Benefits of diversity in the workplace

Valuing, managing, and developing a multicultural team

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MBA 601, Management Communications
Pfeiffer/Triangle, Fall 2006
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04 December, 2006
I. Introduction

The purpose of this project is to create awareness of the role and importance of valuing and managing diversity, and to encourage and inspire you to take steps towards developing and maintaining a strong, diverse team. Multiple sources of evidence have been used to complete this project, including scholarly articles and academic publications found on NCLive and other websites; also, extensive literature reviews on books about workforce diversity.

My findings provide important insights into diversity issues that are of relevance to all of us. Specifically, the project begins with an explanation of diversity, and examination of the possible benefits from diverse workforce. It also focuses on managing such diversity, and finally ends with suggestions for building a diverse team culture. This project is directed to anyone who regardless of title must deal with these issues in a very personal way.

I hope that the final impact of my presentation will spark greater awareness as well as provide you with useful and practical information you can use when dealing with multinationals in your organization. The desired outcomes include attracting, developing, and retaining the best employees which should give organizations a competitive edge and ability to generate greater profits.

II. Cultural diversity.

The definition for diversity is extremely broad. The word diversity simply means differences or variety. As used when referring to the workplace, diversity refers to the many differences present among workers today. Diversity in the workplace includes all of the ways people are different in age, ethnicity, gender, educational background, social status, work experience and so on.

Modern definitions of workforce diversity focus on the ways that people differ, that can affect a task or relationship within an organization. For the purpose of this report, I limit the so broad scope of diversity, and I concentrate on the multicultural diversity. In other words, I focus on workforce diversity based on multinational differences and variety among team members.

The importance of the issue of the diverse workforce is constantly increasing. The recent business trends of globalization, and the increasing ethnic diversity in the population, clearly indicate the need of attention. If a business plans to be successful, it must start now to reexamine how leaders treat multinationals employed within their company. Organizations should consider finding innovative ways to retain talented, skilled workers because otherwise they run the risk of losing them to competitors, if they ignore this important issue. The more diverse a work team is, the more effective it can be, if the leaders and team members recognize and value the contributions of those, who are different.
The increasing importance of the diversity in the workforce suggests that it should be addressed just as any other business issue would. Today’s labor pool is dramatically different than in the past. No longer dominated by a homogenous group of white males, available talent is now overwhelmingly represented by people from a vast array of backgrounds and life experiences. Competitive companies cannot allow discriminatory preferences and practices to impede them from attracting the best available talent within that pool. Diversity will increase significantly in the coming years.

III. Benefits of diversity

There is no doubt that workforce diversity brings real business benefits and that organizations must embrace diversity in order to succeed. Companies that accept cultural differences identify important benefits that strengthen long-term competitiveness and, in certain instances, also produce short and medium-term improvements in the organizational performance. Cultural diversity is beneficial to both associates and employers. Here are some examples of benefits, gained from organizations and employees which accept diversity:

- Business growth and increased productivity and profit
- Enhanced service levels and customer satisfaction
- Advantage in attracting, recruiting and retaining highly talented people
- Improved innovation and creativity among employees
- Enhanced corporate image and reputation
- Improved motivation and efficiency of existing staff
- Increased employee commitment, loyalty and morale
- Cost savings due to lower turnover and less absenteeism
- Strengthened cultural values within the organization
- Avoided litigation costs
- Increased adaptability and flexibility when facing the fluctuating markets and customer demands
- More effective execution - managing better the impact of globalization and technological change

These are the main but not all of the numerous benefits that an organization and its employees can gain by embracing cultural diversity. The most important benefits arising from the acceptance of such differences arise from strengthening the organizational and human capital. Along with knowledge capital, these are the principal intangible assets used by organizations to establish competitive advantage and to create value.

