

Challenges Faced By Managers on Managing Employees from Diverse Background

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Abstract

Employees are normally recruited from various backgrounds from the Human resource department. Its the duty of the HR manager to ensure that they vary their workforce to ensure a mix up of talents. Rich Cultural competence is the most important skill for effective work performance in the 21st century. The diverse workforce has become fashionable today. The impact of cultural diversity varies from organizations overall strategy. With tremendous growth of organizations, a number of firms have moved from domestic, multidomestic, multinational strategies to operating as a truly global firm, this has brought a great significance and impact of cultural diversity (Adler, 1997) Managing of cultural differences in organization's enables it to remain competitive in the work environment.

Key words: diverse background, cross-cultural, diverse management

1. Introduction

Diversity refers to having people from various socio-cultural backgrounds within the company. The differences are found in cultural factors such as race, gender, age, color, physical ability, ethnicity, etc. (Kundu and Turan, 1999). Diversity is acceptable when an organizational culture enables employees to pursue their career aspirations without being challenged by gender, race, nationality, religion, or other factors that are irrelevant to performance (Bryan, 1999). Its important for employees to perform their work at their best in an equitable work environment where no one group has an advantage of the other. (Torres and Bruxelles 1992).

Modern organizations are looking for people from different background because the diverse workforce brings different talents, interests, and viewpoints (Simmons, 1996). The organizations which do not embrace diversity effectively and take a holistic approach to eliminate discrimination and injustice among its employees, adversely affecting them and even stakeholders. Organizations must therefore concentrate on holistic strategies that address broader human resource issues, and value diverse employees. Organisations must consider stakeholders as employees e.g. , suppliers, public agencies, and government regulators They should be considered in shaping the culture of performance .Customers/clients are part time employees of service organizations (Mills and Morris, 1986) and they are directly involved in the service production function (Mills, chase and Margulies, 1983). In number of situations employees, customers and other stakeholders in the service environment interact to produce the ultimate service outcome (Zeithaml and Bitner, 1996). Managers should have diverse managerial strategies to manage both their full-time employees and "part time employees (Govender, 1999). A new type of organization should be created to portray a diverse body of employees, customers and stakeholders who are valued and involved in all dimensions of the work. Organizations must learn from the people they serve, they can get their best product and service ideas by listening (Peters and Waterman, 1994).

To solve the problem of unfair, treatment of diverse people, that is , employees and customers, managers must recognize that such treatment is very important in order to create constituent capitalized workforce by establishing mutual trust and respect among employees, customers and stakeholders (Fernandez, 1998).

2. CREATING DIVERSE WORKFORCE

It's the responsibility of firms to completely reshape the working culture that make possible to see how work gets done and how diverse markets are approached. All employees should be held accountable for their behaviors and dealt out individually. Organizations must create an environment based on trust and respect in

which diverse employees are valued and integrated into all aspects of the work. Its important also for managers to rethink and redefine missions, strategies, management practices, cultures, markets, and products to meet the needs of an increasingly diverse body of employees, customers and stakeholders (Fernandez, 1998).

Its very important to create a diverse workforce in an organizations due to the following reasons:

- (i) Women, and children are the main influence of the commodities consumed in most homes. Thus, hiring women, minorities, disabled, etc. will help the organizations to tap these niche markets (Mueller, 1998).
- (ii) Organization's will be seen as equal employer hence earning its self a good corporate image. Thus creation of diverse workforce should be seen as a social and moral imperative.
- (iii) Diversity promotes creativity and innovation among employees which is important in the competitive environment.
- (iv) Diversity puts organization's on world map hence ,its recognized internationally .
- (v) Diversity creates teamwork that makes it possible to enhance flexibility and rapid response to change.

Diversity can causes certain problems in organizations if not handled well as indicated below:

- (i) Communication may become a problem when employees from different cultures fail to understand one another. Organizations located in its mother country find it difficult to communicate with locals from diverse background and especially such a country which has no common language find it difficulty in communicating with the local employees as local employees speak different language.
- (ii) Diversity increases ambiguity, complexity and confusion.
- (iii) Diversity causes managers and employees differ in their opinions when formulating organizational policies, strategies, practices and procedures.
- (iv) Cultural diversity does not bring about mutual agreement easily .
- (v) Cultural diversity makes difficult for employees and management to come to an agreement on the many organizational procedures.

Its important to note that a diverse workforce can better serve and compete in diverse markets. Hiring a diverse workforce can be challenging but the greater challenge is to retain the diverse workforce. Delhi Business Review Vol. 2, No. 2, July - December 2001 indicates that, Its important to explore best HR practices that helps in identifying the best tools for retaining a diverse workforce. These practices include establishing open communication, supporting ongoing training and mentoring programmes and remunerating employees well ,The key to create, develop, and retain diverse workforce is to find a way to make workforce to feel part of the organization (Farren and Nelson, 1999).

3 .KEY AREAS OF DIVERSITY

When we talk of Cultural competence it means, the ability to interact effectively with people from different cultures. This brings about on awareness of one's own cultural world view knowledge of other cultural practices and world views, attitudes towards cultural differences and cross -cultural skills. Developing cultural competence results in an ability to understand, communicate with , and effectively interact with people across board, and work with varying cultural beliefs and schedules . Cultures vary and variations cut across the organizations.

Communication: This is the process of providing information accurately and promptly. This is very critical to effective work and team performance. This is particularly important when a project needs immediate corrective actions. However, people from different cultures vary in how, for example, they relate to bad news. People from some cultures may be reluctant to give supervisors bad news while those from other cultures may exaggerate it.

Teambuilding: Some cultures are individualistic, and people want to go it alone. Other cultures value cooperation within or among other teams. Team-building issues can become more problematic as teams are comprised of people from different background. Effective cross-cultural team-building is a benefit to an organization in general.

Time: Cultures are different in the way they view time. For example, they differ in the balance between work and family life, and the workplace mix between work and social behavior. Other differences include the perception of overtime, or even the exact meeting of a deadline. Employee's different perceptions of time can cause a great misunderstanding in the workplace, especially with scheduling and deadlines. .

Calendars: The world business generally runs on the western secular year, beginning with January 1 and ending with December 31. However, many cultures use calendars to determine holidays such as New Year's or specific public days. For example, Christians celebrate Christmas on 25th December, whereas muslims, have their Eidul fitr in the full month in the year and also preserve their Friday as a day for prayer. Jews observe holidays ranging from Rosh Hashanah to Yom Kippur. These variations affect the workplace as people require time off to observe their holidays. it requires a very strong HR manager to manager such diversity. However, a cultural calendar is a helpful tool to ensure meetings are successful, and deadlines are met.

4. Cultural diversity management

The cultural impact on management is reflected on basic values, attitudes, beliefs and behavior of the people. Culture can affect technology transfer, managerial attitudes, managerial ideology and even government-business relationships. Moreover culture affects how people think and behave (Hodgetts and Luthans, 1999).

In some societies important decisions are made by few top managers, eg the American society while in others, these decisions are diffused throughout the organization case in point is the Japanese society. Americans cultural norms emphasizes on individual rewards that are not so in Japanese culture. In some societies, risk-taking is encouraged case in point kikuyus in Kenya which is not so in others. People identify themselves very strongly with their company if they are rewarded and others identify themselves with their occupational group if they love their jobs.

Some societies encourage cooperation between people. Others encourage competition between people. Some countries believe in short-term goals, while others are more interested in long-term goals. Western countries put high value on innovation and change as against rest of the countries where stability is being encouraged. So, it is the cultural background that creates differences (Reynolds, 1986).

5. Research done on work related attitudes.

Differences in work-related attitudes exist across a wide range of cultures (Adler, 1997). A research done by Geert Hofstede (1980), conducted a big survey of 1,60,000 managers and employees working for an American multinational corporation (IBM) covering 40 countries initially, which was later expanded to over 70 countries around the world (Adler, 1997; Hodgetts and Luthans, 1994). He found significant differences in behaviour and attitudes of employees and managers from different countries that worked for IBM. He further found that national culture explained more differences in work-related values and attitudes than the position within the organization, profession, age, or gender. Initially Hofstede found that managers and employees vary on four primary cultural dimensions:

- Individualism /collectivism
- Power distance
- Uncertain avoidance.
- Masculinity /femininity.
- Career success/quality of life

Years later Hofstede along with others identified a fifty dimension i.e. Confucian dynamism (Adler, 1997). Individualism implies loosely knit social networks in which people focus primarily on taking care of themselves and their immediate family only. Countries with high individualism trait like United States, Great Britain, the Netherlands, Australia and India tend to have greater support for Protestant work ethic, individual

decision-making, and promotions on the basis of market value. In contrast, collectivism is a tendency of people to belong to groups and to look after each. Countries like Pakistan, Taiwan, Peru, Columbia, Singapore etc. have high collectivism trait (low individualism). These countries with high collectivism tend to have less support for the charity work ethic, less individual initiative, and promotions on the basis of seniority. Power distance measures the extent to which less powerful employees accept an unequal distribution of power. In high power distance countries, such as Philippines, Venezuela, México, South Korea and India, superiors and subordinates consider bypassing to insubordination; whereas in low power distance countries, such as Israel, Denmark and USA, employees expect to by pass the boss frequently in order to get their work done (Adler, 1997). Decision-making is decentralized in low power distance countries as against high power distance countries. Uncertainty avoidance dimension measures the extent to which managers and employees feel threatened by ambiguity and, therefore, try to avoid ambiguous situations by providing greater career stability, establishing more formal rules, rejecting deviant ideas and behaviour, and accepting the possibility of absolute truths and the attainment of expertise. Lifetime employment is more common in high uncertainty avoidance cultures like Japan, Portugal, and Greece whereas high job mobility is more common in low uncertainty avoidance countries like Singapore, Hong Kong, Denmark and India (Adler, 1997). The country United States with high job mobility ranks is relatively low on uncertainty avoidance.

The dominant values in Masculine (Career Success) societies are success, money. The values in quality-of-life (femininity) societies are relationships among people, concern for others, and the quality of life. Highly masculine cultures are found in India, Japan, Austria, Venezuela, USA and Italy. Feminine cultures are found in Norway, Sweden, Denmark and Finland. Confucian dynamism measures employees' devotion to work ethic and their respect for tradition. Asia's "Four Tigers" (Hong Kong, Singapore, South Korea, and Taiwan) have strong work ethic and commitment to traditional Confucian values (Adler, 1997).

The integration of these cultural factors into two-dimensional plots explains the complexity of understanding culture's effect on behaviour. Further, empirical evidence on the impact of cultural dimensions may differ from commonly held beliefs or stereotypes (Hodgetts and Luthans, 1994).

6. How to manage cultural diversity

To manage effectively in a global or a domestic multicultural environment, we need to recognize the differences and learn to use them to our advantage, rather than either attempting to ignore differences or simply allowing differences to cause problems (Adler, 1997). Rather HR managers should be informed on how to respect the differences at work and how to work with them to maximize the contribution of each employee (Cascio, 1998). The extent to which managers and employees recognize cultural diversity and its potential advantages and disadvantages defines an organization's approach (strategy) to manage cultural diversity. Adler (1997) has identified the following strategies for managing cultural differences.

- (i) Ignore cultural differences
- (ii) Minimize cultural differences.
- (iii) Manage cultural differences.
- (iv) Cross cultural training

Ignore differences: Using this strategy, managers do not recognize cultural differences (diversity) or its impact on the organization. This strategy is very popular in parochial type of organizations. In such type of organizations, managers and employees believe that "our way is the only way" to manage and organize. Therefore, they do not see any impact of cultural diversity on managing an organization. They consider the diversity is irrelevant. The strategy of ignoring differences precludes effective management of cultural diversity and also precludes the possibility of minimizing negative impacts and increasing positive impacts of diversity.

Minimize differences: This strategy is commonly adopted by ethnocentric organizations where managers do recognize cultural diversity but see only it as a source of problems. In an ethnocentric organization, managers believe that "our way is the best way" to organize and manage. They consider others' ways of doing as inferior ways of managing. In this approach managers try to reduce the problems of differences by reducing diversity. They do not see or think about the advantages of diversity. Such type of organizations tries either to select a culturally homogenous workforce or to attempt to socialize all employees into the behaviour patterns of the

dominant culture. Ethnocentric organizations, by minimizing differences, have the disadvantaged of benefiting from the many cultures present.

Managing differences: Organizations that adopt this strategy of managing differences are synergistic organizations. These type of organizations recognizes the impacts of cultural diversity that leads to both advantages and disadvantages. Managers using synergistic approach believe that “our way and their way of behaving and managing differ, but neither is superior to the other”. Creative combinations of our way and their way may be the best approach to organizing and managing. By adopting synergistic approach, managers and employees minimize potential problems by managing the impacts of cultural diversity, not by attempting to minimize the diversity itself. In the same manner, managers maximize the potential advantages by managing the impacts of diversity, rather than by ignoring them.

