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Managing and Leading a Diverse Workforce: One of the Main Challenges in Management

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Abstract

In the recent years, there has been an increasing trend in organizations to give teams more responsibility to work on major tasks. More companies are getting to recognize that the best way to meet customer satisfaction, higher quality products, and faster service challenges is through coordinated efforts of employees. The increasing number of mergers, joint ventures and strategic alliances is bringing people from distinct cultures and types of organizations together. As a result, in the twenty first century managers have become more concerned with managing diversity in organizations. Diversity offers both potential costs and benefits for the organization. This research explains how managers can lead and manage diverse teams. Further, it shows how managers could manage more effectively diverse team whose members have different ages, genders and nationalities or even belong to distinct ethnic or cultural groups. Therefore, this research paper is focusing on one of the main recent challenges in management and business, which is managing and leading a diverse workforce. As a major challenge for all mangers in the world is to lead and treat a diverse workforce in an equitable and fair manner.

1. Introduction

In the recent years, the increasing number of mergers, joint ventures and strategic alliances is bringing people from distinct cultures and types of organizations together. As a result, in the twenty first century leaders has become...
more concerned with managing diversity in the organizations (Yukl, 2001). Workplace diversity refers to the variety of differences among people in an organization. Diversity could be related to some factors including: age, gender, culture, education, employee status, physical appearance, family status, regional origin, national origin, thinking style, religion, race and more (Agrawal, 2012). Diversity management is considered as the process aimed to both maintain and create a positive work environment, where all individuals’ similarities and differences are valued, so that all individuals can maximize their contributions to organizations’ strategic objectives and goals (Patrick & Kumar, 2012). It was found that cross cultural collaboration and teamwork are extremely crucial for organizational success. However, in order for all employees to function in a productive way, they have to learn to realize their differences as assets, rather than liabilities. Additionally, all diverse human resources need to realize that they are equally treated, so that they could be highly motivated towards their work. As a result, it could be deduced that managing a diverse work force is challenging to a great extent. Since diversity could enhance the business performance; however, if diversity was not managed effectively it could lead to multiple of adverse implications. These implications could include conflicts, miscommunication, higher levels of employee turnover, and other unintentional effects. Managers are accountable for the management of diversified workforce and they are liable for the employees’ productivity, conflicts resolution and development in the organizations. However, it was found that the art of managing diversity constitutes a great challenge to managers charged with the liability of leading diverse teams (Agrawal, 2012). Therefore, this research aims to discuss and explain how managers could manage and lead a diverse workforce. Further, it provides some recommendations to guide managers to be able deal with diversity challenges in business.

2. Literature Review

According to previous research some authors concluded that diversity could be considered as a source of strength to the organizations while others concluded that diversity could be considered as a source of weakness. Excessive studies that have examined the relationship between team performance and diversity over the past few decades have produced contradictory and mixed results (Stahl et al., 2010). Therefore, diversity could be viewed as a double edge sword. The positive implications of diversity are usually acknowledged in terms of cognitive outcomes such as greater innovation, ideas and creativity that employees from distinct social backgrounds could bring. However, the negative implications of diversity are usually acknowledged in terms of adverse behavioral and affective outcomes such as less social cohesion, relational conflicts and higher staff turnover due to employees’ perceived dissimilarity and adverse stereotypes about dissimilar employees (Azmat, Hartel & Fujimoto, 2013).

Based on a pervious study diversity was found to be reducing the organizations’ speed to respond and act, which could lead to lower performance (Eisenhardt, 1989; Chen and MacMillan, 1992). Some studies found that diverse workforce usually suffer from low trust, stress, low job satisfaction, communication difficulties and absenteeism (Alder, 1991; O’Reilly, Caldwell & Barnett, et al., 1989; Tsui, Egan & O’Reilly, 1992; Zenger and Lawrence, 1989). Employees that are different from their coworkers usually report feelings of discomfort and lower levels of organizational commitment (Tsui et al., 1992).