But having a diverse workforce does not automatically translate into positive rewards. To reap all of the possible benefits, organizations must first fully understand and value cultural differences, and also learn how to effectively manage such diverse workforce.
IV. Valuing and managing diversity

The goal of valuing and managing diversity is to develop a practical and strategic response to changing demographics, a response that will establish effective relationships for employees and customers. Organization’s success is directly linked to the ability to value and manage the diversity of its human resources. Valuing workforce diversity refers to having the willingness and the ability to recognize, understand, respect and utilize the contributions of all individuals, regardless of their nationality. Managing diversity is more than simply acknowledging differences in people. It is a comprehensive process of creating and maintaining a work environment that naturally allows all individuals to reach their full potential in pursuit of organizational objectives.

Therefore, valuing and managing diversity must be accepted by organizations as an integral part of the overall business strategy. To effectively manage a diverse workforce, organizations must pay attention and implement diversity management principles in the key HR functions of recruitment, training and development, performance appraisal, and remuneration.

- Recruitment.

Successful organizations can benefit from workforce diversity by creating an organizational environment which attracts people from diverse labor markets. Recruitment provides the entry point for this diverse pool of talent. HR should focus on recruiting the best people for the job, regardless of their origin. Leaders should recognize that people from different backgrounds, cultures and experiences can bring new ideas to the workplace. Several recommendations can be used to improve management of workforce diversity in the area of recruitment, for example:

- Development of a job description and selection process that covers job relevant duties, qualifications, and experiences and complies with anti-discrimination legislation
- Include advertisements in ethnic language press in addition to daily newspapers, and use a broad scope of recruiters, including internationally
- Include diverse multinationals in the HR departments, participating in the selecting and hiring processes
- Applying specific interviewing techniques when dealing with culturally diverse applicants

- Training and development

The goal of training and development should be to maintain or improve the performance of individuals and in turn that of the organization. In order to retain the already hired diverse employees, leaders should provide adequate training and
development opportunities to them. While training and development improves employees’ knowledge and skills, it also serves to reduce turnover. Training programs for diverse employees can help to eliminate group differences in career outcomes and generate respect for individual differences in attitudes, values and behavior. Recommendations in the area of training include:

- Identifying specific training needs which are linked to the organization’s goals and objectives
- Assessing individual worker’s training needs to enable participation within a training program
- Evaluating literacy, language, numeracy and skill competency levels
- Developing individual annual training plans which cover knowledge, operational and interpersonal skill
- Implement training programs which deal with issues such as cultural sensitivity, stereotyping and other inaccurate perceptions when working in a multicultural environment

• Performance appraisal

  A good performance appraisal system can help to enhance employee performance by evaluating how they are doing on the job and giving them the chance to correct their mistakes and acquire new skills. Several steps can be taken to improve the effectiveness of performance appraisal practices in the area of diversity:

  - It should be objective and not subjective, relevant to the job and the company, and fair to all employees.
  - Multicultural employees should be regularly included on panels that evaluate, select and promote managers.
  - Performance appraisal techniques should focus on appraising the individual’s performance, not personality.
  - The appraisal process should be as culturally neutral as possible.

• Remuneration

  Remuneration systems seek to improve employee performance by rewarding those who have made a contribution to the organization’s performance. Good remuneration systems ensure that there is a direct relationship between effort and reward. Thus, organizations need to implement a performance-based pay system and ensure that multinationals receive the same authority and rewards that go to traditional employees. Otherwise, the differences will result in loss of motivation and a lower job satisfaction. Approaches in this area include:

  - Reduce wage disparities by equal and fair distribution of rewards between employees regardless of origin
- Giving multicultural employees challenging assignments and prepare these employees for promotions to more senior positions.
- Make multinationals feel recognized and appreciated.
- Give them freedom to do their jobs without constant monitoring.

It is crucial for organizations to learn how to value and manage diversity in the workplace, in order to be successful in the future. Organizations, which excel at leveraging diversity, will experience better financial performance in the long run, than those which are not effective in managing diversity. Therefore, it is imperative for organizations to pay closer attention to the areas outlined above.

