

Developing Diversity Strategies to Address Complex Operating Environments

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DECLARATION

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; and, any editorial work, paid or unpaid, carried out by a third party is acknowledged. Ethics procedures and guidelines have been followed.

Signed by:

A handwritten signature in black ink, appearing to read 'Ahmad Al-Mousa', written in a cursive style.

Ahmad Al-Mousa

Date: 15th December 2008

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ABBREVIATIONS

BBS	Breakout Business Strategy
BCTP	Breakout Cultural Transformation program
C	Communication
CALD	Culturally and Linguistically Diverse
CARE	Creating a Respectful Workplace Environment
CHRM	Corporate Human Resources Manager
CoPs	Communities of Practice
CQ	Cultural Intelligence
CSC	Communication Services Company
D	Diversity
D-KM/S	Diversity-Knowledge Management/Sharing
DCSR	Diversity Council Staff Representative
DTR	Diversity Team Representative
EEO	Equal Employment Opportunity
ELTC	English Language Training Course
EOBU	Enterprise Operations Business Unit
EOBU HRM	Enterprise Operations Business Unit Human Resources Manager
EOBU PM	Enterprise Operations Business Unit Project Manager
EQ	Emotional Intelligence
ER	Employee Resources
FSC	Financial Services Company
HOD	Head of Diversity
HOL	Head of Learning
HQ HRM	Headquarters Human Resources Manager
HRBOM	Human Resources Business Operations Manager
HRM	Human Resources Management
ISC	Information Services Company
IT	Information Technology
KM	Knowledge Management
KM/S	Knowledge Management/Sharing
MMC	Motor Manufacturing Company
MMCA	Motor Manufacturing Company Australia
MPC	Mining Production Company
NDM	National Diversity Manager
PD	Productive Diversity
PDPP	Productive Diversity Partnership Program
SN	Social Networks
T	Training
TCBS	Technology and Consulting Business Services
TDM	Team Development Manager

ABSTRACT

With the change in the economic structures of Western industrialised countries and the shift of traditional industries towards knowledge and services in recent decades the challenge to stay competitive in increasingly globalised culturally diverse markets continues to be a priority for organisations. Of central importance is the need to acknowledge, utilise and share the diversity of employees' knowledge, particularly tacit knowledge that is ethnically influenced, a resource that is enormously rich yet overlooked, undervalued and under-utilised in the employment market.

This PhD dissertation focuses on the implications of the knowledge era for how organisations manage their culturally diverse workforce. The purpose of the research is to explore the organisational strategies required for Australian businesses to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds.

Arising from an extensive review of the literature on both Diversity and Knowledge Management, a framework for a holistic Diversity Knowledge Management/Sharing (D-KM/S) Strategy was developed. This framework identified the need for organisations to develop a productive diversity management model that consists of a number of elements including a two-way communication strategy, training in cultural intelligence (CQ) and the development of opportunities for social networking through Communities of Practice. A four-phased process for the organisational journey towards a holistic D-KM/S Strategy was proposed. An initial audit of several Australian organisations recognised for their award-winning diversity management strategies confirmed the validity of this framework.

The framework was then used to underpin the qualitative interpretive case study of three of the organisations that had been part of the initial audit to determine to what extent these organisations had succeeded in progressing through these phases towards the final holistic D-KM/S Strategy. In so doing, the candidate also focused on the role of the Human Resources Department (traditionally responsible for implementing diversity policy within organisations) in implementing a more holistic approach.

From a comparison of the findings from the primary research the candidate concluded that while each organisation had progressed through several of the phases towards a holistic D-KM/S Strategy, they differed in their progress and none had as yet achieved the final phase. The study did identify two additional elements that require further research which relate to the potential of Information Technology to provide

opportunities for social networking, and the potential of ‘narrative’ to be used to share culturally influenced stories.

The research concludes that the organisational strategies required for Australian businesses to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds includes: first, a productive diversity strategy that acknowledges both the explicit and tacit knowledge that a multicultural workforce brings to an organisation; and, second, processes that embed two-way communication opportunities for employees and managers, training in CQ for an increased number of managers and employees, greater support for social networking opportunities through Communities of Practice (supported by Information Technology tools), and encouragement of opportunities for employees to share cultural narratives. In addition, the thesis proposed an increased role for the Human Resources Department (working closely with line managers) in the achievement of a holistic D-KM/S Strategy.

CHAPTER 1

Introduction and Overview of the Study

This chapter explains the purpose, methodology and context of this research, and concludes with an outline of the thesis structure.

1.1 Introduction and Context of the Study

The research for this thesis was motivated by recognition of the potential value to Australian organisations of the diverse knowledge of the multicultural workforce they employ. Of central interest to this thesis is an exploration of the strategies that organisations develop in complex operating environments¹ to encourage employees to first recognise and then share their tacit knowledge, particularly that derived from their culturally diverse environments. Sharing knowledge and applying this shared knowledge to the performance of important activities are being increasingly regarded as the primary means by which organisations can gain competitive advantage (Grant 1996; Kogut & Zander 1992). As writers such as Dawson (2000b), Barney (1986), Collis (1994) and Grant (1997) claim, in the twentieth century all companies can be considered knowledge organisations, in which knowledge constitutes a unique, inimitable, valuable and essential resource. Tapping into the tacit knowledge of the diverse workforce requires organisations to proceed beyond implementation of diversity strategies that seek to assimilate multicultural employees into the dominant (local) culture to a strategy that positively embraces diversity and seeks to link diversity to knowledge management/sharing strategies. As researchers such as Nicholas et al. (2001) argue, the different skills, talents, knowledge and perspectives of a multicultural² and multi-ethnic workforce can serve as a source of sustained competitive advantage that contributes to organisational innovation and competitiveness.

However, achieving a work environment in which knowledge is freely shared between cultures is not easy. It requires organisations to develop strategies that both encourage

¹ An environment that is characterised by a complex process of developing a holistic organisational strategy that recognises the value of the tacit knowledge of ethnically diverse employees and the intricate nature of intercultural exchange required to share this knowledge.

² 'Multicultural' in this sense relates not only to ethnic diversity but may also include gender, age, and professional diversity.

and support employee recognition of their diverse tacit knowledge. Much of this tacit knowledge has been formed subconsciously or, if consciously recognised, may prove difficult to translate between cultures, and thus to enable the sharing of this knowledge. This requires organisations to link their diversity and knowledge management/sharing strategies together in what this thesis terms a Diversity-Knowledge Management/Sharing (D-KM/S) Strategy.

Australia represents a national community that has the most ethnically diverse make-up in the world (Smith 1998). The success of the Australian story lies in its ability to absorb an immigrant population that is ethnically and linguistically diverse (Cope & Kalantzis 1999). To understand the significance of this phenomenon, a broader contextual discussion of Australian society and its labour market is vital to understand the societal and labour market imperatives.

Modern Australia is a nation of migrants with a history of successfully integrating millions of people with diverse backgrounds from over 200 countries (Linacre 2007a; Richardson, Robertson & Ilsley 2001). The country's history is an indicator of the multi-ethnicity of the nation's character, whether it was the arrival of many distinct cultural groups of Aboriginal and Torres Islander Australians as far back as 40-60,000 years ago, European settlement in 1788, Chinese and British migration during the gold rush era in the mid-19th century, European migration following World War II or the migration of people from Asia, Africa and the Middle East in the past few decades (D'Netto, Smith & Da-Gama-Pinto 2000). Undoubtedly, immigration has been an important element in the building of this nation with nearly one in four (24%) Australian residents today having been born overseas (Linacre 2007a). The country's estimated resident population at March 2008 was just under 21.5 million, an increase of 1.6% over the previous year (ABS 2008). Over half (59%) of the country's population growth was a result of net overseas migration³ (Linacre 2007a). Overseas migration, while a major component in changing Australia's population, remains unpredictable as

³ Net overseas migration is the addition (or loss) to the population of Australia arising from the difference between those leaving permanently or on a long-term (12 months or longer) basis and those arriving permanently or for the long term. The annual net overseas migration figure is also adjusted to account for the estimated number of people who change their travel intentions, such as people who come to Australia intending to stay for the short term but who stay longer. DIMIA 2004, *Fact sheet: Population projections*, Public Affairs Section, Department of Immigration and Multicultural and Indigenous Affairs.

it fluctuates under the influence of government policy as well as local and international political, economic and social conditions (Trewin 2005).

Australia has seen a noticeable change in the source countries of immigrant arrivals, with new settlers coming from more diverse regions of the world. For the past few decades, the Italy, Greece and Netherlands-born populations (who were dominant in migration patterns after World War II) have been declining and have been replaced by migrants from other regions. In 2006-07, the largest sources of immigration to Australia have been from China (23,000 people), the United Kingdom (22,840 people) and New Zealand (21,420 people). India and Japan were the fourth and fifth largest sources of immigration (17,410 and 9,100 people respectively). The proportion of migrants from Sub-Saharan Africa has also increased (Linacre 2007a).

Multiculturalism became a major political priority in 1975 but it took until 1989 for the federal government to finally make it a policy in the form of a National Agenda for Multicultural Australia. The aim of the policy was to achieve a harmonious society based on Australian values by recognising diversity as a positive contributing force within Australian culture. It highlighted a mutual obligation for its citizens by expecting all citizens, whether migrants or Australian-born, to accept the right to retain, express and share their own cultural heritage in return for an overriding commitment to Australian norms (including the country's laws, democratic form of governance and adoption of English as a national language) (DIMA 1999; NMAC 1999).

One of the underlying principles of multiculturalism is productive diversity. This principle centres on the maximisation of the cultural, social and economic dividends which arise from the diversity of the Australian population. The adoption of this principle resulted in an increase in government emphasis on the promotion of productive diversity as an industry planning strategy. This was especially important in response to the multicultural make-up of contemporary organisations to enable effective management of culturally diverse workforces. The aim of productive diversity is to capitalise on the linguistic and cultural skills, business networks and market knowledge of individuals in Australia's diverse population and to remove any impediments to their effective contribution in the labour force (DIMA 1999; NMAC 1999). The implementation of this policy was shaped by economic and social agendas, and demographic and social change (Wilson, Bradford & Fitzpatrick 2000; Wiseman 1998).

There are three categories within the migration program: migration based on skill, family or humanitarian grounds (Linacre 2007a). Since the mid-1990s the Skill Stream has been the largest and fastest-growing category (Richardson, Robertson & Ilsley 2001). Migrants in this stream are selected on their ability to contribute to the country's economy through the provision of skills and qualifications in occupations required in Australia (Linacre 2007a). Over the past decade migration policy has shifted towards an emphasis on skilled migration to meet labour demands and to ensure economic growth. New arrivals have been mostly concentrated in Professional occupations (53%), as well as other common occupations such as Tradespersons (14%), Managers and Administrators (10%) and Associate Professionals (10%) (Linacre 2007a).

The upward trend in permanent migrant arrivals has been a result of a combination of factors that include international competition, local economic conditions and the government's immigration targets. However, these conditions have impacted negatively on semi- and unskilled immigrant minority workers as the manufacturing and commodity-based industries (who were historically the dominant employing industries in Australia) have declined, and have shaped opportunities for new arrivals as the retail trade and property and business services industries have expanded (Collins 2000; Trewin 2005).

A clear distinction has been observed by many community leaders in the area of diversity management who have attested to the ever-widening gap between unskilled migrants (those that enter under the humanitarian and family streams and are more likely to be born in non-European countries, are female, employed in blue collar professions, and have English language problems or communicate in accented English) and highly skilled migrants. This has had the result that migrants in the Australian labour market have been polarised into the highly advantaged and the highly disadvantaged depending on their skills, their cultural, educational and labour market characteristics, and changes in the Australian economy (Bertone 2000; Collins 2000; Watson 2000).

The size and composition of Australia's labour force is constantly changing. Over the past few decades, the overall labour force participation rate has increased significantly, rising from a level of 60.5% in 1983-84 to 76% in 2005 (Linacre 2007b; Trewin 2005).

This has mainly been due to the increase in female participation rates. The participation rate in the labour force for persons born overseas is 57.6%, compared to 67.3% for Australian-born workers. Migrants from predominantly English-speaking countries had a higher participation rate than those from non-English speaking countries. Migrants from non-English speaking countries have the highest rate of unemployment (7.1%), compared to migrants from English speaking countries (4.5%) and persons born in Australia (5.7%) (Trewin 2005). The National Multicultural Advisory Council (1999, p. 74) admitted that new migrants' inability to attain work in their trained professions is a hidden economic cost. Moreover, the country's misuse of migrants' skills costs Australia \$1 billion annually (Masanauskas 1992). Given these costs, it is important to identify strategies that leverage the diversity of employees' tacit knowledge that is ethnically influenced to reduce such cost on the nation and to enhance the benefits of productively managing this diversity.

1.2 Purpose of the Research

The purpose of this research is first to develop a framework for a holistic D-KM/S Strategy that includes elements that are required to encourage knowledge sharing between individuals from diverse multicultural environments. Given the focused role of Human Resource Management (HRM) in developing strategies for managing and supporting employees, a secondary purpose is to identify the role of HRM in developing and implementing such a strategy. The primary research question is thus:

'What organisational strategies are required to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds?'

The question has several sub-questions, namely:

- What elements should an organisation's D-KM/S Strategy include?
- What strategies should organisations use to implement a D-KM/S Strategy?
- What role should HRM play in developing and implementing an organisation's D-KM/S Strategy?

The above identifies the research objectives.

1.3 Research Objectives

The research objectives are:

- To explore the organisational strategies required to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds.
- To identify the current and possible future role of HRM in assisting an ethnically diverse workforce to share their tacit knowledge as part of a holistic D-KM/S Strategy.
- To develop and test the applicability of a framework that encourages the sharing of tacit knowledge through a holistic D-KM/S Strategy.
- To explore the extent to which organisations recognised for excellence in their diversity strategies display the elements of a D-KM/S framework.

The significance of the research is that it will contribute to the present gap in the literature that fails to link the two concepts of Diversity and Knowledge Management/Sharing as providing a means to increase organisational competitiveness. On the one hand, research into diversity tends to focus on the costs and benefits of managing diversity and on the legal requirements of organisations to ensure equity in treatment, and freedom from discrimination or harassment, of individual employees. On the other hand, research into knowledge management/sharing tends to focus on the use of Information Technology and social networking to encourage knowledge development, storage and sharing. There is little research on the requirements to link these two foci.

1.4 Research Methodology

The goal of the research is to provide organisations with a framework by which they can identify the elements they require to implement a D-KM/S Strategy. As discussed in Chapter 2, a framework was first developed from the two parallel strands of literature on diversity and knowledge management/sharing. Following an interpretive, qualitative approach, the primary research for this thesis was undertaken through interviews and several focus groups with a selection of managers and employees in three case study organisations from the Australian business sector. These organisations cover the

spectrum of Australian business—a publicly owned communication delivery services organisation, a privately owned financial services organisation and a privately owned motor manufacturing organisation—each of which has been recognised in various ways for the diversity strategies they have developed. These organisations were chosen following a desk audit of Australian-based organisations recognised for their excellence in diversity strategies.

The interview questions were developed to identify the extent to which these representatives identify whether their respective organisations recognise and are committed to an approach that could result in a D-KM/S Strategy.

1.5 Thesis Structure

Following this introduction, Chapter 2 describes the theoretical underpinnings and rationale for the methodology chosen for this research and the processes used for data collection. Chapter 3 presents the literature on diversity and knowledge management/sharing in terms of the research question posed for this thesis. It then discusses the significance of organisational diversity strategies in relation to the three sub-questions identified, particularly in terms of how the two foci may be linked to assist the sharing of diverse ethnically influenced knowledge.

Based on this literature review, Chapter 4 proposes a conceptual framework for a holistic D-KM/S Strategy and then explores a phased process by which such a framework may be implemented. The validity of this framework will be confirmed by means of a desk audit of a number of Australian-based organisations that have received awards from external agencies for their diversity strategies.

Chapters 5-7 present the primary research findings from the three case studies, with Chapter 8 presenting a comparison of these findings in relation to the research objectives and finally the conclusions from the research in terms of the research question, its sub-questions and the research objectives.

1.6 Summary

This initial chapter has explained the context of the research in terms of the potential value for organisations that wish to remain competitive in a global, knowledge-rich

environment. The focus is on developing strategies for culturally diverse employees to share their knowledge that is derived from and influenced by their ethnicities and cultural backgrounds.

The primary purpose of this research was presented as the research question: *‘What organisational strategies are required to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds?’*

The research commenced with an interest in identifying effective mechanisms for sharing knowledge in a culturally diverse organisation. The literature review proceeded by exploring the field of knowledge management/sharing which showed that although there has been recognition of the value of leveraging tacit knowledge and the need to share it to enhance the development of social capital, there is no recognition of the importance and value of the variety of cultures and their influences on the development and richness of individuals’ knowledge. Moreover, there was no awareness of the potential contribution cultural diversity can have on individuals’ knowledge. This observation steered the direction of this exploration towards the literature on culture and diversity. It is recognised within this body of literature that there are explicit and tacit elements of diversity, with knowledge occupying a central position in both developing and communicating culture. A productive diversity strategy has been identified as an encompassing management practice that contains two business approaches to managing diversity, and the literature further highlights a need to link ethical issues with business efficiency. Such a strategy is seen as focused on the importance of knowledge in awareness-raising, communication, training and leadership, but none of these elements has been linked to a knowledge management strategy. As a result, in this study a conceptual framework was developed that aimed at strengthening this link in response to the gap in the literature.

This chapter has briefly outlined both the research methodology and the thesis structure. The next chapter will present the research methodology in more detail.

CHAPTER 2

Methods and Methodology

2.1 Introduction

This chapter presents the research methodology and methods used to explore the question: ‘What organisational strategies are required to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds?’

In order to answer the research question, an empirical approach was adopted in which data on diversity strategies and knowledge sharing activities in Australian organisations was collected and analysed to identify what constitutes the social reality investigated and to build upon the theory. As defined by Blaikie (2000), social reality is:

The product of processes by which social actors together negotiate the meanings for actions and situation; it is a complex of socially constructed mutual knowledge—meanings, cultural symbols and social institutions. These meanings and interpretations both facilitate and structure social relationships. (Blaikie 2000, pp. 115-6)

Further, the research fits within Blaikie’s (2000, p. 49) concept of basic research, or ‘research [which] is concerned with advancing fundamental knowledge about the social world, in particular with the development ... of theories’.

The research focused on eliciting meaning from the data by interpreting events in organisations from the perspective of the participants as to what assistance from their organisations might facilitate the development of a holistic Diversity-Knowledge Management Sharing (D-KM/S) Strategy.

2.2 Exploratory Research

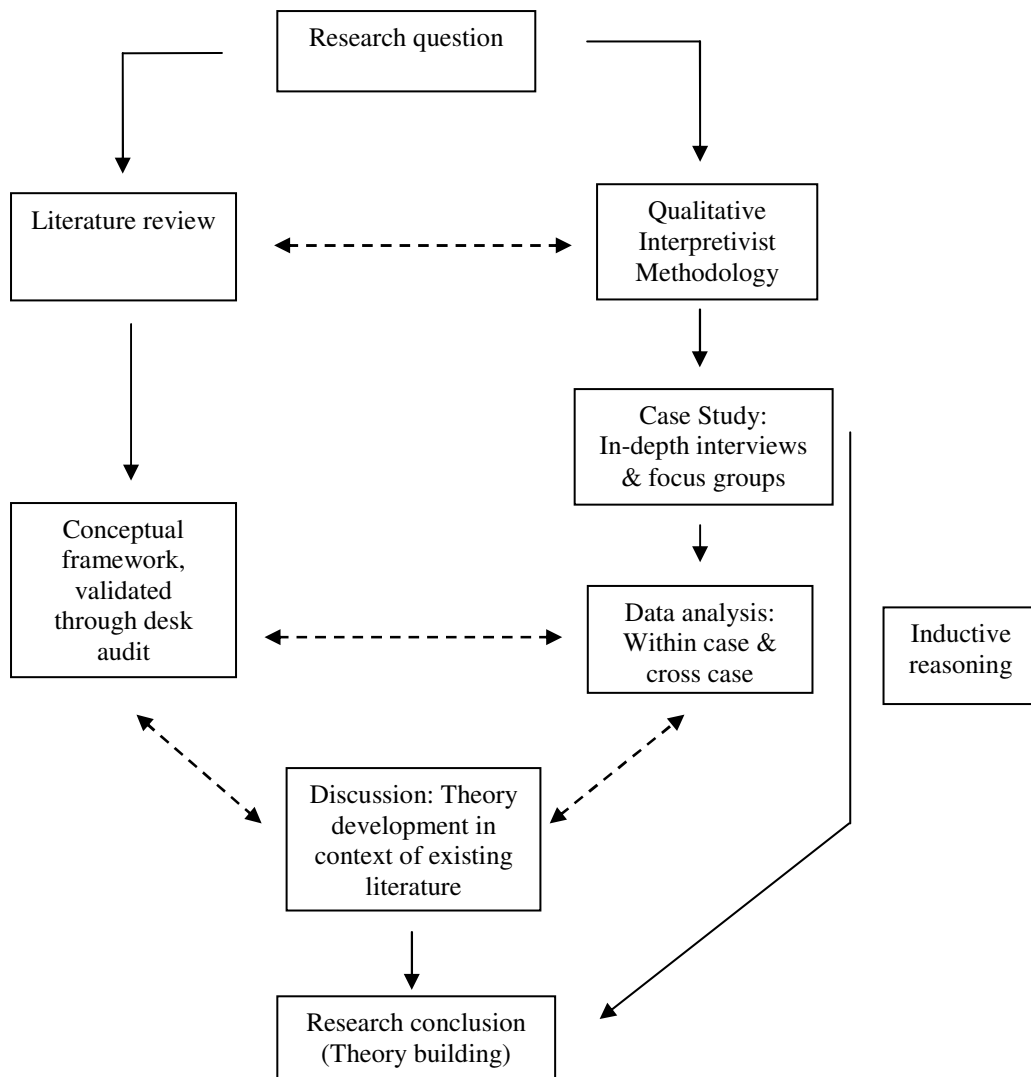
The research is exploratory and utilises a set of linear and cyclical processes. This is in line with that suggested by Bailey (1994) and Blaikie (2000) whereby all stages are interrelated but open for review and change. The research process that was followed, as suggested by Ticehurst and Veal (2000), entailed formulating a problem and then developing instruments to address this problem, formulating a conceptual framework from the literature review, selecting a sample, collecting data, looking for patterns during the analysis of the data, presentation of the data and concluding with a discussion.

As the research seeks to develop a new understanding of the strategies required to encourage the sharing of tacit knowledge that is ethnically influenced, it was designed to obtain detailed information from organisations that had been recognised for their diversity management strategies. Thus, the exploratory qualitative research approach adopted enabled the researcher not only to understand the research issues but to explain these issues based on the information collected from the experience and perspectives of participants (Ticehurst & Veal 2000). Participants were asked to answer questions associated with the methods used by their respective organisations to create social capital, including communicating to raise awareness on diversity as well as training programs designed to facilitate inter-cultural interactions, in order to both reveal the phase in these organisation's transition towards a holistic D-KM/S Strategy and to explore conditions for further development of this Strategy. According to Zikmund (2003) such an exploratory approach provides the researcher with insights into the nature of the research problem.

A literature review in the areas of knowledge management/sharing and diversity management was undertaken, together with an exploration of the literature on the relationship between diversity and human resources management and inter-cultural competence to identify any particular avenues for the researcher to pursue. This review was aimed at acquiring sufficient knowledge on the area investigated before carrying out the research, a requirement identified by Blumer (1969). This enabled the researcher to gain the necessary insights and familiarity with the subject area to act as a base for more rigorous investigation at the later stages, a requirement identified as important by Collis and Hussey (2003, p. 11) for exploratory research. Developing a literature review

also met the criteria identified by Saunders, Lewis and Thornhill (2003) that a competent level of knowledge in the research area is of utmost importance before conducting any research. As the inquiry process advanced, the focus of the research became progressively honed and led to the development of a conceptual framework, a process discussed by Blumer (1969). In other words, the literature review significantly facilitated not only the process of data collection and analysis but the development of theory. Kvale (1996) highlights the importance of linking literature to the methodology to clarify the theory and avoid methodological problems. An overview of the research methodology is provided in Figure 2.1. This process will be outlined further when explaining the methodology in the remainder of this chapter.

Figure 2.1: Research process model for the project



As the literature review revealed, although there was a significant quantity of literature on knowledge management and on diversity, there was no literature that directly linked the two concepts such that the tacit knowledge which can be derived from an ethnically diverse workforce is seen to contribute to the overall knowledge of the organisation. Thus, the appropriateness of this exploratory research approach was confirmed.

2.3 Qualitative Research

Given the findings from the literature review, in order to produce valid descriptions of what the organisations were doing in relation to managing diversity and sharing the tacit dimensions of diversity, a qualitative approach was adopted. The aim was to examine and reflect on employees' perceptions of the diversity strategies employed in the organisations and whether these strategies displayed the elements of the framework, as developed from the literature review. Two reasons suggest the appropriateness of a qualitative approach. First, there is value in exploring the *subjective* reality of managers and employees and reporting the meaning they attributed to events and activities within the organisation as authentically as possible (Blaikie 2000). This was of particular relevance since the researcher aimed to understand the contextual variables that influence participants' behaviour. The collection of manager and employee feedback was also regarded as valuable in identifying how they felt the diversity program supported and encouraged the development and sharing of their culturally (ethnically) developed knowledge. Second, the researcher was interested more in the meaning associated with human activity, rather than the measurement of social phenomena—an aim that Collis and Hussey (2003) suggest is appropriate for a qualitative approach. Patton (2002, p. 69) asserts that the value of the qualitative approach is to 'inductively and holistically understand human experiences and constructed meanings in context specific strategies'.

A qualitative rather than quantitative approach was further justified by the nature of the research question that relates to the evolutionary nature of the challenges for organisations which seek to operate in a knowledge economy. Bryman and Bell (2007) highlight that the measurement process used in a quantitative approach can not accurately capture or reveal the meanings that define participants' social context. Collis and Hussey (2003) refer to the distinction between participants' lives and their social context, a potential meaning that is ignored in a quantitative approach. Marshall and Rossman (2006) add that the coding and standardising used in quantitative methods do

not capture participants' views and interactions, with tacit components often lost in responses to questionnaires. In other words, to understand the meaning that participants make of their working environments it was crucial to examine the situations and circumstances of the setting that constitutes their reality and how that reality influences their knowledge sharing activities.

The literature on social research is dominated by three philosophies that play an important role in management research, and determine a researcher's view on knowledge: positivism, interpretivism and realism (Saunders, Lewis & Thornhill 2003). Positivists observe reality from an objective stance with an emphasis on measuring the social phenomenon (Collis, J. & Hussey 2003), interpretivists tend to explain the subjective meaning of social action (Bryman & Bell 2007), and realists see reality as independent of a tacit human dimension (Saunders, Lewis & Thornhill 2003).

Considering that the research asked an open-ended question, in-depth knowledge on each organisation's diversity strategy and knowledge sharing activities was required to answer the question. Thus, participants' understanding of, and experience with, the design and implementation of current strategies in award-winning culturally diverse organisations was the information that was sought as it contributed to building ideas around the holistic D-KM/S Strategy. To gain a clearer understanding of the nature of the research question and to achieve the research objectives, this research adopted an interpretivist philosophy.

2.4 Research Philosophy: Interpretivism

An interpretive qualitative approach was chosen for this research as it involves a learning process that seeks to understand participant experiences of the strategies implemented in the organisations, the impact of these strategies on the way participants interact and the collective meaning developed by participants imposed on these interactions (Merriam 2002).

Bryman and Bell (2007) explain that an interpretivist approach studies the subject matter of the social sciences (people and their institutions). Patton (2002) explains that this is done by collecting considerable information on those being researched, particularly on their perspectives and the context in which they exist. Because interpretive researchers

believe that people create meanings that define their social reality and thus view their behaviour as a product of their own interpretation (Bryman & Bell 2007), a social researcher should explore this reality through three levels of interpretation: one's own, the participants', and that of the literature of the discipline (Bryman & Bell 2007; Ritchie & Lewis 2003). In other words, as Blaikie (2000) states, interpretivists explore participants' social reality by highlighting the insider's view.

Once again, an interpretivist commences with an extensive literature review in order to gain a clear understanding of the topic under investigation. This is followed by a formulation of the concepts and research questions, and a collection and analysis of the data to facilitate an understanding of any inherent patterns (Reneker 1993; Williamson 2002). Blaikie (2000, p. 115) states that this is done to 'uncover the largely tacit, mutual knowledge ... which provide[s] the orientations for [participants'] actions'. Viete (1992, p. 66) confirms that interpretive research 'seeks to identify behaviour, beliefs, attitudes or knowledge which are implicit as well as explicit in ... particular settings'. By adopting this philosophy, rich insights into the social world of employees is gained as the subjective meaning motivating people's actions is explored and understood (Blaikie 2000; Bryman 2001; Burrell & Morgan 1989; Saunders, Lewis & Thornhill 2003).

The flexibility that characterises the philosophy of interpretivism enhances understanding of the research issue (Williamson 2002), a factor central to this research given the changing nature of organisations operating in a knowledge economy (Saunders, Lewis & Thornhill 2003).

In light of these characteristics, an interpretivist approach was considered appropriate for this research as it involves a method of interpreting the organisations from the perspective of participants. This assists in the unravelling of the meaning participants collectively form in seeking to understand the organisational culture and the strategies required to develop a holistic D-KM/S Strategy. It facilitates an understanding of the meaning of the tacit dimension of diversity for those involved in this research and the value associated with sharing it (Grint 2000).

2.5 Inductive Reasoning

Inductive reasoning was used to guide the researcher in how to use the underlying theory (Saunders, Lewis & Thornhill 2003). An inductive rather than deductive approach was chosen as the research did not commence with a theory and attempt to examine it through testing, but rather aimed to develop theory based on exploration through data collection and analysis to identify relationships and patterns within the data. This was in accord with an interpretivist, inductive reasoning approach (Blaikie 2000; Bryman & Bell 2007; Collis, J. & Hussey 2003; Saunders, Lewis & Thornhill 2003; Williamson 2002). This enables exploration of the ways in which people interpret their social world, and the development of a perception based on alternative explanations of what's going on in a particular setting (Gummesson 2000; Saunders, Lewis & Thornhill 2003). According to Easterby-Smith et al. (2002), an inductive reasoning allows the researcher to undertake a more informed decision about the research design. It also helps the researcher identify what does and does not work, as well as offering a more flexible structure that permits changes to the research emphasis as the research progresses. This means that the researcher may adapt the research design and make it suitable for any constraints that may arise throughout the process (Easterby-Smith, Thorpe & Lowe 2002).

An inductive logic of enquiry was applied in this study as the aim of the research was to produce ideas by understanding the social reality investigated and to identify patterns from the empirical evidence to obtain a grasp on the phenomena (Blaikie 2000; Cavana et al. 2001). The research aimed to identify any relationship between the social reality of the participants and the theory that has emerged in the fields of diversity management and knowledge management/sharing. The process began by collecting detailed information from participants grounded in a number of cases, which was then grouped into themes and assessed in light of the conceptual framework developed from the literature. This led to reviewing the existing literature in order to produce ideas and develop theory (Blaikie 2000).

In summary, the inductive approach enabled the use of a variety of data collection methods in order to establish different views of the phenomena (Easterby-Smith, Thorpe & Lowe 2002). The following sections outline the research process, the strategy used, the methods of data collection and the process of data analysis.