Another study concluded that more nationalities in a group would mean more debates, creativity, variety of information as well as increased performance. This is due to the fact that each nationality is expected to add to the groups’ experience and knowledge (Jehn, Northcraft, & Neale, 1999); Watson et al., 1993). On the other side, in other studies it was found that when a worker is placed with a group of workers who have distinct nationalities other than his own nationality, he is more likely to maintain social distance (Parillo and Donoghue, 2005; Verkuyten and Kinket, 2000). Social distance could be referred to as the degree of unwillingness to interact with other members in the group (Chan and Goto, 2003). This is due to the fact that people are used to be more comfortable when they interact with those, whom they perceive to be similar to them. Based on previous research, it was found that people tend to like those whom they feel that they are similar to them and dislike those whom they see that they are dissimilar to them. For instance, Dutch people in the Netherlands consider themselves to be closer or have a smaller social distance to English People compared to Turks. Therefore, it could be implied that a dutch person will be interacting more willingly and comfortably with an English person in his work team compared to a Turk (Hraba,
Hagendoorn & Hagendoorn, 1989). Such social distances do exist among distinct nationalities and they tend even to remain stable over time (Parillo & Donoghue, 2005). This social distance could induce adverse feelings that could lead to conflicts in workgroups (Ayub & Jehn, 2014). For instance, managers may react more adversely towards workers, whom they perceive as dissimilar to themselves than workers whom they perceive as themselves. These adverse reactions could limit both the potential of the individual as well as the potential of the whole organization. Further, these adverse behaviors could involve differential organizational socialization, ineffective communication, bias, stereotyping, and perceptions of inequity in the workplace (Sadri & Tran, 2002).

Teams with high diversity were found to be engaged in more conflicts due to their distinct perspectives unlike teams with low diversity. Diversity could lead to conflicts due to disagreements that result from distinct attitudes and beliefs. This usually leads to the polarization of team members into subgroups with poor interaction, which could cause multiple communication problems and thereby consensus among the team members will be difficult to achieve. For instance, some team members may be conservative and more risk averse in planning the growth path of the company. On the other side, others might be more willing to take risks and adopt aggressive growth strategy. This existence of subgroups usually leads to endless disagreements, polarization, and conflicts among all team members (Kakarika, 2013). However, low diversity teams are usually more prone to have declining performance unlike teams with high diversity as the team members will be challenging each others’ perceptions, which usually allow them to reach better-justified decisions (Wiersema and Bantel, 1992; Schwenk, 1984). Additionally, some studies concluded that diversity does enhance the organizational financial sustainability and organizational flexibility (Allen et al., 2007). It was found that diverse workforce could provide the company with competitive advantage as well as it could enhance the organizational adaptability to any changes of market places (Zanoni et al., 2010; Ely and Thomas, 2001; Kochan et al., 2003). Diverse teams can improve the overall performance of organizations; as they are more likely to have access to the essential scope of information that is required in order to solve complicated problems (Leonard, Levine & Joshi, 2004). Nevertheless, diverse teams were found to be more susceptible to dysfunction; this is due to the fact the differences of diverse teams that feed both creativity as well as high performance could lead to communication barriers (Polzer, 2008). Therefore, diverse teams may find it challenging to incorporate their values, diverse backgrounds, and norms and manage to work together (Jehn et al., 1999). Based on the above review of the literature on diversity in the workplace, it could be deduced that most studies are focused more on identifying both the advantages as well as the disadvantages of diversity rather than on explaining how diverse teams could be managed and led more effectively. Therefore, this research is aimed to fill this gap in literature, as it focuses on how managers could manage and lead a diverse workforce in order to be able to gain from the positive implications of diversity and to mitigate the adverse implications of diversity.

3. Methodology

3.1. Data Collection:

Qualitative data collection and analysis is used in this research through the collection of secondary data to answer the research question. Secondary data entails reanalyzing the data that have been already collected previously for other purposes. Secondary data does include written documents such as books, academic journals, newspapers and magazine articles. One of the main advantages of using secondary data, is that it could be collected quickly, as it saves time and money. Additionally, secondary data was found to have more likely higher quality than the primary data (Saunders, Lewis & Thornhill, 2009).

The purpose of qualitative research is mainly to understand a specific situation, group, or interaction. It was found that qualitative research is usually used when researchers are interested in understanding how things occur (Creswell, 2009). Therefore, it is employed in this research since this research aims to understand how managers could effectively manage diverse teams. The data that is developed from a qualitative research are descriptive, so they are reported in words rather than in numbers. (Creswell, 2009). In this research, two leadership theories will be analyzed...
to explain how these leadership theories could help to enhance managing and leading diverse teams within organizations. Further, some steps are explained that could help in effective management of diverse teams.

