# Peculiar Properties Of Managing Cultural Diversity

## Introduction

This project has been undertaken by the selection of a corporate organisation and thereafter examining its policy statements, administrative procedures and inclusion strategies, which forms the basis of this report investigating how cultural diversity is managed within an organisation. Going further, talking to employees, conducting interviews over telephone or Skype will enable an understanding of how the impact of the organisation's procedures affect people's experience and how, if at all, the environment of the workplace is altered by these specific methods of management.

The above actions will allow a thorough analysis to be made, making comparisons with outside literature looking at the problems associated with managing diversity and how the chosen organisation is able to overcome these. Along with this analysis, the way in which information is gathered will be examined, looking at why the method was chosen and looking at alternatives that may have been better suited.

## Literature Review

Cultural diversity is the variety of cultural or ethnic groups within a society so within a workforce diversity is the ways in which people in an organisation are different and similar to one another.

Management fourteenth edition, Stephen P Robbins and Mary Coulter (P. 146.) states that "workforce diversity includes; age, gender, race and ethnicity as-well as disability".

There are two forms of diversity that are important to the company under review; they are (1) surface-level diversity and (2) deep-level diversity.

Surface level diversity is the early perceived differences that may create a specific stereotype but won't affect the way people think or feel so this can affect the way people perceive others. However, this type of diversity can be used to a company's advantage such as having an environment where people can thrive regardless of their gender, race or ethnicity. However, stereotypes can lead to prejudice which may in turn, lead to discrimination which can lead to a lack of motivation, job dissatisfaction leading to a lack of commitment which may result in resignation. This is why it is important that a diverse workforce is valued and managed.

Deep level diversity manifests itself after people get to know each other. Surface level diversity factors then become less important and differences in values, personality and work preferences become more significant. It is important for the company to create a culture of inclusion where everyone is valued, and their thoughts and opinions can be expressed. Colleagues can then use their skills appropriately and this will allow the company to provide its clients and customers with innovative new ideas. These deep level diversity differences are important because they will very much decide how someone will behave at work.

There now is a greater fixation placed upon managing diversity. With changing social attitudes

companies need to accept differences so that they can be open to new ideas which will allow them to create a competitive advantage in their sector of business. There are many benefits to having a diverse workforce and these benefits can be assessed on 3 fronts; (1) people management, (2) organisational performance and (3) strategy.

By having a more diverse workforce strategy, potential employees will be more readily attracted to the company and bringing a broader set of skills.

Secondly, in relation to organisational performance, particularly in the areas of lawsuits relating to discrimination and prejudice, a diverse workplace can mitigate against these outcomes.

Strategically a diverse workforce may be able to inform the company's understanding of the holistic market within which it is operating. A diverse workforce ought to understand the diverse customer market it is serving thereby increasing the potential sales growth and market share of the company, giving it a competitive advantage.

There is now a social corporate social responsibility for companies to proactively pursue a diverse workforce however the challenges associated with managing diversity cannot be ignored. Having a well-managed diverse workforce takes time to implement. The development of a diverse workforce requires the entire company to be committed to this goal and such a strategy cannot be seen as a "tick box exercise".

Along with surface-level diversity and deep-level diversity theories, Hofstede's cultural dimensions theory must be examined with association to the business. Hofstede categorised cultures of different nationalities, and he created 6 categories that should distinguish national cultures. These categories were;

1. Individualism vs collectivism which means some cultures value performance of individuals and others the team
2. Power distance considers whether inequality is tolerated and to what extent is there a strong sense of position and status
3. Short -termism vs long termism is how different cultures emphasis short term performance or others encourage long term performance
4. Masculinity vs Femininity considers differences in decision making style
5. Uncertainty avoidance considers attitudes to risk taking in different cultures
6. Indulgence and Restraint is in relation to relatively free gratification and suppressed gratification.

https://www.tutor2u.net/business/reference/hofstedes-national-cultures. Along with these 6 categories the way in which the chosen company manages its cultural diversity will now be explored further.

## Methodology

The company being explored is a multinational professional services firm with its headquarters in London. The company operates as a network of firms across the globe with over 250,000 employees, in 700 offices across 150 countries. Some services provided include; Assurance, Tax Advisory, Consulting, Financial Advisory and finally Legal. Interviews were conducted with

people involved in the HR Department of the business. That department was chosen as it would have cognisance of how diverse the workforce is and also what measures and policies have been put in place by the business to create a diverse network. Secondly, interviews were conducted with entry-level graduates as they are people who are new to the business and will have less understanding of the diversity in the company. The consumer/client's impression of diversity within was considered as looked at earlier this has a major impact on the performance of the company.

The chosen company strives to have a diverse workforce with key differences being; educational background, age, ethnicity, technical skills and thinking styles.

When talking to new employees, some diversity became evident in that that some were university leavers and some were school leavers. The chosen company has a school leaver programme. This is significant as it is giving an equal chance to people that perhaps cannot afford to go to university or who had the chance to go to university or who had a strong desire to start a career and earn a salary. The main trend was that people wanted to bypass university to avoid debt. The school leaver programme has assisted this company in removing surface-level diversity perception that being people who have been to university are more able than people who are on the school leaver programme. It is evident that those on the leaver's programme will become more experienced in their field of work as they will gain knowledge of working with clients and learning about the service lines.