2.6 Research Process

Both primary and secondary data were sourced for this research. As explained above, the initial stage of the research involved a detailed literature review on a diverse range of key concepts important to the research, namely knowledge (particularly tacit knowledge), the mechanisms through which knowledge is shared, culture, diversity management, inter-cultural competence and the role of HRM in the design and development of workplace strategies for diversity management and knowledge sharing.

Based on the literature review a conceptual framework was developed that identified three elements required for a holistic D-KM/S Strategy and a phased process was introduced that explained how the framework could be implemented. From an interpretivist perspective, the design of the conceptual framework provided the foundation for the methodology as it sought to explain the social reality and to develop an understanding of the underlying assumptions involved in this reality (Crotty 1998; Thietart 2001). Eisenhardt (1989, p. 536) advocates a conceptual framework 'because it permits researchers to measure constructs more accurately. If these constructs prove important as the study progresses, then researchers have a firmer empirical grounding for the emergent theory'. Blaikie (2000) highlights that a conceptual framework is an important basis for grouping different emerging concepts on which the researcher can concentrate. The three elements of communication, training and social networks proposed in the framework for this study became variables that required exploration through the qualitative research.

The literature review was followed by a desk audit of the publicly documented diversity strategies of six Australian-based organisations which have been identified as being exemplary in their diversity strategies by the Australian Government. The aim of the desk audit was to legitimise the framework of a holistic D-KM/S Strategy and ensure that there are no other key characteristics that need to be added. The validity of this framework was checked against non-technical literature such as that found in organisational websites and annual reports, and included looking at reports on corporate responsibility, equal employment opportunity and sustainability.

Following this, the primary research data collection occurred through case studies of several organisations recognised for the excellence of their diversity strategies using a variety of data collection methods.

2.6.1 The Use of Literature

The comprehensive literature review and desk audit included both technical and non-technical literature with the aim of first positioning the current research within the literature and from there framing the research questions (Williamson 2002). Strauss and Corbin (1998, p. 52) state that non-technical literature ‘can be used as primary data especially in historical and biographical studies and supplement to interviews and observations’. Both types of related literature were used by the researcher to hone the concepts in this study and non-technical literature was employed as primary data and analysed to complement the case data. Technical literature included published material on a diverse range of key concepts that were important to the study. Non-technical literature consisted of annual reports, official publications and internal documentation from participant organisations.

The second stage of the research adopted a case study strategy entailing individual interviews and focus group discussion to collect data on diversity in award-winning organisations as seen through the eyes of the employees studied.

2.7 Case Study

A typical strategy used in exploratory research is the case study (Collis, J. & Hussey 2003). This strategy involves an empirical investigation and is defined by Yin (2003, p. 13) as ‘an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident’. Gummesson (2005, p. 322) states that using inductive reasoning through a case study allows ‘reality [to] tell its story on its own terms and not on the terms of extant theory’.

The researcher reasoned that a case study approach would help uncover background information, gather in-depth understanding of the strategies that have been put in place to manage diversity and identify the elements organisations require to implement a D-KM/S

Strategy. This was particularly appropriate given the need to advance the limited knowledge surrounding the idea of a D-KM/S Strategy (Cavaye 1996).

Multiple case studies of 'best practice' organisations were considered appropriate in order to gain an understanding of the different perspectives and experiences of participants (Williamson 2002, p. 113) and of the processes being performed (Morris & Wood 1991). In this regard, it was important to intensively examine the setting in which processes and strategies were employed and to provide a voice for employees within a limited time-scale (Blaikie 2000; Bryman & Bell 2007).

Case studies enable the exploration, description or explanation of a research topic in some depth and the building of theory (Gillham 2000; Gummesson 2000). Previous scholars, notably Bertone and Leahy (2000) and Bertone et al. (1998), advocate case studies for the exploration of issues related to diversity management, as a means to clarify and understand the practices concerned in intricate social situations and to comprehensively examine diversity strategies, especially given the complexity and ambiguity of such strategies.

Blaikie (2000) highlights that a case study is not just narrating an event or unit but must involve analysis against a conceptual framework or in support of theoretical conclusions. Thus, the case studies were analysed against the key elements of the conceptual framework.

Case study research can be used to build theory or to generalise either from a single case or a few cases. There is debate about whether generalisations can be built from case studies. Yin (1989) highlights the difficulty in generalising beyond each case as the findings of a single case are exclusive to its own specific context. However, Bryman and Bell (2007) challenge this view as they present an example of a study that sought to generalise theories from its cases. The nature of the study they discussed involved three large organisations where the researcher claimed a degree of theoretical generalisability by giving meaning to propositions and testing it to generate concepts. Normann (1970) highlights that the process of analysis of multiple case studies needs to capture the interactions and characteristics of the phenomenon studied in order to make generalisations and build theory. Denzin and Lincoln (2003, p. 137) define an

instrumental case study as when ‘a particular case is examined to provide insight into an issue or to redraw a generalisation’. In relation to the purpose of this thesis to use an inductive approach to build theory, Walsham (1995) states that there are four types of generalisations that can be identified within an interpretive case study: concept development; theory generation; specific implication representation; and rich insights involvement. Thus, developing and generating theory from the findings, and demonstrating the relationship between theory and research locate case study research in the inductive tradition (Bryman & Bell 2007).

Investigating the cases will thus result in an increased understanding of the processes taking place in organisations seeking to implement organisational diversity strategies and knowledge sharing activities that improve cultural diversity inclusion, and of the effect this has on the sharing of tacit knowledge that is ethnically influenced.

2.7.1 Multiple-Case Design

A multiple case study design involving three cases was chosen to reflect different types of organisations in three different industries. Yin (2003, p. 46) explains that single and multiple-case design are ‘variants within the same methodological framework’; however, multiple-case design has become more popular in business and management research in recent years (Bryman & Bell 2007).

In this research the multiple-case design enabled each organisation to be understood in its unique context, with the meaning generated expanded to lead to better understanding, and possibly better theory development from the results (Denzin & Lincoln 2003). It was necessary for this study to extrapolate from a number of different contexts and circumstances in order to seek to identify themes and patterns around the processes and strategies employed to support and encourage the sharing of tacit knowledge that is ethnically influenced. Joint examination of the individual cases then enabled comparative analysis. According to Denzin and Lincoln (2003), adopting a qualitative inductive multiple-case study is an appropriate method for theory building.

In summary the advantage of using a multiple-case design was that the findings and convergent evidence would be more convincing and add greater credence to a study (Blaikie 2000) and facilitate a more robust outcome, particularly that the very nature of

diversity management and its discourse render comparisons problematic due to differences in interpreting the logic in each case study (Yin 2003). This enables a 'literal' replication or the prediction of similar results (Yin 2003), which is vital when developing a conceptual framework as it highlights the key variable conditions under which a D-KM/S Strategy can be found.

2.7.2 Population

The case studies are of organisations that were identified by the government and external agencies [Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), Diversity@Work, the Victorian Multicultural Commission or the Diversity Council Australia] as champions of diversity. These organisations were considered to be effective in designing and implementing diversity strategies that cultivate an environment that values diversity. They were selected from government publications available in an electronic format on DIMIA's website or from reports published by external agencies.

It was assumed that, being leaders in diversity, these organisations would have employees who could attend to the research requirements of this study such as clarifying issues related to the diversity strategy, knowledge sharing activities or the HR policies of the organisation. This accords with Patton (1990) and Yin (1989) who both claim that case studies can only be chosen well if the researcher clearly understands the critical phenomena. While the aim of qualitative research is to leverage the perspectives of participants in order to understand the meaning of a phenomenon, the sample selected must provide the most information about that phenomenon (Merriam 2002). Given the scope and objectives of this study the criteria that the participants had to fulfil were that:

- Organisations must have formally adopted and benchmarked a diversity policy, strategy or equivalent.
- Organisations must have been awarded for their diversity management policy, strategy or program, or be regarded as exemplary.
- Organisations must be at different stages in the employment and inclusion of their culturally and linguistically diverse (CALD) employees.

Initially 10 organisations awarded for their diversity management strategies were considered. Seven of these are large businesses, four of which are global organisations, one is regionally based and two nationally based. Of the remaining three organisations, one is a medium-sized educational community-based organisation, one is a small community-based organisation and one a local council. Four of these organisations declined to participate in the study, and another three were found by the researcher to be more focused on community relations than inter-cultural workplace relations. This left three organisations that fulfilled the criteria required for inclusion in the study. Each case study fulfilled similar criteria but involved different situations as they varied in terms of size, sector, industry, history, and were at different stages in the ways they approach the inclusion of CALD employees. Of the three organisations, two are based in Australia and the third has a North American parent company. These differences were taken into account when comparisons were made between them.

2.7.3 Structure of Case Studies

Case Study 1: Communication Services Company

The first organisation, referred to as the Communication Services Company (CSC), is a government-owned organisation, operating in three core business areas: letters; retail and agency services; and parcels and logistics. Twenty percent of the workforce employed by the CSC are identified as Culturally and Linguistically Diverse (CALD), with between 17% and 18% of senior managers also being identified as CALD employees. The CSC agreed in principle to participate in this study in March 2006. The interviews commenced in May 2006 and the data collection was completed in November 2006. The key facilitator of the research in this organisation was the National Manager Workforce Diversity.

The CSC was chosen because of its nomination for several diversity awards by Diversity@Work. In 2003, the organisation was nominated for an award for its innovative work in the diversity field and became a national award winner in the area of mature aged employees, and in 2004 the organisation received a certificate of recognition in the Diversity@Work awards. This nomination was for the employment and inclusion of culturally and linguistically diverse Australians.

The researcher conducted four face-to-face interviews with managers and one employee focus group discussion in Melbourne. Interviews were conducted with four employees in managerial positions in the areas of human resources management, diversity management, learning and middle management. The focus group discussion consisted of seven employees who were chosen in consultation with the Diversity Manager to represent the ethnic nature of the facility. Further interviews were conducted with two of the employees who participated in the focus group discussion. The interviews were open-ended and semi-structured, ranging from 45 to 80 minutes in length. A range of organisational documents were analysed which included annual reports, website information, research reports, internal publications supplied by the interviewees and the 'Diversity@CSC Kit'. Interviewees were categorised into either managers (detailing their positions) or employees, and specific references were made to the source of the views expressed.

Case Study 2: Financial Services Company

The second organisation, referred to as the Financial Services Company (FSC), is a company headquartered in Melbourne, and one of the largest companies in Australia and New Zealand. The FSC provides a range of financial services, including both personal and institutional, and employs 37,000 people operating in both the local market (Australia and New Zealand) and overseas (Asia, the Pacific, the United Kingdom, Europe and the United States). The organisation does not keep separate records of numbers or percentages of CALD employees (its diversity focus has been on gender diversity rather than cultural diversity). The organisation does recognise that its employees come from 130 countries, with 32% of the workforce speaking a language other than English. The FSC agreed in principle to participate in this study in August 2006. The interviews commenced in November 2006 and were completed by December 2007. The key facilitator of the study in this organisation was the Head of Advancement of Women and Diversity.

The FSC was chosen because it received a Diversity@Work award in both 2005 and 2007 for the inclusion and employment of CALD employees at one of their operations in Melbourne. The researcher conducted five face-to-face interviews with employees in managerial positions in the areas of human resources management and diversity management, learning and middle management. The interviews were open-ended and

semi-structured, ranging from 45 to 80 minutes in length. This was followed by two employee focus group discussions. The first focus group discussion consisted of six employees who were chosen in consultation with the HR Manager to represent the ethnic nature of the facility. Further one-on-one interviews were conducted with two employees from the first focus group. The second focus group discussion consisted of three employees who were staff representatives on the Diversity Council.

A range of organisational documents were analysed, including annual corporate responsibility reports, a code of conduct handbook, the Breakout Story publication, the diversity strategy, Equal Opportunity policy booklet, Bullying & Unlawful Harassment Policy, and website information.

Case Study 3: Motor Manufacturing Company Australia

The third organisation, referred to as the Motor Manufacturing Company Australia (MMCA), is an Australian-based plant of an American-owned automotive manufacturing company. The Australian operation includes the sale of vehicles and related service parts for the Asia-Pacific region. The organisation does not keep a record of the percentage of CALD employees; however, it does identify that among its 5,300 employees there are 68 nationalities represented and 86% of the workforce are male. At the Product Development division, there are 600 employees at the division with a mix of non-trade, trade, design and engineering expertise, and 93% of employees are male. The MMCA agreed in principle to participate in this study in January 2007. The interviews commenced in June 2007 and ceased in January 2008. The key facilitator of the study in this organisation was the Corporate Labour Relations and Diversity Manager. However, in December 2007 the organisation notified the researcher that it was unable to continue its participation in the research as it was facing a number of labour issues and dwindling resources.

The MMCA was recognised as a leader of diversity management in Australia and a key partner in the Commonwealth Government's Productive Diversity Partnership Program in 2000. This partnership was to help the organisation capitalise on the diverse skills and talents of its employees. The program promoted effective diversity management practices to leverage Australia's language and cultural diversity. The MMCA was identified for its work/life integration practices, as an employer of choice for women

and for its 'employability for life' program for Indigenous Australians, although it was not a diversity award winner in the employment and inclusion of CALD Australians. In spite of this, the researcher chose to include the MMCA to investigate whether the key elements suggested in a holistic D-KM/S Strategy were formally recognised and implemented in an organisation where ethnic diversity is not a major focus.

The researcher conducted three face-to-face interviews in Victoria. The interviews were conducted with three employees in managerial positions in the areas of diversity management and human resources management. The interviews were open-ended and semi-structured, ranging from 50 to 80 minutes in length. However, as the organisation had to withdraw from the research, greater emphasis had to be placed on analysing a range of organisational documents produced by the US parent body, including annual sustainability reports, published case studies, a code of conduct handbook, website information and a booklet on the company's 'zero tolerance' harassment policy.

2.8 Data Collection Methods Employed by Case Studies

Due to the exploratory nature of the study, the data collection methods included interviews (Gillham 2000) and focus groups to offer a deeper picture of the phenomena studied (Silverman 2001). These methods rely on communication to leverage participants' perspectives and opinions on the strategies implemented.

As the aim of the interview process was to understand the research topic from the interviewee's point of view (Bryman & Bell 2007) and preserve the original meaning relayed by the participants (Brewerton & Millward 2001), the interviewing process facilitated the collection of meaningful, knowable stories as reliable data to address the research questions and objectives (Saunders, Lewis & Thornhill 2003). Based on the assumption raised by Patton (1980) that understanding occurs from analysing information collected from direct interaction with interviewees, this study took into account that an interview is 'a conversation that has a structure and a purpose' (Kvale 1996, p. 6), and thus adopted as its primary data collection methods semi-structured and in-depth individual interviews and focus groups.

2.8.1 Semi-Structured Individual Interviews

Semi-structured individual interviewing that utilised a flexible structure to enable the unravelling of interviewees' views was adopted. This facilitated explanation of the events that took place within the organisations. To some extent, the interviews followed a script to guide the interviewing process, as suggested by Bryman and Bell (2007). Based on a standard list of questions, the researcher used an open-ended style of interview questions to enable in-depth exploration and to capture participants' meanings by ensuring that they could deliver their perceptions and expressions without being interrupted.

The researcher commenced the investigation with a clear focus and an aim to address specific issues using a standard list of questions. These questions were open-ended with the intention of allowing participants to talk expansively on the issues raised, thereby permitting the probing and exploration of answers and attitudes when further elaboration was needed to clarify interviewees' responses (Ghuri & Gronhaug 2002; Slater 1990). Probing answers by asking follow-up questions added depth to the data, particularly as the researcher was concerned with understanding the meanings interviewees ascribed to various phenomena (Saunders, Lewis & Thornhill 2003). While the researcher was able to probe questions according to the content with the aim of encouraging more explanations on emerging issues within the data, he still followed the basic logic of the interview questions. Ghauri and Gronhaug (2002, p. 102) confirm that 'this method of data collection is highly suitable for exploratory and inductive types of study as it matches very well with their purposes'.

A list of questions (or interview guide) was addressed during the interviews to explore the research question and objectives and these interview questions were grouped in several categories (see Appendix A) that were later used as the taxonomy to analyse the findings. The key categories were based around exploring the current diversity policy/strategy/initiatives; understanding the implementation process by exploring the elements of communication, training and social networks; the role of HRM; and exploring the link between diversity and knowledge management/sharing strategies. The researcher ensured that these categories were related to answering the research question.

The purpose of designing an interview guide was to outline the topics and questions that needed to be covered in the interview process (Kvale 1996); however, in qualitative

interviews, flexibility is allowed (Bryman & Bell 2007). Whereas the exact wording and order of questions were determined in advance with the questions being open-ended, the researcher did not follow exactly the list of questions, and there were occasions when the researcher probed answers by asking questions not in the interview guide to clarify issues raised by the participants. All questions in the interview guide were covered in the interviews and the researcher kept to the exact wording of the questions as best as he could, but there were a few occasions where he had to repeat the questions in other words.

Having some sort of structure assisted the researcher with the analysis of the data. Remenyi et al. (1998) favour this technique as it systematises the collection of information and enables comparisons when analysing data. Saunders, Lewis and Thornhill (2003) and Bryman and Bell (2007) highlight that this is the most appropriate method to be followed when doing multiple-case study research as it ensures cross-case comparability whilst leaving room for new issues to emerge that are significant for one's understanding.

Interview schedules were pre-tested in March 2006 before undertaking the data collection phase by conducting pilot interviews with two adjunct professors in the Graduate School of Business at RMIT, to pre-test the interview questions and ensure that the information the researcher intended to collect was produced by those questions.

The interviews took place on the organisational premises either in participants' offices or meeting rooms. This enabled the researcher to observe the participants in their own environments. Matza (1969) states that this approach allows the researcher to sense the organisational climate, capturing richer and more valuable data from the freer flow of the social process through 'in situ' interviewing.

The interviews were conducted primarily with managers who were directly involved in the design or implementation of diversity and HRM initiatives and with a small number of non-managerial employees. The purpose of these interviews was to gain a rich, personal description of the managers' experiences in designing, driving and implementing diversity management strategies and to capture employees' views in their own words about how informed they were about these policies/strategies/programs and what they

meant to them. This technique is regarded as of utmost importance to business research as it requires a meticulous understanding of intricate processes (Ritchie & Lewis 2003).

The interviews were digitally recorded for accuracy when transcribing. Slater (1990) confirms that by digitally recording interviews, a higher standard of analysis and conclusions are provided as the interviews are fully and accurately recorded in the respondent's own words.

All managers were emailed an invitation to participate in this study, which briefly outlined the purpose/objectives of the study, and a telephone call followed after a few days to clarify any queries the participants might have. The researcher undertook a desk audit of the case organisations prior to the interviews to familiarise himself with the material and so that he could guide the interviewing process. Participants were given a Plain Language Statement and were asked to sign Consent Forms (see Appendix B&C) prior to the interview, and they were assured of confidentiality as per the RMIT University Human Research Ethics Guidelines. Following each interview, participants were sent interview transcripts. A total of 22 individual interviews were conducted. Among these interviewees, only one individual refused to be recorded because of personal concerns and this interview was not included to ensure data accuracy. Another six one-on-one interviews conducted at other organisations were also not included as they were deemed irrelevant. Thus, a total of 15 individual interviews were included in the study.

Interviews were transcribed by the researcher, immediately following each interview. Transcripts ranged from 7,000 to 11,000 words each, and approximated an equivalent of between 18 and 21 pages of single-spaced text. The analyses took place during and after the data collection phase.

2.8.2 Focus Groups

The second exploratory interview technique used in this research was the focus group. Krueger (1994, p. 6) defines a focus group as 'a carefully planned discussion designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment'. The aim of conducting a focus group was to offer the researcher 'an opportunity to explore how people think and talk about a topic, how their ideas are

shaped, generated or moderated through conversations with others' (Ritchie & Lewis 2003, p. 37).

The topic guide used in the focus group was similar to that used in the individual interviews with very slight variations in the wording of the questions. Ritchie & Lewis (2003, p. 115) highlight that the topic guide 'is seen as a mechanism for steering the discussion but not as an exact prescription of coverage'.

The discussion was guided by an open-ended style of questions and these questions were addressed in a semi-structured way. Key categories similar to the ones explored in the interviews were discussed with the group and the participants were encouraged to talk about their main concerns as long as the discussion remained relevant to the topic area. The main aim of the focus groups was to understand how participants felt about the diversity initiatives and knowledge sharing activities at their organisation. Thus the focus was on encouraging a free-flowing discussion from which qualitative data regarding perceptions, feelings and views was collected according to the participants' own words and understanding (Krueger 1994). Rich data was generated from the interaction that characterised these discussions, as Collis and Hussey (2003, p. 167) explain that 'listening to other group members' views encourages participants to voice their own opinions'. These discussions tapped into participants' collective tacit knowing as the researcher was interested in identifying whether employees voiced disagreement or shared common views in relation to the topics discussed. It is important that participants' shared views were collected to verify (or adjust) individual interviewee responses. According to Stewart and Shamdasani (1990, p. 16), 'focus groups allow respondents to react to, and build upon, the responses of other group members. This synergistic effect of the group setting may result in the production of data or ideas that might not have been uncovered in individual interviews'.

A total of three focus groups were conducted in two of the case organisations. The focus groups consisted of 16 participants in total (with three to seven participants in each), and they were organised so that all those involved were from the same functional level and there were no supervisors present. In ensuring that participants were at the same level the aim was to explore their collective views and experiences. Morgan (1997, p. 43) confirms that three to five group discussions are what is required to understand a

particular topic. Whereas he argues that a rule of thumb should be that each focus group consists of six to 10 participants (Morgan 1997, p. 43), the researcher was unable to recruit more than three participants in the third focus group held.

As regards the third case organisation, even though a focus group discussion was planned twice at the MMCA, the employees did not show up on both occasions. Despite scheduling another one, the group discussion was cancelled again on the day it was scheduled to take place. Other attempts were unsuccessful as the organisation withdrew from the study.

The three focus groups were conducted for approximately 60-75 minutes each, and those involved were selected in consultation with the Human Resources Department of each organisation. The 60-75 minutes allocated to each discussion was sufficient to cover the topics in detail.

The focus group participants at both the CSC and the FSC were ethnically mixed and inclusive of Anglo Australians, and were drawn from the divisions that were either nominated for an award or had won an award for the employment and inclusion of a CALD employee base. Focus group participants at the CSC were primarily blue collar staff while at the FSC they were white collar.

At both the CSC and FSC further individual interviews were held with two employees from the focus group discussions to assess the credibility of the focus group findings. Individual employees were selected on a voluntary basis depending on availability.

The final sample of participants in both the individual and focus group interviews consisted of 15 managers (in diversity management, human resources management, learning and middle management) and 13 non-managerial employees. Both of these interview techniques were suited to exploring the topic in depth. As Reviere (1996, p. 58) argues, both techniques are useful to 'the interviewer who is trying to develop a working understanding of the respondent's views in the respondent's own terms, and in relation to how the respondent integrates these views into an overall perspective'.

Data analysis was undertaken throughout the study to build theory from the literature review and case studies (Collis, J. & Hussey 2003; Eisenhardt 1989). Such analysis consisted of reducing the data through sharpening, discarding and reorganising it, presenting what was relevant, drawing conclusions and verification (Miles & Huberman 1994). It was important to analyse each case study on its own to familiarise the researcher with the individual cases before making comparisons and drawing on conclusions (Eisenhardt 1989). Thus, the next section explains the process of analysis and the coding methods used.

2.9 Data Analysis

There are four processes to analyse qualitative data when adopting an interpretivist approach. These processes are:

- Comprehending through a thorough investigation of the research topic before the commencement of the data collection phase.
- Synthesising by grouping different themes from the data into integrated patterns and providing an explanation of what is occurring.
- Theorising by constructing theory emerging from the study.
- Recontextualising by generalising from the theory (Collis, J. & Hussey 2003, pp. 262-3).

All the information the researcher collected on the cases was derived from individual interviews, focus group discussions and documentation (program records, newspaper clippings, annual reports, internal publications and policy statements). These methods are favoured by advocates of the case study strategy as they facilitate an in-depth inspection of the cases (Bryman & Bell 2007; Yin 2003). Patton (2002) states that using such a diverse range of sources makes up the raw data for case analysis, which can then be used to cross-validate findings. All the data was organised topically in a case record. Patton (2002, p. 449) describes a case record as ‘a comprehensive primary resource package’ that pulls together all data collected on the organisations.

2.9.1 Within-Case Analysis

The second stage of analysis commenced by looking at each case study individually and organising the data based on that; this required the researcher to be familiar with the

material in order to separate descriptions and identify patterns (Patton 2002). Initially each individual case was analysed as a unique holistic entity. Patton (2002, p. 450) confirms that at the beginning of the analysis 'each case must be represented and understood as an idiosyncratic manifestation of the phenomenon of interest'.

The process whereby these cases were analysed was dependent on two levels of coding methods. The first level coding method focused on creating a list of code units from the literature review that classified the interview questions into six different concepts. Coding units are identified by Collis and Hussey (2003, p. 255) as 'a particular word, character, item or theme' that gives meaning to information collected during the study. Thus this process entails selecting units, and assigning themes and concepts to these units (Glaser & Strauss 1967). The coding units identified from the study were: Diversity Management Strategy, Communication, Training, Social Networks, HRM and linking Diversity to KM. Because the researcher was already familiar with these units prior to data collection, this procedure facilitated the analysis of the data as it enabled the researcher to identify codes in the transcripts and link these codes from the case study directly to the conceptual framework and research questions. Each transcript was reviewed several times while listening to the interview recordings and codes were allocated to each paragraph. Once the relevant case data was reorganised, it was then grouped and sorted under each code. Because a semi-structured interview format was used, responses to questions were organised question by question.

The second level coding method aimed to identify existing commonalities within the case data that were relevant to the codes and group them into related categories. The purpose of doing this was to highlight any common views or disagreement voiced by the participants. Following that, a descriptive chapter for each case organisation was written. Collis and Hussey (2003) state that when reporting and writing up case study material it is essential to quote the data collected from interviews extensively. While this procedure captured and highlighted important variables within the data, patterns were only confirmed as a basis for supporting the study's conclusion during cross-case analysis.

2.9.2 Cross-Case Analysis

During this stage of the analysis, the three cases were grouped together for comparison. The aim was to highlight similarities and differences between the cases to identify links

between the categories. This was done by designing and comparing tabular summaries of the three cases, an application considered popular in analysing data across cases to strengthen the validity of the case studies (Yin 2003). Analysing the data across cases was easy to perform as standardised open-ended interviews were used (Patton, M. 2002) and answers from different participants were systematically grouped by interview question.

Based on the above, the research included both kinds of analysis: it commenced with each individual case, followed by a cross-case analysis. Organisations were the focus of the case studies as they were the primary unit of analysis. During analysis, the data collected from individuals was aggregated into data about the organisations.

In order to generate theory, the researcher examined the emergent concepts against the literature. This was done to validate the concepts by identifying whether they contradicted or were supported by the literature (Eisenhardt 1989). Miles and Huberman (1994) state that the process of examining the findings in relation to the literature adds validity to the data presented. According to Glaser and Strauss (1967), the goal of generating theory is that it does not merely conclude a study but develops ideas for further study.

2.10 Interpreting the Data

Three contexts of interpretation were adopted when interpreting the data: self understanding, critical common sense understanding and theoretical understanding (Kvale 1996). The first perspective relied on using the researcher's knowledge in attempting to determine what the participants meant by what they said. The second perspective of interpretation relied on taking into account the wider social context and using general knowledge to understand the way of life in organisations and thus to place the meaning generated by the participants within a wider context. The third perspective relied on giving precedence to theory to interpret the data (Kvale 1996). In other words, the case data was interpreted by reflecting on the researcher's knowledge acquired from the literature, keeping in mind the organisational context and the broader theory. The researcher thoroughly read the participants' responses to capture a holistic overview of the data.

2.11 Reliability and Validity

Reliability is generally concerned with the consistency of the measures devised for concepts in business research or the repeatability of the research results, whereas validity is concerned with the integrity of the conclusions that are generated from the research (Bryman & Bell 2007). The importance of factors such as reliability and validity are played down in the literature whose point of reference lies principally with a qualitative research strategy (Bryman & Bell 2007). This view is supported by Lincoln and Guba (1985) and Creswell (2003), who argue that reliability and validity play an inconsequential role in qualitative inquiry and are more suitably applied to the realm of quantitative research. Whereas these views dominate the qualitative field, the researcher's approach of interviewing participants in their offices and meeting rooms at the case organisations ensured that the data collection took place in the environments in which participants worked, as opposed to artificial environments. Accessing participants' views, opinions and knowledge in their everyday work setting confirms the authenticity of the data sought by the researcher. This type of validation is referred to by Bryman and Bell (2007) as ecological validity.

Another technique used by the researcher to validate the data was to provide each participant with a transcription of the interview material to ensure that the views collected were accurate. The researcher posted the interview transcripts to the participants with a thank you letter and encouraged their feedback. Bryman and Bell (2007) refer to this technique as member validation.

A strategy of triangulation was also used to validate the findings by crosschecking the data between individual interviews, focus groups and the company documentation that was reviewed. This triangulation across various techniques of data collection is particularly beneficial in theory generation as it provides multiple perspectives on an issue, supplies more information on emerging concepts, allows for crosschecking, and yields stronger substantiation of constructs (Eisenhardt 1989; Glaser & Strauss 1967; Pettigrew 1990). Such triangulation in data sources provides multiple perspectives on the topic investigated that decreases any potential biases that may exist when conducting research (Denzin 1970; Williamson 2002). Flick (1998, p. 231) argues that triangulation also 'adds rigor, breadth, complexity, richness, and depth to any inquiry'. Moreover, the practice of triangulation is necessary as a means of ensuring validity (Glazier 1992) as it

enables the checking of findings across a variety of sources, and ‘providing multiple measures of the same phenomena’ (Yin 1994, p. 92). This strategy ensured that the perceptions and viewpoints of participants were supplemented by valuable input from the focus group discussions, the non-technical literature (such as organisational annual reports) and from analysing policies, procedures and strategies found in written and electronic sources.

Dependability and confirmability are criteria used by Guba and Lincoln (1994) to determine the trustworthiness of the data collected. Dependability is the adoption of an auditing approach to establish the merit of research, and confirmability aims to minimise subjectivity as much as possible (Guba & Lincoln 1994). Both criteria were met by the researcher in this study. In relation to dependability, records of all phases of the research process (problem formulation, selection of participants, interview transcripts) were kept in an accessible manner. In relation to confirmability, peer debriefing was used as the researcher’s supervisors continually reviewed the progress of the study, and offered guidance to enhance the accuracy of the research process and to ensure that the researcher’s personal values influenced neither the conduct of the research nor the findings derived from it.

Another strategy used to maximise study validity was ensuring that the data represented not only managerial perceptions but those of employees as well. Creswell (2003) adds that this provides the reader with rich information and produces ‘thick’ description. Thick description is defined by Bryman and Bell (2007, p. 413) as rich accounts of the details of the social world being studied. In this regard, this study provided both thick and rich data as participants offered much detailed information about the context within which their behaviour took place.

The researcher was also aware of the multiple interpretations one might generate about a particular context and thus treated his account as merely one among a number of possible representations, rather than as the definitive version of the social reality studied (Bryman & Bell 2007).

2.12 Limitations

There were some limitations to using a case study strategy and these were related to accessibility and time. Negotiating access to suitable organisations and securing participants' commitment proved difficult. Organising individual interviews and focus group discussions at the FSC and the MMCA took considerable time, particularly as they were conducted during employment hours. Gaining access to non-managerial employees at the MMCA or arranging a convenient time to meet with them was extremely difficult as the organisation was restructuring. Thus, no focus group discussions could be held at the MMCA. The process of data collection (including the time allocated to individual interviews and focus group discussions, and accessing organisational internal documentation and the intranet) was very time consuming. This process was difficult as it involved encroaching on participants' work time and in some cases interviews were cancelled or postponed as a result of work commitments.