3.2. Data Analysis:

The approach that is employed in this research is the inductive approach. The inductive approach is to start the data collection and then proceed to explore the data to find which issues follow up and focus on. This requires that the data be analyzed as they are collected, and then conceptual framework needed to be developed to guide the subsequent work. The data is analyzed in this research through summarization and categorization. Summarizing the data involves producing summary of the main key points, so that long statements could be compressed into briefer statements. Summarizing data usually helps the researcher to be knowledgeable with the principal themes that have emerged from the collected data. Further, summarizing also helps in identifying clear relationships between themes that the researcher wishes to note down so that they could return back to these themes to check their validity. Summarizing secondary data helps in describing the purpose of the documents, and in determining why they are significant, and how they are relating to the research question. Categorizing data entails developing some categories and attaching these categories to meaningful chunks of data. This also helps in recognizing relationships (Saunders et. al, 2009). The collected data is first comprehended, and then integrated from distinct sources. Further, the data is analyzed to identify main patterns or themes through more exploration. Finally, two leadership theories are tested based on the main patterns, and then conclusions are verified and drawn.

4. Discussion and Findings

4.1. Steps in Managing Diverse Workforce:

Managers have to possess certain values, skills and attitudes in order to manage diversity effectively. Diversity management involves respect, acceptance, and acknowledgement that individuals are different and unique from each other (Lumadi, 2008). Managing diversity effectively requires that managers take several steps to alter values and attitudes and promote the effective management of diversity. An initial step is to secure top management commitment to diversity, as this is essential step. Top managers have to develop the correct performance and business-oriented attitudes and the correct ethical values that allows them to make appropriate use of the diverse workforce (Jones & George, 2009). Further, top management have to ensure fairness regarding the compensation of the diverse workforce (Aghazadeh, 2004). Another step that is considered as a crucial one is increasing the diversity awareness. In order to increase diversity awareness inside the organization, people have to be aware of the multiple experiences, attitudes and perspectives of others. This could be achieved through programs that reveal personal stereotypes and biases, and then overturn these incorrect beliefs and stereotypes about distinct groups. Added to that, these programs help to enhance the understanding of others, who are distinct from oneself. They also offer an atmosphere in which all people are free to share their differing points of view and perspectives (Jones & George, 2009). This usually requires that the organization values diversity, as some of the core objectives of valuing diversity are awareness and positive recognition of the differences existing among a diverse workforce. Therefore, the organizational cultural environment has to allow differences to be celebrated instead of being tolerated. All employees have to understand both the moral and competitive advantages of diversity. They must support and respect cultural diversity within the organization through the recognition of cultural practices and observances (Aghazadeh, 2004).

Further, increasing diversity skills is considered as an important step in managing diversity effectively in the organization. A crucial skill is to be able to communicate with a diverse workforce. A diverse workforce usually has a distinct styles of communication, as team members could have different languages, levels of fluency, non verbal signals through using body language and facial expressions. Further, the members could even differ in the ways of perceiving and interpreting the information. Therefore, to resolve such communication problems it is extremely crucial that organizational members get educated about differences in ways of communication in order to resolve
misunderstandings (Jones & George, 2009). Managers also need to gain some skills as well as confidence to manage a diverse workforce. Therefore, they need to take some development programmes that could help them in managing a diverse workforce such as equal opportunities awareness training (McPherson, 2009). Additionally, encouraging flexibility is considered to a core step in promoting the management of diversity in an effective way. Managers as well as subordinates should learn how to be open to distinct methods of performing tasks. Therefore, they should not feel threatened by any different approaches that the diverse workforce may apply. Managers should be flexible enough in order to incorporate the various needs of the diverse workforce. For instance, people that have distinct religions will need days off for holidays that could be traditionally workdays in some countries. Therefore, managers have to be able to anticipate such needs, and they have to even respond to such needs with flexibility. Added to that, flexible working hours and the option to work from home are few ways among the multiple ways in which managers could apply to respond to the various needs of the diverse workforce to enable these employees to be effective contributors to the organization (Jones & George, 2009). Flexible work arrangements are considered as an employee benefit; thereby, it is also regarded as a way to both recruit and retain the best talents. This is due to the fact that the majority of the employees value flexibility of space in work and time (Sullivan and Lewis, 2001). Therefore, it is very crucial in order to manage a diverse workforce effectively that managers consider the implementation of flexible work schedules, which will help the diverse work force to balance family obligations (Rios, 2007). Further, paying close attention to how organizational members are evaluated is also one of the main steps required to promote the management of diversity in organizations. It is essential that managers rely on objective indicators of performance, as they are considered to be less subject to bias. Therefore, the performance standards have to be objectively and clearly established, used, and effectively communicated on objective criteria without any bias. Desirable and undesirable behaviors have to be identified based upon the performance feedback discussions (Henry & Evans, 2007). Therefore, vague performance standards have to be avoided. Managers should always spend adequate time as well as give attention to employees’ performance evaluations, and they should be even responsible for their evaluations (Jones & George, 2009). Added to that, considering the numbers is believed to be another step for managing diversity effectively. This involves checking the numbers of distinct minority groups as well as women in multiple positions at several levels in the hierarchy of the organization to see if there are any members of certain groups underrepresented in specific kinds of jobs or departments. Following that, if managers found that there is underrepresentation, they need to understand the reasons behind that, and they should resolve any problems they might uncover (Jones & George, 2009). For instance, this could happen due to nationalism, which could be regarded as a form of ethnocentrism based on national identity of employees. This usually lead to national favoritism towards one’s own nation, while rejecting and derogating other nations (Ayub & Jehn, 2006). Another step that could help in managing diversity effectively is through empowering employees to challenge discriminatory behaviors, actions, and remarks. This means that if managers or employees found any organizational member being unfairly treated, they should speak up in order to rectify the situation. The top managers can achieve this through creating an organizational culture that has zero tolerance for discrimination (Jones & George, 2009). It was found that prejudices are considered as the main cause of discrimination; so many organizations involved in the fight against discrimination developed training programmers, which aim to reduce prejudices (Tisserant, Wagner, & Barth, 2013).

Rewarding employees for effective diversity management is also considered as an important step to encourage managers to manage diversity successfully. All employees should be rewarded for their contributions to the effective management of diversity (Jones & George, 2009). Therefore, managers have to be held liable for meeting the goals of diversity. This could be achieved through tying rewards as well as performance evaluations to the managers’ ability of managing and developing a diverse workforce (Aghazadeh, 2004).

4.2. Leadership Theories to manage Diverse Workforce:

There are multiple leadership theories that could help in managing workplace diversity in order to increase the level of efficiency as well as effectiveness in the organization. Managing diversity successfully could lead to more committed, more satisfied and better performing employees, which potentially could lead to a better financial
performance for the whole organization (Patrick, Kumar, 2012). A team with dissimilar opinions and individuals require a leader, who can guide the whole group in a productive and common direction and align the team members’ efforts. It is the responsibility of team leaders to delegate tasks appropriately which means that they need to know each team member’s likes, dislikes, strengths and weaknesses. This could be achieved through open communication (Wee and Morse, 2007).

Diverse teams could be effectively managed and supported by the leaders through applying the leader-member exchange theory (LMX). This theory is different from other leadership theories, as most of the researchers of the other theories assumed that leadership style is supposed to be the same for all subordinates. Therefore, this assumption implied that leaders should treat followers in a collective way, as a group through the use of an average leadership style. However, the LMX theory was able to challenge this assumption, since it directed the attention of the researchers to the differences that might be existing between each of the leader’s followers and the leader (Northouse, 2012). Therefore, leaders could manage diverse teams more effectively through applying the LMX theory. This is due to the fact that in diverse teams, members are not similar, so selecting only one single leadership style to lead the team may not be effective, as the leadership style that may fit one member, may not suit other member. The LMX theory is concerned with what is known by the dyad, which is the relationship between the leader and each subordinate independently rather than the relationship between the leader and the whole team (Lunenburg, 2010). The LMX highlights the importance to recognize the existence of in-groups and out-groups in a team. In-group members are considered to include the members who have high exchange relationship with the leader (Northouse, 2012). The leaders share with these members more information, delegate to them more responsibilities, and allow them to participate more in making the leaders’ decisions (Yukl, 2001). These members are willing to do more than what is listed in their job descriptions, and contracts (Northouse, 2012). As a result, Leaders usually provide them with tangible rewards such as a pay increase and other special benefits (Yukl, 2001). This relationship develops gradually over a period of time till it reaches a point, where there is a high degree of mutual trust, dependence and support between the leader and the member (Yukl, 2001). On the other side, the out-group members are those members who only do the work that is required from them in the job description (Northouse, 2012). As a result, leaders treat these members according to the formal contract, so they provide them with support, assistance and consideration as required by the formal contract (Lunenburg, 2010). There are several strengths for this theory that could best fit diverse teams, as members have different characteristics and cultures in diverse teams. These differences require from leaders to treat each team member independently rather than treating all members in a collective manner, as leaders will usually have in diverse teams some members who are considered to be more hard workers than other members due to their culture or educational background. These members should be considered as in-group members. The LMX theory indicates that in-group members will have higher level of productivity, and thereby improved motivation, and job satisfaction. Therefore, the LMX theory allows leaders to invest in more resources on the members whom they expect to perform better than other members. This will definitely increase the efficiency of the team. As a result, leaders should have to work on increasing the number of in-group members, and decreasing the number of out-group members, so that they could have as many as possible of high-quality relationships with team members (Lunenburg, 2010). The LMX theory is related to positive outcomes for the organization. It was found that the theory is related to organizational commitment, innovation, distributive justice, and career progress. Since the LMX theory promotes distributive justice, as the principles discussed in the LMX theory serve as good reminder for leaders to be equal and fair in how they approach each of their followers. This is because subordinates who will work more than other members will be rewarded more. Therefore, it warns leaders to avoid all biases regarding race, ethnicity, religion, gender, and age to influence the selection of in-group members (Northouse, 2012). In diverse teams, leaders may be biased to members who share the same races, religions, or ethnicities. By applying the LXM theory leaders will rather use the principles outlined in the theory that explains how they should evaluate all members, so the theory provides leaders with principles to follow to avoid biases, and thereby manage diverse teams more effectively. Leaders could also manage diverse teams more effectively by applying the Hill’ model for Team Leadership. This is because in diverse teams, members may face multiple problems due to the differences of cultures and traditions, and this model is aimed to provide a mental road map to assist the leader to diagnose team problems and take suitable actions to correct such problems. This model is based