Organizations which use this strategy of managing differences train their managers and employees to recognize cultural differences and to use cultural differences to create advantages for the organization.

Synergistic organizations assume

- (i) That groups within society differ across cultures and that each maintains its cultural distinctness.
- (ii) That the similarities and differences are of equal importance.
- (iii) That there are many culturally distinct ways to live, to work, and to reach a final goal.
- (iv) That there are many different good ways to reach the final goal. The best way depends on the cultures of the people involved (Adler, 1997).

For recognizing cultural differences and using them to create advantages for the organizations, synergistic organizations can make use of cross-cultural training and valuing diversity.

6.1 Cross cultural training –This strategy stresses on training employees about other cultures and sensitizing them on the dangers of discrimination and biases among diverse employees feel (Farren and Nelson, 1999). Cross-cultural training aims at helping employees live and work comfortably with other cultures. Organizations can use two approaches of training that can play a big role in managing diversity. According to Subhash C. Kundu (2001)

- (i) First approach offers training to diverse groups of employees. People from diverse groups can be trained for an entry-level skill before they are absorbed in the organization.
- (ii) Second approach is to provide training to managers and other employees who work with diverse employees (Luthans, 1995). Many organizations impart practical, real-life training to teach employees how to handle situations those arise due to cultural differences.

6.2 Training approach- The following can be used by managers in order to ensure cultural management is made effective:

- Orientation in culture to familiarize the employees with value systems and culture of the organization.
- Cultural assimilator whereby employees are exposed to different cultures eg attitudes, customs.
- Language training teaching conversational language skills to keep all employees on the same thinking.
- Sensitivity training to develop attitudinal flexibility at least to change others altitude.
- Field experience: to give first hand exposure to another culture (Hodgetts and Luthans, 1994).
- Valuing of diversity and the benefits of management.

Organizations that succeed to manage the diverse workforce normally has the full support from the top management (Hayes, 1999). With this view, five other steps must be considered which are as follows:

- Conduct an organizational audit: The organizational audit should include a continuous monitoring of all human resource management decisions around hiring, placement, training and development, evaluation, promotion, compensation, and reward systems.

- Assess the pulse of the company: If diverse workforce in the organization feels good about their stay and experience and enjoy at work, then the well-being, motivation, satisfaction, and commitment of people of any organization will increase.
- Establish and communicate clear performance standards: Performance standards must be based on critical competencies necessary for each job. These must be clearly and objectively established, effectively communicated, and used on objective criteria.
- Provide continuous feedback: Employees should be trained about how to give and receive feedback continuously on clearly identified undesirable behaviors the company wants to change and desirable behaviors the company wants to encourage. Identification of desirable and undesirable behaviors must be based upon performance feedback discussions involving diverse workforce.
- Avoid copying: Very often, companies rely on benchmarking/copying to take advantage of the latest strategies. Copying may backfire. To be successful, the strategy (diversity or otherwise) must be based on the will of the human resources, strength, and culture of the organization. *Delhi Business Review* Vol. 2, No. 2, July - December 2001
- Adopting a diversity strategy for a company whose culture and history are different and not suitable for diversity strategy reduces the viability and utility of the strategy. Managers must understand their firm's culture first and then implement diversity strategies according to that culture.

7. CONCLUSIONS

The focus of the workforce diversity issue has changed from equal employment opportunity to effectively managing workforce diversity as an organizational imperative (Torres and Bruxelles, 1992). As the globalization is increasing, workforce diversity is here going to stay. Those recognize the globalization of labor as a positive trend and facilitate the flow of workforce will benefit most (Johnston, 1991). Keeping this in mind the strategy should be aimed at creating change in organizations. To be successful in such type of new environment, managers must learn to value and respect cultural styles and ways of behaving those differ from our styles.

Managers must be able to tie the issues of managing cultural differences to the needs of the business and be well versed in business issues, goals and results. Managing workforce diversity should be considered by managers as an opportunity to serve the needs of customers better and to penetrate new markets. By valuing and managing diverse workforce, it is possible to enhance creativity, flexibility, and rapid response to change. Managers, to utilize the potential of diverse workforce, must link diversity to every business function or strategy i.e. recruitment, selection, placement, development, succession planning, performance appraisal and rewards.

To remain competitive, organizations must develop long-term intervention strategies rather than short-term solutions or strategies. Managers have to remove the barriers which prevent the organizations from developing and utilizing fully equitable systems that allow workforce to achieve its full potential.

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