The small number of participants involved in this study was a limitation in itself as the researcher was able to see through the eyes of only a few employees in each organisation (Bryman & Bell 2007).

2.13 Conclusion

This chapter has provided a comprehensive description of the qualitative methodology that this research selected together with the rationale underlying this methodology. It has detailed the research process and strategy adopted; the methods of data collection; the process of data analysis; and concluded by highlighting issues of validity and the limitations associated with the research design. The research adopted an interpretive paradigm to understand human experiences, entailing an inductive and holistic analysis of the meanings participants attribute to events and activities within the case study organisations (Hassard 1993). Such an understanding was enhanced by the diversity of the participants. Literature analysis, face-to-face individual interviews, focus group discussions and documentation reviews comprised the research methods used to generate qualitative findings to answer the research question directed at the phenomena studied.

CHAPTER 3

Literature Review

3.1 Introduction

The advancement of a knowledge economy has led to important challenges for industries attempting to remain competitive in an increasingly uncertain business environment. At the centre of these challenges is recognition of the important contribution of knowledge (human capital). Together with the globalisation of industry and the growth of a multicultural and diverse workforce, the potential contribution of tacit knowledge is of particular interest. How to develop strategies for managing a diverse workforce in ways that encourage the sharing of the diverse knowledge they possess is thus an important question for organisations.

This chapter presents the research findings from the literature review in terms of both Knowledge Management (KM) and Diversity Management (DM). Given the central role of Human Resource Management (HRM) in the design and implementation of diversity strategies, the literature related to HRM and diversity is also presented.

This thesis aims to explore the link between KM and Diversity. Accordingly this chapter commences with a summary of the literature on knowledge, including its management and sharing, and then proceeds to the literature on diversity, particularly ethnic cultural diversity.

3.2 The Nature of Knowledge

Much of the literature on KM commences with an identification of the nature, source and forms of knowledge. This is particularly important when attempting to identify how (and why) people share knowledge. Knowledge is described as a product of human experience and reflection that provides people with the capacity to act effectively (Lyles & Schwenk 1992; Nonaka & Takeuchi 1995). Knowledge is described in terms of the form in which it is available: as data or information. Data is further defined as a set of neutral values, facts or records of a particular event (Kurbalija 1999) that, once

digitised. is turned into information (Shapiro & Varian 1998). Nonaka (1994, p. 15) goes further and explains how individuals convert data into information and then into knowledge through a process of evaluation and analysis. He focuses on the latter transformation of information into knowledge:

Information is a flow of messages, while knowledge is created and organised by the very flow of information, anchored on the commitment and beliefs of its holders. (Nonaka 1994, p. 15)

In making this distinction, Nonaka (1994, p. 16) states that 'information is a necessary medium or material for initiating and formalising knowledge'. Allee (1997, 2003) explores this even further in her discussion of the process whereby knowledge is given meaning through context, is identified as philosophy through systems, becomes wisdom through renewal, and achieves union through sustainability.

The core factor in these distinctions is that human involvement and processing are required for data to become information, knowledge and higher levels of knowledge. This suggests that to become innovative, organisations need a knowledge strategy that establishes opportunities for employees to transform data into knowledge.

In addition to the form of knowledge, the literature discusses the nature of knowledge, that is its explicit and tacit forms. Explicit knowledge has been defined as 'knowledge that is recorded in one form or another, clearly articulated, communicated in formal and systematic languages or codes, and set down in written documents' (Gupta, Iyer & Aranson 2000, p. 17). Tacit knowledge, on the other hand, is less easily recognised, and less defined and codified because it is formed as a result of life experiences, is often context specific, and is influenced by a variety of factors. Accordingly, it is often embedded in a person's subconscious (Augier & Vendelo 1999; Kogut & Zander 1996; Leonard & Sensiper 1998; Nonaka 1994).

Given its more overt form, explicit knowledge is often regarded as more objective, more universally accepted, and thus easier to codify. Tacit knowledge is more personal, and because it is not related to universal 'facts' is seen as more subjective. These two forms of knowledge are often presented as opposite poles of a spectrum (Augier & Vendelo

1999; Inkpen & Dinur 1998; Leonard & Sensiper 1998).

3.3 Knowledge Management Strategy

In the first phase of organisational development of a KM strategy, the focus is usually upon explicit knowledge that can be easily codified using the organisation's information technology capacity. This has led writers such as Dawson (2000a) to define KM as all efforts to enhance and increase the value of the generation, sharing and application of knowledge. As such, it may encompass a body of methods, tools, techniques and values through which organisations can acquire and develop knowledge to provide a return on their intellectual assets. Other literature describes this as the first phase of turning data into information (Fernie et al. 2003; Nonaka 1994). Any innovations that result accord with what Bratton and Garrett-Petts (2005) have described as generating new ideas and implementing these ideas into a new product, process or service. In the second phase of a KM strategy, the focus turns more towards tacit knowledge where there is greater emphasis on the knowledge people have in their heads. This leads organisations to develop strategies to encourage employees to willingly share their knowledge (Moller & Svahn 2004).

This has also led to a new approach to the value of hoarding knowledge as it becomes recognised that, unlike traditional physical goods, the *sharing* of knowledge defines its value as knowledge sharing creates a self-reinforcing cycle that generates more knowledge (Bhagat, Harveston & Triandis 2002; Larsson et al. 1998; Zack 1999). This has led organisations to realise that in order to encourage creativity and innovation, they need to maximise their employees' knowledge capability through utilisation (Moller & Svahn 2004) by creating the means by which the knowledge capabilities of employees are fostered and shared.

Knowledge management is a business practice in which an organisation engages knowledge processes and strategies that encourage workers to use their existing knowledge to a greater extent so that productive outcomes are enabled. Gurteen (1998, p. 6) defines knowledge management as 'an emerging set of organisational design and operational principles, processes, organisational structures, applications and technologies that help knowledge workers dramatically leverage their creativity and ability to deliver business value'. Buhler (2002, p. 20) states that knowledge

management is not only about the management of knowledge within an organisation but also about building a learning organisation by acquiring knowledge from an external environment and using it within the organisation to adapt and make changes. This is an important part of organisational success.

Knowledge sharing refers to that part of KM that encourages employees not only to use knowledge but to share it with their colleagues. There are two basic types of knowledge sharing: one that involves direct contact between two parties which can take the form of meetings, phone calls, or via e-mail (Hansen 1999; Tsai 2001); and one that involves knowledge obtained from written documents, either in paper or electronic format (Hansen & Hass 2001; Werr & Stjernberg 2003). The process of knowledge sharing is vital for organisations in that it saves time by leveraging the organisation's knowledge resources (Eisenhardt & Tabrizi 1995), enhances the quality of work as a result of utilising knowledge (Haas 2006; Levin 2000), improves the organisation's ability to signal competence to external constituencies (Podolny 1994), reduces redundancies in knowledge production, secures diffusion of best practice and enables problem-solving (Husted & Michailova 2002).

As found in an empirical study conducted in the UK, an essential medium for sharing knowledge, particularly tacit knowledge, is through practices that facilitate both physical proximity and dialogue among employees, such that productivity is attributable to these practices if they are adopted for longer time periods (Salis & Williams 2008). This view implies that competitive advantage comes from an organisation's ability to take action based on existing knowledge and create new knowledge through social and collaborative processes (Lehr & Rice 2002). Thus, communication is essential in sharing knowledge in an organisational setting and is important for organisational productivity.

Hibbard (1997) asserts that organisations have increased their profitability by sharing the knowledge held by their employees, as this activity drives greater efficiency and the launch of new products which both ultimately reduce costs and increase revenue. Thus, the source of competitive advantage resides in the application and sharing of knowledge rather than in the knowledge itself. To encourage effective knowledge sharing, an organisational culture of acknowledgement and respect needs to be created with an emphasis on fostering trusting relationships and valuing employees' contributions so

that employees do not feel that they have lost their competitive edge or organisational value (Angus, Patel & Harty 1998; Buckman 1998; Hibbard & Carrillo 1998).

Knowledge in this sense has been described as a product of human experience and reflection, a resource held by individuals that can be shared collectively through collaborative experiences and shared interpretations of events (Lyles & Schwenk 1992; Nonaka & Takeuchi 1995). In other words, knowledge is an attribute of people who have the capacity to act effectively (Dawson 2000b). Organisations that do not make use of the knowledge capability of their employees fail to create new knowledge (Moller & Svahn 2004). Organisations that do encourage knowledge sharing as self-reinforcing cycles do generate more knowledge (Bhagat, Harveston & Triandis 2002; Larsson et al. 1998; Zack 1999). Recognition of tacit knowledge as the source of an organisation's competitive advantage (Johannessen, Olaisen & Olsen 2001; Kogut & Zander 1996), which can be created through innovation, new product development and continual learning (Cavusgil, Calantone & Zhao 2003; Howells 1996; Lam 2000; Nonaka & Takeuchi 1995), has led to an increased focus in the literature on tacit knowledge, including its sources, generation and sharing.

3.4 Tacit Knowledge

Our understanding of the existence of tacit knowledge is not a new concept. Over four decades ago, Polanyi (1966) wrote of the existence of tacit knowledge while at the same time recognising the difficulty in identifying it, as he stated: 'we know more than we can express'. More recently, Herrgard (2002) defined tacit knowledge as:

a form of knowledge that is personal, but can be shared by individuals collectively, abstract but expressible in other forms than verbalization, affecting the ability to act independent of activity and competence and obtained by experience. (Herrgard 2002, p. 140)

Tacit knowledge is a much more complex phenomenon to identify, describe and use than explicit knowledge. Hedlund and Nonaka (1993), Nonaka (1991), and Nonaka and Takeuchi (1995) have all expanded Polanyi's original definition to give tacit knowledge more explicable and practical dimensions. Specifically, tacit knowledge has been separated into two dimensions: a technical dimension, or 'knowing how', that consists

of expertise and skills (motor, mental and perceptual); and a cognitive dimension, or 'knowing what', that includes beliefs and mental models (Nonaka & Takeuchi 1995).

Scharmer (2000) described tacit knowledge as having two forms: embodied and not-yet embodied, with the former describing more entrenched, action-oriented knowledge that is personified in everyday practices (similar to technical know-how), and the latter being based on imagination and visual experience that simultaneously combines the actor's inner experiences, interpretations of them and perceptions of 'external' reality. Blackler (1995, p. 1023) describes technical tacit knowledge as encoded knowledge or 'information conveyed by signs and symbols'. Collins (2001) identifies it as 'ostensive knowledge' that can be passed on only by personal contact.

There is debate as to the extent to which tacit knowledge, even in its technical form, can be passed on by formal teaching, training or education (Brockmann & Anthony 1998). Some argue that embodied knowledge is easier to learn from training or direct experience (Leonard & Sensiper 1998; Collins 2001 and Alexander & Schallert 1991, as cited in Gourlay 2002b). Others claim that the sharing of technical tacit knowledge requires some form of communal activity. Herrgard (2000) argues that knowledge is shared through social interaction between the novice and expert, as occurred historically through apprenticeship. The need for some sort of communal activity is clearly demonstrated by the growing literature on the contribution of networks, action learning, and socialisation that includes face-to-face social contact (Herrgard 2002). Soekijad and Andriessen (2003) term such activity 'cooperative doing' at the interpersonal level and identify it as conditional for technical tacit knowledge to be articulated through practice and social activity.⁴ This latter definition is related to the concept of cognitive tacit knowledge.

Cognitive tacit knowledge or 'know-what' is described as being formed from biological, innate and cultural factors (Gourlay 2002b), and is evidenced by mental models, beliefs, values, images of reality, and visions of the future. This form of knowledge cannot be formally taught although it can be shared through communal activity, communication and language (Gourlay 2002a; Nonaka & Takeuchi 1995).

⁴ This need for communal activity to ensure the sharing of technical tacit knowledge is discussed in more detail later in the literature review.

According to Bruner (1966), cognitive tacit knowledge can be translated through enactive (action-based), iconic (sensory) or symbolic (language-based) transfer. The first, which refers to knowledge expressed through action, is based on the learning of responses and forms of habituation; the second depends on visual or other sensory organisation (including images); while the third involves the representation of tacit knowledge through words or language. All three forms of communication were identified as early as the 1940s (Dewey & Bentley 1949) but have more recently gained greater attention. Recognition of the existence of cognitive tacit knowledge that is communicated through both verbal and non-verbal means suggests the need to extend our thinking beyond language as the sole means of expressing and communicating tacit knowledge (Gourlay 2002b).

The deep and complicated nature of tacit knowledge suggests that for it to be recognised and shared a number of actions need to be taken. First, individuals must become consciously aware of the tacit knowledge they possess. Second, they must be prepared to share this knowledge. Accordingly, any organisation that is developing a KM strategy needs to include in it elements that first assist the development of such awareness and second that foster a willingness to share this knowledge once identified.

This has led to debate in the literature concerning the contribution of individual or collective knowledge. It is acknowledged that some tacit knowledge takes the form of individual traits found in an employee's skills, habits and mental models that are highly personal and thus difficult to communicate. It is also recognised that tacit knowledge is a collective trait resident in routines, organisational consensus on past collaborative experiences, and organisational culture (Leonard & Sensiper 1998; Lyles & Schwenk 1992; Nonaka & Konno 1998; Polanyi 1958; Spender 1996; Zack 1999). Other scholars, like Blackler (1995, p. 1023), refer to collective tacit knowledge as 'encultured' knowledge, which Blackler defines as 'the process of achieved shared understanding'. As such collective tacit knowledge resides in social relationships (Aadne, Krogh & Roos 1996) and shared practices, it can be communicated (Wagner & Sternberg 1987) within groups that work together to form collective tacit knowledge and understanding (Choo 1998).

Gourlay (2002a) explains this dichotomy between individual and communal as relating

to the different stages of development of tacit knowledge. Initially tacit knowledge is personal but then becomes collective through organisational and environmental transactions. In this sense, individual tacit knowledge is shared, and joint meaning and values are created within collectives when individuals voice their tacit knowledge in common terms and concepts. Given the importance of the sharing of tacit knowledge for developing organisational knowledge, this notion of the socialisation of knowledge is further discussed below.

3.5 Socialising Tacit Knowledge

It is argued that collective tacit knowledge develops as part of a socialisation process in which knowledge is communicated and diffused through learning (by doing), training and exercise. Such diffusion allows individuals to access the group's collective knowledge. More specifically, collective tacit knowledge can develop from relationships that emerge in the shared spaces in which direct human interactions occur (Ray & Little 2001). Nonaka and Konno (1998) state that such shared spaces may be physical (an office), virtual (a common email), or mental (a site where experience, ideas and ideals are shared). Within these spaces, individuals develop 'interpretation codes' or shared understandings that give meaning to the information conveyed. Hence, although communication of tacit knowledge relies initially on individuals engaging in a common experience, over time the group within a particular space develops collective tacit knowledge that, as it becomes communal, is easier to communicate, at least within that specific group. These shared practices and social relationships in turn result in increased communication of collective tacit knowledge.

The challenge for organisations is how to encourage the formation of these collective spaces. Nonaka and Konno (1998) describe a dynamic model of knowledge creation in which explicit and tacit knowledge are exchanged and transformed through socialisation, externalisation, combination and internalisation. In this model, socialisation is crucial to the sharing of tacit knowledge that can later be turned into explicit knowledge.

There is a broad range of literature that examines what is needed to encourage knowledge sharing. Some authors focus on the need to align new employees with the organisation through a process of knowledge sharing. Cox (1993) states that,

traditionally, the objectives of socialisation processes within organisations have been to align new employees' functionality with the organisation's mode of operations. Other writers such as Louis (1980) and Van Maanen and Schein (1979) state that employees come to understand through the socialisation process the values, abilities, expected appropriate behaviour and social knowledge necessary for participating and taking on a certain role at a given organisation. Explaining this further, Cox (1993) highlights that in this process intimate, unspoken and unwritten knowledge is transmitted. The form of this knowledge sharing varies between formal (training) and informal exchanges such as storytelling. An interesting observation, particularly for this thesis, is Cox's acknowledgement that such knowledge sharing is difficult between culturally diverse employees except within informal social networks.

Denison (1990) urges the need for involvement, consistency and a mission for organisations to develop communal values aimed at encouraging employee involvement and participation so as to establish a shared sense of purpose, direction and strategy. Similarly, Jacob and Ebrahimpur (2001) argue that organisations must clarify the purpose of knowledge in their workplace and then create and nurture a learning environment by replacing rigid administrative regulations with more supportive human resource practices that value people and the way they learn.

Other authors discuss the importance of establishing an environment in which trust is developed and groups are encouraged. Jacob and Ebrahimpur (2001) and Soekijad and Andriessen (2003) discuss the importance of developing trust among employees. Moller and Svahn (2004) state that a jointly held knowledge base is critical for the growth of trust among employees, which is in itself indispensable for cooperation. Others emphasise the need for groups of employees to develop. Schein (1997) identifies the need for:

a pattern of shared basic assumptions that the group learn[s] as it solve[s] its problems of external adaptation and internal integration, [one] that has worked well enough to be considered valid and, therefore, to be taught [to] the new members as the correct way to perceive, think, and feel in relation to those problems. (Schein 1997, p. 12)

Yet other authors emphasise the need for new forms of governance within organisations if knowledge sharing is to be encouraged. McElroy (2002) promotes the need for self-organisation in his argument that knowledge sharing in human social systems works best in the absence of management because participation in the knowledge sharing group is voluntary for individuals. Likewise, Soekijad and Andriessen (2003) argue that if too many regulations are designed around the group, the activity is doomed to fail. Specifically, they identify two trajectories for cooperation: a top-down approach in which the organisational management constructs certain settings for cooperation, and a bottom-up approach in which individuals spontaneously cooperate with others because they feel the need for knowledge sharing. They conclude that the top-down trajectory does not guarantee successful knowledge processes, whereas the bottom-up approach, while encouraging spontaneous interpersonal dynamics, may require commitment from the organisation to guarantee success.

These views are echoed by Chourides, Longbottom and Murphy (2003) who emphasise the importance of cultivating social networks while minimising management's ability to control them. Most particularly, they suggest that management can retain control by playing a major role in shaping the policies that cover the relevant conditions in which this social networking occurs. This might offer a resolution to the challenges facing managerial authority and provide a momentous opportunity for achieving a position of sustainable competitive advantage.

Thus, there is no clear agreement on what constitutes the best way for organisations to encourage knowledge sharing. However, there is a growing body of literature on the contribution that can be made to knowledge sharing by Communities of Practice (CoPs).

3.6 CoPs and Collective Tacit Knowledge

Social capital is a set of assets contained in relationships among people and is created from investing in social relations to produce returns (Lin 1999). It is the value generated from relationships between people, where human capital (be it skills or knowledge held by individuals) is shared among those individuals through networks of social relationships.

Social capital is perceived as a network of cooperative interpersonal relationships that relies upon the sharing of valuable knowledge, skills and abilities. It is built on a foundation of norms, trust, shared values and personal bonds (Coleman 1988; Putnam 1995).

Nahapiet and Ghoshal (1998) developed a framework that demonstrates how social capital sets up the conditions for the sharing of tacit and explicit knowledge and the generation of new intellectual capital. The maintenance and reproduction of the social asset are only made possible by the interacting members, who as a result of their interaction can access information more easily, reinforce their identity and recognise their contribution within these collectives.

A form of social capital referred to as 'social innovation capital' is used in relation to communities of practice. This capital is described by McElroy (2002, p. 33) as 'a collection of independent learners and communities of practice who collaborate with one another in self-organising ways to develop and integrate shared knowledge'. Thus it is capital of a social kind that is held in the form of a collective where its members self-organise around the production and integration of knowledge. The characteristic pattern of formation and knowledge-making behaviour that largely comprises communities of practice is also identified by McElroy (2002) as social innovation capital.

The concept of CoPs grew out of earlier work on learning communities by Lave and Wenger (1991) and Brown and Duguid (1991). According to Wenger, McDermott and Snyder (2002) CoPs can be defined as:

groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an ongoing basis. (Wenger, McDermott & Snyder 2002, p. 4)

Wenger, McDermott and Snyder (2002) discuss the role that CoPs can play as part of a KM strategy aimed at providing an environment in which employees are encouraged to share their tacit knowledge. They identify CoPs as differing from earlier notions of teams in that membership is voluntary and members self-select on the basis of their expertise and passion for a topic. As a result, it is passion, commitment and

identification with the group and its expertise that binds the members together. Moreover, despite sharing a basic 'structure' with an identified domain of knowledge, CoPs are not structurally rigid; rather, they constitute a community of people who care about the domain and the shared practice they are developing to be effective in that domain. Hence, CoP boundaries are fuzzy rather than clear, and each CoP evolves and ends organically (Wenger, McDermott & Snyder 2002, p. 27 & 42).

In the same vein, Soekijad and Andriessen (2003) argue that CoPs are different from, but complementary to, other interpersonal groups such as multidisciplinary project teams, job groups, networks of expertise and design groups. All these forums provide settings that involve high interactivity in which most knowledge sharing processes are likely to take place. However, these authors also state that because CoPs in particular are centred on knowledge sharing and learning, they can be considered effective knowledge sharing groups. Likewise, Jacob and Ebrahimpur (2001) emphasise that for those forming such a group, the voluntary and informal nature of CoPs and their focus on issues are important facilitators of knowledge sharing. This view is echoed by MacNeil (2004), who claims that CoPs are more effective than teams at encouraging the sharing of tacit knowledge (particularly collective tacit knowledge) and stresses that the body of collective knowledge is embedded in, and only accessed through, CoPs.

The question of management's role in an environment that encourages CoPs is currently subject to some debate. Whereas some researchers stress that business leaders should implement CoPs, others, notably Nonaka (1991) and McElroy (2002), argue that managers should only manage the surrounding conditions in which CoPs are encouraged to emerge as self-organising meetings independent of manager intervention and control. Such a supportive environment, claim Gloet and Jones (2003), should include a commitment by top executives to support the development of CoPs as part of an overall HRM strategy—to improve employment conditions and create a learning environment conducive to knowledge sharing. As a result of such debate, there is significant discussion in the literature about the value of CoPs to both employees and organisations (Wenger, McDermott & Snyder 2002).

In summary, there is a great deal of diverse literature on the nature of knowledge, its definition, sources and forms. In recognising employees as an important potential

source of knowledge to gain competitive advantage, the literature identifies a number of challenges for organisations seeking to develop effective and efficient KM strategies that emphasise knowledge sharing in order to compete effectively in a knowledge-rich environment. Underpinning these challenges is the need to develop an organisational environment that assists workers to first recognise their tacit knowledge and then be willing to share it. However, it is also recognised that given the many forms of tacit knowledge and the various ways it may be shared, achieving this goal can be challenging. Of central importance is the design of opportunities which encourage individuals to share and develop communal knowledge within organisational communities. The literature that examines this emphasises the need for organisational structures and strategies that ensure new employees understand the existing organisational culture that is created to encourage knowledge sharing within organisations. This leads to discussion on the nature of the relationship between the management of employees and the need for new forms of group interaction through CoPs.

Given the fact that HRM is traditionally responsible for all matters relating to employees, the findings in the aforementioned literature suggest that HRM departments need to become more engaged in the development and implementation of KM strategies. There is recognition of this need in some of the HRM literature relating to the need to develop new social networks and relationships among employees, and to design new employment relations strategies through which employee commitment to knowledge development and sharing can be developed (Gloet & Jones 2003; MacNeil 2004; Whicker & Andrews 2004). M. Lengnick-Hall and C. Lengnick-Hall (2003) identified four new roles for HR practitioners; as human capital stewards, knowledge facilitators, relationship builders, and rapid deployment specialists. As human capital stewards they need to recognise the value of intellectual capital and ensure its availability and potential for growth in the organisation; for knowledge facilitators there is a need to focus on creating environments conducive to knowledge generation through organisational learning and knowledge sharing; as relationship builders they must focus on encouraging interaction by sustaining cooperation through the development of networks and Communities of Practice; and as rapid deployment specialists they need to focus on dealing with the challenges of the knowledge economy by adopting tactics that allow firms to take advantage of opportunities in today's rapidly changing marketplace.

A further factor that needs to be taken into consideration is the culturally diverse nature of the workforce in many organisations, as discussed below.

3.7 The Concept of Culture

The literature identifies a number of different approaches to how culture is formed that result in different definitions. First is the view exemplified by Gudykunst and Kim (2003) that culture is formed through collective social interaction as people try to create meaning to organise ongoing human activity in a social context. In such interactions the behaviour of one individual influences another person's thoughts and actions. Over time these behaviours become patterned to produce shared understanding. This then develops into behaviours that encompass ideas and values through which people interpret the context, or world, they inhabit (Olsen 1978). Using this concept, Hofstede (1991) stated that culture involves a learning process where the sources of individual patterns of thinking, feeling, and meaning creation based on collected life experiences are learned tacitly.

Second, as also acknowledged by Gudykunst and Kim (2003), culture is regarded as being formed through attempts both to solve problems arising from the relationship between people and their environment and to find solutions for community survival. In this case not only is culture formed it also is transformed into basic assumptions that define the shared meaning communicated within the group (Trompenaars & Turner 1997). Again in this case the assumptions that underpin culture largely remain within the unconscious.

Third, culture is described as a system of knowledge (Keesing 1974). Gudykunst and Kim (2003) describe this as the means by which people adopt common mindsets through developing and communicating their knowledge about attitudes towards life. This requires culture to be explicitly acknowledged.

Lim and Firkola (2000) claim that the most referenced definition of culture is Hofstede's (1991, p. 5) conceptualisation of culture as 'the collective programming of the mind which distinguishes the members of one group or category of people from another'. Trompenaars and Turner (1997) extend this definition to define culture as:

A shared system of meanings that dictates our actions, organises our values and is represented through our behaviour. It is a learnt way of organising our experiences to mean something. (Trompenaars & Turner 1997, p. 13)

Given that this definition includes how culture is formed, how it is communicated and how it affects behaviour, it is appropriate for the purpose of this thesis.

From this definition the next question of relevance is: How is culture communicated? According to the seminal work of Hall (1959), culture is in fact inseparable from communication. This was later recognised by Birdwhistell (1970) who described culture as structure and communication as process. Whereas culture as structure is made up of norms and rules that act as guidelines for expected behaviour and communication patterns, communication and the rules that accompany it provide the guide to cultural behaviour (Gudykunst & Kim 2003). This recognises both an explicit and a tacit element of culture. Keesing (1974) explains this as:

Culture ... is ordered not simply as a collection of symbols fitted together by the analyst but as a system of knowledge, shaped and constrained by the way the human brain acquires, organises, and processes information and creates 'internal modes of reality'. (Keesing 1974, p. 89)

Indeed, Trompenaars and Turner (1997) liken culture to an iceberg whose visible part is explicit (concrete and observable) but which is underlain by a much larger, invisible part beneath the water. This latter part, which includes expressions of deeper values and socially agreed-upon norms, is thus implicit and hidden. Accordingly, they claim the quintessence of culture is not only what is visible on the surface but also the shared conduct developed to assist people to understand and interpret their world (Trompenaars & Turner 1997).

In sum, many authors view culture as a learnt system of meaning developed from a common social environment and shared collectively by individuals. This then governs individuals' actions, shapes their values, and is represented through their behaviour. There are different levels of cultural representation that mean that culture is differentiated by dissimilarities in shared meanings expected and attributed to different

geographic regions, in which people develop different sets of logical assumptions (Trompenaars & Turner 1997). Cultural differences and the disparate perceptions derived from them impact the way people act.

3.8 Diversity

In the twenty-first century the world's centres of economic activity are becoming more dispersed, and foreign direct investment and international collaboration between firms is growing rapidly (Youngelson-Neal, Neal & Fried 2001). These changes in the global environment have increased cross-cultural contact. This has led to the composition of national populations undergoing major changes, as well as moving Western industrialised countries increasingly towards accommodating the presence of various ethnic communities in the public sphere (Loden & Rosener 1991).

The word 'diversity' highlights the complex nature of human identity, with some scholars defining diversity in a broad context while others simplify it to address a particular type of diversity. Traditionally diversity was defined in terms of race/ethnicity and gender. By the 1990s, however, this definition had been extended to include group and identity affiliations that comprise human uniqueness with the emphasis being on defining the concept in relation to context (Thomas, R. 1991, 1996). This led scholars such as Joplin and Daus (1997) to highlight differences in sexual orientation, religious beliefs, skills and organisational status. Cox (2001) expanded this further to include differences in workplace and market setting with Loden and Rosener (1991) emphasising that as both producers and consumers, and as active members of the workforce, ethnic communities have begun to have a limited degree of influence over the domestic market.

This led them to categorise diversity into two dimensions. The first, or primary dimension, includes observable characteristics such as physical qualities, gender, age and ethnicity.⁵ The secondary dimension includes characteristics that cannot be observed such as organisational tenure, personality characteristics, educational background, mental qualities, experiences, beliefs and values.

⁵ Ethnicity is a subset of cultural diversity and it is used in this research interchangeably with culture.

Smith (1998) adds a further dimension. Whereas his first layer is similar to the primary diversity dimension as it consists of innate visible characteristics that individuals are born with such as ethnicity and gender, he separates the second dimension into two: one that identifies learnt characteristics (such as work experience, educational background, habits, values and beliefs); and the second that identifies an individual's standing in an organisational context (such as status, functionality and seniority). This second layer has a significant influence over individuals' behaviour and communication styles (Jackson, Mary & Whitney 1995; Kramar 1998).

Thus diversity has both an explicit dimension with visible characteristics such as differences in ethnic background and gender, and a tacit dimension with invisible characteristics such as differences in knowledge, beliefs, or values (Jackson, Mary & Whitney 1995; Maznevski 1994; Milliken & Martins 1996; Pelled 1996). D'Netto, Smith, and Da-Gama-Pinto (2000) provide a definition of diversity that includes all these characteristics:

Diversity is the differences and similarities between individuals and groups. Working with diversity is recognising and valuing the uniqueness of oneself and others on the basis of race, ethnicity, gender, culture, age, sexual orientation, religion, language, socio-economic status, education, style, personality, family status, [and] physical and mental ability. (D'Netto, Smith & Da-Gama-Pinto 2000, p. 78)

Acknowledging these differences has led some researchers to explore the extent to which people from different cultures cooperate (Smith, P. 2001). Nicholas et al. (2001) use social categorisation theory to suggest that, based on similar characteristics, individuals define themselves as members of a particular social category as a way of reinforcing self-identity from the group. The problem is that such self-identification may, however, impede intercultural interactions and lead to less social integration—a situation that occurs more often in heterogeneous groups than in their homogenous counterparts (O'Reilly, Caldwell & Barnett 1989; Williams & O'Reilly 1998). Thus, Milliken and Martins (1996) emphasise that diversity 'appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group' (1996, p. 403).

The multiple layers that diversity can exhibit also indicate the need to acknowledge cultural differences related to ethnicity.