on the functional leadership claim, which suggests that the leader’s duty is to monitor the team, and accordingly take actions that ensure the team effectiveness. By applying Hill’s leadership model, the leader has to take certain decisions. The first decision is about whether to proceed in monitoring the team or to intervene taking a certain action to help the team. Then, if the leader noticed from monitoring that a certain action has to be taken, he has to decide about the second decision which is whether he should intervene to help the team in dealing with task issues or relational issues. This will definitely depend on the problem that the team is facing. Task issues include problems such as making decisions and setting plans. However, relational issues include problems such as interpersonal conflicts and lack of cohesion among the team members. Finally, the third decision that the leader should take is to decide whether he should intervene externally which refers to any intervention from the leader outside the scope of the team or internally which refers to any intervention inside the team itself. Therefore, by taking the above-mentioned decisions correctly, leaders will be able to achieve team effectiveness (Northouse, 2012). Researchers studied real life successful teams, and they concluded that regardless of the team type, there are eight characteristics that are positively related to team excellence. These characteristics are: clear, elevating goal, results-driven structure, competent team members, unified commitment, collaborative climate, standards of excellence, external support and recognition and principled leadership. Therefore, team leaders should use these characteristics of team excellence to evaluate team performance and tackle any weaknesses (Larson & LaFasto, 1989). Hill’s team leadership model represents leadership as a team oversight function in which the leader’s main role is to do whatever is essential to assist the team to achieve effectiveness. Therefore, by applying the model to diverse team, it could be concluded that the leaders should work on achieving team effectiveness, though monitoring the team performance. Then, if they found that there are interpersonal problems among team members due to cultural differences that sometimes create misunderstanding; leaders should intervene and tackle relational issues. Additionally, usually in diverse teams some members may have communication problems due to language differences among the members. This may preclude members from setting a plan to achieve the goal of the task. Therefore, in this case leaders should intervene to meet task needs through making plans. Further, leaders should also decide whether they should intervene internally or externally or both. Sometimes members in diverse teams may be confused about the main goal of the task due to communication barriers. Therefore, leaders in this case should intervene internally to make sure that the task goals are clear for all the members. However, if some members felt that the external environment is not supporting them to do the task due to any discriminations or biases then the leader should intervene here externally by obtaining an external support for all team members to do the task. Therefore, it could be deducted that the team leadership model allows the team leader to point the approach for constant team analysis as well as improvement. This could be done through monitoring the team performance and comparing it with the standards of team excellence, so that leaders can intervene either for task issues or relational issues, and whether internally or externally whenever they point out any team weaknesses (Northouse, 2012). Therefore, it could be deducted from the above-mentioned information that by applying the team leadership model, leaders will manage diverse teams more effectively.

5. Conclusion

Effective managers can better manage diversity through providing training programs for the team members. Such programs should provide formal approaches for understanding diversity problems. Additionally, they should also highlight the importance of tolerating cultural differences, and provide ways that explain how members can respond to these differences (Yukl, 2001). Moreover, managers should always try to make the most of the team differences. This could be done through identifying first the differences among the members of the teams. Further, managers should help the team members to accept, and understand these individual differences. Afterwards, they should maximize the potential of the group by finding ways to capitalize on diverse skills, viewpoints and backgrounds (Zenger et al., 1994). Through following the precedent mentioned steps leaders would be able to leverage the diversity in teams as an asset.
References