V. Developing a diverse team

Effective leaders must be aware that certain skills are necessary for creating a successful, diverse team. First, they must understand discrimination and its consequences. Second, they must recognize their own cultural biases and prejudices. Diversity is not about differences among groups, but rather about differences among individuals. Each individual is unique and does not represent or speak for a particular group. Finally, leaders must be willing to change the organization if necessary.

When creating multicultural teams, ideas flourish. Different people are exposed to each other and discover that they can share their different viewpoints. This is beneficial to the overall innovation potential of the organization. But putting people together does not automatically make them a team. Attention does need to be given to developing that group of people into an effective, trusting team. This is a continuous process which should never stop. Unfortunately, there is no single recipe for success. It mainly depends on the manager's ability to understand what is best for the organization based on teamwork and the dynamics of the workplace. However, here are some useful points:

- Embrace differences.

Embracing differences means acknowledging the variety among people, and valuing them. No doubt people are different. Only by learning about those differences, people can utilize them to make their working relationships stronger and more effective. The more people know about each other, the more they understand and value each other, the better they communicate and exchange ideas. An effective leader must understand the need for organizational members to communicate well to work together successfully.

- Celebrate humanity.

No matter how different people are from one another, they have more commonalities than differences. As human beings, people use language to communicate, and they are physiologically, genetically, and psychologically similar. Regardless of nationality and culture, team members have a lot in common: they work for the same
organization in the same location with the same people sharing the same business goal. Commonalities show us that we are together from the start and also give us a starting point to build from to become stronger. Any good team should discover commonalities and build on them.

- **Build on uniqueness.**

  Even though we all have much in common, each of us is unique. Different people bring different individual strengths and styles to the workplace. By understanding each member’s uniqueness, utilizing their strengths, and avoiding their weaknesses, the team achieves synergy, where the total is greater than the sum of its individual parts. On a diverse team, it is especially important to find the tasks each individual handles best. The team leader should find not only what a team member does well, but also how that person communicate and what other individual and cultural traits might make that person best suited for specific tasks. Individual interviews and a group meeting follow-ups are good ways to discover and utilize each member’s talents, and create a high performance team. Another approach is to go outside the organization and seek team-building consultants.

- **Establish the team’s mission.**

  One of the best ways to create a team mission and to get all team members to buy into it is to have the team create it. Leaders should facilitate a decision that includes all members. The discussion should cover specific areas such as team values, norms, and goals, and all the team members should agree on each of these factors through consensus. In order to fully understand its mission, a team must determine its core values. In addition to the typical team values, diversity in the team brings other core values. It is vital that the group members recognize each other’s values, and also move beyond recognition of individual values to find group norms that everyone can live with.

- **Develop a supportive climate.**

  A diverse workforce is full of new ideas and different approaches to traditional methods. Supporting people in their attempts to find new ways of doing things benefits everyone. A diverse team needs members to respect each other and praise each other. Team leaders need to develop a creative climate, model being supportive, facilitate support, and encourage it. There are different ways to show support. Team members need to feel respected, safe, and that it is not wrong to make mistakes sometimes. They should also feel supportive enough to be able to both give and receive constructive criticism. The members need to have flexibility in communication situations to show tolerance for different ways of doing things, and to recognize and validate each other’s accomplishments.

  A team can also create a supportive climate when its members help each other increase self-esteem and a sense of belonging. When people feel good about themselves, and feel they belong on the team, they work together better. They also produce greater results when they have fun. It is important for team members to get together outside the normal work environment. Getting to know each other in a non-work environment, helps in
their teamwork on the job. Social gatherings and business meetings, where every member can listen and have the chance to speak, are good ways to create dialogues.

- Continuously evaluate.