3.8.1 Ethnicity

Isajiw (1992) defines ethnicity as:

Referring to a community-type group of people who share the same culture or to descendants of such people who may not share this culture but who identify themselves with this ancestral group. (Isajiw 1992, p. 6)

This acknowledges that different ethnic groups have different knowledge-based dimensions that can then develop into dissimilar values within the same nation-state. These differences can encompass skills that influence behaviour, actions and reactions that are often tacit. Helms (1996, 1997) states that ethnicity refers to dimensions of cultural socialisation and expression and involves affiliation towards a particular group based on shared cultural characteristics and history. Thus, different ethnic communities are bearers of separate cultures in which members of each community develop communal values, speak their own language among themselves, practise their own religion, and follow their own family practices (Rex & Singh 2003). In addition, ethnic diversity is not merely bipolar (e.g. Whites/non-Whites) but varies greatly within the two categories because ethnic communities are bound together by such factors as the use of the mother tongue and adherence to their own religious practices. This is demonstrated in the study of Thomas and Inkson (2004) who found that children and grandchildren of immigrants, fluent in their new language and skilled in the practices and norms of the host culture, are perhaps still influenced by the cultural norms and values inherent to their cultural background. Hence, Paletz et al. (2004) expand the meaning of ethnicity to include not only race, nationality or geographic location but also psychologically meaningful cultural variables like values, identities and social experiences. In other words, shared values and mental models are formed implicitly and are deeply embedded in members of an ethnic community, often as tacit knowledge.

As newcomers enter nation-states from various ethnic groups, each group carries with it a rich source of knowledge in the form of shared customs, values, patterns of

socialisation and modes of expression. This knowledge is often largely ignored and devalued by the host nation-state (Tiryakian 2003).

Over time, as the demography of the population has continued to change with the growth of ethnic communities in Western Industrialised countries, institutionalised public arrangements have changed to recognise the rights and needs of different ethnic communities (Tiryakian 2003). This led initially to national policies of multiculturalism, described by Tiryakian (2003) as public strategic policy resulting from criticism of public institutional arrangements that were seen as depriving cultural minorities of their rights. Such policies aimed to redress deprivation by enhancing the opportunities for minority groups so that they can develop a greater degree of self-realisation and development (Tiryakian 2003).

3.9 Multiculturalism

In Australia, the concept of multiculturalism was first introduced in 1972 by the then Minister for Immigration of the Whitlam government Al Grassby (Addison 1993). In 1989 the concept was made into a policy through the National Agenda for Multicultural Australia (NMAC 1999). There are different views in the literature on the genesis of the Multicultural Policy. For some it is seen as a government attempt to enhance and internationalise the Australian economy and embrace economic rationalism and globalisation (Collins, J. 2000), and thus to retain newcomers and their families as a source of resources. For others it is seen as resulting from the movement of local ethnic groups and activists against racism. These movements generated state responses in the form of multiculturalist policies to counterpose institutionalised racism against newcomers (Rex & Singh 2003; Tiryakian 2003). This movement led to government enactment of legislation based on the broader aims of equal opportunity for all employees regardless of ethnic background, the employment of ethnic minorities to ensure a proportionate representation among staff in accord with the country's population, and the development of policies to encourage acknowledgement of diverse populations and to remove discrimination (Singh 2003).

Whereas the emphasis on multiculturalism as a strategic policy is meant to safeguard the cultural integrity of ethnic groups, respect their cultural and linguistic backgrounds and maintain the cultural symbols, loyalties and identities that accompany them

(Collins, J. 1991; Goldberg 1994; Youngelson-Neal, Neal & Fried 2001), such policy does not view all ethnic constituencies within the population as equal (Hage 1998). This has led to scholars such as Bertone and Leahy (2003) criticising the Australian framework of multiculturalism on ethical, social and economic grounds. They state that the more distant a group is from the dominant ethnic mould of society, the less included its members are in social, economic and political life.

In summary, an exploration of the literature on culture reveals an acknowledgement of a number of complex, interacting factors, including the broad range of ways that culture can be defined in addition to race and gender. It revealed that there is a need to recognise that culture is influenced by both explicit and tacit factors, which in turn then influences people, laws and behaviours both explicitly and tacitly. Any individual can draw on a number of varying premises that arise from national cultures. In addition, organisations can themselves form cultures (Hofstede 1991; Lustig & Koester 2006; Schein 1997; Trompenaars & Turner 1997).

Whereas both national and organisational cultures share many similarities, there are two primary differences between them. The first distinction is that the former is formed by a common collective understanding shared by the citizens of a nation, while the latter is commonly shaped by the dominant leaders in management (Eldridge & Crombie 1974), as discussed below.

3.10 Organisational Culture

Recognition of the existence of diversity at the national level has considerable implications for organisations that recruit immigrants and foreign workers into their workplaces (Peterson 2004). Indeed, understanding organisational culture in culturally diverse workplaces is vital because individuals are different in the way they are socialised. This requires an understanding of how cultural diversity is recognised at the organisational strategic level, how culturally diverse groups are managed within the organisation and what impact these diverse groups have on knowledge sharing.

Just as at the national level, culture at the organisational level has been explained in a variety of ways. Hofstede (1991) refers to organisational culture as learnt conduct developed by employees so they can think, feel and act. Schein (1997) describes

culture as the accumulated shared assumptions, experiences and practices of a given group which are based on deep-set values and are created in part by leaders to handle employees. In so doing he stresses the complex collective nature of the learning process and the influence leadership's behaviour has upon it. He assumes that the learning process includes cognitive, emotional and behavioural elements of employees' functioning that are formed into patterns during the search for meaning (Schein 1997). Thus, he describes an organisational culture as a set of shared meanings and understandings formed as a result of the history experienced among organisational members.

Palich and Gomez-Mejia (1999) argue that creating an organisational culture that values and leverages intra-group differences and enhances the development of diversity strategies will lead to a true understanding of intercultural work relationships and operational performance, and opportunities for knowledge creation that lead to innovation. Likewise, D'Netto, Smith and Da-Gama-Pinto (2000) claim that creating interdependence between members, promoting open acknowledgements of multiple viewpoints, valuing differences and accepting the norms of various ethnic backgrounds are of key importance. Thus, organisations should apportion sufficient time to overcome problems and improve performance (Williams & O'Reilly 1998). In other words, when exploring the issue of tacit knowledge, organisations must be more responsive to many other factors that impact the sharing of the ethnically based tacit knowledge that is influenced by the diverse cultural traits.

In general, the behaviour of employees is guided by day-to-day operating principles that consist of values, expected behaviour and rules. More specifically, the values espoused are used to represent a deeper level of the organisational culture. These values are only transformed into collective knowledge after being tested, proven successful and shared (Schein 1997). Denison (1990) presents a useful, all-embracing definition of organisational culture that is considered appropriate for the purpose of this research:

[The] underlying values, beliefs and principles that serve as a foundation for the organization's management system, as well as the set of management practices and behaviors that both exemplify and reinforce those principles. (Denison 1990, p. 2)

Much of the extant literature describes how organisations can champion the positive outcomes and reduce the negative consequences of diversity (Palich & Gomez-Mejia 1999). For example, many researchers argue that greater work team diversity in terms of ethnicity, age, gender, expertise, personality and educational background offers extensive benefits, including improved problem-solving and decision-making capabilities (Cox & Blake 1991), creative brainstorming, and group outcome efficacy (Carr-Ruffino 1999; McLeod, Lobel & Cox 1996; Tsui, Egan & O'Reilly 1992). Some scholars also argue that diversity leads to innovation because it leads to the formation of new connections among external networks of employees in different countries and cultures (Ancona & Caldwell 1992).

Doubts have been raised, however, about whether increasing the number of perspectives actually improves problem-solving. For example, Stasser, Taylor and Hanna (1989) conclude that a positive outcome depends on a number of factors, including whether and how members of culturally diverse groups interact. More specifically, any problems in such interactions are exacerbated by social categorisation and similarity/attraction issues where individuals prefer to work with those who are similar to them due to ease of communication (Kanter 1977). As a result, identifying the relationship employees have with their organisations and with each other requires consideration of the practices adopted for managing cultural diversity within organisations.

Another issue is the challenge created for knowledge sharing in a diverse workforce by the organisational culture which has an effect on knowledge creation and sharing (Argyris & Schon 1978). Davenport and Prusak (1998) describe a knowledge-friendly organisational culture as a critical factor for the success of organisational knowledge management initiatives. They maintain that this requires organisational cultures to change from knowledge-hoarding to knowledge-sharing. Similarly, Kramar (1998) emphasises the need for organisational cultural change towards an improved approach to diversity management. She argues that at the strategic level, organisations that seek to recognise diversity as important for their success need to build an organisational culture that values diversity.

The more ethnically diverse the workforce, the greater are these challenges. Keesing

(1974) concludes that in order to understand an organisational culture it is vital to identify the values and beliefs of the members' subcultures, their socialisation experiences, and the influence the leaders have in shaping the organisation. This is supported by Kramar (1998) in her proposal for organisations to carry out cultural audits to identify the dimensions of the existing culture in relation to diversity before managing a culturally diverse workforce. She further proposes the establishment of the dimensions of a desired culture that values diversity.

Thus, a plethora of challenges exist for organisations that seek to encourage knowledge sharing among an ethnically diverse workforce. Such change requires employees' values to be aligned with those of the organisation, which in turn requires new approaches to employee involvement in decision-making. It also requires clarification of the values that influence organisational structures, management systems and business strategies (Kramar 1998). Organisational values need to be compatible with the employees' underlying collective assumptions to ensure congruence (Schein 1997). Furthermore, an acknowledgement is required of the challenge, highlighted earlier, to be faced by the fact that much knowledge about culture, diversity and ethnicity is tacit. In addition, Schien (1997) acknowledges that there are problems that arise when organisational cultures are often heavily influenced by assumptions set by the dominant cultural group. This frequently occurs outside their conscious awareness, and thus becomes embedded in the organisation unconsciously.

In summary, the extensive literature on diversity highlights the challenges that organisations face when seeking to manage a broad range of cultures. As a result, identifying the relationship of employees to organisations and among employees requires consideration of the management practices in organisations with a culturally diverse workforce. This is especially important in Australia given the extent of ethnic diversity that has accompanied the different waves of migration since the 1950's as discussed in chapter one. When developing strategies to encourage the sharing of tacit knowledge between culturally diverse groups, organisations need to first acknowledge ethnic differences as a core dimension of diversity, comprising implicit variables such as values, identities, and social experiences, and then to work with this diversity. This requires a diversity management strategy.

3.11 Diversity Management Strategies

Kramar (1998, pp. 133-4) defines diversity management as ‘a process of management, particularly human resources management, underpinned by a set of values which recognises differences between people as a strength for management’. This approach to management requires the development of a workplace culture that supports diversity and integrates people management issues with business issues to manage employees from a diverse range of backgrounds.

An extensive body of literature exists on the subjects of valuing diversity, cultural diversity and diversity management. In Australia, the growing body of literature on diversity management is identified by Dillon and Bean (2000) as having three main co-existing models or theories in an organisational context. These models have been termed the compliance model, the niche market model, and the productive diversity (PD) model.

The compliance model focuses on abolishing discrimination against specific groups and promoting equality of opportunity (EEO), which Hall (1995) explains is based in social justice principles. To comply with EEO principles, there is a need to adopt a diversity management approach that positions diversity issues within the framework of legal compliance, employs policies to remove discrimination against specified groups and prevents behaviour that hinders individuals from these groups having fair and equitable access to employment opportunities (Kramar 1998). The focus of this legislation is on specific identified groups such as women, people who are culturally and linguistically diverse (CALD), people with disabilities, and Indigenous Australians and Torres Strait Islanders (Victorian Public Sector 2000).

The niche market model extends the compliance model by recognising the potential to appeal to and access a broader market by mirroring the diverse customer base through the employment of a diverse workforce (Dillon & Bean 2000). This model emerged in the wake of the realisation that markets were transitioning due to changes in the demographic characteristics of customers (Kramar 1998). Loden and Rosener (1991) state that recognition of the diversity of customers has led to its reflection in the workforce of many organisations so that customer service and products can be more effectively provided.

It is more difficult to concisely define and explain the productive diversity model. This section identifies the various meanings that form this concept from the perspective of the Australian political and economic environment.

Bertone et al. (1998, p. 22) identify the range of definitions used to explain the productive diversity concept, which have been categorised into five groups:

- The traditional definition of EEO with an emphasis on group identity.
- An expanded outlook on diversity that encompasses a range of innate and acquired characteristics.
- A description of diversity characteristics that highlights the notion of valuing difference.
- A clarification of the potential business benefits to be gained from valuing diversity.
- A focus on the view of the business benefit and aligning diversity to business needs.

The concept of PD emerged in the 1980s from management theories in the United States in response to increasing globalisation, the changing nature of the labour market and issues of access and equity. The concept was formally launched as a policy in Australia in the early 1990s (Keating 1992) as part of the new national multicultural policy. However, it has not been widely received in Australia's management circles until very recently, partly due to the cultural and political context in which it was introduced. Dillon and Bean (2000) highlight that many Australian managers have resisted diversity issues beyond the 'fair go' philosophy. Even in academic circles, the concept has been applied by only a few scholars (Bertone, Esposto & Turner 1998; Cope & Kalantzis 1997a; Shaw 1995).

The PD model is a combination of the compliance and niche market models, with a focus on managing diversity to improve the organisation's financial bottom line (Dillon & Bean 2000). The central emphasis of PD is on leveraging an economic output by successfully managing a diverse workforce through the development of strategies that

recognise, value and leverage employees' skills and knowledge (Bertone, Esposto & Turner 1998). Two main approaches to PD have been identified. First, the 'equal opportunity approach': a bottom-up approach that focuses on improving the working conditions and outcomes for disadvantaged groups and individuals (Kirton & Greene 2004). This approach has been promoted as the most effective framework for aligning the issue of compliance to organisational goals (Kramer 1997) or for the development of equal opportunity practice (Kirton & Greene 2004). The second is the 'business opportunity approach': a top-down approach that centres on managerial practice to leverage the skills and knowledge of a culturally diverse workforce in the interests of business efficiency. This approach highlights the link between PD and productivity and there are various purposes for its use. These purposes range from effectively managing a culturally diverse workforce, to accessing culturally diverse domestic markets, to establishing offshore operations (Sonnenschein 1997).

PD incorporates two processes. The first aims to capitalise on the benefits to be gained from enabling the effective and productive participation of all employees to ensure they contribute the full range of their skills and knowledge towards the fulfilment of the organisational goals (Bertone, Esposto & Turner 1998). The second aims to minimise the potential costs of having dissatisfied and unfulfilled employees that results in increased staff turnover and absenteeism, the high risk of litigation from anti-discrimination actions and low levels of work team productivity (Carr-Ruffino 1999; Smith, D. 1998).

There is debate among scholars as to the benefits of a PD approach. The argument in support of PD focuses on the economic advantages that accrue from PD in terms of the reduction of costs and increased productivity (O'Flynn et al. 2001). This argument places emphasis on the effective management of a culturally diverse workforce to access culturally diverse domestic markets and when establishing offshore operations (Sonnenschein 1997). The argument against PD is that it does not achieve significant change towards social justice or improved workplace relations (Foucault 1972; Hall 1995; Humphries & Grice 1995; Wong 2001). Bertone and Leahy (2000) argue that PD has not been significant to the development of employment opportunities for ethnically diverse groups. Collins (2000) argues that no change will occur until social justice concerns are elevated to the same level as economic efficiency. In other words, PD

offers limited benefits to some ethnic groups as its main focus is on maximising profits. This results in the benefits often being confined to those who are highly skilled, bicultural and bilingual (Bertone & Leahy 2000).

A critical perspective is presented by Wong (2001) of the view that the concept of productive diversity is a tool for management control and that its discourse of inclusion is powerful in imposing such managerial control. Wong (2001, p. 192) calls for fresh models of management and a new epistemology, with different processes that incorporate a recognition that management is a coproductive relationship. This has been echoed by a few other critics who argue that an organisation's structure and processes need to firmly embed a management model that includes an understanding of rights, partnership and participation (Henare 1995; Moreton-Robinson 2000; Tahi 1995). Elmes and Connelley (1997) argue that productive diversity theory gives little consideration to the manner in which people who form in-groups can exclude others and resist understanding issues of language and culture. Hage (1998) and Probert (2001) observe that the productive diversity theory fails to take into consideration current economic and social trends that present barriers to its implementation. They assert that an observance of current global trends in relation to ethnocentric conflict and labour market segregation is necessary.

While there is debate in the literature about the extent to which employees benefit from PD, there is more agreement about the conditions required for organisations to introduce a PD approach. Firstly, Bertone, Esposto and Turner (1998) and Kramar (1998) highlight the importance of developing a business case that focuses on the relationship between demographic changes in the workforce and the benefits for business in enhancing business productivity. This is achieved by convincing managers of the benefits of valuing diversity and linking this value to the organisation's strategic objective. A compelling business case is vital to prioritise diversity initiatives.

To increase the likelihood of obtaining leadership commitment and ensuring resources are provided to successfully implement diversity initiatives, a business case needs to be presented by human resources executives to management. Developing a case for diversity management based on the competitive advantage gained by optimising the people resources in an organisation involves four steps. The first step starts with

determining the business objectives or needs, by considering the business strategy and identifying the highest leverage business opportunities that require diversity. The second step focuses on deciding whether the magnitude of the initiative will be focused or comprehensive in scope, and thus identifies the actions required to achieve these objectives or needs. The third step calls for conducting a cost/benefit analysis for implementing the initiative. The fourth step requires developing a tracking mechanism to identify, measure and evaluate the progress of these activities. This final step requires tracking the progress of the diversity initiatives and their impact on business results. These measures are vital to validate and justify to the business a long-term investment in diversity. Developing the business case through these steps is crucial for better funded and supported diversity management initiatives as HR executives can more successfully compete for the organisation's scarce resources (D'Netto, Smith & Da-Gama-Pinto 2000; Robinson & Dechant 1997).

The arguments used in developing the business case for diversity management will include the ability to save costs by reducing absenteeism and loss of productivity, turnover and the associated costs of recruiting, staffing, training and replacement. Other arguments presented should be based on the need to attract and retain talent; to stimulate business growth by leveraging opportunities from understanding small niche markets that are ethnically diverse and capitalise on these domestic markets; to increase creativity and innovation through optimising perspectives, attitudes, cognitive functioning, beliefs and other demographic variables; to produce high-quality problem-solving attributed to the way culturally diverse employees see problems from a variety of perspectives based on their experiences; and to establish off-shore operations by building on global relationships from the connections developed by employees with other cultures and countries (D'Netto, Smith & Da-Gama-Pinto 2000; Robinson & Dechant 1997).

Second, Cope and Kalantzis (1999) promote the need to establish an organisational environment with a flatter structure as a vital prerequisite to introducing a PD approach in organisations. Hall (1995) suggests creating an environment where everyone feels valued, and thus a change in organisational culture. A shift in organisational practices and management thinking aimed at transforming the traditional culture is therefore required in organisations that want to adopt productive diversity (Thomas, R. 1991). This is supported by Cox (1993) and Cope and Kalantzis (1997b) who highlight the

need for an organisational cultural change process so that differences are valued and accepted.

It is argued that Australian organisations reflect the values and experiences of Anglo-Australian men. This can present challenges for effectively managing the increasingly culturally diverse workforce (Smith, D. 1998). Smith (1998) argues that the transformation of organisational culture is vital given the wasted energy associated with requiring members of different ethnic groups to assimilate into the dominant organisational culture by adjusting their natural styles and behaviours. This energy could be used more productively if the organisational culture were more transparent, accepting of differences and inclusive. He recommends a strategy based on the 'utilisation model' developed by Shaw (1995). This strategy goes beyond assimilation and is characterised by flexible, fluid response systems that recognise the uniqueness of individuals and the benefit gained from actively identifying and utilising these differences. This model is similar to the 'multicultural model' suggested by Cox (2001) that he argues is necessary to deal with the emergent social and economic conditions of this century. The model promotes a pluralistic organisational culture that values cultural differences and the encouragement of the full integration of all minority group members without cultural bias in human resources management practices and with a minimisation of inter-group conflict.

An organisational cultural change is said to require awareness-raising of issues associated with diversity. Awareness-raising is needed to achieve behavioural change that will assist organisations to leverage employees' diverse assets (Galagan 1993a; Smith, D. 1998) as well as to comply with EEO legislation (Kramer 1997; Thomas, R. 1991). Scholars highlight the importance of raising awareness on diversity as an important aspect of effective group process so that the organisation can effectively leverage employees' diverse assets (Galagan 1993c; Smith, D. 1998; Sexton 2003). This is supported by Cope and Kalantzis (1997b) who maintain the need for an organisational cultural change process so that cultural differences are valued and accepted.

PD is said to require two further strategies:

- Improved communication and training for employees and managers.

- A more participative style of leadership such that all employees feel valued.

It is important for organisations to clearly communicate their diversity policies to achieve organisational objectives (Kramar 1998). Effectively communicating the diversity message to the entire organisation ensures that a critical mass of understanding is reached which facilitates the implementation of the diversity management program (Paul-Emile 2005). Paul-Emile (2005) highlights that a diversity message should be inclusive of the traditional designated groups as well as issues that fall within the tacit dimension of diversity. This is supported by Wentling (2004) who adds that a broad understanding of diversity moves workplace diversity beyond an ‘us and them’ mentality to a focus on making the most out of diversity in order to meet the needs of both the individual and the organisation. She highlights the need to develop measures for employee feedback so that management can understand employees’ diverse needs within the context of organisational goals. She adds that employees’ diverse needs should be the basis for developing diversity plans. Thus, in order to connect diversity efforts to employee and organisational needs, a two-way communication approach is required: one that is communicated by management and another that uncovers the perceptions held by employees.

Moore (1999) argues for the need to increase staff knowledge and awareness through diversity training which leads group members to value diversity. This is supported by Kamenou (2003) and Morrison (1996) who stress the need for training intervention. This meets the objectives of tapping into differences as assets (Thomas 1991), and tackles a challenge associated with the increasingly globalised economic environment (in which corporations are going global and countries are becoming multicultural)—namely the lack of effective communication.

Bassett-Jones (2005) argues that the behaviour of managers is crucial in gaining high levels of commitment from a diverse workforce. Robinson and Dechant (1997) recognise that in order to obtain leadership commitment to diversity, managers need to understand the expected return on this investment. In addition, the literature explores the suggestion that the formation of a Diversity Council, supported by best practice strategies, may improve the diversity dynamics in any organisation (Kamenou 2003; Morrison 1996). While recognising that managerial support and involvement is the first

step for the success of any diversity program, a supportive diversity strategy implemented by a Diversity Council (made up of a cross-section of organisational members) can assist the prioritisation of diversity issues and their alignment with business needs and goals. Da-Gama-Pinto, D'Netto and Smith (2000) confirm that these three strategies have assisted the development and implementation of diversity initiatives in Australian organisations.

In summary, changes in demographics, in society, and in workplace dynamics have increased the need for closer cooperation among people from different ethnic and national groups in ways that maximise the benefits of diversity through effective management of diversity in the workplace. Bassett-Jones (2005) suggests that the management of work routines is an important condition for promoting creativity and innovation in a range of contexts. In order to achieve this, organisations need to develop a PD approach that not only incorporates adherence to legislation on equal and fair treatment but also raises awareness by communicating and clearly defining the importance of diversity. This requires that organisations not only develop diversity strategies but also provide positive support for diversity through training programs that facilitate intercultural relations and institutional support through bodies such as diversity councils. Further, this requires recognition of the importance of two more elements: the role of Human Resource Management (HRM) in developing and monitoring diversity management; and the importance of cultural intelligence as an underpinning for any diversity management strategy.

3.12 The Contribution of HRM and Cultural Intelligence

Given the importance attached to the promotion of greater employee involvement, it is not surprising that HRM is seen as central to improving systems and driving and infusing new ideas and know-how by providing training for managers, leaders and employees (Bassett-Jones 2005). Bassett-Jones argues that the responsibility for diversity policy lies with HRM who need to design strategies that foster trust and inclusiveness through effective leadership. Bertone (1999) argues that HRM needs to develop an approach that focuses on fairness, equity and skilfulness. Nicholas et al. (2001) support this with an argument that HRM needs to develop beyond a compliance approach (with its focus on audits of compliance to EEO and AA laws) to a more proactive approach that encourages people of diverse cultural backgrounds to share their

diverse cultural knowledge in order to increase social capital. In other words, HR policies need to go beyond an assimilation approach that often ignores the diverse experience and knowledge of the ethnically diverse employees' experiences, and thus causes them to lose their confidence and ability to share their tacit knowledge. In other words, there is a need for a focus on valuing the tacit dimensions of diversity (Lengnick-Hall & Lengnick-Hall 2003).

Secondly, there is a need to develop what is called 'cultural intelligence' (CQ). Yoshida (2002) argues that if there is not effective intercultural communication misunderstandings can result, which may lead to irritation and even distrust between the parties involved. Despite this, he goes on to say, few business people realise the importance of training in CQ to overcome the challenges in intercultural communication and ensure a deeper understanding of intercultural communication gaps.

There is a focus in the human relations discipline on communication issues in the international business ambit and on the problems that occur with communicating among people in different social and cultural contexts (Bogorya 2007). It has been identified that failure to manage these issues leads to failed negotiations and is detrimental to conducting business and tapping into different markets (Harris & Moran 1996; Maddox 1993). Thus, the focus of the literature relating to cross-cultural communication is on adjusting practices to ensure effective communication among ethnically different people. This has become increasingly significant due to major shifts in the demographic typography in immigrant receiving countries, and the cultural diversity that characterises their workforces and consumer markets (Nixon & Dawson 2002).

A series of practical tips to overcome barriers to communication are suggested by Nixon and Dawson (2002). They propose aligning interpretations of meaning among those communicating to jointly create shared identities and a collective social reality. They also highlight the importance of understanding and respecting the values, norms, beliefs and behavioural codes of individuals since they have an influence on their expressive forms and are so deeply attached to the human side of communication. Other factors that need to be considered in cross-cultural communication are differences in decision-making, social aspects, perceptions of time, and personal relationships (Herbig & Kramer 1992). Sonnenschein (1997) proposes the use of strategies such as talking to people with a sense of equality to minimise misunderstanding when communicating.

To improve relations and the effectiveness of communication across different cultures, there is a need to provide intercultural awareness training program and cross-cultural education as important parts of management training. Such training can stimulate one's awareness of the cultural elements inherent in one's own identity and strengthen the ability to transcend the habitual limitations by teaching people how to interact in the cross-cultural context (Bogorya 2007). In the development of this training, a combination of values and different styles of expression is necessary. Hofstede (1997) informs this literature significantly. In this regard, being aware of differences and sensitive to the needs of others can help reduce interpersonal barriers and encourage effective communication among ethnically different people (Balsmeier & Heck 1994).

As part of this training, there is a need for senior business managers to understand the diverse cultural backgrounds of their employees and the related differences in perceptions so that they know how to manage an intercultural setting (Carr-Ruffino 1999; Yoshida 2002). It is particularly important for managers to understand the significant cognitive differences between Eastern and Western thought.

While there are examples in the literature of diversity training initiatives that did not achieve successful results (Beekie 1997; Nemetz & Christensen 1996), these failures are often attributed to a lack of understanding of the variety of differences among people and a reliance solely on awareness-based training as the only training component required to engage diverse groups. Moore (1999) argues that such training should extend beyond raising awareness on diversity and incorporate a broad range of competencies and skills including the development of communication skills with motivation as a central focus, and observation skills to ensure that individuals are sensitive to different contexts. She adds that a holistic approach that integrates all these elements may have the potential to improve communication and productivity within organisations (Moore 1999). This is supported by Sexton (2003) who highlights that this range of skills (self-knowledge and a critical analysis of one's behaviour) encourages authenticity among employees. Cox and Beale (1997) refer to these skills as diversity competencies that involve three phases of development: awareness; knowledge and understanding; and behaviour and action.

This has led to a focus on the importance of cultural intelligence. CQ can be defined as a process that teaches a way of thinking through factual, analytical and experiential training methods. This comprehensive training is aimed at developing the capability of employees (often with a managerial focus) to improve work relationships by addressing and resolving the challenges associated with intercultural interactions (Earley & Ang 2003; Peterson 2004; Thomas, D. & Inkson 2004).

Whereas the notion of cultural intelligence grew out of the literature on emotional intelligence (EO) (Earley & Mosakowski 2004), the growing understanding of CQ has developed further than Berry's (1974) notion of intelligence. In this regard, CQ is an intelligence construct that is important for individuals attempting to work in a culturally diverse environment (Earley & Ang 2003). According to Earley and Ang (2003), CQ is different from other concepts of social intelligence and emotional intelligence in that both are relatively void of cultural richness. CQ constitutes a separate category of intelligence that is more relevant to cultural plurality (Earley & Ang 2003).

Peterson (2004) states that CQ represents:

the ability to engage in a set of behaviours that uses skills (i.e., language or interpersonal skills) and qualities (e.g., tolerance for ambiguity, flexibility) that are turned appropriately to the culture-based values and attitudes of the people with whom one interacts. (Peterson 2004, p. 89)

For an individual to display CQ three component skills and capabilities—cognitive, motivational and behavioural—need to be employed simultaneously (Thomas, D. & Inkson 2004). Lustig and Koester (2006) similarly claim that competent intercultural communication requires sufficient knowledge, suitable motivations and skilled actions. These components are similar to those proposed by Moore (1999) for integrative, holistic diversity training. To achieve CQ competence, individuals must develop all three components equally and take into account both the context of the communication and the appropriate behavioural patterns it produces.

The development of employees' cognitive abilities first requires the provision of knowledge on cultural differences, ethnicity and diversity so that uncertainty is

contained through correct interpretation of meanings and accurate prediction of behaviour (Gudykunst & Kim 2003; Lustig & Koester 2006). Such knowledge can be divided into culture-general and culture-specific information. Culture-general refers to information on the many cultural practices that influence a communication process; it offers insight into such practices and helps employees become aware of important cultural differences. Culture-specific information, in contrast, explains a specific culture with which employees have direct involvement.

Both knowledge types include facts about dominant cultural traits, customs, patterns and information about an individual's cultural system (Gudykunst & Kim 2003). Gudykunst and Kim stress that to be capable of understanding another culture, one needs to understand one's own, and they thus propose Hofstede's (1991) dimensions of cultural variability as representations of differences in national value systems:

- Power distance (the degree to which a culture accepts or challenges the decisions of the power holders and the belief that institutional and organisational power is unequally distributed).
- Individualism versus collectivism (the degree to which people in a country have allegiance to the self or to members of a cohesive group).
- Masculinity versus femininity (the extent to which emotional roles between the genders are valued).
- Uncertainty avoidance (the degree to which people cope with change).
- Long-term versus short-term orientation (an individual's point of reference about life and work). (Gudykunst & Kim 2003; Hofstede 1991)

However, they also recognise that care needs to be taken because, while this approach facilitates an understanding of the major dimensions of cultural variability and their influence on communication, it tends to typify the members and dimensions of cultures in a broad and generalised manner. In other words, while recognising that Hofstede's cultural dimensions provide a necessary first step to becoming culturally intelligent, once developed, this cognitive component must be linked with the important components of mindfulness (or developing a mindful approach to intercultural interactions by reflecting creatively on cues in culturally diverse situations) and

adaptive skills (or building a repertoire of behaviours to be effective in different intercultural situations) (Thomas, D. & Inkson 2004). This leads to the need to recognise the motivational and behavioural components of CQ.

The motivational component of CQ is associated with the concept of being 'mindful' about both differences and similarities, or seeing commonalities in order to properly understand differences. For instance, Brodie (1989) asserts that acts of racism, and religious and cultural intolerance are a subconscious refusal to see the commonalities between people or to grant the 'other' the same treatment. In the same vein, Gudykunst and Kim (2003) contend that minimising misunderstanding (by learning about differences) and maximising similarities (in the way messages are interpreted) are crucial for effective communication. On this account, being 'mindful' requires learning about our own communication by considering other frames of reference when interpreting the behaviour of both others and oneself. To develop one's ability to be mindful, individuals must be cognitively aware of their own communication style (i.e. they must identify how they interpret and evaluate messages). This is achieved not by relying solely on one's own perspective but by developing an awareness of alternative perspectives (Gudykunst & Kim 2003). Only by making this distinction can individuals go beyond interpreting others' behaviour on the basis of their own frames of reference. Langer (1978) identifies awareness of others' perspectives as one of the three qualities of mindfulness. He argues that only by being mindful and consciously aware of the communication process can individuals determine how their interpretation of a message differs from that of others.

Another important quality suggested by Langer (1978) is the need to be sensitive to different contexts. This requires empathy, which Lustig and Koester (2006, p. 74) explain as 'the ability for individuals to communicate an awareness of another person's thoughts, feelings, and experiences'. Such empathy translates into immersing oneself in the emotional state of another. Bell (1987) states that while this involves both verbal and non-verbal components, interpretation of others' behaviours relies heavily on non-verbal components. Lustig and Koester (2006) assert that this is particularly the case when dealing with human behaviour, feelings and intentions. More specifically, being mindful of one's attitude towards individuals from another culture, sensitive to other cultures, and upholding positive intentions towards the interaction can enhance one's

willingness to engage in such interaction. Lustig and Koester (2006, p. 70) define the motivational component as an ‘overall set of emotional associations that people have as they anticipate and actually communicate interculturally’. Gudykunst and Kim (2003, p. 287) suggest that mindfulness is only required in an environment ‘where there is *a high potential for misunderstanding*’ which can typify interactions with strangers in a multicultural workplace or in an entirely different culture.

The behavioural component is associated with developing skills to adapt and accommodate one’s behaviour to individuals from other cultures. To adapt, individuals must have appropriate knowledge of group differences and similarities, be mindful of and empathic towards meeting the need for predictability, and be able to accurately explain the behaviours of culturally diverse people. By the same token, modifying their expectations allows individuals to be open to new information (Gudykunst & Kim 2003; Lustig & Koester 2006).

As can be seen from the above, these cognitive, motivational and behavioural components of CQ are highly interrelated and must be interlinked as part of a process of intercultural training to develop employee skills, and particularly the skills of managers, within the diversified workforce (Gudykunst & Kim 2003; Lustig & Koester 2006; Peterson 2004; Thomas, D. & Inkson 2004).

3.13 Conclusion

From this wide-ranging literature survey a number of key issues have emerged. First, organisations that aim to develop the innovation necessary to compete effectively in an era of global knowledge must develop not only knowledge management strategies that expand new knowledge by combining technology and people, but also develop strategies in ways that effectively use the knowledge of the culturally diverse workforce. Given the acknowledgement in the KM literature of the existence of both explicit and tacit knowledge (including the increased importance of tacit knowledge), it is interesting that there is little acknowledgment in this literature of the potential contribution of the culturally influenced knowledge of a diverse ethnic workforce. While the KM literature recognises the need to create organisational environments in which social capital can be developed, particularly through CoPs, there was no mention of how this might relate to the sharing of employees’ diverse knowledge.

Conversely, the literature on diversity clearly showed that culture is formed and communicated both explicitly and tacitly. It acknowledged the need to consider the complexity of culture and intercultural exchange in any diversity strategy, particularly when seeking to encourage employees to first value and then share the tacit dimensions of diversity. The literature suggested that an organisational culture (that values and leverages different cultures) needs to be created that promotes diversity in the corporate strategy, by adopting a PD approach that promotes EEO and abolishes discrimination while also leveraging employees' skills. This requires not only awareness-raising but also commitment and support from management and training that facilitates intercultural competence. The literature acknowledged the need for organisational policies that go further than simply complying with legislation that seeks to protect employees from unequal and discriminatory action. A new approach to diversity policy and practices on the one hand and to knowledge management policies and practices on the other is required such that there is linkage between the two. Finally, the literature acknowledged the existence of tacit knowledge and in particular the various forms of tacit knowledge—cognitive, motivational and behavioural—that constitute CQ.

Beyond this, it is interesting that the literature is relatively silent on the design of an approach to achieve the desired outcome of using the innovative potential of a diverse workforce. While this is understandable given the complexity of tacit knowledge, its individuality, its various sources and forms, and the difficulties often involved in first recognising and then sharing it, this indicates an important gap in the current research in terms of how this may be achieved. In so doing, there does seem to be an acknowledgement of the potential role of HRM in developing approaches that, first, raise awareness of the influence of cultural factors on employees' tacit knowledge and, second, clearly communicate the diversity message, particularly in assisting the recognition and understanding of the tacit dimension of diversity. While it is evident that many of the strategies proposed in the diversity literature focus on the importance of knowledge and communicating this knowledge, there was no mention of how to link diversity and knowledge management strategies.

Based on the findings from the literature review, the next chapter presents a framework for a holistic D-KM/S Strategy designed to assist innovative organisations seeking to

encourage knowledge sharing, particularly tacit knowledge sharing, among employees of ethnically diverse workforces.

CHAPTER 4

A conceptual framework

4.1 Introduction

The literature review has identified that there is a gap in existing research in identifying what organisations need to encourage employees to recognise the value of their tacit knowledge that is ethnically influenced and then to share this knowledge in mutually beneficial ways. This chapter seeks to present a framework designed to link organisational diversity and knowledge management strategies into a holistic Diversity-Knowledge Management/Sharing (D-KM/S) Strategy.

It has been acknowledged that organisations that seek to remain sustainable by developing innovation to compete effectively in a global knowledge era must not only develop knowledge management/sharing strategies that combine technology and people, but also diversity strategies that make effective use of the knowledge of their ethnically diverse workforce. Further, the conclusion from the literature survey is that Diversity (D)⁶ and Knowledge Management (KM) Strategies need to be integrated in order to leverage employees' diverse ethnically influenced knowledge. It is clear that the process of maximising the sharing of tacit knowledge influenced by ethnic differences will not easily be achieved unless such strategies are merged into a holistic D-KM/S Strategy, and with implementation assisted by HR.

Based on the findings from the literature review this chapter outlines a conceptual framework designed to link D and KM/S strategies, which includes a number of crucial elements:

- First, a Diversity Management Strategy built on a Productive Diversity approach that recognises the value of ethnically influenced knowledge, both explicit and tacit.
- Second, an implementation process that recognises the importance of communication, training and the encouragement of CoPs.

⁶ Diversity Strategy and Diversity Management Strategy are used interchangeably in this thesis.

- Third, a HR process that links diversity to knowledge management with a focus on tacit knowledge that is ethnically influenced sharing.

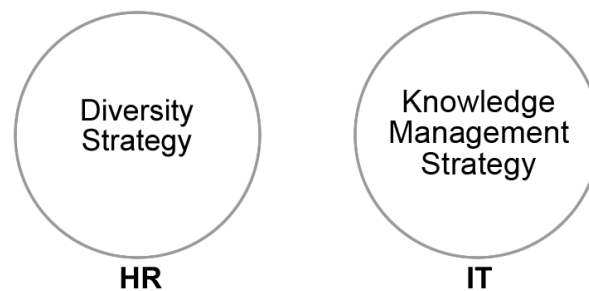
The aim of this chapter is to first present the conceptual framework and then explore a phased process by which such a holistic D-KM/S Strategy could be implemented. The validity of this conceptual framework will be tested through a desk audit of several Australian-based organisations that have received awards for their diversity policies and practices.

4.2 A Holistic Diversity-Knowledge Management/Sharing Strategy

The literature review identified that for an organisation to most effectively utilise the broad-ranging knowledge of its diverse workforce, it must encourage employees to first recognise and then share their tacit knowledge. Such knowledge sharing is accomplished by not only building on diversity strategies to leverage the ethnically produced knowledge but also through an extension of KM strategies designed to encourage collective knowledge sharing through CoPs. It was recognised that, given the complex nature of diversity—its many forms, influences and characteristics—and of the tacit knowledge that is ethnically produced, there is no generally applicable model. To address this, the proposal presented in this chapter is for a framework that consists of various elements that can be adjusted to fit varying organisational characteristics and needs and can be introduced gradually, through various phases. This is explained in more detail below.

Figure 4.1 represents the initial position of both diversity and knowledge management strategies. This represents the findings from the literature review that in the current organisational context Diversity strategies exist on their own, independently of Knowledge Management strategies. The two strategies are the responsibility of two different departments, with HR having responsibility for ensuring that the organisation complies with diversity legislation while an IT department has responsibility for collecting and storing data under the KM strategy. This difference also reflects the different foci of the strategies, with diversity being people-focused and KM being IT-focused.

Figure 4.1: Wholly separated diversity and knowledge management strategies.

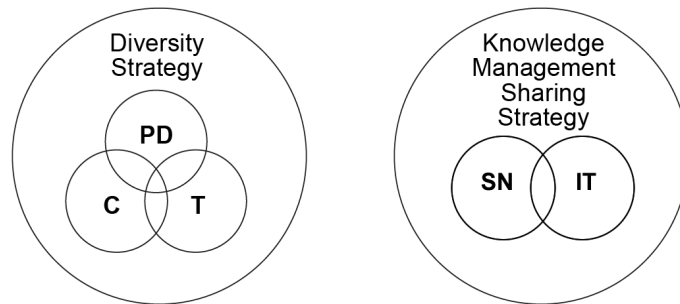


The literature does recognise that there needs to be some changes in these policies. The literature suggests that diversity strategies need to be extended from a purely legislative compliance approach to embrace strategies that assist people from diverse backgrounds to communicate and share their knowledge, so as to increase the organisation's intellectual capital (PD). These strategies include improved communication (C) (to raise awareness), and training (T) in the three components of CQ (cognitive, motivational and behavioural) to improve the ability of the diverse workforce to share its tacit knowledge that is ethnically influenced. It is acknowledged that this can best be achieved through the collective creation of an organisational culture that values cultural knowledge and diversity (D'Netto, Smith & Da-Gama-Pinto 2000; Galagan 1993c, 1993b; Sonnenschein 1997). It is also necessary to introduce a management structure that encourages employees' feedback (Kramar 1998; Smith, D. 1998). There is also recognition of the need for more training of managers to develop their CQ so as to increase their cognitive, motivational and behavioural capabilities (Earley & Ang 2003; Gudykunst & Kim 2003; Lustig & Koester 2006; Peterson 2004; Thomas, D. & Inkson 2004; Yoshida 2002).

The literature review further identified attempts to extend the focus of IT through KM strategy to assist employees to recognise and share their tacit knowledge in order to build social capital (Bassett-Jones 2005; Da-Gama-Pinto, D'Netto & Smith 2000; Kramar 1998; Morrison 1996). This requires managers to establish a collaborative culture in which employees are prepared to share their individual knowledge in an open and trusting environment through social networks (SN). This area of enquiry has led to an increased proliferation of literature on how to encourage CoPs (Jacob & Ebrahimpur 2001; Lave & Wenger 1991; MacNeil 2004; Soekijad & Andriessen 2003; Wenger,

McDermott & Snyder 2002). This is illustrated in Figure 4.2.

Figure 4.2: Elements identified in diversity and knowledge management sharing strategies.



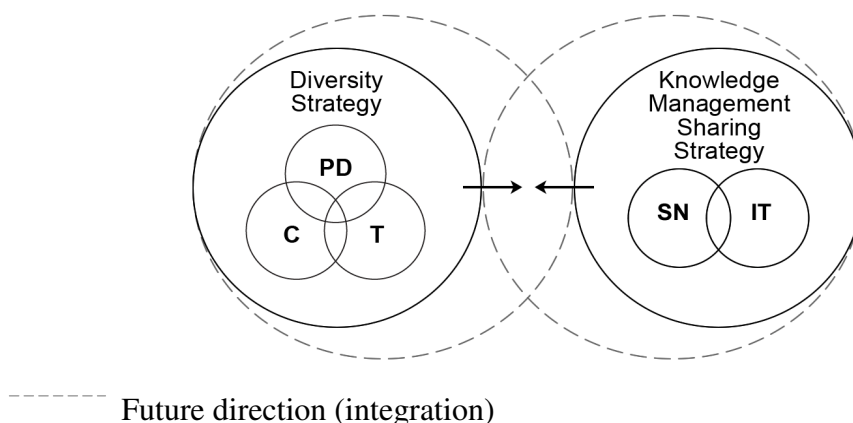
It is interesting that despite their separation there are common elements in both these implementation strategies, namely the need to raise awareness, to engage in training and to develop more participatory approaches to management.

While there is some recognition that the HRM experts within organisations are well positioned to acknowledge and reward those who share their knowledge in regard to diversity implementation, there is little involvement of HRM in KM strategy implementation although some, such as Lengnick-Hall and Lengnick-Hall (2003), do herald the need for HR managers to become ‘human capital stewards’, ‘knowledge facilitators’, and ‘relationship builders’ while others, such as Gloet & Jones (2003), emphasise the need to recognise and reward employees for sharing their ethnically developed (tacit) knowledge.

From the above discussion, it is clear that the process of maximising the sharing of tacit knowledge that is ethnically influenced as a source of innovation is not a simple one, especially if there is no attempt to incorporate appropriate tools into a holistic strategy. Indeed, given the ever-emergent and fluid nature of knowledge, organisations need to be in a continuous state of change and development. This requires a fundamental shift in organisational thinking towards a more interlinked approach between D and KM/S strategies. More specifically, to aid integration, both D and KM/S strategies must work towards a common objective that centres on leveraging diverse knowledge as an innovative potential. This shared objective requires that attention be paid to the importance of tacit knowledge in both D and KM/S strategies.

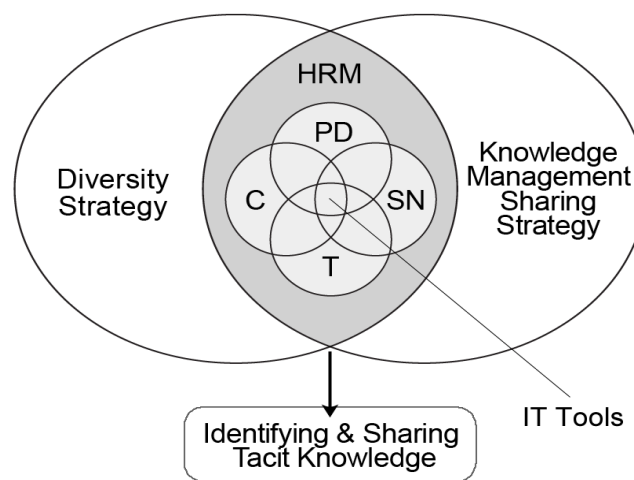
It is at this point that the thesis proceeds beyond the existing literature to propose an integrated D-KM/S Strategy, inclusive of all the elements discussed previously, but integrated into a holistic approach. These elements are an improved two-way communication element that raises awareness and encourages employee feedback; training in the three components of CQ (cognitive, motivational and behavioural); and encouraging the development of CoPs to create social capital, and to adopt a productive diversity approach. This is illustrated in Figure 4.3 and Figure 4.4. It is presented as a two-phased process to enable organisations to gradually move their organisational culture from an individual to a collective focus. This would see, first, the gradual evolution of diversity communication (C) strategies from a one-way delivery of understanding of legislation concerning EEO to greater opportunities for two-way communication in which employees have the opportunity to explore different responses to diversity issues. Second, it would enable training programs (T) to extend beyond diversity awareness-based training to CQ training that highlights the potential value for the organisation of accepting, respecting and valuing ethnic difference. This element also focuses on providing workshops that present employees with tools that not only enable them to develop their cognitive abilities by examining their own thoughts, values and communication styles, but to increase their understanding of other perspectives, accommodate their behaviours and recognise how their decisions impact others and the organisation as a whole—in other words, extending training beyond the cognitive to take into account motivational and behavioural components. Third, it would facilitate encouraging an environment in which multi-ethnic CoPs (SN) emerge organically with the potential for individual ethnically based knowledge to become shared, social knowledge.

Figure 4.3: Integrating key elements of D and KM/S strategies to provide an effective environment for tacit knowledge sharing.



The final phase would see the development of an integrated space where the organisation has adopted a PD approach (that combines the compliance and niche market approaches) with opportunities for the organisation to keep developing the diverse knowledge of its employees while at the same time ensuring that this results in reward and recognition of employee contribution. Thus, Communication, Training and Social Networks are used to identify and share tacit knowledge. It is further suggested that it is in this integrating space that HRM could take a more active strategic role.

Figure 4.4: Holistic D-KM/S Strategy



The four overlapping circles in the centre of the figure depict the four types of activities necessary for developing a holistic D-KM/S Strategy. Figure 4.5 presents this gradual development as an organisational journey to serve as a guideline to organisations.

A full implementation of a holistic D/KMS framework would consist of a four-phase process. The first phase would be characterised by transitioning from a structure embodied by two separate strategies carried out by two different groups (IT and HRM): with diversity management (DM) strategy focusing on the compliance model and some recognition of niche markets, while the knowledge management (KM) strategy focuses on identifying and capturing data without acknowledging the implicit value of ethnic difference.

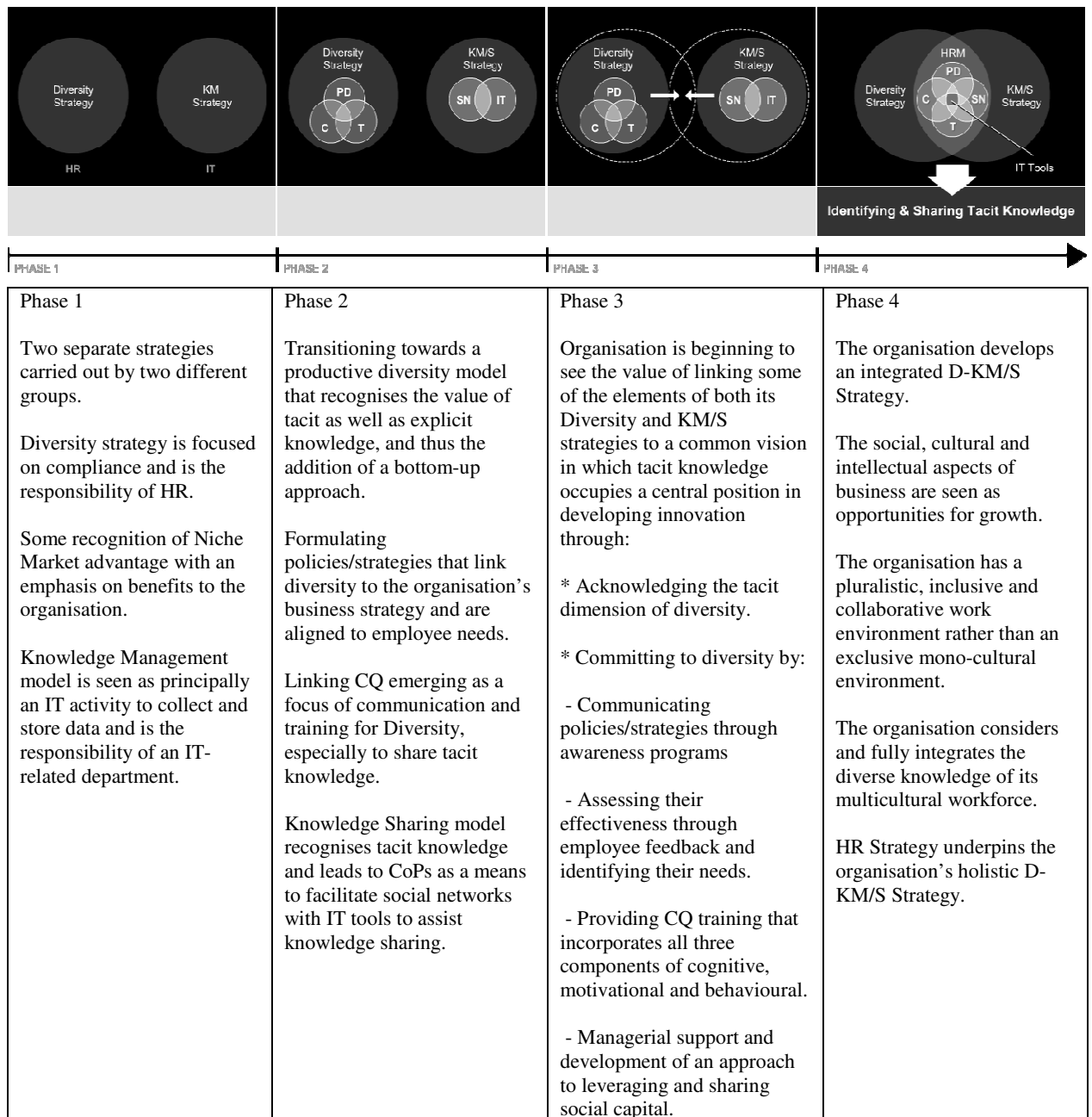
Once an organisation is ready to effectively manage its culturally diverse workforce so that an economic output is leveraged, the organisation needs to foster a pluralistic,

inclusive and collaborative work environment that promotes linking the diversity of knowledge (and the influences of ethnicity on that knowledge) to its business strategy. Following that, a productive diversity approach would need to be adopted, as well as a drive to expand on the existing strategies so that employees' implicit skills and knowledge (and the impact of their ethnicities in shaping this knowledge) are recognised and valued.

To facilitate the productive participation of all employees in fulfilling the organisational goals, different levers need to be employed, two formal and the third informal—to ensure that employees contribute and share the full range of their tacit knowledge. These elements are communication, training and developing social networks.

In the third phase the implementation of these elements would require an integration of the two separate DM and KM strategies by highlighting their common vision in which tacit knowledge that is ethnically influenced occupies a central position. To enable organisations to gradually move from an individual to a collective focus, the communication strategy needs not only to raise awareness but to encourage employee feedback; training needs to be performed in all the three components of CQ (cognitive, motivational and behavioural); and the development of voluntary informal trusting relationships among employees in multi-ethnic CoPs needs to be encouraged so that social capital is created from individual ethnically based knowledge. This will result (as seen in phase 4) in the development of a holistic integrated DM and KM strategy, underpinned by a HR strategy that focuses on identifying and sharing tacit knowledge that is ethnically influenced where social, cultural and intellectual capital is seen as an opportunity for business growth.

Figure 4.5: A four-phase diagram of the organisational journey to effective tacit knowledge that is ethnically influenced sharing.



4.3 Desk Audit

In order to explore the validity of this framework and gain some idea of where Australian organisations may be on this journey to a holistic D-KM/S Strategy, a desk audit was undertaken of the diversity approaches of six organisations (all large businesses). Each of these organisations had been recognised for the exemplary nature of their diversity programs through awards from government and diversity agencies, including the Victorian Multicultural Commission, Diversity@Work and the Diversity Council Australia. Of the six organisations chosen, three were also profiled in the

Commonwealth Government Productive Diversity Partnership Program (PDPP) initiative. To undertake this desk audit the research used primary source material including the organisations' annual reports, Corporate Responsibility annual reports, Equal Employment Opportunity annual reports, Sustainability annual reports and information provided on the organisations' websites. A brief description of the findings for each organisation is presented below.

4.3.1 Information Services Company

The Information Services Company (ISC) is an Australian-based telecommunications and information services organisation headquartered in Melbourne. The organisation primarily operates in Australia through eight business segments and offers a full range of telecom services throughout Australia and in some overseas countries.

The organisation's diversity strategy can be described as based on a niche market model aimed at reflecting their customer base to strengthen business partnerships and expand operations both locally and internationally. The organisation's approach to diversity is based on creating a synergy between their culturally diverse workforce and their customers, and in so doing to meet the diverse needs of its customers. The organisation places emphasis on the importance of drawing on the language and cultural skills of its diverse workforce to enhance its partnerships and joint ventures internationally.

This has resulted in diversity management being embedded as a key business strategy. The compliance aspect of the diversity strategy is focused on removing barriers to EEO in all employment processes for women and Indigenous Australians and abolishing discrimination, rather than being inclusive of broader culturally ethnic groups.

The organisation has developed programs that raise awareness on diversity-related topics, particularly to assist Indigenous employees. Communication on diversity has been developed as two-way, commencing with a range of awareness activities through targeted diversity events, and including constructive use of multimedia to communicate the diversity message. Employees are encouraged to provide feedback through an employee opinion survey and one-on-one dialogue and feedback mechanisms.

Training programs around EEO are provided; however, cross-cultural training is only provided to employees who work with customers from culturally and linguistically diverse backgrounds. There are no network groups established on diversity issues.

HR plays a major role in diversity planning and administration of the various EEO procedures. A corporate diversity team within HRM is assigned to set strategy, review policy and procedures, and provide consultancy services relating to diversity-related topics. Whereas HR is responsible for the design, implementation and continuous improvement of diversity programs, the overall responsibility for diversity performance rests with the Group Managing Directors.

Although DM has been embedded as a key business strategy, there is no mention of knowledge management in the diversity strategy or implementation processes.

4.3.2 Mining Production Company

The Mining Production Company (MPC) is the world's largest group in the natural resources industry with its global headquarters located in Melbourne. With 100 operating bases in 25 countries, this organisation is engaged in mineral exploration and production, operating in seven segments and employing approximately 37,000 people.

The organisation's approach to diversity management includes both a compliance and niche market approach but does not go as far as a productive diversity approach. Locally it promotes fair treatment, respect, and the need to abolish discrimination and harassment for all employees. Globally the workforce (employees and management) reflects the demographic composition of the countries and communities in which the company operates. This is designed both to ensure access to resources, and to secure the organisation's licence to operate and grow.

The diversity strategy primarily focuses on addressing the needs of three specific groups—women, people with a disability and Indigenous Australians—rather than including the broader ethnic workforce.

Two-way communication between management and employees is made possible by both a program of awareness-raising on diversity and encouragement of employee feedback. This is achieved through an internal satisfaction survey supplemented by

focus groups to identify challenges, investigate such challenges thoroughly and offer solutions.

Two training programs are provided for managers to extend awareness on cultural issues and to provide them with cross-cultural experiences through involvement and dialogue with employees from other countries and operations. This aims to foster learning and extend understanding of different cultures as well as to develop language skills to facilitate communication. There is also an employee liaison group that provides a formal forum to discuss issues affecting Indigenous Australians.

The HR department supports diversity and adopts a leadership role to promote diversity management across the organisation, but the day-to-day operational responsibility rests with site managers and through them line managers.

There is no mention of knowledge management in the diversity strategies or implementation processes.

4.3.3 Motor Manufacturing Company Australia

The Motor Manufacturing Company Australia (MMCA) is an automotive manufacturing organisation operating in two businesses—automotive and financial services. It is organised into four primary geographic segments: the Americas; Europe Premier Automotive Group; and Asia Pacific and Africa. The organisation's total workforce consists of over 5,300 people with the majority of them being male (86%) and ethnically diverse (68 nationalities represented among employees in its Victorian plants).

The MMCA considers diversity to be an essential ingredient to transform itself into a team-based workplace with an awareness of building an organisational culture that values diversity. This appears to place the company's diversity management as a PD strategy. While the organisation has developed policies that prohibit discrimination, harassment and promote equal opportunity it has proceeded further than mere compliance in its desire to be an 'employer of choice'. It also seeks to employ people who resemble its customer base.

The organisation uses weekly workgroup discussions and quarterly meetings to raise awareness on diversity issues. It also has established a Diversity Council that plays a crucial role in providing advice to employees on diversity policies and processes. It utilises a two-way communication process to give employees the chance to be kept informed and to build employee involvement in contributing their ideas to the organisation.

A training program is provided to extend awareness on diversity-related topics and a cross-cultural training program is offered with the aim to develop knowledge about other cultures. The organisation supports and encourages the emergence of what it terms employee resource groups as a means to better understand both consumer needs and those of the groups represented.

The HR department provides the support mechanisms for implementation of the diversity vision. It also seeks to ensure that the benefits of diversity are realised and that operational responsibility for driving diversity lies across the organisation, resting with individual managers who are accountable for their performance in this regard.

There is no mention of knowledge management in the diversity strategies or implementation processes.

4.3.4 Communication Services Company

The Communication Services Company (CSC) is an Australian-based semi-government body. The organisation's policy on diversity fits a business case niche market model with an emphasis on the importance of understanding company employees to enable the organisation to better meet the diverse needs of its customers.

The organisation has developed a diversity strategy that aims to align the niche market management model with EEO goals and to address problems associated with unlawful harassment, bullying and inappropriate workplace behaviour. The focus of this strategy is fairly broad, covering Indigenous employment, women, the ageing workforce and culturally and linguistically diverse Australians.

The organisation raises awareness on diversity by communicating the diversity message through various media. However, this is a one-way communication process with no mechanisms in place to encourage employees to provide feedback on the diversity strategy or equivalent.

The organisation provides a training program on cultural awareness for Indigenous employees only, which consists of proactive learning workshops designed to provide participants with practical solutions for work issues. A pilot training program has been developed to provide employees with a briefing on a diversity theme and to encourage them to improve their own behaviour around that theme, but this has not progressed into a permanent feature. Network meetings of designated groups are encouraged to emerge with the help of diversity managers to address challenges and facilitate communication.

The diversity strategy is incorporated into broader human resources management processes, and major business change initiatives. The day-to-day operational responsibility for diversity at the CSC rests with line management.

There is no mention of knowledge management in the diversity strategies or implementation processes.

4.3.5 Financial Services Company

The Financial Services Company (FSC) is one of the leading financial service groups in Australia. The organisation provides a range of banking and financial services to individuals, small businesses, corporate and institutional clients.

The FSC diversity strategy can be described as a PD approach. The organisation is committed to valuing diversity by undertaking organisational cultural change. This cultural change draws upon a clear set of unifying values as the basis for all activities to guide and empower employees in decision-making and to engage them in building an organisational culture that values diversity, creates opportunities for employees and fosters high performance. In this way, employees' values are aligned to the organisation's processes and policies. The organisation also has a niche market element within its strategy. It aims to create a workforce that reflects the wider communities it serves as a key factor in its business growth strategy. This was initially promoted as a

strategy that strengthens business relationships between employees and customers, and ultimately creates a high-performance business.

There is a two-way communication on diversity-related topics through a number of diversity awareness workshops provided by management and through employee feedback collected in a survey. Several employee interest groups have been established to facilitate communication and address needs.

The organisation provides workshops that present employees with tools that not only enable them to examine their own thoughts and values but also to extend an understanding of how their decisions impact others and the organisation as a whole.

Managing diversity is one of HRM's strategic objectives. The HR function establishes systems that draw on and support diversity so that it is valued in the organisation. The HR function drives diversity by providing support and setting up policies and practices that assist management with the implementation of the diversity strategy. The operational responsibility for managing diversity, however, lies with senior management as the HR function has chosen to become strategically more aligned with the business functions.

There is no mention of knowledge management in the diversity strategies or implementation processes.

4.3.6 Technology and Consulting Business Services

The Technology and Consulting Business Services (TCBS) is one of the largest IT service providers in the world. The organisation has a portfolio of services through four primary lines of business. The Australian and New Zealand operation of the TCBS employs around 10,000 employees in over 40 locations.

The strategy for diversity can be described as according with a PD approach. It is driven by a combination of corporate values (for example, respecting the individual), legal requirements (Anti-Discrimination Act and Racial Discrimination Act), and a business case that focuses on creating a diverse workforce which reflects the corporation's client base in order to better service clients. The organisation recognises a need for strategies

to address changing workforce demographics with the aim of recruiting and retaining outstanding candidates and increasing their productivity.

There are five focus areas for diversity: women; work life flexibility; people with a disability; intergenerational diversity; and cultural awareness and acceptance. Supportive policies and programs for these constituencies highlight the importance of recognising and understanding societal demographics with the aim of recruiting and retaining the best candidates and tapping into their under-utilised 'hidden pools' of talent.

The cultural diversity strategy recognises cultural difference on the basis of ethnic background and sexual preference and aims to include people of different cultural backgrounds and those who are gay, lesbian, bisexual or transgender.

The organisation employs a two-way communication strategy. There are a number of practices employed to share information relating to diversity with the aim of raising awareness and acceptance of these constituencies. Moreover, a series of cultural diversity employee roundtables have also been held to gather face-to-face feedback and ideas from staff.

Training programs are provided to extend cultural awareness and acceptance with a focus on developing cross-cultural competence, and raising the general level of awareness of different cultures, especially when employees are engaged in multicultural teams. There are also training programs that aim to heighten awareness of employees' own cultural bias and increase their sensitivities to other cultures. This training falls under the motivational component of cultural intelligence.

The organisation also encourages informal networking groups around diversity-related topics. These groups are formed by employees who voluntarily come together for the purpose of enhancing the success of the organisation's business objective by encouraging engagement among members to build a more effective workplace. The organisation has a cultural diversity networking group that supports people from different cultural backgrounds and to address cultural challenges in the workforce.

The HR function plays a major role in supporting diversity by developing practices and strategies that support managers and employees working in diverse environments. A diversity team has been set up that reports to the HR Director but is also part of the business. Whereas diversity sits with HR, it is the business that drives it.

4.4 Audit Findings

Table 4.1 presents a comparison of the organisations from the desk audit. Four organisations have moved beyond either a compliance or niche market model of diversity management into a productive diversity model. All but one have developed a two-way communication process, which is limited to feedback from employees rather than active engagement of employees in organisational decision-making. In only three organisations does training in CQ include more than a cognitive component. All but one organisation appear to have some opportunity for employees to form social networks in which tacit knowledge can be shared.

Table 4.1: Desk Audit Organisation Comparison

		Implementation			
Organisation	Strategy/DMM	Communication	Training in CQ	Mechanisms for Social Networking (CoPs)	Role of HRM in Diversity
ISC	Productive Diversity with Compliance and Niche Market. Focus on gender and Indigenous.	Two-way: through employee feedback in opinion surveys etc.	Cognitive, limited to cross-cultural and employees with culturally diverse customers.	No network groups.	Establishes diversity programs, with Managing Directors.
MPC	Compliance and Niche Market. Focus on gender, disability and Indigenous.	Two-way, through feedback in staff survey and focus groups.	Cognitive training on cultures and language skills.	Employee Liaison groups to discuss issues affecting Indigenous Australians.	Promotes diversity, with line managers and site managers responsible for implementation.
MMCA	Productive Diversity with Compliance and Niche Market. Broad focus on 'employer of choice'.	Two-way: through weekly workgroup discussions. Diversity Council.	Cognitive—raise awareness of cultural issues.	Employee Resource Groups to understand customer needs.	Supports diversity strategy with line managers.
CSC	Compliance and Niche Market. Broad-based—gender, Indigenous, ageing, cultural & linguistic.	One-way: no employee feedback.	Cognitive, move towards Behavioural.	Network meetings of designated groups.	Overall policy, with line managers.
FSC	Productive Diversity with Compliance and Niche Market. Broad-based.	Two-way: Feedback from awareness workshops.	Motivational & Behavioural.	Interest Groups to facilitate communication.	Manage diversity operation through senior management.
TCBS	Productive Diversity with focus on gender, disability, intergenerational, cultural & linguistic.	Two-way: cultural roundtables.	Cognitive & Motivational.	Informal Network groups.	Yes.

Of importance for this research is, first, that there were elements of the D-KM/S Strategy in each organisation, and no other elements were identified as relevant by the researcher. This validates the D-KM/S Strategy framework developed from the literature. Second, it appears that while some of the organisations have progressed beyond the first phase of moving to a holistic D-KM/S approach, none has progressed beyond the second phase. This confirms the need for further detailed research into the processes of implementation of diversity strategies.

4.5 Conclusion

This chapter presented a conceptual framework for an integrated D-KM/S Strategy based on the findings from the literature survey, together with a proposed phased approach for organisations seeking to adopt such a strategy. It examined the validity of the framework by undertaking a desk audit of six Australian-based organisations that have been recognised, either directly by the government or by government-endorsed agencies, for their diversity efforts.

It is clear from the desk audit that all the organisations in this study have incorporated a number of elements of the framework, although differences exist among them in varying ways. These findings appear to confirm the validity of the framework as there were no additional elements that are not included in the framework.

While they exhibited elements of the framework, no organisation had developed a holistic approach that goes beyond the second phase of an implementation process for this framework. This provides a rationale for further detailed research into the implementation of the diversity strategy, including the attitude of employees and managers to the holistic framework developed. Out of these six organisations, three declined to participate. A cross-section of managers and employees from the remaining three organisations were interviewed. The following three chapters explore each of the three organisations individually in its unique context. These case study organisations will be jointly examined and comparatively analysed in the final Chapter.

CHAPTER 5

Communication Services Company: Case Study 1

5.1 Introduction

The case study analysis presented in this chapter identifies if, and to what extent, the Communication Services Company (CSC)⁷ includes within its Diversity Policy and associated Strategy the three key elements of a holistic Diversity Knowledge Management/Sharing (D-KSS) Strategy. The CSC is a government-owned organisation, operating in three core businesses: letters; retail and agency services; and parcels and logistics.

The research findings presented in this chapter show the extent to which diversity is valued in the organisation's Business Strategy and the means designed to implement the company's Diversity Strategy; this includes the forms of communication, types of training and the means to develop social capital introduced by the organisation. Finally, it identifies the links between diversity and knowledge management/sharing strategies, and in particular the role of Human Resources (HR) in developing and implementing any such policy.

5.2 Diversity Management Strategy

The research first explored the organisation's explicit recognition of valuing diversity in its Business Strategy and identified the Diversity Management Model it has developed to implement its Diversity Policy. Second, the extent to which the existence of a tacit dimension of diversity is recognised at the organisation is explored by reference to what was (and was not) included in its policies and strategies, and the opportunities available to managers and employees to share their tacit knowledge.

5.2.1 Explicit Recognition of Diversity

The CSC's Business Strategy is centred on the objective of being a high-performance organisation. To achieve this objective, the organisation has placed significant emphasis

⁷ A pseudonym.

on the need for workplace cultural change. Twenty percent of the workforce employed by the CSC are identified as Culturally and Linguistically Diverse (CALD), with between 17% and 18% of senior managers also being identified as CALD employees. It can therefore be expected that diversity management would be seen as a central element of any attempts to achieve cultural change. The Equal Employment Opportunity Annual Report of 2003/2004 presents the fact that the Workforce Business Strategy of both 2003-2005 and 2005-2008 highlight the CSC's commitment to valuing diversity as a means of achieving a competitive edge:

[The CSC] current Workforce Business Strategy recognises the effective management of our widely diverse workforce is critical to achieving the objective of becoming a high-performance organisation. (EEO Annual Report, 2003/04)

As stated in the CSC's Diversity Policy, the CSC 'is committed to and values the diversity of its workforce', by doing the following:

- Developing and managing an increasingly diverse workforce
- Recognising that [its] people are the source of [its] success
- Maximising the skills and commitment of all [its] people
- Recognising individual differences, contributions, and needs in the workplace
- Implementation of practices that maximise respect for all individuals and that recognise the value that diversity brings to [the CSC]
- Managing diversity at [the CSC] is a corporate objective and responsibility is vested in all managers and employees. (CSC's Diversity Policy)

Initially, the CSC Diversity Policy was focused on a Compliance model in which the organisation simply responded to the anti-discrimination and equal employment aims embedded in the *1987 Equal Employment Opportunity (Commonwealth Authorities) Act* (CSC's Equal Employment Opportunity Report, 2004-05). This legislation applies to four groups: people from culturally and linguistically diverse backgrounds; women; persons with a disability; and Indigenous Australians. The CSC Diversity Policy placed particular emphasis on establishing practices and an infrastructure to deal with unlawful harassment, bullying, and inappropriate workplace behaviour towards the target groups.

In 1998, although there was still a heavy emphasis on EEO and harassment, the diversity focus expanded from a Compliance to a Niche Market model in response to the CSC's adoption of a more competitive market strategy. The CSC recognised the publicity opportunity to enhance its brand name and improve its image in the workplace as an employer of choice by increasing its representation of EEO groups. The Corporate Human Resources Manager (CHRM) stated:

...the benefits of the diverse workforce are simply not for the individual, they are a business advantage. (CHRM, 12/7/06)

All the managers interviewed stressed the importance of developing a business case in which good managerial methods are used to minimise the costs associated with diversity while increasing the potential productivity gains from leveraging the skills and capacities of the diverse workforce. Developing a business case is seen as a necessary step in encouraging managers to take up and embed Productive Diversity theory into the day-to-day running of the organisation. The National Diversity Manager (NDM) explained that managers need to understand the importance of employees' individual skill sets and how these can benefit the organisation:

If you can bring an idea of Productive Diversity into the forefront of people's minds in terms of managing, you then start getting an awareness of why individual skill sets are valued by the organisation as a diversity resource. (NDM, 16/5/06)

The Head of Learning (HOL) gave the following example of this change:

[The organisation] also had by accident a Japanese-speaking staff member in one of the Magic postal offices. I think that was also in Sydney where there were a lot of Japanese tourists. And they found that this person was able to sell the pants off anybody else. So they saw some immediate business benefits by having this multicultural workforce as the face of [the CSC]. And whether it's by force or design, but that just became good business sense. And now if you go into retail outlets, you will find a mixture of staff. (HOL, 19/10/06)

Still further change in the CSC's approach to managing diversity came as they expanded beyond their traditional mail distribution centre focus into a more retail-oriented approach.

This led to the employment of more CALD employees to ensure workforce representation of the customer base not only in business areas that require direct employee interaction with clients (e.g. retail outlets) but also in services that must appeal to the domestic multicultural market (e.g. product sourcing or service development). As the HOL explained:

if you look at our retail outlets, back in kind of 1998, 1999, a lot of the talk was around reflecting the customer base culturally in our retail outlets. (HOL, 19/10/06)

Recognition of the advantages that can be gained for the CSC's financial bottom line by drawing on the productive capacity of the whole workforce, to grow and become competitive in an increasingly multicultural domestic market, led to the adoption of a Productive Diversity (PD) model. The importance of this recognition is illustrated in the 2004 Staff Booklet 'Inside Business Today's Workplace':

Recognising, valuing and using the diversity in our product sourcing and services development teams has contributed to moving from behind the counter retail outlet that sold only [communication] products to a conveniently located, sales-oriented and customer focused retail network. (CSC Staff booklet, 2004)

However, the NDM went on to explain that the CSC is still in the process of achieving this transition to a Productive Diversity model. It still places significant emphasis on its compliance activities with more needed to be done to promote the maximisation of all employee competencies:

There still remains quite a heavy focus in regards to EEO-designated groups and in terms of educating the workforce... I am looking to get the workforce a little bit more (pause), in terms of understanding that this Productive Diversity is for everybody; it is about age, it is about gender, it is about personal preference, it is about operating style. (NDM, 16/5/06)

The most convincing example that change to a Productive Diversity model is happening (albeit slowly) is the focus of the 'Diversity@CSC Kit' (2006), in which it is stated that:

Productive diversity is an approach to management that maximises the benefits of differences within workplace cultures and improves the quality of client service in local and global markets. ('Diversity@CSC Kit')

The HOL confirmed that this emphasis is motivated by business needs:

When I first started in the role, it wasn't so much that we needed to attract different cultural backgrounds, it was really looking at what were the business benefits we could extract or work with from the groups that we already had in the organisation. (HOL, 19/10/06)

The CHRM also highlighted the interdependent relationship between the Diversity Policy and overall business plan and business results:

Very importantly, [the organisation] needs to be a profitable and cost effective business and deliver a dividend to shareholders and the government. The more you can align issues such as diversity to those business outcomes, the more compelling they become. So I think to me that's the most important thing. (CHRM, 12/7/06)

The move by the CSC into international export markets, particularly those in the Asia-Pacific region, further illustrates the company's recognition of the need for a Productive Diversity approach. The Head of Learning (HOL) stated that this is motivated by the development of new markets:

As we look into moving into Asian markets, we have enormous opportunity to draw skills from our diverse resources... Now, we have [the] potential to tap into our workforce to get a better understanding of what we need to do to make a success when we're driving into those business areas. (HOL, 19/10/06)

This move and the resulting intention to establish offshore operations ensure that diversity remains central to the business. This does not, however, come without challenges. The HOL summarised these challenges and opportunities in the statement:

I think [as regards diversity issues] one of the logical places ... to look is how we can draw on our internal diverse workforce to extend our skills and provide the greater success as we move offshore. (HOL, 19/10/06)

To translate this idea into a day-to-day operational reality, one of the Team Development Managers⁸ (TDM) emphasised the need for a management approach that recognises the needs of the new ethnic workforce:

We will have a different ... ethnic mix than what we previously had. So we will have to be able to recognise and deal with the different cultures that are still coming into, well say, Australia or [the CSC]. (TDM, 31/8/06)

5.2.2 Recognition: The Tacit Dimension

The extent to which the CSC recognises the tacit dimension of diversity has also changed over time. As explained above, the CSC's Diversity Policy expanded from its initial focus on compliance to recognition of the link between diversity and business growth, particularly recognition of the impact of a declining labour force. The HOL stated:

...we have to look at a whole new way of approaching diversity, really [look] at what diversity means to us in terms of defending ourselves against a contracting labour market at one end, or the baby boomers leaving at the other end. (HOL, 19/10/06)

This has led to recognition of the need to focus on the tacit or less obvious characteristics of employees such as ideas or knowledge. Managers began to recognise that a diverse workforce has assets that can be leveraged to encourage innovation for competitive business advantage. As the NDM stated:

⁸ In the Letter Distribution Centre (LDC) where the interview subjects for this research were based.

You have the opportunity to have diversity in operating styles, personal styles, personal preferences to the way of their thinking and so forth, and that diversity leads to greater innovation. (NDM, 16/5/06)

The HOL explained how this has led to an expanded definition of diversity to include unique characteristics like opinions and ideas:

We talk about diversity as being a critical component and it's diversity not just culturally—the diversity around—[but] diversity of ideas, opinions, et cetera. So in its broadest form, [diversity] is critical to business success, is critical to decision-making. (HOL, 19/10/06)

This has resulted in the CSC's definition of diversity extending beyond a focus on explicit (visible) characteristics to less visible tacit factors. The CSC Equal Employment Opportunity Annual Report (2003-4 and 2005-6) includes within the definition of individual differences '(ideas, opinions and backgrounds) [that are] valued and managed in a way that maximises organisational effectiveness'. The HOL described this as the first step towards recognition of the greater business benefits that can be derived from understanding the ways in which cultures, values and religions vary in the workplace and impact ideas and perspectives:

There's more again with cultural diversity—it's actually drawing on it to give you a diversity of opinions and views... But I think more importantly in innovation, which is critical to this organisation, we need the diversity of thinking. That's still something we could build on dramatically. (HOL, 19/10/06)

In summary, the CSC has recognised the need for an explicit approach to valuing diversity not only through a Diversity Policy but also through developing a link between the Diversity Policy and Business Strategies. This recognises the contribution a positive diversity approach can make to overall business development. In so doing the organisation over time has merged a Compliance approach with a Niche Market approach and is transitioning towards a Productive Diversity approach. There is evidence that the CSC also recognises the tacit dimensions of diversity but there were

no examples provided of strategies implemented to take advantage of them. However, despite such changes, the transition is not yet fully embedded in management practices.

5.3 Diversity Management Strategy Implementation

Identification of the CSC's degree of commitment to valuing diversity was explored through research into the strategy designed to communicate information about diversity, the training designed to assist managers and employees to encourage knowledge sharing, and the opportunities for employees to share their diverse knowledge as social capital.

5.3.1 Communication

Gradual progress towards effective communication includes both raising awareness of the value of diversity among managers and employees and designing opportunities for manager and employee feedback on diversity.

5.3.1.1 Raising Awareness (One Way)

The CSC has designed two major initiatives to raise awareness of diversity: an organisation-wide program aimed at 'Creating a Respectful Workplace Environment' (CARE), and a 'Diversity@CSC Kit'.

The HOL stated that these two initiatives have been designed as part of the overall diversity program to promote organisational 'values and ethics' that are 'fundamental inclusions' of the diversity program, and thus to place diversity in the context in which the organisation exists:

In most of the programs that we do, we try and canvas culture or diversity within the context of being a significant area of business that needs to be considered.
(HOL, 19/10/06)

The 'CARE' initiative is an all-inclusive program aimed at building respect among employees. It was described by the HOL as:

a rolled-up program around creating a respectful workplace. And so it talk[s] about what [is] expected in terms of behaviours that comply with our code of ethics and specific examples around role plays, around harassment, issues around race, issues around ethnic background that are played out in those discussions. (HOL, 19/10/06)

The 'CARE' program relies on team meetings to reinforce the code of conduct and thus ensure that employees understand and follow the ground rules, particularly those related to respect and courtesy. Two employees interviewed described this process as establishing:

Some sort of ground rules; we had to respect each other, and communicate with each other. Some other things, we got some other[s] regulation-wise; we are following all that. (Employee, 31/08/06)

So with our team meetings, just like somebody was saying before, we've got the set of ground rules, and it all virtually covers, 'respect each other no matter what'. And I think that's all, probably all, the ground rules that belong to all the teams; that'd be one of them, anyway. Respect each other on the team. (Employee, 31/08/06)

However, employees had mixed views about the effectiveness of the 'CARE' program in reducing harassment. One employee stated:

You have to be careful on the floor sometimes, that somebody takes offence to you and pulls you into the office and puts you under the Code of Ethics... I was sort of trying at one time there to try and get the guys to sort of speak English. And they were going to take me into the office because they said I was harassing them... Some people feel it's just gone to the ridiculous stage. (Employee, 31/08/06)

The 'Diversity@CSC Kit'⁹ currently under preparation is aimed at helping managers implement the diversity strategy and weave diversity management practices into the day-to-day running of the organisation. As stated by the NDM, it is an all-encompassing diversity resource that 'provides information, facts, and resources on the benefits of Productive Diversity in their workplace' (NDM, 16/5/06).

The 'Diversity@CSC Kit' will present information on the CSC's Policies and Strategies on diversity including: the Diversity Policy, EEO Policy and the Workforce Diversity Business Strategy. It also includes suggestions for activities to implement Productive Diversity. In addition, it highlights the diversity activities implemented at the CSC, showcases examples of success stories, and provides links to further contacts and resources. The NDM highlighted the opportunity the Kit presents to promote best practice examples through stories aimed at encouraging, inspiring and motivating managers:

...the cornerstone of the 'Diversity at CSC Kit' is [the] diversity success stories where managers across the business provide information for inclusion which is shared across the business. (NDM, 16/5/06)

For employees the potential value of such a Kit is exemplified by the statement of one employee that:

Line managers rarely speak about this policy... They do a lot on harassment [but] not so much [on cultural diversity]. (Employee, 31/08/06)

In addition to these two initiatives, the CSC tries to raise awareness and to reinforce and communicate the diversity message in several other ways. One approach is to distribute diversity/EEO brochures to all staff with their pay slips. These brochures clarify the meaning of diversity and of EEO, and how Productive Diversity can improve the workplace. In this brochure diversity is defined as:

...valuing differences. Differences come in many shapes and sizes. It can be about where you were born, your gender, your age. It's also about what you like

⁹ The 'Diversity@CSC Kit' was still in pilot mode at the time of the interviews.

to do, the way you think about things and how you get on with others. (Diversity Brochure, March 2006)

However, employees questioned the effectiveness of this form of communication, with most employees stating that they do not read these bulletins:

There's no use putting a piece of paper in your pay slip because people check out their overtime, whether that's correct. They're more interested in that than what's in the added piece of paper. And obviously, after working the whole day, I mean the last thing you want is to read a piece of paper. (Employee, 31/08/06)

We're more interested [in] how much we've got in our pay, and we just have a quick look at this and [say] 'Oh yeah'... Just read the headlines and put it away... We put it in the bin; they're all in the bin. (Employee, 31/08/06)

Another approach used by management is through the CSC's publications and journals. The CHRM stated:

One of the things I mentioned was publicising through our staff journals, good new stories which focused on people from all issues relating to different backgrounds. Our staff journal promotes stories about the individuals in the workforce and talks about people who do come from diversity groups and talks about the benefits of that. (CHRM, 12/7/06)

One example that illustrates this was a one-off publication entitled 'Today's Workplace' in which facts and knowledge about workplace diversity, a fair go, and Productive Diversity are presented alongside comments made by employee representatives of Indigenous, female, mature aged, and ethnically diverse groups. For example, one comment from the journal outlined the benefits of valuing diversity:

Embracing diversity allows a business to draw on the largest pool of potential employees. It provides access to the widest possible range of talents, skills and ideas. Moreover, research suggests that diversity improves morale and enhances loyalty, resulting in lower levels of staff turnover. It is also true that diverse

workforces have the potential for higher levels of creativity and innovation. ('Today's Workplace', 2004)

However, the employees interviewed had little or no recollection of this journal being distributed at the CSC. Yet they were aware of a journal ('CSCmark') produced exclusively in their Letter Distribution Centre (LDC) and distributed on a quarterly basis, which focuses on giving employees 'the opportunity to talk about their culture and what their culture means' (NDM, 16/5/06). The journal contains personal accounts from employees who share stories about their local cultures. Several examples of these accounts are presented below:

Thuy is from Vietnam... She believes her background has enriched the workplace; for example, with her Vietnamese food... She sometimes has long chats about Vietnam and its culture. She says many people don't understand how strict most Vietnamese are about their values and attitudes. ('CSCmark', Winter 2006)

Vietnam is such a beautiful country, very green with loads of vegetation, our favourite place being Nha Trung... The people of Vietnam are always friendly, hospitable, and pleasant to all locals and visitors. The food was great, and I did not see any McDonald's restaurants. ('CSCmark', Spring 2005)

However, while providing stories and accounts of personal experiences, the journal does not offer any insight into the values, traditions or belief systems of cultures and does not appear to have any influence on expanding employees' understanding of cultures.

The CSC also uses the intranet to distribute information electronically. However, most employees commented that they do not have enough time to access information on the organisation's host net. Instead, employees favour face-to-face information forums and meetings as long as the organisation provides time for such. One employee stated:

There is more value if you have a briefing or a meeting where someone comes and talks about an issue and communicates. (Employee, 31/08/06)

In sum, while there is evidence of initiatives introduced by the CSC to raise awareness of diversity issues among managers and employees of the advantages to be gained from valuing diversity, their effectiveness is questionable. Employees mentioned insufficient time and little personal interest as contributing to the lack of effectiveness of these initiatives. Given the ‘Diversity@CSC Kit’ focus on providing examples and stories of achievements, this kit (currently under preparation) may be more effective in raising awareness.

5.3.1.2 Employee Feedback (Two Way)

As mentioned above, employees highlighted the value of face-to-face team meetings for the opportunity these presented to discuss diversity issues. ‘Tool Box Talks’ were highlighted as providing the opportunity not only to raise awareness but also to enable discussion on diversity issues. The HOL stated:

‘Tool box talks’ [are] an ongoing discussion around the issues that fit more perfectly under [a] kind of equal opportunity banner than [under] diversity.
(HOL, 19/10/06)

According to the CHRM, ‘Tool Box Talks’ use a consultative approach to communicate topics on harassment and to encourage two-way communication, especially about bullying. The NDM confirmed this view in the following statement:

A lot of the information that is shared out in the field is shared through what we call ‘tool box talks’. For example, the harassment brochures that I’ve handed out every quarter have a management information briefing [attached], and the managers are required to provide that briefing to their staff, and that opens the opportunity for discussion. (NDM, 16/5/06)

One employee described the ‘Tool Box Talks’:

Just before we start work, we are all sort of grouped in one small area, each [on] different teams. And [the talk covers] just any news that’s happening in the mail centre ... or something’s changed for today or just a general [discussion]—it’s a general information session. (Employee, 31/08/06)

These 'Tool Box Talks' also enable discussion about different national cultural definitions of bullying and how these may vary from the local approach required to be implemented by CSC employees. This indicates that input from employees is sought via 'Tool Box Talks'.

However, once again employees commented on the limited time available for 'Tool Box Talks', which dictates and restricts what can be discussed:

They'll bring somebody in, and we'll go in the conference room like this. And then they'll go through a, it will be an hour thing, on harassment... So he's just reading out what management has given him about harassment and all that. Just a couple, two, or three paragraphs, and then he goes on to something else, and then asks us if we have any questions... they've only got a limited timeframe. (Employee, 31/08/06)

In sum, it was suggested in the case interviews that diversity management (DM) is used as more of a management tool and a PR exercise and that the use of the intranet is inadequate. It is also apparent that a managerial response to emerging issues is what led to the adoption of DM rather than one adjusted and seeking to critically use DM. Comments on ToolBox and the languages used within the organisation similarly fall within this critique. While 'Tool Box Talks' appear to enable some two-way flow of discussion about the implications of diversity for employee interactions and appropriate workplace behaviour, more needs to be done to make these genuinely effective. Considering the above, it is clear that DM is not fully embedded within the organisation.

5.3.2 Training in Cultural Intelligence (CQ)

Training in cultural intelligence (CQ) provides managers and employees with three perspectives from which to view diversity: a cognitive component that enhances individual knowledge and understanding of one's own culture in comparison to others; a motivational component that develops awareness and sensitivity of the self and of others; and a behavioural component that is used to develop skills and qualities so

employees can act on cultural cues and adjust their behaviour appropriately to the multicultural environment in which they work.

The CSC has no corporate-wide training program that looks specifically at developing CQ. This was explained by the NDM and the HOL as being due to the fact that the CSC is not confronted by issues that require this kind of training. The HOL stated:

Do we have enough tailored programs that look specifically at the issues that you've raised? We don't. Do I think that we have major problems around those areas? No. (HOL, 19/10/06)

The NDM adds:

We don't have anything that [addresses] 'playing nicely' with each other one on one. We don't have a national program around that. (NDM, 16/5/06)

The NDM believes that there is no need for an organisation-wide cultural training program on the grounds that the Code of Ethics to which all employees are introduced is sufficient:

Everybody is introduced to the code of ethics when they join the organisation, so it is part of induction... They also almost invariably all of them refer to [the dictum that] it is important to treat each other with courtesy, patience, and respect, and there have been a number of programs in a number of states that have taken these fundamental codes of ethics and turned [them] into a development program or a program where managers are trained, and then that flows down to their staff in terms of what courtesy, patience, and respect look like in our facility. (NDM, 16/5/06)

In this regard, the NDM claimed that communication of what is expected in terms of courteous and respectful behaviour is sufficient to sustain effective working relationships and minimise inter-cultural clashes. She also stated that it would be impossible to have an inclusive cultural awareness program given the number of cultures and languages in the organisation:

We don't have a particular program that is a national cultural awareness program. How would we do it? We have 170 different countries represented and 70 different languages. (NDM, 16/5/06)

The HOL reiterated this view in her comment that:

There've been different kinds of discrimination issues that have come up, but cultural clashes, there have been very few. And I'm not sure, I don't know why necessarily... They're issues that I don't hear raised. So, that could just be ignorance, or lack of awareness, or not something that comes up strongly. (HOL, 19/10/06)

Despite this, the NDM and HOL both admitted that the holding of different cultural beliefs and languages does create some obstacles and does negatively affect employee interactions, especially gender roles in relation to power and authority. The HOL recalled one incident that she described as follows:

There've been issues around how male Vietnamese staff have responded to Vietnamese women being in more senior roles. So that's been an intra-cultural issue around the kind of cultural holding of beliefs around who should hold power and authority. (HOL, 19/10/06)

Likewise, the TDM identified the complexity in accessing the knowledge of employees when working with some of the teams, especially when confronted by a different set of cultural values and traditions:

Some of the problems are that because we may have people from cultural worlds [in which it is] not seemly for a woman to put herself forward, because we require the teams, for everyone to participate, sometimes some of the women don't participate as much as I would like them to. (TDM, 31/8/06)

The TDM explained his initial frustration with some of the teams when he could not figure out why the female employees would not participate:

I thought some of the things we'll just have to live with. (TDM, 31/8/06)

Based on this, the TDM did admit that there is a need for a comprehensive CQ training program.

A further challenge is the effect of the use of native languages other than English by individuals from diverse cultures. The HOL stated that this heightens assumptions, causes misunderstandings, and ultimately leads to tension:

We did have a couple of issues come up around why don't [CALD employees] speak English. And the issues that surfaced around that were more from the non-, well, more from the Australian-based employees who believed that they were being spoken about when people from other nationalities used their native language during tea breaks, et cetera. (HOL, 19/10/06)

As the NDM stated:

The bottom line is if people have a community language, and they want to converse in their community language, we don't have any problem with that. In terms of our code of ethics, it needs to be courteous, and you need to be courteous. If you and I speak Vietnamese, and there are people around us who are working in the same team who don't speak Vietnamese, it is important that you let them know, 'look we were just talking about recipes'. (NDM, 16/5/06)

According to the HOL, this issue has been dealt with through a customised information program run by HR personnel in which they talk openly about the issues and emphasise the business expectations in terms of the organisational Code of Ethics:

We ran information programs around [the fact that] it's okay for other people to speak their native tongue when taking coffee breaks, et cetera. (HOL, 19/10/06)

The TDM also explained that the company has:

put out a couple of information bulletins regarding staff using their own language when there is another person present that won't understand. (TDM, 31/08/06)

In addition an accelerated English language training course (ELTC) is offered in the operational areas as part of the 'Language Assist Program', which develops English language skills for speakers of other languages. However, the general response from employees was that when management does take action, it does not follow up on the outcomes. This is exemplified in the following two employee comments:

Follow-up action? No, it doesn't happen. (Employee, 31/8/06)

[Change happens] for a couple of days, then it goes back to what it was before. (Employee, 31/8/06)

Indeed, the 'Language Assist Program' was described by the NDM as being set up to deal not only with the language issue but also to explain the Code of Ethics so that CALD employees can understand and abide by the conditions of service:

Our employees are advised to come in and undertake an accelerated English language learning course, and part of that is also around OH&S, harassment, terms and conditions of service, and understanding team meetings. (NDM, 16/5/06)

The fact that the program involves an informative approach and is designed to assist CALD staff learn the Australian way of doing things shows that it is geared towards an assimilationist approach that expects ethnic groups to blend into the dominant organisational composition. The focus of the ELTC is also on learning English as the basic language of communication and in this regard this strategy does not appear to recognise, or draw on, the language competencies of CALD employees in languages other than English.

Thus, even though the ELTC is seen as necessary to improving language skills, explaining the Code of Ethics, and as a diversity information resource, it reflects no awareness that, for example, the local population might facilitate comprehension by speaking more slowly in English. This suggests, at a time when the organisation is

purportedly in the process of shifting the diversity strategy towards inclusiveness, its focus is still on assimilation.

In addition to the ELTC, HR does provide some training in cultural awareness for managers. The effectiveness of the training programs was illustrated by several examples from the TDM who stated that after participating in one of the cultural training sessions he was better able to understand differences in culture, belief systems and background among staff:

We've undergone cultural training and we've undergone how to be aware of what different cultures expect, and the fact that we do have a diverse workforce. (TDM, 31/8/06)

Being aware of what the cultural mix was, and how you need to deal with these people, and this is what they're used to—there was a bit of that in [the training]. (TDM, 31/8/06).

He further reported that the training provided him with insights into staff behaviour by broadening his knowledge and understanding of the cultural habits of his diverse team. He stated:

Now there doesn't seem to be the confrontational issues or the conflict that we would've had. (TDM, 31/8/06)

He remarked that such awareness brought about a great improvement in his relationship with his employees and that the training 'seems to work quite well' in helping him encourage employee participation.

However, although HR personnel provide information sessions to explain differences in values, there was a general feeling that such sessions have not completely succeeded in removing tension:

The program reduced the issue that was being placed, but I'd be honest and say I'm not sure you can entirely get rid of some of the tension that sits there. (HOL, 19/10/06)

One limitation of the training is that it was often a one-time occurrence: ‘a special one ... done specifically for the management team’ (TDM, 31/8/06). The TDM suggested that the CSC needs to implement this training for other managers:

We have team leaders who are actually managing people from diverse backgrounds, and I am not sure if they’ve had the same in-depth training. (TDM, 31/8/06)

Another limitation is that these programs are limited to the cognitive component of CQ as they cover information on variations in values from one culture to another,¹⁰ rather than including the motivational and behavioural components that are also required in order to facilitate cultural adaptation and intercultural communication.

Although the training is generally limited to the cognitive components of CQ, the CSC does have one training program that centres on providing self-awareness tools whose focus is similar to the motivational facet of CQ. These tools aim to increase manager self-awareness so that they can better understand themselves when dealing with their employees. The HOL stated that this training does foster effective interpersonal relationships:

We’ve done a range of programs that are centred [on] self-awareness, just the basis for that being the better that people understand themselves, the better that they can deal with others. Some of the ways of doing that have been around communicating issues to do with gender issues and issues around coming from different cultural backgrounds. (HOL, 19/10/06)

The tools provided for managers are intended to motivate them to leverage and bring to the workplace their opinions, perspectives and ideas and be capable of identifying how external influences shape their emotions and overall outlook. The HOL suggested that applying Emotional Intelligence (EQ) tools is vital to developing managerial ability to understand what is required to form better relationships with staff and with clients:

¹⁰ The cognitive component of the training is only providing information on the Vietnamese ethnic group as compared to the host Australian culture, thereby excluding other cultures or cultural dimensions represented at the CSC.

Part of that training has been around challenging them through things like the EQ tools. This is to understand and relate to the emotional content that people bring in everyday work spaces. So being able to read, being able to express their own emotions, read the emotions of others, and consider the emotional implications, or the people's centred implications in making change decisions. (HOL, 19/10/06)

Even though developing a manager's self-awareness is crucial to encouraging transparency and motivating others, managers must engage in a cultural intelligence training program that expands on these tools to consider the influences of cultures and ethnicities on emotions and behaviour.

There was, however, no consensus as to whether a more comprehensive training program is needed. The HOL and NDM stated that there are no major cultural problems that impacted the effective running of the organisation and individual matters should therefore be dealt with through information programs tailored to a case-by-case basis. As the HOL stated:

Do I think that we have major problems around those areas? No. If we did, we would look at dealing with them on a demand basis. (HOL, 19/10/06)

However, the TDM maintained that there is a need for further development of this training:

If you put in a manager who doesn't know how these people interact, and of course what their culture is, it's a very sharp learning curve. (TDM, 31/08/06)

He also claimed there is a need for a general cultural awareness program:

I would probably much prefer if they could provide specific information like we have X amount of employees from this area that have common traits in their culture, so be aware when you're dealing with these people, and this, they would find this insulting. And it's not gonna be the same for everyone, you know, but it's gonna give you an understanding of how you can communicate with them without, well, being confronted. (TDM, 31/8/06)

Employee statements provided further evidence of the need for an organisation-wide cultural training program:

The one thing that I've had is just having people around you that you can't really understand, and it's happening so many times that I have felt uncomfortable, that I have wanted to leave the team. (Employee, 31/08/06)

In summary, the training provided to address diversity issues is mainly tailored to meet specific needs. It is almost solely focused on training in the cognitive components of CQ, except for some management training designed to develop emotional competencies similar (to a limited degree) to the motivational components of CQ training. There is no training in the behavioural components of CQ. Finally, there is no general consensus over the need for such training, with senior managers and employees interviewed having a range of views on the matter.

5.3.3 Social Networks

The extent to which the CSC has developed strategies to enhance social capital among its diverse employees was the final aspect of diversity under investigation. Social capital is created in a network of cooperative interpersonal relationships that relies upon the sharing of valuable knowledge, skills and abilities. While the CSC encourages teamwork, this was limited to team meetings associated with the 'CARE' program and 'Tool Box Talks'. There was no evidence that employees were encouraged to engage in anything other than the expected tasks or that Communities of Practice (CoPs) were encouraged. Instead, as the TDM explained:

We are reasonably well regimented here, and we try and keep them focused on the task. (TDM, 31/8/06)

He also indicated that the only social interaction encouraged occurs during the time set aside for monthly meetings:

Basically, in their working life, they don't really have very much interaction. Like they interact to get the job done, but the social interaction falls around team meetings, meal times, and break times. (TDM, 31/8/06)

The TDM added that during these team meetings employees are asked 'for their improvement ideas within the team', *and further explained:*

We try and encourage discussion amongst the team members on what they could be doing better. (TDM, 31/8/06)

However, because this is the only time allocated for employees to meet and discuss their thoughts, it is very difficult to get them to come forward with their ideas and share their views. In fact, the TDM reported that some employees feel resentment, and he suggested ways of encouraging their participation. However, when asked what would motivate employee participation, he made no mention of a reward system. This implies that employee involvement is currently taken for granted instead of being recognised:

Maybe there needs to be something more around their family involvement that helps, or maybe just reduce the working hours from eight hours to seven and a half. (TDM, 31/8/06)

The TDM also emphasised the importance of events like Harmony Day in encouraging knowledge sharing between employees. Specifically, he identified this event as a successful cultural exchange program that stimulates inquiry and provokes employee interest:

That's really where things start to take on a life of their own, because they have that interaction. (TDM, 31/8/06)

Nevertheless, even though this event sparks employee interest, the organisation does not seem to encourage employees to partake in common activities or practices around interests that matter to them. That is, there is no indication of the organisation's allocating time or creating an environment in which multi-ethnic CoPs are encouraged to emerge organically. Nor do the team meetings fulfil the purpose of CoPs, particularly given that their central motivation for encouraging employee engagement is discussed primarily in terms of increased productivity and business needs.

In addition, the CHRM's understanding of CoPs focuses mainly on the importance of the diversity managers' network, a group which develops no new knowledge since its function is to act as a conduit of information on diversity:

We have a network of dedicated diversity employment managers around the states who get together, and they review progress and impact and look at ways to do it better. Part of their role is to continue publicising what's going on, so they'll talk at sessions run by line managers. (CHRM, 12/7/06)

In this respect, the description of the group's activities is at odds with CoPs, and apparently focuses on informing managers about processes for tackling diversity. Furthermore, no evidence emerged that this group was formed to develop collective tacit knowledge in a sharing environment.

On the other hand, the HOL provided an example of an organisation-wide CoP that does appear to be closer to the definition of a CoP:

We try and bring groups of people from all over the country together. It's one of the rare opportunities to network and talk with people from different backgrounds, from—and I mean career backgrounds—locations within Australia within [CSC] Australia. And just talk about their experience. That would be in any major program that we run. So we would run two or three of those per year at different levels. That brings people in. It's, I guess, more of an informal exchange within a formal environment. (HOL, 19/10/06)

However, even though the aim of this program is to share employees' experiences, those involved are not brought together because of interest in a common topic and their interaction is limited and structured by management. Thus, because this program's goals are aligned with management interests and its activities occur in a formal environment, it does not fit the pure description of a CoP.

In sum, despite the fact that the organisation is becoming aware of the importance of developing social capital through engaging the workforce in information sharing activities, there is no specific strategy to encourage the development of CoPs. Rather,

team meetings more closely fit an information giving rather than information sharing design. This has resulted in limited sharing of employee knowledge, and reveals an apparent lack of recognition of the potential value of sharing the ethnically influenced knowledge of its diverse workforce.

5.4 The Contribution of Human Resources to the Diversity Strategy

5.4.1 Current and Future Responsibilities

It was recognised that HR plays a vital role in the design and implementation of the CSC's Diversity Policy and Strategy and in ensuring that it is directly linked to the organisation's overall Business Strategy. The CHRM explained that HR is responsible for 'leading the policy development to building and getting a collegian understanding and involvement in the working of those policies'. As part of this, HR is required to monitor and evaluate the Diversity Strategy, to continuously improve it by updating it in accordance with government requirements and to link it to the aims of the corporate and associated business plans. The CHRM emphasised the important role of HR in ensuring that diversity is included in day-to-day activities:

Getting the rest of the HR fraternity to work up what sort of activities we should be doing day-to-day to reinforce this across all the states. (CHRM, 12/7/06)

However, the everyday operational responsibility for implementation of the Diversity Strategy is vested in line management, with HR providing the support infrastructure and acting as 'a centre of excellence in terms of expertise and advice in every part of the business' (CHRM, 12/7/06). There is some debate as to whether HR should play a more central role in the implementation of the Diversity Strategy. Two managers stated that they thought HR should play a more central role in maintaining the focus on diversity, leveraging employees' tacit competencies like expertise, skills and knowledge, and strengthening HR's diminishing role in providing support to employees.

The TDM voiced concern about the potential threat of losing support for valuing diversity and pointed to the importance of keeping diversity on the agenda, especially as economic pressures became more intense and business contracted:

I think there's a real temptation as [the CSC] faces a contraction in its kind of core business areas—whenever an organisation contracts, it starts to look at what it can chop out. If we don't keep diversity on the agenda as something important, then people that count numbers and crunch dollars will consider it no longer important. (TDM, 31/8/06)

Likewise, the HOL suggested that HR is needed to ensure that diversity stays on the agenda as one of the company's top priorities:

We need to talk to diversity as being one of the things that will add to the value of business. HR needs to push the diversity thinking agenda very strongly in this organisation and into the future. (HOL, 19/10/06)

5.5 Linking Diversity and KM/S

Despite some recognition of the potential contribution of tapping into employee expertise, skills and knowledge, especially knowledge that emanates from cultural diversity, there was little acknowledgement of this potential outside HR. The HOL stated:

We've got huge cultural diversity; we need to really make more of that. Just tap into the unknown skills of people we have in the organisation. One of the things that I would like to see is a greater understanding of what the skills [are that] a lot of the people from different cultural backgrounds have brought with them. We've got doctors and all sorts of people doing a lot of other roles—that would be good. (HOL, 19/10/06)

The TDM proposed an initiative that would assist and encourage staff to highlight their areas of expertise:

Maybe also, say a skills day. Well, we may have engineers, or we may have people who have been trained in something that they can't use whilst they're here, and maybe have them give a talk on what they could do or that could even just be within the team, because they probably have already spoken to the people within their team and said, 'Look, you know, if I was given a chance I could do this' or whatever. And just get them to talk about what they've done in the past

and what they could do. And [about] any redesigns that they think they could bring. (TDM, 31/8/06)

To leverage these untapped skills, the TDM suggested that HR needs to ensure that information relating to the diverse skills and experiences of employees is mapped and supplied to managers whenever needed:

HR needs to provide you with what you need. If I would suggest there was something lacking, then it's probably that. (TDM, 31/8/06)

One approach to achieving this, which was suggested by some managers, was through narratives of success stories. The HOL stated that the narrative approach can be used 'to understand organisation culture and leading values', identifying 'anecdote circles' as a primary method.

The first step in this direction has been achieved through the 'Diversity@CSC Kit' that is collecting success stories for inclusion in the final publication. This involved interviewing staff, listening to their stories, and drawing from their knowledge. The HOL stated:

What will be included in that is when we set out the anecdote circles, being aware of cross-cultural understandings or the cultural contribution to living values is something I want to tease out. (HOL, 19/10/06)

The HOL described the narrative process as identifying values that deliver a positive message and sharing these values through storytelling sessions:

Draw[ing] together groups of peers, and encourag[ing] storytelling about what's been really positive and what hasn't been. (HOL, 19/10/06)

To this end, the HOL identified a number of focal areas:

I want to know what the living values are; I want to know how to manage knowledge; I want to know different attitudes around the Asian segments in the workforce. (HOL, 19/10/06)

I want to understand what role culture, in terms of other cultures, plays in forming the identity of the organisation. (HOL, 19/10/06)

This recognition of the value that can result from narrative and storytelling suggests the emergence of an understanding of the potential value that can result from linking Diversity and Knowledge Management/Sharing strategies.

Many interviewees spoke favourably about cultural diversity and the potential benefits of leveraging it, with perhaps the most informative example being the following comment from the HOL:

In Western Australia, within the transport area—transport work in teams—they found that one particular team was outperforming all of the others. When they looked further into that, they found that that particular team was the most diverse in terms of cultural background and gender mix than all of the other groups. It was the best performing team of all. And the members of the team had talked about the fact that there were initial issues when the differences came together, but in fact it became very synergistic once they sorted that through... This happened by accident. (HOL, 19/10/06)

Some interviewees reiterated the importance of leveraging cultural diversity, indicating its effect on innovation and learning. For example, the TDM remarked that working with culturally diverse employees contributes to innovation because it encourages alternative views and broadens managerial thinking:

I think it's really good for us as managers to get to work with all these different people because it expands our thinking. It helps you to look outside the square a lot of the time. (TDM, 31/8/06)

Similarly, another employee commented that:

It's just a process of learning... You get to learn about their background, about where they come from. You get to learn more about other people and their cultures. (Employee, 31/8/06)

Whereas these comments imply awareness of the benefits of valuing and leveraging cultural diversity, interviewees' comments on whether the organisation was actually embracing cultural diversity varied. In general, all the managers except the TDM agreed that it is. However, taken together, the managerial responses represent two ends of the spectrum.

On the one hand, the HOL remarked that cultural diversity is embraced to some extent, citing the example of the interpreter services offered in the Victorian operations to assist speakers of other languages access information regarding conditions of service, leave, and so forth in their own native languages:

I think this was around 2000, we decided that it would be good to provide an option of getting interpreter services if it became difficult for these individuals to explain what they needed... We did some exploration around language service providers in Victoria, and we set up a trial which failed miserably. What we then discovered was in fact most of the languages that we need were already in the staff base within our shared services division. Still, we actually called for volunteers who spoke the different languages to do a language assist when we had calls coming in from employees from other states who needed assistance. And that worked brilliantly. So there was this huge business benefit in terms of we didn't have to pay for translation services. (HOL, 19/10/06)

According to the HOL, this resource is still in place today but is informally structured because the volunteers are not qualified interpreters. Nevertheless, she considered this

identification of language skills as a valuable resource for the business and one that demonstrates that the CSC is embracing cultural diversity. Whereas the organisation draws on employees' language skills for translation services, it makes no mention of the cognitive dimension of tacit knowledge.

On the other hand, the TDM emphasised that the organisation fails to draw maximum advantage from the diversity of its staff:

We've got huge cultural diversity, but we need to make more of that. We are not tapping fully into employees' skills. One of the things that I understand is difficult for people who are—and I'm specifically talking about—migrants is that they have a lot of difficulty getting their qualifications recognised. Those who are engineers or doctors or whatever, they have a lot of difficulty getting their qualifications recognised. (TDM, 31/8/06)

As noted earlier, the TDM discussed the central role of HR in identifying, mapping and leveraging employee skills; however, while stressing the importance of addressing this problem to ensure that diversity is fully embraced, he expressed frustration with knowing that these employees are only employed to fill certain job roles:

There isn't a great deal that we can do for them in that regard, because if we employ them for a specific task, well that's what we require them to do. (TDM, 31/8/06)

As a result, even when the organisation tries to tap into employees' knowledge by asking them to come forward with their ideas, it does not always work because employees have no motivation to do so. Most particularly, the organisation makes no mention of incentives to encourage them to share their knowledge and expertise. Rather, as the TDM pointed out:

We probably do tap into the abilities and whatever, but we're probably not bringing out the best of them because they possibly also feel a little bit of resentment. 'These are my qualifications, and I have my [whatever qualification] and I'm doing this type of work.' So they're saying, 'Well, if I were being paid as an engineer, then I would act like an engineer'. That's something which is an

individual and personal thing that you would have to try and overcome, and it's not always easy. (TDM, 31/8/06)

Thus, the TDM indicated that more needs to be done in this respect:

I don't think we do that enough, and probably that's an ongoing issue. (TDM, 31/8/06)

One suggestion made by the TDM was that for this situation to change the organisation needs to reassess the costs of failing to tap into these skills and work on changing the current climate. However, the TDM identified a number of challenges associated with doing so, including executive commitment, funding and a change of climate:

I'm not sure how we would go as an organisation, and realistically it's probably, it's a direction [for which] the organisation would have to say, 'This is where we're going to go'. And it would be a far bigger commitment than I would be able to say, 'This is what we need' (laughs). It would have to be funded, and it will probably—as far as I'm aware—take, it would take a lot of money to actually say, 'Well, if we've got these people that are working for us, let's not only tap into it, but help them along to do what it is that they're good at'. (TDM, 31/8/06)

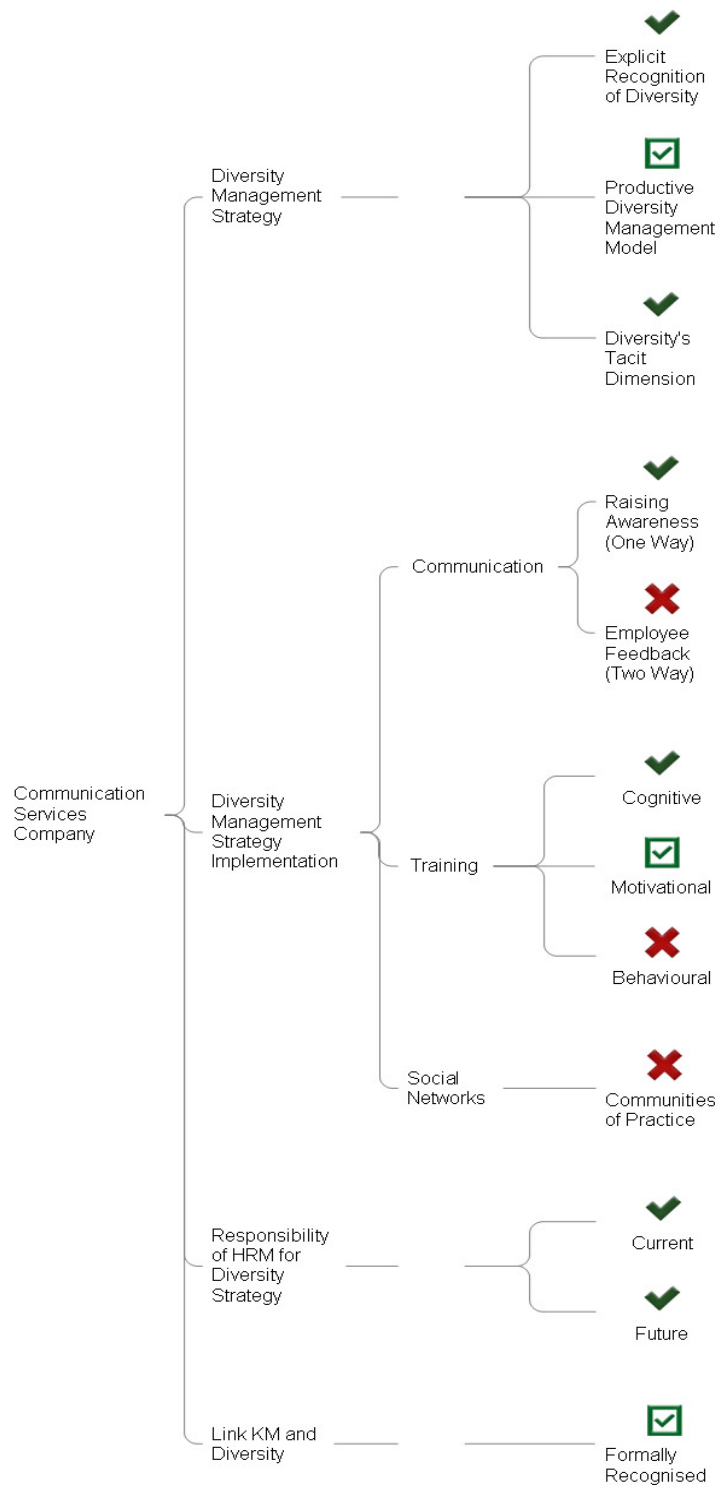
In sum, many interviewees indicated awareness of the immense opportunities inherent in employing a culturally diverse workforce; however, their responses indicate conflicting views on whether the workplace actually fully embraces the potential from this diversity. While the organisation draws on employee language skills for translation services, it makes no mention of identifying the cognitive dimension of tacit knowledge. Thus, much remains to be done before this potential is realised in formal linking of Diversity and Knowledge Management/Sharing strategies, which HR is more fitted to do.

5.6 Conclusion

In conclusion, the case study of the CSC demonstrates that diversity is recognised in the focus of its business strategy and that over time the organisation has moved from a

purely compliance oriented to a Productive Diversity approach. However, the organisation needs to go further and take advantage of the immense opportunities of employing staff who are culturally and linguistically diverse as shown in figure 5.1. While the communication strategy devised to implement this Productive Diversity approach does demonstrate the organisation's commitment to diversity, the focus is on management informing employees in order to raise awareness, rather than strategies to encourage employees to communicate and share their views and knowledge. While the organisation does provide training in cultural awareness, this is mainly limited to the cognitive and motivational components and does not include the behavioural component. Both these limitations of CQ, except for some management training, are further exemplified by the limited opportunities provided for employees to share their diverse ethnically influenced knowledge through CoPs aimed at building social capital. These limitations have resulted in a separation between Diversity Management Strategy and Knowledge Management/Sharing Strategy that limits the CSC's ability to tap into the tacit knowledge of its culturally diverse employees. While HR plays an important role in driving implementation of the Diversity Strategy, it needs to play a larger role in order for the organisation to have a holistic D-KM/S Strategy.

Figure 5.1: The CSC findings.



 Full Support

 Limited Support

 No Support

CHAPTER 6

Financial Services Company: Case Study 2

6.1 Introduction

The second case study analysis is the Financial Services Company (FSC), one of the largest and leading companies in Australia and New Zealand, headquartered in Melbourne. The FSC provides a range of financial services, including both personal and institutional, and employs 37,000 people operating in both the local market (Australia and New Zealand) and overseas (Asia, the Pacific, the United Kingdom, Europe, and the United States).

In 2005, the FSC's Enterprise Operations Business Unit (formerly the Payments Business Unit) won a Diversity@Work's award for the employment and inclusion of culturally and linguistically diverse Australians. This award recognised the ongoing efforts of the Enterprise Operations Business Unit in its diversity initiative 'Cultural Week', and this has led to the FSC seeking to emulate this initiative across the organisation. Accordingly, the Enterprise Operations Business Unit was chosen for the detailed research that comprises much of the data for this chapter.

The format of this chapter follows that of the last chapter with first an analysis of the Business Strategy and model of diversity management to reveal the extent to which the value of diversity is recognised by the organisation and the means employed to implement a diversity strategy.

6.2 Diversity Management Strategy

The FSC presents an interesting case study in which the overall Business Strategy devised to implement the Diversity Strategy are integrally linked.

6.2.1 Explicit Recognition of Diversity

The organisation's Business Strategy (labelled 'Perform, Grow and Breakout') focuses on gaining a sustainable, competitive advantage in Australian and overseas markets by

improving performance in its primary markets of Australia and New Zealand and building on growth opportunities in Asia. The key element of this strategy is to transform the organisational culture in order to increase employee engagement. While the organisation does not keep separate records of numbers or percentages of CALD employees (its diversity focus has been on gender diversity rather than cultural diversity), it does recognise that its employees come from 130 countries, with 32 percent of the workforce speaking a language other than English (FSC's 2007 Annual Report).

In 2000, after years of tough market conditions, high levels of bad debt, poor financial performance and operational weaknesses, the FSC launched a new business strategy aimed at transforming the corporate culture from a hierarchical, mistrustful, bureaucratic system that was inconsistent with employees' personal values to a value-driven, trusting, high-performance organisation (The Breakout Story Publication, 2/2/07). The resulting Breakout Business Strategy (BBS) aimed for a cultural transformation of the FSC from the inside out to achieve a balance between performance and growth and match this with an equal emphasis on people and culture.

The first key element of the BBS focused on transforming the structure and culture of the working environment. Such a transformation was only considered possible if employee mindsets and behaviours shifted collectively in a positive direction. This change was described by the Head of Diversity (HOD) as:

How do we be a truly different bank? ... we've got a major push on Breakout... The Breakout strategy was rolled out in 2000, and now 26,000 people have been on that and that was a culture program... That's a cultural shift ... to shift engagement externally to the customers and internally to employees. (HOD, 8/11/06)

The underlying tenet of the BBS was that engaging employees in the change process would make them positive agents for change. This aim is stated in an internal document, 'The Breakout Story', in which the CEO explains the FSC's focus on empowering employees and highlights the relationship between employee satisfaction and organisational performance:

If we really wanted to have superior performance, value for shareholders and maintain service for customers, then we needed to engage the hearts and minds of the people inside the organisation. If people are happy and productive, then those things will happen eventually. (The Breakout Story, 2/2/07)

The HOL subscribes to this view:

Real change ... over time happens when individuals shift their way of being; teams start to embrace new behaviours and new ways of thinking around diversity and inclusion—just as important... What I find with some companies is you can do a great job at an individual level, but if the system itself doesn't change, and you're being rewarded, incentivised, motivated and promoted—based on things that are unrelated to diversity and inclusion then ultimately you won't get the kind of shift in behaviours that you're looking for. (HOL, 6/7/07)

According to one of the Diversity Council Staff Representatives (DCSR1)¹¹, the BBS places emphasis on encouraging employees to be who they are, to develop skills and to bring their knowledge, beliefs and values to work:

[In] my view... it's more around encouraging transparency and empowerment of an individual in terms of bringing, not just more of themselves to work, which in itself is important and leads into many aspects of diversity, but being more expressive and more challenging. (DCSR1, 2/7/07)

Implementation of this strategy was assisted by work that had been undertaken in the late 1990s which had first identified the organisation's internal culture and then sought to develop a new culture that reflects employees' personal values. This is reflected in the 'The Breakout Story Publication', which stipulates five desired personal qualities for employees:

- Putting customers first
- Performing and growing to create value for their shareholders

¹¹ More information on the Diversity Council is on page 123.

- Leading and inspiring each other
- Earning the trust of the community
- ‘Breaking out’—being bold and having the courage to be different

This last value is particularly relevant to diversity. Not only does the BBS highlight the importance of recognising and rewarding differences as a valuable asset, particularly in relation to creativity and innovation, but the ‘Breakout’ approach has also been integral to many of the FSC’s HR programs and policies, including diversity. The HOD not only acknowledged the FSC’s realisation that changing the entire corporate culture was the only way to embrace diversity and make a difference in the diversity sphere, but its understanding that cultural change was paramount to encouraging and leveraging diversity:

Out of [the BBS] there came this, the Diversity Strategy. It was a pilot that came out of Breakout, because people were saying we want you to bring your whole self to work, and people were saying, ‘Well, it’s a bit hard because of the corporate culture’. And I think it’s fair to say most of the interventions from [the organisation] have been very policy driven. (HOD, 8/11/06)

As stated in the FSC’s Diversity Strategy, the organisation is committed to live by its employees’ values by ensuring that it:

- Transforms the FSC into an organisation that embraces diversity.
- Promotes trust as an important part of the organisation’s culture.
- Accepts diversity which means ‘more than just tolerating difference’ to help put its customers first.
- Promotes ‘Breakout’, that is encourages boldness and difference.
- Respects differences as valuable assets to be creative and innovative.
- Represents the cultural diversity of Australia in its employee base and has a diverse workforce that ‘bring[s] special skills and ideas’.
- Leads and inspires others to embrace and value difference.

- Earns the trust of the community to strengthen the employment brand and attract talent. (FSC's Diversity Strategy)¹²

In order to implement the Diversity Strategy, a Diversity Council was established in 2004. The second Diversity Council Staff Representative (DCSR2) indicated that the reason for establishing the Diversity Council was that:

at a group level it was felt that greater coherence was needed ... we needed a group level coordination intervention. (DCSR2, 2/7/07)

The aim of the Diversity Council was to create an inclusive culture at the FSC by generating policies, identifying and prioritising strategic diversity issues, implementing interventions and sharing best practice ideas on diversity across business units.

The HOD indicated that in 2006 the Diversity Council was revamped for the following reasons:

They were frustrated that firstly they did not have their own budget, and secondly they didn't feel like they were making a difference. (HOD, 8/11/06)

Consequently, the Diversity Council was expanded to include six staff representatives from across the organisation in addition to the six executive divisional representatives already selected. The intention of opening up these positions to staff from diverse backgrounds, as stated by the DCSR1, was to:

Provide the voice of reason as it were to the proceedings that the executives came up with. (DCSR1, 2/7/07)

The focus of the Diversity Council was also extended to address gaps between policy and practice and advise management on how to bridge these gaps. The HOD indicated that 'a Management Board mandate was set up and a budget of one million dollars was

¹² In the FSC's annual reports there were a few references made to Diversity Policies; however, these policies were not accessible in the FSC's corporate governance reports. From the summaries of the company policies, there were links to the FSC's Fair and Flexible Policies but no links to a comprehensive Diversity Policy.

allocated to fund diversity and inclusion projects' (HOD, 8/11/06). The purpose of funding these initiatives was to drive awareness, increase global diversity and employee engagement.

Some of the Diversity Council's projects included:

1. Developing initiatives to increase global diversity awareness and employee engagement.
2. Sponsoring diversity annual events.
3. Commissioning research to inform strategy development through a 'My Difference' Survey.¹³
4. Supporting employee interest groups.

