Organisational Maturity in Diversity Management

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Abstract: The aim of the paper is to discuss different approaches to diversity management and to propose author's own model of organisational maturity in diversity management. In order to achieve the aim of the paper the following operational objectives have been set: to discuss the historical background of diversity management, to identify basic assumptions of chosen approaches to diversity within organisations, to present the idea of organisational maturity in managing diversity. The analysis is based on the literature review.

Keywords: employment equity opportunities, affirmative action, diversity, maturity in diversity management.

1. Introduction

Diversity is one of the main characteristics of social groups, including working teams. A working team is a kind of a social group within which people work collectively and achieve synergic effects (Seroka-Stolka, 2016, p. 62). Referring to Fazlagić (2014), heterogeneity of a working team is an effect of so called primary, secondary and organisational criteria. In first case factors like: race, ethnicity, age, sexual orientation are independent of the individual. In case of secondary criteria e.g.: the

level of education, the place of living, family status, language or religion, individuals change them more or less consciously during lifetime. In turn organisational variables which differ employees from each other are e.g.: seniority, a job position, a sector and a form of employment (Morawska-Wilkowska, Krajnik, Remisko, Wolsa and Kaczmarek, 2009, p. 8.). Therefore, diversity is something more than just hiring employees of different sex or race. Nowadays diversity has a broader sense and refers to lifestyle, a position in a organisation, age, sexual orientation etc.

At the same time it must be remembered that most of the developed countries face demographic changes like ageing of the population, the increasing number of disabled people, migration. All those trends have diversified workforce and made managers to change the way they manage people within organisations. Getting to know the sources of working teams diversity helps to understand different behaviours of individuals and to identify the impact of such behaviours on performance of working teams.

Considering the above the author of the article has decided to take up the subject of diversity management. The aim of the paper is to discuss different approaches to diversity management and to propose the author's own model of organisational maturity in diversity management. In order to achieve the aim of the paper the following operational objectives have been set: to discuss the historical background of diversity management, to identify basic assumption of chosen approaches to diversity within organisations, to present the idea of organisational maturity in managing diversity. The analysis is based on the literature review. The structure of the paper reflects the research objectives.

2. A historical background of diversity management

Diversity management has its roots in the USA, where the labour market has been characterized by diverse human resources with regard to gender, age, ethnic origin for many years. Before the 1960s, there was a strong tendency to work within and manage homogenous groups as the ideology of White supremacy was dominant. As a result of new legislation – Civil Rights Act as of 1964 – American organisations introduced the equal employment opportunity (EEO) and affirmative action (AA) approaches. The concept of multiculturalism in diversity

management appeared in 1980s, as it was the response to demographic challenges of more and more diverse workforce and customers. Since the 1990s, diversity management has become more popular also in Europe and has emerged as a key issue in international business. A historical perspective on diversity ideology is presented in Table 1.

Table 1. Historical perspective on diversity ideology in the USA

The context	HRM practices	Challenges
WHITE SUPREMACY AND SANCTIONED EXCLUSION OF RACIOETHNIC MINORITIES (BEFORE 1960s)		
Belief in White supremacy in USA Phenomena of industrialisation and immigration – usually unskilled immigrants, who faced discrimination Prejudice against Black population	The formal personnel functions were established (the beginning of the 20th century) HRM practices relied upon fines and explicit work rules, prohibiting what was considered to be "the bad cultural habits of immigrants" First tools of diversity management: personnel officers were expected to be sensitive to Black applicants and the possible prejudice of supervisors, counselling Black and White employees and conducting workshops on race relations, education and training of underqualified Black workers, managing racial tensions, sexual tensions and inappropriate behaviours	How to maintain White supremacy and satisfy need for labour of the industrialised market?
THE EQUAL OPPORTUNITY (1960s and 1970s)		
Civil rights era – new legislation to dismantle the system of inequality and disadvantaged racial minorities Activity of ethnic minority and women's equality groups movement	Employment of human resources specialists who were charged with responsibility to lead and manage company equal employment opportunity compliance	Dissatisfaction from minority groups about lack of progress to end inequality

The context	HRM practices	Challenges
THE DIVERSITY MANAGEMENT – MULTICULTURALISM ERA (1980s and 1990s)		
National population was becoming increasingly diverse Demographic changes in labour and consumers market Research on diversity begun to focus on working teams or the business case for managing workforce 1987 – publication of *Workforce 2000: Work and Workers for the Twenty-First Century* 1990 – article of R. Roosevelt Thomas Jr. where the term 'managing diversity' was used	The idea that company's diverse workforce was a strategic asset Managing diversity became apolitical, rational call Different types of initiatives carried out under diversity management e.g.: specially-tailored development opportunities for high potential minority employees, cultural audits to asses process toward multiculturalism, hiring representatives of minorities to meet expectations of diverse customers	Marginalisation of minorities by keeping them in 'interest groups' Globalisation and internalisation
INCLUSION – POST RACE ERA (21st century)		
Belief that USA has solved the 'race problem' – equality has been achieved, so that is a time for the concept of race to be obliterated	Diversity initiatives are addressed to all employees Diversity practices continue to unfold but most of organisations have retained their diversity management initiatives from 1990s	Increasingly diversification of workforce – White population as a minority group in USA till 2050

Source: own study based on Shore, Chung-Herra, Dean, Holcombe Erhart, Jung, Randel and Singh (2009); Nkomo and Hoobler (2014).

Diversity management (DM) can be defined as a component of corporate social responsibility strategy, as one of its goal is to prevent exclusion of employees. At the same time it is worth stressing that diversity management is more than just counteracting discrimination at workplace. Therefore, it can be said that diversity management includes EEO and AA approaches but its scope is much broader. While EEO and AA are the outcomes of civil rights movements of the 1960s, DM can be labelled as the second generation of EEO (Shen, Chanda, D'Netto and Monga, 2009, p. 238). The comparison of two concepts is presented in Table 2.

Table 2. Comparison of Affirmative Action (AA) and Diversity Management (DM)

	AA	DM
Source	External /Legislation	Internal/Business case
Perspective	Negative of discrimination	Positive of differences among all individuals in an organisation
The main goal	Equality of outcomes	Improved business
Target group	Designated population groups such as minorities and women	No specific targeted, all employees treated as diverse
Drivers	Legal compliance, societal pressure	Business outcomes, organisational culture
Evaluation	Governmental timelines and targets	Mostly with regard to economic results
Benefits	Increased workforce participation of designated groups	Better quality of decision thanks to diverse working teams; connecting with diverse customers, diverse workforce as a rich source of innovations
Limitations	Problem oriented; minorities groups treated as 'interest groups'	Risk of conflicts, difficulties with creating common identity, costs, difficulties with measurement

Source: own study based on Besler and Sezerel (2012); Shen et al. (2009).

When talking about diversity management it is worth quoting Thomas (1991) who postulated moving diversity thinking beyond narrow EEO and AA categories. In order to successfully manage their diverse workforce organisations must perceive that gender or race are not the only characteristics that differ human beings from each other. In consequence, diversity management bases on the assumption that it is possible to improve the efficiency and creativity of businesses by building teams consisting of individuals from different ethnic groups, with different views, styles of work, experience, competences, gender, age, sexual orientation (Nowicka, 2013, p. 40). The main idea is to get the knowledge and skills that are crucial to manage diversified work-groups effectively. It is also about creative attitude towards diversity that enables to look at problems from different perspectives and to reject prejudice against other styles of action. At the same time, as Cox (1993) assumes, diversity management is a way of human resources management which aims to maximize the potential advantages of diversity and minimize its disadvantages. In this context it is suggested

that workforce diversity may provide organisations with valuable, rare, inimitable, and non-substitutable sources of competitive advantage (McMahan, Bell and Virick, 1998, p. 199).

For the purpose of the paper it is assumed that Diversity Management is about creating such conditions within an organisation that allow to build and use unique competences of diverse workforce. Hence, there is a demand for active diversity management. However, among modern managers, different approaches to diversity are observed.

3. Approaches to diversity management in organisations

The issue of diversity is defined differently by authors in the literature and by practitioners. For this reason various models of diversity management can be found and described. Podsiadlowski, Otten and van der Zee (2009) identify five diversity management perspectives:

- reinforcing homogeneity which means avoiding or rejecting diversity in favour of homogeneous workforce. In this case managers tend to hire similar types of people as it simplifies interpersonal interaction and standardisation of organisational procedures;
- colour-blind approach focusing on equal employment opportunities, no matter cultural backgrounds;
- fairness approach highlighting the importance of ensuring equal and fair treatment by supporting minority groups or reducing social inequalities;
- access perspective underlining the ability to access to diverse customers and international markets by hiring people who reflect (by ethnicity, age, sex) the organisational external environment;
- integration and learning perspective in which it is stated that both an organisation as a whole, and employees benefit from diversity, as it creates learning environment where mutual adaptation of minority and majority groups takes place.

Approaches mentioned above could be placed on a continuum from the defensive perspective i.e. reinforcing homogeneity approach (one end of the continuum) to the proactive perspective i.e. integration and learning approach (the other end of the continuum) (Podsiadlowski, Gröschke, Kogler, Springer and van der Zee, 2013, p. 161).

Moore (1999) presents a similar point of view as he mentions about different managers' attitudes towards workforce diversity:

– antagonistic that leads to discrimination. In this case, emphasis is placed on interpersonal differences and problems resulting from heterogeneous groups of workers e.g. the risk of conflicts, lack of common organisational identity;

– neutral acceptance of diversity, but without taking specialized management actions. Diversity in the organisation is assumed to be natural, due to the diversity of the labour market. However, there are no particular benefits of having diverse staff, so no organised management procedures are conducted;

– naive positive attitude – in this approach, managers affirm differences between people and expect automatic benefits from hiring diversified employees. Such a strategy can lead to many unforeseen situations in the organisation resulting from ignoring the challenges of diversity management;

– realistic approach which emphasizes the need for active management of diversity in an organisation in order to achieve the intended results. Both the benefits and the possible problems resulting from hiring diversified employees are taken into account.

The antagonistic approach is typical of the strategy of reinforcing homogeneity, while the realistic one characterizes managers acting in accordance with the assumptions of the integration and learning perspective.

Konrad, Yang and Mauer (2016) propose in turn the idea of DEMS – diversity and equality management system which is a set of diversity and equality management practices aligned with the business strategy. The scholars define three types of diversity and equity management (DEMS): classical disparity structures, institutional DEMS and configurational DEMS. In the first case, organisations are too small to be covered by employment equity legislation or are not federal contractors, so without institutional pressure decision makers can deny the existence of labour market discrimination. As a result DEMS includes relatively few employment equity, diversity, or inclusion practices. In turn, firms covered by employment equity introduce so called institutional DEMS that aligns multiple activities to remove barriers to diversity hiring. Finally configurational DEMS approach is a combination of strategic and institutionalised DEMS practices that cover multiple aspects of the

business case for diversity as well as institutional requirements (Konrad et al., 2016, pp. 84–88).

The process of evolution of diversity management policy can also be described by three other models, so called: adaptive, consolidation and business (Table 3).

Table 3. Model of Diversity Management

Description of a model	The main rules
ADAPTIVE MODEL	
Removing barriers to access, observance of anti-discrimination law	Discrimination is bad Rule of equal opportunities Fairness, equal treatment, respect
CONSOLIDATION MODEL	
Diversity is present in various areas of organisational activity, as managers observe benefits of diversity, introducing the principles of diversity into organisational practice	Organisation introduces CSR Organisational culture is diversity oriented The idea of diversity is used to access to diverse customers and international market The idea of diversity is introduced into Human Resources Management
BUSINESS MODEL	
Diversity is perceived as a source of competitive advantage of an organisation Analysis of effectiveness and balance of costs/benefits of Diversity Management programs are crucial	Top management is strongly convinced about high importance of Diversity Management in building of competitive advantage Organisational culture that supports Strategic Diversity Management The policy of diversity is evaluated with regard to economic results, reputation of an organisation as an employer, reputation of an organisation as a supplier etc.

Source: own study based on Grzybek (2011, p. 25); Jamka (2011, p. 267); Urbaniak (2014, pp. 67–68).

The adaptive model can be considered as a form of EEO approaches, while the consolidation model treats diversity management as an element of corporate social responsibility activities. The business model is compatible with configurational model by Konrad et al. (2016).

4. A model of organisational maturity in managing diversity

In the previous section different models of diversity management were presented. The conclusion is that the organisational attitude ranges from intolerance to tolerance, or even appreciation of diversity (Joplin and Daus, 1997, p. 32). So, that the author of the article proposes to create the model of organisational maturity in managing diversity which reflects all approaches described above. The assumptions of the model are:

  – the model is a continuum on which one can place a particular organisation in accordance to two factors (Figure 1): organisational attitudes toward diversity of employees which vary from neutral to proactive and the character of diversity policy which varies from the compliance with anti-discrimination law to the strategic character of policy;

  – each organisation that meets at least two conditions: neutral attitudes toward diversity and observance of anti-discrimination law, can be placed on the continuum. The location on the graph depends on the character of activities undertaken within diversity management;

  – organisations that do not fulfil conditions mentioned above are not taken into consideration in the model of maturity in diversity management, as they do not manage diversity at all.

On the one end of the continuum, there are placed organisations which have neutral attitudes toward diversity issue and operate accordingly to law regulations. This means that the phenomenon of diversity is an effect of demographic changes both on labour and customers markets, so that there is an opinion that diversity is neither good nor bad. For this reason no specific action occurs to hire or manage diverse employees within an organisation. At the same time an organisation does not break the anti-discrimination law. This stage can be called as preliminary to diversity management, as compliance with law is a necessary but not sufficient condition for active diversity management.