Regular team evaluations are an important aspect of maintaining an effective diverse team. Leaders are responsible for facilitating the constant and consistent improvement. Team members need to evaluate themselves, individual team members, and the team leader. They need to do overall evaluations of how the team functions, and evaluate the progress of team goals and the commitment to the team mission. Leaders must inspire and encourage the members to give each other feedback. It is vital that all team members feel comfortable enough to both give and receive feedback. It is also important that leaders seek external feedback from superiors, from members of other teams, from customer/clients, and from professional organizations that specialize in team building. The bottom line is that a diverse team needs constant evaluation and follow-up in order to keep improving. Building diversity over the long term involves the whole workforce and requires a continuous re-evaluation of attitudes.

VI. Other suggestions

I have reviewed six ways to develop and maintain a diverse team. In addition to that, I will give other recommendations for maximizing the benefits and minimizing the drawbacks of diversity. Below are some suggestions for creating multicultural organizations where members of nontraditional backgrounds can contribute and achieve to their fullest potential.

Removing communication barriers is crucial. Leaders can use specific tools for effectively communicating in diverse organizations. These tools are basic interpersonal communication principles including:

- Be open and create an open environment. Leaders should be open to differences in people; open to change; open to do thing in new ways. They should focus on creating an open environment where members feel free to talk and share their ideas. An open environment empowers people to keep the organization moving forward. The organizational environment should be one of collaboration and support, where everyone is encouraged to reach their full potential.

- Listen effectively. By listening carefully and understanding diversity issues, leaders may hear something that needs expansion, clarification, or change in a way that makes the situation more understandable. Proactive listening facilitates exploration of the problems that might arise because of diversity.

- Remove stereotyping and other biases. Stereotypes become dangerous when fixed generalizations of a group negatively influence one’s perceptions of an individual.
Religion, race, cultural background has nothing to do with a person’s job or performance. Organizations need to define and value their members based on who they are, and what they have accomplished, rather than where they come from.

- Communicate empathy. By doing so, the diverse members will be more open, more relaxed, and more willing to share their feelings and ideas. Communicating empathy helps create a good communication environment. Empathy is particularly important in diverse organizations where people from a nondominant culture might feel uncomfortable.

- Speak with a sense of equality. Speaking in such way, ensures that everyone feels a part of the communication. Achieving a sense of equality by treating others with respect is an important leadership skill in a diverse workplace. Multinationals will be less concerned about differences when they feel like members of a team with shared goals.

- Exhibit confidence. In diverse organizations leaders should show confidence when dealing with people from different cultures and backgrounds. Being an example, and by modeling confidence, leaders should create an environment where everyone is more confident. Such environment improves employee self-esteem. When members feel good about themselves, they feel good about the work they do. When everyone contributes, there is more innovation and better results overall.

- Be flexible. Leaders should adopt the ability to adjust to the situation they are in. They need to be very flexible especially in a diverse environment, where they can expect the unexpected. Every situation is new, and requires new thought, new actions. Leaders also need to be flexible in terms of how they behave with different people. Leaders who are willing to empower multinationals, and who accept the many differences within the workforce, can use those differences for the betterment of the organization.

VII. Conclusion

A diverse workforce is a reflection of a changing world and marketplace. As the economy becomes increasingly global, our workforce becomes increasingly diverse. Cultural diversity is here and now, there is no way around it, so organizations can take full advantage of it.

Diverse work teams bring high value to organizations. Respecting individual differences will benefit the workplace by creating a competitive edge and increasing work productivity. An effective diversity management benefits employees as well, by creating a fair and safe environment where everyone has access to opportunities and challenges. Management tools in a diverse workforce should be used to educate everyone about diversity and its issues, including laws and regulations. Leaders should help members understand cultural diversity, realize that such diversity can strengthen the team, and
acquaint them with specific roles they can play in developing and maintaining a diverse group.

Today, most workplaces are made up of diverse cultures, so organizations need to learn how to adapt to be competitive and successful. Evaluate your organization’s diversity policies and plan for the future, starting today. Successful organizations recognize the need for immediate action and are ready and willing to spend resources on managing diversity in the workplace now. Find, train and develop, and retain the best people available, so that your organization can fully benefit from such a diverse team.
References:


