

Managing in a culturally Diverse environment

Learning Objectives

- **Define diversity**
- **Discuss importance of recognizing diversity and cultural differences**
- **Discuss Problems Caused by Diversity**
- **Explain Cox's model of the multicultural organization**
- **Discuss various ways of managing diversity in organizations**

Learning Objectives (cont.)

- **Describe unintended results of managing diversity**
- **Consider how managing diversity can be a competitive advantage**
- **Debate whether approaches to managing diversity are converging or diverging worldwide**

Diversity

**A range of individual differences ,
including those that are visible and
those that are not**

Is seeing culture illegitimate?

- We know that cultural diversity exists, and that it impacts the ways in which employees and organizations must operate
- However, discussing cultural differences can be offensive and politically incorrect
- Recognition is not the same as judging people from one culture to be better or worse than any other group
- Cultural blindness limits our ability to benefit from diversity and minimize problems caused by diversity.

Advantages/Disadvantages

- Requisite Variety
 - Multiple Perspectives and Experiences
- Allows for Increased Openness
 - If increased creativity and interpretation is allowed
- Leads to Competitive Advantage
 - Increased Flexibility and Responsiveness
- New Perspectives leads to Innovation
- Increased ambiguity and complexity
- Leads to increased confusion
- Difficult to reach consensus
- Difficult to manage motivation

Diversity Related Sources of Competitive Advantage

- **Cost Reduction**
- **Resource Acquisition**
- **Marketing**
- **Creativity**
- **Problem Solving**
- **Organizational Flexibility**

Recognizing and Managing Diversity

- **Parochial: do not recognize other ways**
 - Our way is the only way
- **Ethnocentric: Do it our (best) way**
 - Our way is the best way
- **Synergistic: A learning organization**
 - Organize in new ways by taking from different cultural solutions
 - Can be rare and inimitable leading to sustainable competitive advantage

Unintended Results of Managing Diversity

- **Programs that focus on encouraging certain groups may create feelings of unfairness or exclusion in others**
- **Giving preferential treatment to certain groups may stigmatize their members**
- **Increasing diversity without recognition and rewards for the new members can create organizational tension**

Creating an Organization That Can Manage Diversity

- **Organizational Vision**
- **Top Management Commitment**
- **Auditing and Assessment of Needs**
- **Have Diversity Training Program**
- **Use Multicultural Teams**
- **Ensure Clear Accountability**
- **Test for Effective Communication**

Convergence or Divergence?

- Increasing domestic multiculturalism
- Increasing globalization of organizations
- *Homogeneous populations may see managing diversity as unimportant or irrelevant*

Implications for Managers

- **Managing a diverse workforce an important part of an international manager's job**
- **Must understand the impact of diversity and know how to utilize**
- **Realize different cultures view diversity differently and consider impact on manager**
- **Those that can synergize can gain competitive advantage**