The other end of the continuum is characterized by proactive attitudes toward workforce diversity and a strategic character of diverse policy. This stage can be labelled as mature diversity management. In this kind of an organisation, there is a strong commitment to diversity, as diversity is a part of organisational culture not just a program of management. All employees are treated as diverse, so there is not any
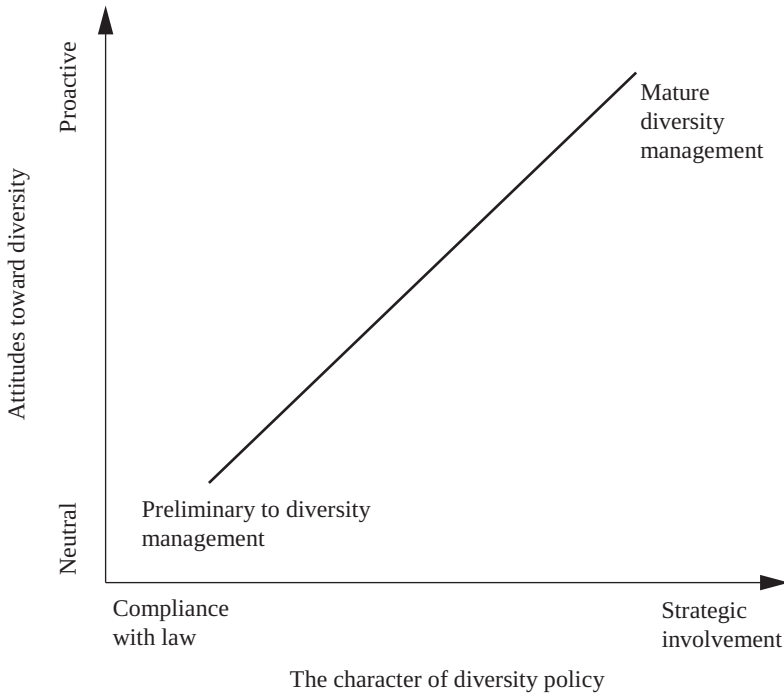
Figure 1 The model of organisational maturity in managing diversity

Source: own study

privileged group. The idea is that everybody learns from each other. Diversity is a source of competitive advantage and is linked direct-ly to organisational vision, mission and strategy. Visible and active management involvement is crucial as well as setting clear targets of diversity management and evaluating the effectiveness of the plans. Team-building and group process training are emphasized within a company. Organisations reach multicultural consumers markets and have diverse groups of suppliers (Slater, Weigand and Zwirlein, 2008, pp. 206–207).

The more proactive attitude of organisational managers toward diversity, and the stronger strategic importance of diverse workforce, the closer organisation is to mature oriented diversity management. The idea of the continuum in diversity management approach is a con-sequence of the author's belief that it could be difficult to categorise organisations into one model of diversity management. When the case is that not all of actions typical of a particular model are observed within

a organisation it is more justified to state that an organisation is closer to a preliminary stage or to a maturity stage in diversity management. Certainly, the limitation of the model is that it simplifies the reality to some extent. For this reason it should be validated in practice.

Another important issue in the field is the so called Global Diversity Management (GDM) which is a result of internalisation of companies. Nishii and Özbilgin (2007) state that GDM is the planning, coordination, and implementation of a set of management strategies, policies, initiatives, and training and development activities that seek to transcend national differences in diversity management policies and practices in organisations with international, multinational, global and transnational workforces. The goal is to understand how to manage diversity across countries that differ from each other socially, legally, politically and how to manage multicultural work teams. This means that GDM could be also considered in the context of maturity in managing diversity. What is more, the author's opinion is that GDM is an important challenge for managers who deal with diversity.

5. Conclusions

Summing up, the aim of the paper was reached as the author presented the overview of different approaches to diversity management. The conclusion of this part is that when it comes to choosing the model of diversity management in an organisation, managers must define what is meant by diversity, what are the motives behind organisational interest in diversity and identify benefits and potential challenges of diverse workforce. One of the crucial question is: Does an organisation want to tolerate diversity, celebrate, manage or leverage it? (Kreitz, 2008, p. 102). The answer to that question can help to identify which approach is typical of a particular organisation in reference to diversity management.

On the other hand practitioners or scholars may find it difficult to classify organisations into one particular model of diversity management. For this reason the author of the article has decided to create a model of maturity in diversity management which reflects the models proposed by other scholars. The assumption is that an organisation which observes the law and has at least neutral attitudes toward diversity starts moving in the direction of mature diversity management.

Finally, it is also important to point out some recommendations for further research. As it was mentioned before the model of organisational maturity in diversity management is a kind simplification of the reality. For this reason a model should be developed e.g. by including the perspective of Global Diversity Management. Another important issue could be finding out what organisational and managers'/employees' competencies are crucial to reach organisational maturity in diversity management (cf. Lahiri, 2008) especially in the global context (Mitchell and Creary 2009).

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