Accountancy is often seen as a male associated job. This is shown by AICPA figures where on average partnerships remain overwhelmingly male with women representing 22%. https://www.aicpa.org/content/dam/aicpa/career/womenintheprofession/downloadabledocuments/wiec-2017-cpa-firm-gender-survey-brochure.pdf. To counter this, the company gives presentations about its employment schemes throughout all-female schools with the purpose of increasing the number of female applicants.

The chosen company also participates in Government initiatives such as the "Think Act Report" which is a simple step by step framework which helps companies think about gender equality. This engagement shows that the company is focused on being an inclusive and diverse employer. In addition to this initiative, the company founded the National Equality Standard which is a measure of diversity and inclusiveness for all of the UK showing that it is one of the leading forces within this topic.

The HR team at the company confirmed that their diversity strategies have had a positive outcome for the business. Results show that the diverse teams have led to a +57% better team collaboration and a +45% likely outcome of improved market share. The company has set up a culture change continuum which is a road map to success on how to be the highest performing team. The company are of the view that by having a very clear and proactive diversity strategy, the business is able to perform in a stronger manner and win more market share by recruiting the best talent and equipping people with new skills of inclusiveness. This can also relate to Hofstede's model by showing that the company is more collective so thereby focuses on the performance of the team rather than the individual.

After speaking to clients of the company they felt that they were more comfortable and that this company had a more family vibe due to the different characteristics in the teams consulting them. Meaning they can be themselves around the team. These team environments have

proven to be beneficial as the company's revenue has grown by 7.8%. These teams have made surface-level diversity less important and now deep level diversity comes as a key player as values and work preferences become more important and more focus can be placed on the client.

## Recommendations

As the company becomes more diverse HR need to be aware of the various challenges associated as this company is a very large one it must make sure that it does not get overwhelmed. So, issues that may arise and how to overcome them will be discussed.

As your company becomes more diverse conflicts may arise over the lack of acceptance of cultural diversity and people's different beliefs among employees. This conflict is perhaps because of a pre-determined belief of a person before or judging a person based on a perception of the group to which the person belongs. This would be stereotyping or prejudice. To overcome this problem the company can train their employees to increase the knowledge of other people's differences so that they can learn to accept and respect them. This can be done through diversity skills training which will educate employees about the importance of diversity.

With the chosen company being such a global business operating in 150 countries there will be language and communication barriers as people are travelling from firm to firm to participate in business activities. So, a recommendation to prevent miscommunication because of language is that the company could provide language training for people who are not native to the English language preventing this miscommunication.

With people having different beliefs were this be; cultural, religious or political this can cause conflict in the workplace especially in such a diverse one like the chosen company so what would be advised is to have employees keep their beliefs to themselves independent from the work duties and peers. The employer could employ a counsellor which would allow employees to speak openly in a safe environment.

Finally, there is the issue of Gender Equality. This is something the company handles very well with. There is always the issue of the glass ceiling giving women less chance of succeeding in the business hierarchy as it is an invisible barrier separating women and minorities from top management positions. However, the chosen company are in fact trying to recruit more females as previously mentioned by carrying out presentations in all-female schools. Also, the global diversity and inclusiveness officer and partner is a female showing the ability for women to reach the top positions. A global issue surrounding gender is the gender pay gap and for the company to resolve this the employer themselves need to prevent discrimination and maintain the equal opportunity they already have in hiring and employees' chance of promotion. Being a woman in the company they may feel they have nobody to turn to ask advice from so therefore a mentoring programme may be beneficial.

Conclusion

It is evident how important diversity is for this company not only for the employees but also for the clients, it is about people inside and outside of the organisation. The aim is to have a company with a diverse workforce that at first may seem to have many differences however

over time this mentality should change due to effective management and the workforce will glue and differences will seem transparent. Organisations want to attract and retain a talented workforce so whatever age, ethnicity, gender or disability they have this should not disadvantage them in any way.

By having this particular workforce, the company will benefit not only from having a more innovative workforce but further this should help improve organisational performance and also improve wider society. By making your workforce more diverse there is improved problem solving and also system flexibility along with greater team engagement. When employees are more included, they are more likely to thrive and participate in decision making.

Diversity has come a long way since traditional research and a lot of progress has been made but there is still a long way to go.

## References


1. Management fourteenth edition, Stephen P Robbins and Mary Coulter (P. 146)
2. https://www.tutor2u.net/business/reference/hofstedes-national-cultures
3. https://www.aicpa.org/content/dam/aicpa/career/womenintheprofession/downloadabledocuments/wiec-2017-cpa-firm-gender-survey-brochure.pdf
4. Management fourteenth edition, Stephen P Robbins and Mary Coulter (P. 147)
5. Management fourteenth edition, Stephen P Robbins and Mary Coulter (P.148)


## Appendix

Here is a list of some questions that have been asked and why.

1. How important is diversity to you, and what value does it bring? This question was asked because companies that are more aware of diversity are more likely to succeed.
2. What are you doing to make sure everyone feels included?  If the company has looked at their organisation and assessed, it then it will also of have addressed any challenges associated and can look to remove these.
3. Do you feel that the organisation makes an effort to make you feel included? This question was asked to see if the strategies they are using have been made effective.
4. Do you have any data on the company’s diversity? This will allow easier analysis and also give a clear image of what the company stands for.
5. How diverse is your leadership team? If the leadership team is diverse the rest of the company is more likely to be diverse.
6. What more could be done to create diversity? This is a question directed at people at the lower ends of the hierarchy structure as it will give an indication of how well the company is attempting to create a diverse and inclusive workforce.