, rules, values, maxims,

➤ **Partly visible, partly unconscious**

○ **Basic Assumptions**

concerning nature of man, truth ...

➤ **Invisible, mostly unconscious**



5D-Model: Hofstede ✓

(1980/1983/2001)

- **Power Distance** (Finland 33, D 35, NL 38, USA 40, Japan 54, China 80)
- **Individualism versus Collectivism** (Finland 63, D 67, NL 80, Japan 46, USA 91, China 15)
- **Masculinity versus Femininity: Clear Gender Roles** (Finland 26, D 66, NL 14, Japan 95, USA 62, China 50) ☒
- **Avoidance of Uncertainty** (Finland 59, D 65, NL 53, Japan 92, USA 46, China 40)
- **Short term/dogmatic – present versus long term/pragmatic- future orientation** (Schweden 33, NL 44, Polen 32, D 31, Japan 80, USA 29, China 118)



GLOBE-Project (House et al. 2004)

- Power Distance:
 - Finland V 2.2 P 4.9
 - Germany (W/E) V 2.7, 2.5 P 5.5., 5.3 (✓)
- Uncertainty Avoidance:
 - Finland V 3.9, P 5.0
 - Germany V 3.3, 3.9 P 5.2 ✓
- Collectivism I (Institutional):
 - Finland V 4.1 P 4.6
 - Germany V 4.8, 4.7 P 3.8, 3.6 ☒
- Collectivism II (In-Group Collectivism):
 - Finland V 5.4 P 4.1
 - Germany V 5.2 P 4.0, 4.5 ✓

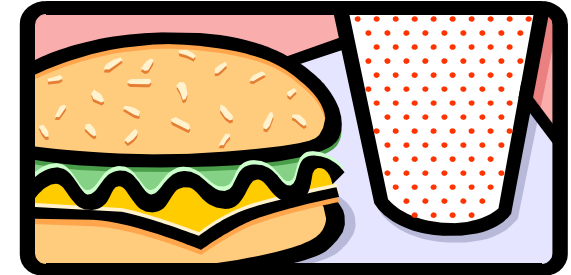


GLOBE-Project (House et al. 2004)

- Humane Orientation:
 - Finland V 5.8 P 4.0
 - Germany (W/E) V 5.5, 5.4 P 3.2, 3.4 (✓)
- Assertiveness:
 - Finland V 3.7 P 3.8
 - Germany V 3.1, 3.2 P 4.6, 4.7 (✓)
- Gender Egalitarianism:
 - Finland V 4.2 P 3.4
 - Germany V 4.9, P 3.1, 3.1 ✓
- Future Orientation:
 - Finland V.5.1 P 4.2
 - Germany V 4.9, 5.2 P 4.0, 4.3 ✓
- Performance Orientation:
 - Finland V 6.1 P 3.8
 - Germany V 6.0, 6.1 P 4.3, 4.1 ✓



„Kulturstandards“



”Cultural standards mean all sorts of perception, thinking, evaluating, and action, which the majority of the members of a specific culture accept personally and for others as normal, typical, and binding.

Own and foreign behavior is evaluated and regulated on base of these cultural standards.“ (Thomas 1993, S. 381, translated by Hansen)



Deutsche Kulturstandards

- Sachorientierung (dominance of tasks)
- Wertschätzung von Strukturen und Regeln (valuing of structure and rules)
- Internalisierte Kontrolle (Internalized control mechanisms, identification with task)
- Zeitplanung (very strict time management)
- Trennung von Persönlichkeits- und Lebensbereichen (strict separation of work and private life, family/friends – colleagues – acquaintances - strangers)
- Direktheit der Kommunikation (direct communication)



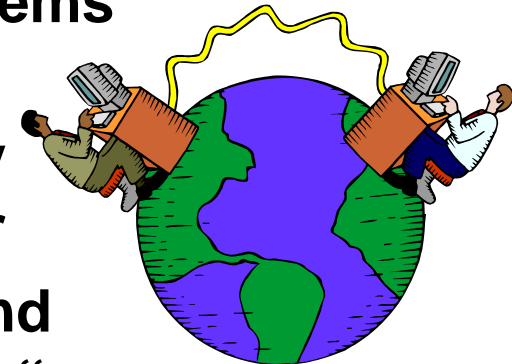
Question to the group:

- Do you have experienced culturally bounded behavior in you work?
- Can you relate these experience to “cultural standards”?
- What problems evolved? Which solution would you suggest?



Intercultural Learning (Thomas 1993)

- **Orientation knowledge**
- **Understanding of foreign systems of orientation**
- **Ability to coordinate culturally divergent routines of behavior**
- **Generally: Ability to understand cultures and to „doing culture“**



 **Learning as a change of behavior**



Facets of Cultural Intelligence

(Early/ Ang 2003)

- Cognitive “What”
 - Self awareness
 - External scanning
- Motivational “Why”
 - Efficacy
 - Goals
- Behavioral “How”
 - Repertoire
 - Habits





Trust as a Requirement

- Being open towards and in intercultural relations and learning globally requires trust because of
 - Complexity
 - Asymmetry of information
 - Interdependency
- But trust is hard to build in new-put-together intercultural teams because of the lack of shared experience and cultural distances.



Trust (Stewart 2001)

- Trust's first truss is competence: I can trust you if I believe you're good at what you do, ...
- So trust needs a second crutch: community. ... Communities of practice support trust because they create and validate competence,...
- Commitment: ...Trust obviously depends on the degree to which people are willing to support the organization's purposes.



Trust (Stewart 2001)

- ..., communication, which can be ist best friend or ist worst enemy. Hierarchies can lie, and get away with it pretty well. ... A revolutionary way to build trust: tell the truth
- One of the trust's important, little-noticed allies - ... – is cupidity. ... The point here is simple and obvious: If trust is a source of competitive advantage, it should pay. Failure always breeds mistrust – backbiting, toxic politics.



Multidimensionality of Trust (Seifert

2001: 61ff)

Trust in

- Competencies
 - Expert knowledge, ability of problem solving
 - competence Ausübung in daily, routinized behaviour, „depend on each other“
- Integrity
 - Openness, free flow of informations in both directions, transparency and discretion
 - Honesty, trustworthiness,
 - Continuity of behaviour, reliability
- Character/ conviction
 - Takes needs of other person into consideration, respect
 - Honest intentions, solicitous, altruism



Why managing diversity



Diversity as a means

(Becker 2006, translated by Hansen)

- ... diversity never can be goal on its own. Diversity always is a means for attainment of individual, entrepreneurial or societal goals, explicitly set up in advance or implicitly pursued.
- Which goals could be attained by a diversity strategy?



Mirror of the Markets

- They [the customers] also view themselves in very different ways. And then, everything is still so very strongly . . . traditional that you have people from the caring professions, people from the medical services, and people from administration. And I think that in this . . . branch . . . there are many, very many different kinds of "customer." You can only respond to their needs if you have a correspondingly similar staff: employees who also have many, very different qualifications. (**consultancy firm**)
- An international **transport company** became aware that diversity follows the same path as their company strategy: "It's exactly the same. Fits absolutely our customers and staff and shareholders are diverse, and our market is also diverse, and society as well, of course" **(V)**.



Deutsche Bank declared:

It is clearly confirmed that diversity contributes to increasing the value of companies Therefore, diversity should be integrated into recruitment, promotion, and personnel development. Moreover, this is also becoming increasingly important in the criteria that analysts use to evaluate companies. Recent surveys indicate that information that cannot be grasped numerically on, for example, the management of a company and the qualifications of its personnel (nonfinancial information or intangible assets) . . . already make up 35% of an investor's decision. It can be concluded that diversity, as one component of these intangible assets, is an essential company strategy.

www.cybertecture.de/WEB/kon_03dive.shtml

Effects of Diversity in Organizations

(Cox/ Blake 1991, Kossek/ Lobel 1996)



- Argument of cost-reduction
- Human resources argument (retention, recruitment)
- Marketing argument
- Argument of creativity
- Argument of problem-solving
- Argument of flexibility



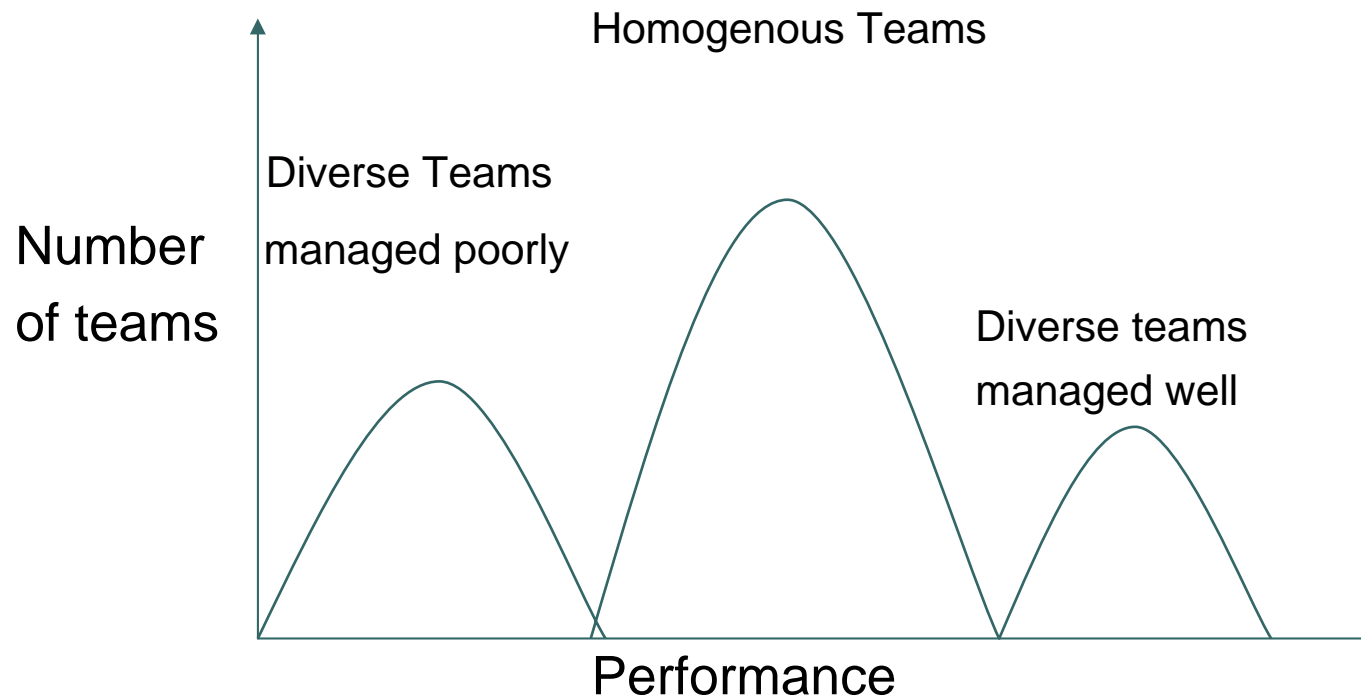
Question to the group:

- Which effects are probable to emerge in your organization?
- What has to be done to make these effects emerge?



Diverse Teams: Chance und Gefahr

(Distefano/Maznevski 2000)





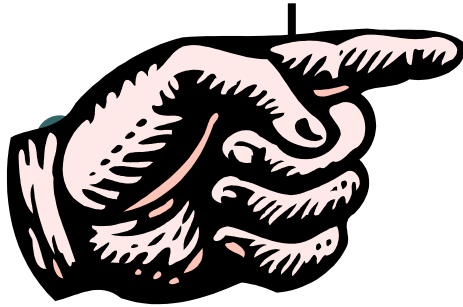
How Managing Diversity

Three Paradigms of Managing Diversity

(Thomas/Ely 1996)



- Discrimination-and-Fairness Paradigm: „The staff, ..., gets diversified, but the work does not.“
- Access-and-Legitimacy Paradigm: „.... quick to push staff with niche capabilities into differentiated pigeonholes.“
- **Learning-and-Effectiveness Paradigm: „This is not an easy challenge, but we remain convinced, that unless organizations take this step, any diverse initiative will fall short of fulfilling its rich promise.“**



How to Manage Diversity

(Cox 1991, Cox/Beale 1997, Emmerich/Krell 1998)

Requirements

- Pluralism
- Structural Integration
- Integration in informal Networks
- Decrease of prejudices and discrimination
- Identification with the organization
- Reduction/ solution of conflicts

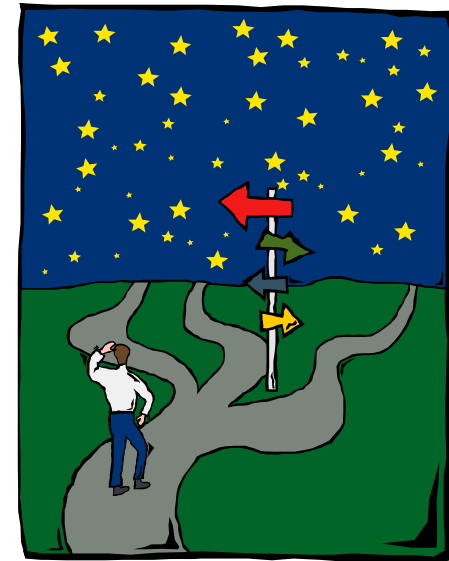
Tools

- Valuing diversity in mission statement
- Behavior of members of the organisations, esp. leaders
- Diversity-oriented appraisal systems
- Heterogeneity in decision-making committees
- Project groups/ networks
- Mentoring
- Conflict- und diversity-trainings

Three Levels of Diversity Management

(Stuber 2001)

- Heart:
Cultural Change, making people sensitive
- Head:
Awareness of requirements and business purposes
- Hand:
Defining and agreement on goals,controlling





Question to the group

- What measures would be appropriate in your organization to make good use of diversity?



Concept of Diversity Management

(Aretz/ Hansen 2002)

- Diversity-Vision fitting with organizational values (function of latent pattern maintenance)
- Serving the function of integration by developing an organizational attitude of inclusion which covers all dimensions of diversity, defining a shared need, and communicating progress
- Ensuring goal attainment by installing enabling systems in which responsibilities are fixed, progress and effects are monitored and sustainability of diversity management is supported
- Mobilizing resources: powerful actors feel responsible; they show their sustainable commitment to the whole organization and beyond; they support processes of managing diversity management materially und immaterially. Expertise of diverse identity groups/ networks is used as resource



Some Conclusions



Diversity Management in an international firm

It's an initiative, not a program. At, we don't like the use of the word "program" to describe our diversity initiative. Instead, we use the term "initiative." This may seem a trivial distinction, but it's not. "Program" implies a project-like mind set with a definite beginning and an ending.

"Initiative," on the other hand, defines a process, a significant long-term investment. An initiative approaches diversity and inclusion through a sustained, systemic methodology, and the process and lessons become engrained in the very fabric of the firm.



Model of Competence

(Anderson/Ackermann Anderson 2001, see also Sepehri 2001)

**Awarenes of
Incompetence**

**Awareness of
Competence**

**Diversity Management –
Process**

**Unawareness of
Incompetence**

**Unawareness of
Competence**





Literature

- Aretz, H.-J./Hansen, K. 2003a: Erfolgreiches Management von Diversity. Die multikulturelle Organisation als Strategie zur Verbesserung einer nachhaltigen Wettbewerbsfähigkeit. In: Zeitschrift für Personalforschung, Jg. 17 (2003), H. 1, S. 9-36
- Aretz, H.-J., Hansen, K. 2003b: Diversity Management – ein Konzept für den Umgang mit Vielfalt und Komplexität. In: Zeitschrift Führung + Organisation, Jg. 72 (2003), H. 4, S. 192-198
- Avery, D. R./Thomas, K. M. 2004: Blending Content and Contact: The Roles of Diversity Curriculum and Campus Heterogeneity in Fostering Diversity Management Competency. In: Academy of Management Learning & Education, Vol. 3 (2004), No. 4, pp 380-396
- Bacharach, S. B., Bamberger, P. A., Vashdi, D. (2005): Diversity and Homophily at Work: Supportive Relations among White and African-American Peers. In: Academy of Management Journal 48 (4), p. 619 - 644
- Belinszki, E., Hansen, K., Müller, U. (Hrsg.) 2003: Diversity Management. Best Practices im internationalen Feld. Münster
- Bissels, S., Sackmann, S., Bissels, T. 2001: Kulturelle Vielfalt in Organisationen. Ein blinder Fleck muss sehen lernen. In: Soziale Welt 52 (2001), S. 403-426
- Boone, C./van Olffen, W./van Witteloostuijn, A./De Brabander, B. 2004: The Genesis of Top Management Team Diversity: Selective Turnover among Top Management Teams in Dutch Newspaper Publishing 1970-94. In: Academy of Management Journal, Vol. 47 (2004), No. 5, pp 633-656
- Chatman, J./O'Reilly, C. A. 2004: Asymmetric Reactions to Work Group Sex Diversity Among Men and Women. In: Academy of Management Journal, Vol. 47 (2004), No. 2, pp 193-208
- Cox, T. H./Blake, S. 1991: Managing Cultural Diversity: Implications for Organizational Competitiveness. In: Academy of Management Executive, Vol. 5 (1991), No. 3, pp 45-56
- Ely, R. J./Thomas, D. A. 2001: Cultural Diversity at Work. The Effects of Diversity Perspectives on Work Group Processes and Outcomes. In: Administrative Science Quarterly, Vol. 46 (2001), No. 2, pp 229-273
- Gebert, D. 2004: Durch diversity zu mehr Teaminnovativität? In: Die Betriebswirtschaft, Jg. 64 (2004), H. 4, S. 412-430
- Joshi, A. 2006: The Influence of Organizational Demography on the External Networking Behavior of Teams. In: Academy of Management Review Vol. 31 (2006), No. 3, pp 583 - 595
- Hansen, K. 2002: Zum Umgang mit personeller Vielfalt in Unternehmen und Non-Profit-Organisationen. In: Zeitschrift für Frauenforschung und Geschlechterstudien, Jg. 20 (2002), H. 4, S. 41-50
- Hansen, K., Aretz, H.-J. 2002: „Diversity Management“ – eine Herausforderung für deutsche Unternehmen, in: Knauth, P., Wollert, A. (Hrsg.): Human Resource Management. Neue Formen der betrieblichen Arbeitsorganisation und Mitarbeiterführung, Loseblattwerk Köln, 35. Ergänzungslieferung
- Hansen, K./Goos, G. 1997: Frauenorientiertes Personalmarketing. Chancen – Wege – Perspektiven. Sternenfels



Literature II

- Hornberger, S. 2002: Die neuzeitliche Perspektive der Individualisierung und die Herausforderung für die Personalforschung. In: Zeitschrift für Personalforschung, Jg. 16 (2002), H. 4, S. 545-562
- Jackson, S. E. (1992): Team Composition in Organizational Settings: Issues in Managing Increasingly Diverse Work Force. In: Worchel, S., Wood, W., Simpson, J. A. (eds.) (1992): Group Process and Productivity, Newbury Park, p. 138 - 173
- Koall, I. 2001: Managing Gender & Diversity. Von der Homogenität zur Heterogenität in der Organisation der Unternehmung. Münster
- Lau, D. C., Murnighan, J. K. 2005: Interactions within Groups and Subgroups: The Effects of Demographic Faultlines. In: Academy of Management Journal Vol. 48 (2005) No. 4 pp 645 - 659
- Müller, U. 2002: Geschlecht im Management – ein soziologischer Blick. In: Wirtschaftspsychologie, Jg. 4 (2002) H. 1, S. 11–15
- Murrell, A. J./Crosby, F. J./Ely, R. J. (Hg.) 1999: Mentoring Dilemmas. Developmental Relationships within Multicultural Organizations. Mahwah
- Roberson, L./Kulik, C. T./Pepper, M. B. 2003: Using Needs Assessment to Resolve Controversies in Diversity Training Design. In: Group & Organization Management, Vol. 28 (2003), No. 1, pp 148-174
- Roberts, L. M. (2005): Changing Faces: Professional Image Construction in Diverse Organizational settings. In: Academy of Management Review 30 (4), p. 685 - 711
- Simons, G. F. (Hg.) 2002: EuroDiversity. A Business Guide to Managing Difference. Amsterdam et al.
- Stuber, M. 2002: Corporate Best Practice: What Some European Organizations Are Doing Well to Manage Culture and Diversity. In: Simons (2002), pp 134-170
- Thomas, D. A. 1999. Beyond the Simple Demography-Power Hypothesis: How Blacks in Power Influence White-Mentor-Black-Protégé Developmental Relationships. In: Murrell et al. (1999), pp 157-170
- Thomas, D. A./Ely, R. J. 1996: Making Differences Matter. In: Harvard Business Review, Vol. 74 (1996) no. 5, pp 79-91
- Thomas, R. R. 1996: Redefining Diversity. New York
- Van der Wegt, G. S., Bunderson, J. S. (2005): Learning and Performance in Multidisciplinary Teams: The Importance of Collective Team Identification. In: Academy of Management Journal 48 (3), p. 532 - 547