The original Diversity Strategy began with a focus on two designated groups—gender and mature age—which were the first two diversity aspects on the diversity agenda. However, when the BBS was launched at the FSC, managers adjusted the business to expand the focus of the Diversity Strategy to include CALD groups. Consequently, according to the HOD, the Diversity Strategy now focuses on these three designated groups:

If you talk to [the CEO], he is passionate around probably three areas of diversity at the moment... Gender was number one [just because] the teller pool was so huge; mature age is number two ... the third is cultural diversity. (HOD, 8/11/06)

The Diversity Strategy has two main aims: to attract and retain talent to avoid skills shortages; and to encourage innovative ideas. As the HOD pointed out:

the initial (FSC) Diversity Strategy was driven [by] attracting and retaining talent. So if you talk to the CEO, he talks about attracting and retaining talent: if

¹³ The 'My Difference' Survey was run in December 2005 and 11,000 employees (34% of employees) participated worldwide. The primary findings were that 85% of employees regard diversity as important and employees want to better understand the cultures represented at the organisation. Another key finding was that there are gaps between policy and practice, with only 63% of respondents able to use the FSC's diversity policies. The survey runs every 18 months.

you talk to the [HR, it wants] innovation. So [it] sees that diversity brings in innovation. (HOD, 8/11/06)

The DCSR1 confirmed that attracting talent based on merit and retaining this talent is a key motive of the organisation's Diversity Strategy:

[Diversity receives attention] because it's the right thing across a number of different areas, both in terms of, say, the 'War for Talent' in terms of retaining people and attracting people to the right sort of organisation. (DCSR1, 2/7/07)

Not only has the Diversity Strategy focused on attracting talent, but it also recognises the value of attracting talent that is representative of the communities in which the business operates, particularly the customers. The HOL stated:

I think it's important that we represent our customers. (HOL, 6/7/07)

The DCSR1 stated that the primary outcome of this emphasis is establishing deep partnerships and stronger relationships with customers:

[It includes] the wisdom of crowds from the point of view of having as diverse a crowd as possible in terms of coming up with a better outcome. And also reflecting our customers so our customers feel more connected to us. (DCSR1, 2/7/07)

This drive to reflect the client base in the organisation is important for the FSC given its emphasis on expanding its business beyond the core markets of Australia and New Zealand and accessing diverse markets, particularly in the Asia-Pacific region. One employee explained this as:

In terms of retail expansion, the new boss wants to expand into Asia ... to become a super regional [organisation], not big enough to be global but bigger than just Australian... Internally, we are moving back office tasks to our India campus, offshoring. (Employee, 24/12/07)

To assist this move the Diversity Strategy supports the organisational focus on embracing fresh skills by recruiting from a culturally diverse graduate pool. The HOD stated:

we've got a target around Asian [language] speaking grads that we want because we're building and expanding in the Asia Pacific. (HOD, 8/11/06)

The DCSR2 emphasised this further by commenting on the FSC's interest in developing a sustainable future, particularly in developing substitute markets that are essential for the FSC's growth:

I think a large part of what we work on are activities to make sure that we do not just reflect our community and our customer demographics but also have a voice in the way the future sustainability of that community grows... If you look at certain areas of the community which have been neglected in the past for whatever social, cultural, or political reasons, we are now actively starting to engage them in the larger part of what we do, not just [because] it's the right thing to do and culturally we need to include them, but also our future sustainability depends upon us having as broad a market as we can. (DCSR2, 2/7/07)

In other words, the FSC's Business Growth Strategy is underpinned by its Diversity Strategy as part of a longer-term sustainability plan. The HOD stated:

In terms of the Diversity Strategy, it's very business driven. (HOD, 8/11/06)

In so doing, the Diversity Strategy appears to have gone further than simply complying with government legislation (particularly on bullying and EEO) to recognising the potential gains from leveraging the diversity of its workforce. One employee summarised the factors influencing the Diversity Strategy as:

I think it's partly out of compliance because it is illegal to discriminate against various groups of people, so OK, let's do it voluntarily rather than reluctantly, it's easier that way. Part of it is because other people have done studies [that] say that companies which embrace diversity are more profitable. Well, if they

embrace diversity and are more profitable, let's us become more profitable by embracing diversity. (Employee, 24/12/07)

In summary, the FSC has a Diversity Policy and Strategy that go beyond compliance to underpinning the organisation's Business Strategy. The focus is more on leveraging the diversity of its workforce in order to expand into niche markets as part of organisational survival and growth. Consequently, it has become important for the FSC to develop a management model that also assesses managers using a balanced score card evaluation. The DCSR2 explained:

We've always had policies, but I think it had never been articulated as clearly as it is now. So now we don't just have policies, we actually have score cards, so that makes people much more accountable, and you can actually track their progress. So I think the intention was always there. I think we've just put it in a much more articulated coherent fashion now. (DCSR2, 2/7/07)

The effectiveness of this approach was confirmed by the positive attitudes of employees in that differences have been more accepted and encouraged since the launching of the BBS. Several employees stated:

Back when I started, it wasn't that you were discouraged about being different, but it wasn't encouraged as much as it is now. Just because [the FSC] is more aware of people's different backgrounds and the value you can get from a different [perspective from] talking to someone about their background and things like that. (Employee, 15/11/07)

The last five years, it's become more the 'in thing' to be culturally aware of where people learn their skills from and all that; how they can bring differences into the group. (Employee, 15/11/07)

This was summarised by the DCSR1 who stated:

[The Diversity Strategy] is deeper, and there's a lot more to it in terms of policies and actions and interventions, but probably more important actually, it's coherent now. (DCSR1, 2/7/07)

6.2.2 Recognition: The Tacit Dimension

In addition to the value of explicitly recognising diversity in the BBS, the FSC's Diversity Strategy is currently promoting the value of leveraging a diverse range of perspectives, knowledge and creative thoughts. The Head of Learning (HOL) acknowledged that these invisible individual characteristics are recognised as the organisation's most valuable assets:

Diversity is not just gender. I think that's where people get a bit hung up on it. I think that's part of it, I think sexual orientation is part of it. Religion's part of it. Ah, but it's actually just diversity of thinking and style; that for me is probably the biggest one. (HOL, 6/7/07)

Not only did all the interviewees subscribe to this view of diversity encompassing invisible characteristics such as thoughts, perspectives and opinions, but one employee's comment was particularly revealing:

Diversity of opinion is definitely the major one, because everybody has a different point of view and nobody's point of view is all encompassing or even necessarily the best; you need a multitude of points of view to be able to ensure that you've thought about every part of an issue and have considered every possible outcome and things like that. (Employee, 24/12/07)

Managers and employees in the Enterprise Operations Business Unit were particularly aware of the importance of leveraging the knowledge of their culturally diverse workforce to contribute positively and significantly to the success of their operations. The Enterprise Operations Business Unit Project Manager (EOBU PM) confirmed this in her statement that:

I think it also makes us realise, because [the Enterprise Operations Business Unit] is so different, it's so vibrant, you get to then think, 'Well, hang on a minute, these people are from different places'. They may be born in Australia, but [they] have lots of different influences. And so when you're talking to them in meetings and when you're thinking about ideas for work, you can appreciate almost subconsciously that there's a lot more difference that we should bring to the table as opposed to push[ing] it away from the table. (PM, 3/5/07)

The DCSR1 stated that identifying different cultural perspectives as competencies is a key enabler to creating a value-driven, high-performance organisation:

So, again, leveraging different points of view, that's kind of been the context or the mood music to [the Breakout strategy] and therefore it's sort of been the natural progression next that the emphasis I think would turn to something like diversity. (DSCR1, 2/7/07)

This has led to the expansion of the meaning of diversity to include less easily observable tacit factors like 'perspectives, thoughts and views' held by members of the diverse workforce.

Hiring employees who speak languages other than English, particularly those from the countries in which the business is growing, is the current focus of the Diversity Strategy. The HOL stated that the aim is to represent languages like Mandarin and Hindi in the workplace in order to help the FSC access markets in China and India:

We have to represent our customer base again, and understand our customer base. And our customer base is incredibly diverse ... different languages ... so we're having to hire people who can speak Mandarin; we're having to hire people who can speak Hindi. (HOL, 6/7/07)

The DCSR1 added that the recruitment of CALD staff and efforts to leverage their languages are becoming an organisational focus in accord with the FSC's long-term strategic objectives:

The other aspect you talked about was linguistics. We have a target this year in terms of graduate intake that will have 50 Asian language-fluent graduates joining us because of our focus in the future and today on banking in Asia and our partnerships in Asia and our network in Asia. (DCSR1, 2/7/07)

Consistent with this goal, the HOL explained that the recruitment of Asian language-speaking staff is aimed primarily at understanding and learning about the new market and embracing skills that will determine success in appealing to it:

Asia must grow. We have put in over, I think its \$2 billion now into investments in Asia. They cannot fail. That's too much money to fail. And the only way we can make them succeed is to really embrace those countries and geographies, and [the] people and customers [in them]. (HOL, 6/7/07)

In summary, the FSC's BBS does recognise diversity and has produced two Diversity Strategies that focus on recruitment, retention and innovation. Whereas initially the focus was on compliance it has been extended to improving the quality of client service by attracting talent that reflects the communities in which the business is operating, and hence to developing skills and leveraging innovative ideas for future sustainability. In other words, the diversity management model in place is one of Productive Diversity in that it combines the Compliance and Niche Market models, with a specific recognition of the potential value of the tacit dimension of diversity.

In addition, the diversity management model has been identified as exemplary.¹⁴ This is particularly evidenced in the Enterprise Operations Business Unit, and for this reason the next section presents an overview of how the Diversity Strategy has been implemented in this Unit.

6.2.3 A Leading Example of Diversity: Enterprise Operations Business Unit

The Enterprise Operations Business Unit (EOBU) has focused on designing initiatives to assist the inclusion of CALD employees while leveraging their skills and knowledge to encourage innovation. The HOD stated:

¹⁴ The Enterprise Operations Business Unit's diversity initiatives earned the Business Corporate Award for Excellence in Multicultural Affairs from the Victorian Multicultural Commission in 2004 as well as the Diversity@Work award in 2005 and 2007.

In pockets of the bank, you have things like the [Enterprise Operations Business Unit]. That's a big pocket. We have this culture and innovation at a local level, so management was able to make that happen up there... The [Unit] is a great example of where people feel valued. Their engagement's high. (HOD, 8/11/06)

This is particularly important given that much of the work of the EOBU is to go offshore to Bangalore:

When you actually look at how the labour market is at the moment and when you look at where skills are coming from, where we're going to, some of that stuff feeds back to the age demographic of the population... We're sending lots of work to India at the moment, and we've just taken up an operations centre in Bangalore. (Enterprise Operations Business Unit HRM, 23/11/07)

Because the overall strategic business direction is dependent on the need to grow in a global marketplace, the Enterprise Operations Business Unit Human Resources Manager (EOBU HRM) stressed that the Unit's concern over skill shortages in the domestic labour market have led to its ongoing efforts to employ and include CALD workers. Moreover, she pointed out that to be commercially sustainable the EOBU must constantly look to alternative solutions, particularly in recruiting and retaining talent:

If we can't think about where we hire people from and think differently about that, then we are going to have a problem, so this is just another way in my mind of making sure that we get good people to do the work that needs to be done. (EOBU HRM, 23/11/07)

This has led to a more culturally diverse employee base in the EOBU than in other areas of the organisation where the employee makeup is influenced by the customer base. The EOBU HRM stated:

The workforce is really very diverse ... people come from all sorts of different cultural backgrounds and I think what that's really done ... because it's not interacting with customers in a public kind of face-to-face situation ... it actually

lends itself quite well to people [whose] first language [is not English]. (EOBU HRM, 23/11/07)

Realisation of the importance of embracing the ideas, views and languages of diverse employees has led to the promotion of diversity initiatives within the Unit. The EOBU PM stated:

The Diversity Strategy evolved because all of a sudden people have become more aware [that] the people they work with every day have a whole host of interesting background and things to offer, that celebrating once a year in such a huge way just continually reminds us not to become complacent about it; it's just people at work. (EOBU PM, 3/5/07)

The EOBU PM went on to say:

We thought at the time it would be a good idea to celebrate those backgrounds because all of a sudden it was like, 'Oh my goodness' we've got about 44 cultures here, and we've got people that can speak so many languages, et cetera... So that really created the impetus to make us more aware about all of the people within the building—at that time it was within the building—that we probably didn't appreciate before. (EOBU PM, 3/5/07)

However, these initiatives have not yet formalised recognition of the tacit dimension of diversity. The EOBU PM stated:

I don't know that there's ever been a specific strategy to draw it out. (EOBU PM, 3/5/07)

Instead there is a 'bottom-up' culture that the EOBU PM credited as being more effective in promoting and embedding the Productive Diversity management model across the Enterprise Operations Business Unit than any policy pronouncement from head office. She stated:

[FSC] group diversity certainly espouses [being] inclusive, [doing] this for women, [doing] this for [the mature aged]... But it really doesn't matter how much group head office espouses a policy, it's not [in place] until it hits the floor here and a line manager or a champion or an advocate actually makes it real. (EOBU PM, 3/5/07)

This has allowed the Diversity Strategy to flexibly change depending on contexts and employee needs. The EOBU PM stated that a survey to identify issues relating to diversity in the workplace (the 'My Difference' Survey) has had considerable impact on the direction of the Diversity Strategy and enabled its focus to be customised. The survey's aim was to identify from the perspective of employees which policies worked well to support diversity and where the gaps were. This shows that there is a two-way communication as employee feedback is encouraged and considered:

I'd say they're continually changing ... like they may have focused on mature age workers. And then in the next six months, based on maybe a survey that they've done, they know that they've got to step up to the plate on disability. Then they may have feedback through other mechanisms: 'Oh, and we've gotta do something about this.' So it's just evolutionary, not sort of revolutionary for them. (EOBU PM, 3/5/07)

Indeed, the effectiveness of what has been achieved in the Enterprise Operations Business Unit has led to attempts to translate the processes across the FSC. The HOD explained:

[The Enterprise Operations Business Unit] is a really good example; you've got some really amazing business units that are doing amazing stuff. And then it's, well, how do we actually roll that out across the [FSC]... Now we're working to develop a strategy to roll-out across the [FSC], and so that's the phase we're in now. (HOD, 8/11/06)

In summary, the Enterprise Operations Business Unit provides an example of effective diversity initiatives that recognise the value of leveraging the languages spoken by

employees and their cultural knowledge. The unit's Diversity Strategy implementation has shifted focus depending on the condition of the labour market and employee needs.

6.3 Diversity Strategy Management Implementation

6.3.1 Communication

This section presents the research findings on the approaches used by the FSC to raise awareness about diversity and to enable employee input into the Diversity Strategy implementation.

6.3.1.1 Raising Awareness (One Way)

A core component of the BBS is the Breakout Cultural Transformation Program (BCTP) that focused on improving the work environment through building trust and collaboration across cultures to retain employees and to enable them to perform their best. The DCSR1 stated:

changing [the FSC's] culture to a common [one allows it] to flourish and engage with a variety of cultures within the [organisational] culture. (DCSR1, 2/7/07)

The BCTP links the organisational cultural change to implementation of the Diversity Strategy. The EOBU HRM stated:

The link that I see between Breakout and diversity is that Breakout is all about understanding who you are as a person and bringing that whole person into the workplace. So that, to me, reflects that everybody is different and that we value that difference, and that's how it's tied back to diversity. (EOBU HRM, 23/11/07)

The BCTP provides a series of tools that help staff express their ideas and thoughts freely and become more engaged. The HOL explained this as follows:

Breakout looks at attention and intention ... when you're with someone, what is your intention in the conversation and are you providing, giv[ing] them attention. So there's a series of small tools. And there's a thing in Breakout called 'withholds', which [means] are you expressing yourself fully or are you

actually withholding information? ... All of this is about authentic conversations... Then we have in Breakout Mastery something about engagement... How do you engage yourself and how do you engage other people? (HOL, 6/7/07)

The tools are presented to employees during training sessions organised into three parts: the foundation session, the follow-up session, and the recharge session.¹⁵

However, despite some successes line managers still lack knowledge of how the Diversity Policy and initiatives relate to them and their responsibilities. The DCSR1 described this as follows:

There are the basic things that we know about how we approve leave and how we sign other people's expenses, but [there are other things that] people don't automatically know about... [For example,] someone asked me if they could work a three-day week. Now, I mean fine if they don't know the answer, although in the ideal world is they do, but they should at least know where to go to get the answer or at least know what the interim answer [is], which is along the lines of 'I actually don't know the solution to that in terms of the [organisation], but I will do whatever I can to support your working aspirations against the business, et cetera'. As opposed to, 'No, we don't do that round here', which may or may not be said from the point of view of ignorance. (DCSR1, 2/7/07)

This lack has led to recognition of the need for a more comprehensive standardised tool kit to assist managers to implement Diversity Strategy, raise awareness and educate employees on diversity. One version of such a kit is currently being piloted within the organisation:

We have been asking for almost like a tool kit for line managers... The intention is to roll it out to all staff or at least make it available to all staff and what it talks about is what is diversity, what are the different aspects of diversity. How can you actually pick up and absorb different elements of diversity in your role.

¹⁵ The BCTP will be described further in the next section under Training.

We're just piloting and getting it together, and once it's done, it'll be released for all staff just like Breakout is ... it's got all the elements of diversity in it. (DCSR2, 2/7/07)

In addition to the BCTP, the FSC relies primarily on electronic media to ensure the availability and accessibility of diversity information. The DCSR1 described electronic media as 'the repository I'd say of most of the information' (DCSR1, 2/7/07).

The organisation's intranet platform, MAX, is integral to the communication of information on diversity. The HOD explained:

We rely heavily on the intranet ... ultimately the intranet is where we put up everything. So if you want to know what policies exist in [the organisation], you go to the intranet. (HOD, 8/11/06)

While recognising its value for communication, the HOD did have some reservations about the FSC's heavy reliance on the intranet:

the way the intranet works is there are icons every day on the internet, and so [the CEO], say, announced the targets on the intranet in February. You typically get eight to 10,000 hits on one of [the CEO's] icons. So that's not bad. So we do leverage, and to some degree, I think we've over-relied on the internet. (HOD, 8/11/06)

Even though the HOD made a connection between MAX's effectiveness and the number of hits recorded, it does not mean that MAX works well. Many employees interviewed reported problems and frustrations stemming from the size and complexity of the system. Typical of employee statements were the following:

When you create a tool that is supposed to be the main source of communication and information storage in a company, it ends up too big for most people to deal with; beyond the front page, you just get lost. (Employee, 24/12/07)

They are relying on MAX way too much for it all. And to be honest, MAX isn't, I don't find it, all that easy to navigate. Even [if] you put a simple search in, and you'll, you've got to go through pages and pages of stuff before you find the one bit that you want. It's just not that easy. (Employee, 15/11/07)

I know when you do searches, like on diversity, and you put it in, and you'll get screens of stuff because it brings up anywhere diversity is mentioned in a document. And I don't want that. I want the person to contact. (Employee, 15/11/07)

I don't find it particularly user friendly or easily accessible simply because of the volume of material that's there, and the search engines are not that great. (Employee, 24/12/07)

Other employees stated that lack of time is a major factor that hinders the effectiveness of electronic communication:

A great majority of our staff don't have the luxury of logging onto a PC and sitting down for half an hour and reading through MAX and finding the People Policies or whatever policy it is they want; they've got to serve customers, and the only PCs they've got are at the teller stations. (Employee, 24/12/07)

We're a time-poor environment when it comes down to it because everything's so sort of time critical. You just don't have the time to sort of sit around, and when you do have the time, you feel guilty about taking it because you know how much stuff you've got to do. To be honest, you'd [be more likely to think], OK, I've got five minutes to spare; I'm going to get up and walk away from my desk. I'm going to take a break, I'm going to walk, and get away, rather than sit at my desk looking up something on MAX. (Employee, 15/11/07)

In response, the HOD suggested the need for more face-to-face briefings, discussion forums and more talks from external and internal experts designed to engage employees in a dialogue on diversity, as this would resonate more with employees:

In a large organisation like this, having the champions internally who can talk about [the issues] I think is key, but also we are Australians, we tend to look for external experts as well. So you have to get the balance. (HOD, 8/11/06)

The Headquarters Human Resources Manager (HQ HRM) suggested more face-to-face meetings by the communications team:

...the most important thing for us would be each level talking to the level below and actually communicating it in person. It's kind of how we prefer to communicate... We've got a communications team, so basically their role is just to communicate to the business. So anything that comes through that needs to be communicated out to the group goes through them. (HQ HRM, 17/11/06)

Employees confirmed their support for more face-to-face meetings in statements such as:

It's easier to set aside an hour for a monthly meeting or a social event than it is to spend an hour sitting online and reading what's on there, which may be out of date... But you just don't make time for [it] in the way that I'm happy to make time for—or I find it easier to make time for—a meeting. (Employee, 24/12/07)

I think face-to-face is better ... that's where we'll learn more about the strategy for Enterprise Operations. (Employee, 15/11/07)

Employees also stated that they preferred written information that they can read outside of the workplace. Written information is only published at the launch of a new area of diversity or when the organisation wants the diversity message to be symbolic. One employee described this as:

I firmly believe in the power of the written word, and I don't like emails so much. I'd rather get a one-sheet newsletter that I can maybe take home and read on the train, or have a look at later on. So you're not committed to reading it at

work. You can absorb what's in it, and that sort of stuff. And that, to me, is something that I feel works better. (Employee, 15/11/07)

6.3.1.2 Employee Feedback (Two Way)

As well as providing information to raise awareness, the BCTP includes other initiatives that encourage employee feedback and involvement. Once again the Enterprise Operations Business Unit provides an important example of the encouragement of employee feedback and involvement through its 'Culture Week' initiative. Recognised as an exemplary diversity initiative by Diversity@Work, 'Culture Week' was introduced in the Enterprise Operations Business Unit as a way to acknowledge, celebrate and raise awareness on the many cultures within the organisation. The EOBU HRM stated:

In terms of the initiatives, the biggest thing on the agenda is Cultural Week... That started four or five years ago... People had sort of looked around and [said], Well, this is a kind of culturally diverse sort of place, let's have a day and let's celebrate all the different backgrounds and cultures that we've got in the workplace. It kind of, the day turned out not to be long enough, then it became a couple of days, and then it kind of became a week. (EOBU HRM, 23/11/07)

The EOBU PM described the 'Culture Week' initiative as incorporating a general awareness campaign intended to educate staff on new policies and on the different cultural traditions of their colleagues:

We also talk about other diversity things in Culture Week ... we try and promote... And by the way, don't forget we've got all these policies for mature age workers, we've got this for disability, we've got this and this... So it's sort of, we try to create a general awareness campaign in that week as well. (EOBU PM, 3/5/07)

Employees described the activities held during ‘Culture Week’ as including the opportunity to share success stories and information on diversity:

We made sure we had a diversity wall up; things about different diversity issues and that sort of thing. And made sure someone was around if someone wanted to talk about it. (Employee, 15/11/07)

We included all sorts of diversities, and we put on little articles about people achieving success in life in spite of their diversities. (Employee, 15/11/07)

Activities during the week included the artistic display of cultural images and symbols, the exploration of cultures through food, arts, music, national costumes, hobbies and national sports, as well as activities designed to encourage learning. For example, during the learning sessions, explanation of the languages, religion, historical background and geographies of the 44 cultures represented in the Enterprise Operations Business Unit were presented. The EOBU HRM explained:

People from within the Enterprise Operations Business Unit ... just run a session ... basically ... anybody who knew how to do something from a different background would take a little class and show people how to do it. (EOBU HRM, 23/11/07)

The EOBU HRM described the reason employees participated in ‘Culture Week’ as follows:

Why do they get so involved?... I suppose it just gives them a chance to ... be proud of where they’ve come from ... whatever their culture is, it gives them a chance to showcase it ... it's in an environment where people accept it, are interested, [and] want to learn more about it. (EOBU HRM, 23/11/07)

One of the employees describes his involvement as follows:

there is a sense of pride about being different and a sense of responsibility to raise awareness on the different cultures in the workplace.(Employee, 24/12/07)

A principal reason for the week's success has been that it is driven from the grassroots level. Both the EOBU PM and the EOBU HRM explained that the initiative was driven by employees. The EOBU HRM stated:

[The initiative] was not owned by [HR] in any way, shape, or form; it's not an [HR] initiative, it's an Enterprise Operations Business Unit initiative. And I think that's the reason why it is such a success is that it's not run by another group, it's run and owned by the business here, and that's what they're passionate about... So to see them actually get so involved in something fully across the board was quite amazing. (EOBU HRM, 23/11/07)

Likewise, the EOBU PM confirmed:

So our actual people that make it happen are the people from our workforce. It's not a management team at all. It's not top-down; it's very bottom-up. (EOBU PM, 3/5/07)

'Culture Week' has been so successful that consideration is being given as to how to extend the idea across the organisation, as is indicated from the comments below:

Breakout [has been about] corporate change and acceptance, and that's kind of transformed areas ... In Culture Week we can celebrate things like cultural diversity very openly, and I think that's starting to surface in the other areas of the [FSC]. (EOBU HRM, 23/11/07)

[The Enterprise Operations Business Unit] is a really good example—you've got some really amazing business units that are doing amazing stuff. And then it's, well, how do we actually roll that out across the [FSC]. (HOD, 8/11/06)

Another example of encouraging employee feedback is a short, two-hour event led by the diversity team that specifically drills into the views of employees within a given team at the FSC. The HOL explains:

In a team sense, there's also now a new initiative which is around diversity for

teams, where they can bring teams together, and actually have an open conversation with that team about inclusion and diversity in that team. (HOL, 6/7/07)

The Diversity Council also encourages employee feedback and involvement as it aims to uncover employees' views on diversity. The EOBU PM describes the main activity of the Diversity Council as:

A continual communication of people that get together and talk about what they're hearing, what they're experiencing, and what they're seeing going on in the [FSC]. (EOBU PM, 3/5/07)

The DCSR2 highlights the importance of employee feedback in the functioning of the Diversity Council:

It's a mixture of grassroots input... It's a mixture of advocacy in terms of the knowing and being part of and therefore advocating back into the grassroots of the organisation. (DCSR2, 2/7/07)

The Diversity Council also encourages informal knowledge sharing by supporting interest groups. As one employee stated:

One of the [Diversity Council] policies, [is] to encourage and support interest groups ... to allow employees with similar issues to get together to discuss those issues in a work context. (Employee, 24/12/07)

In sum, the FSC has implemented a number of communications strategies designed to both raise awareness and encourage employee participation in the implementation of the Diversity Strategy. There are two major programs in support of diversity: the BCTP and Culture Week. The BCTP involved building a foundation that empowers employees to express their diversity and provided a series of tools that have motivated the employees of the Enterprise Operations Business Unit to develop an award-winning initiative called 'Culture Week'. Its success has led to considerations of how to extend this initiative across the whole of the FSC. Both these programs include an awareness component related to diversity activities and the Diversity Strategy, and they also aim at

employee engagement and improved communication with an emphasis on relationship building. Even though the two programs provide awareness raising on some aspects of diversity, there is a need for a comprehensive information resource kit on diversity designed to assist line managers to make diversity operational. There is also recognition that more information is needed through a variety of mediums, not only through the intranet. It is indicated that culture is but one aspect of diversity and the focus is on gender and age. The links between innovation and DM are claimed but are difficult to uphold. While section 6.2.2 shows the expansive nature of diversity, it is clear that the case for leveraging tacit knowledge that is ethnically influenced is difficult. This case also reports on the intranet and its lack of effectiveness.

6.3.2 Training in Cultural Intelligence (CQ)

The FSC offers a range of training options that, to some extent, include all three components of training in cultural intelligence: cognitive, motivational and behavioural. The BCTP provides a training program that aims to facilitate communication between employees and to build on, and gain leverage from, their ideas. The head of the 'Breakout' team explained that a series of workshops that incorporate emotional intelligence (EQ) tools as part of the training are devoted to providing an insight into one's behaviour. This leads to self-reflection that enhances employees' abilities not only to understand themselves better but also to better express themselves to others. Developing the emotional competence of employees encourages them to bring their opinions, perspectives and ideas to the workplace:

The Breakout workshops are based on key principles such as emotional intelligence, trust and communication... The focus was to empower people at the organisation to become aware of their impact on others and give them the tools to enhance these relationships. (The Breakout Story, 2/2/07)

The HOL provides an example that explains how an employee's motivational capabilities are developed in this training:

There's a model we used in [one of the Breakout workshops] called 'Motivational States Model' ... All of that is about saying, I have all this negative mind talk about having a conversation right now. Actually most of that's completely irrational. If I can park all the irrational stuff, focus on what's

real for me and what is true then maybe I'll be able to shift my energy to have that conversation. (HOL, 6/7/07)

While no longer mandatory, employee participation in the BCTP is still highly recommended and supported by management with employees given continual reminders such as 'You haven't done Breakout' (Employee, 24/12/07) to enrol in the program.

The HOD described this as 'an edict out that everybody does [the BCTP]' (HOD, 8/11/06) and the EOBU HRM summarised the situation as:

...you need to be ready to do it; you've got to be in the right mental state to take it all in and appreciate it. (EOBU HRM, 23/11/07)

To assist employees, the BCTP training sessions are flexibly designed to meet staff needs and limited time. The EOBU HRM described this as:

There are three different options—you can do a one-day, a two-day, or a three-day session, which is like a foundation session. And then they've got sort of follow-on things. And then there's another thing called Breakout Recharge, which is where the people who have done the foundation ... want to do some more so it stays alive and it's not forgotten. (EOBU HRM, 23/11/07)

There is some concern from employees over the fact that it is not only the time taken for training that has to be accounted for, but also that the workloads continue to accumulate for the duration of the program:

You've got to schedule it into the roster and make sure you've got cover for it and get it all planned... And then they still expect you to be able to step out and do all this other stuff as well. (Employee, 15/11/07)

Thus, as one employee stated, greater recognition of the need for more flexibility between work commitments and the BCTP is needed:

There needs to be a bit of flexibility on both sides, that you might give up a bit of your time but the bank's also got to let you give up a bit of your work time to

go to something like this. Because otherwise it's just, you get, people start resenting having to give up their own time: 'When it's something for work, why should I?' (Employee, 15/11/07)

Cost is also a constraint as the limited training budget has to be allocated between this training and vocational-specific training. One employee stated that this is a disincentive to attend the training:

I think also there is a cost that goes with that, that is attributed to your business unit. And I would rather, to the extent that I have a training budget, apply it to more vocational-specific training. (Employee, 24/12/07)

Despite these challenges, those who have done the program acknowledge its many benefits, particularly in terms of the tools provided that are useful in developing employees' self-awareness, and thus motivation, which in turn improves effective communication with others.

The organisation has recently launched another training program as part of its international expansion. The program aims to build on employee capabilities and skills so that those involved in offshore operations can work more effectively across cultures. It is offered to teams whose members must interact with employees from offshore operations, located at both headquarters and the Enterprise Operations Business Unit. The EOBU PM explained:

The cultural awareness one was part of the whole offshoring program, so every team that's touched by offshoring was going through that... We have put all of our leadership team through in this part of the business unit ... because if they aren't directly dealing with our Bangalore colleagues now, they may be at some point in the future. (EOBU PM, 3/5/07)

This training is designed to deepen employee understanding of the different cultural norms, values and work practices that significantly impact their behaviours and interactions. The EOBU HRM stated:

Over the last 18 months, we've been offshoring a lot of work over to India ... there's been a pretty concerted effort around, I suppose, breaking down those barriers and developing some understanding of different cultures and the way that different people work and communicate, what their preferences are. There's been a lot of cultural awareness workshops. (EOBU HRM, 23/11/07)

In other words, the cultural awareness training aims to develop the cognitive component of CQ by educating employees about the traits of other cultures and helping them understand the fundamental dimensions of cross-cultural interaction. The EOBU PM explained:

The first thing that the team out here did for us was to provide a formal education around ... some of the nuances to being part of an Indian culture compared to an Australian. So it gave us insight as to why things may be done the way they are, and not to judge, but to figure out how you're gonna get around it. Work more effectively with them, but not judge them because of it. (EOBU PM, 3/5/07)

The benefits of the training were recognised by both managers and employees, particularly in developing an appreciation of cultural difference and of how to deal appropriately with employees from other cultures. The EOBU PM stated:

...going through the cultural awareness activities of the last sort of four years has taught so many of us to appreciate differences. (EOBU PM, 3/5/07)

The EOBU HRM reiterated these advantages:

I think it's good to do the cultural [training] to help people to think about things differently when they're going into something unknown. (EOBU HRM, 23/11/07)

Employees also offered the following positive comments about the benefits of the training:

It does give you strong general guidelines about the stereotypes and the generalities. (Employee, 15/11/07)

I found it [gave] me some insights, and I found it useful, and I would like more, and I would like other people around me to have more. (Employee, 15/11/07)

Other employees provided the following description of the training, including the advantages it offered:

I went to a cultural diversity awareness workshop to sort of teach us a little bit about the stereotypical generalised culture of India... These are the general differences in the way Indian people think and work as opposed to the general ways Australian people think and work ... so we can understand that. (Employee, 24/12/07)

I do think a bit of training in the Indian approach, with my dealings with Bangalore, would be of assistance. (Employee, 24/12/07)

I think it would be helpful. I don't know if people actually realise what they're doing and why, whereas if there was the training, then people would be able to apply that rather than sometimes let it lapse. (Employee, 24/12/07)

While the cultural training is focused on providing skills and knowledge for those dealing with offshore operations, the tools and principles taught at the training are also applicable to any cultural grouping within the Australian business. The EOBU HRM stated that she is keen to see the training extended to all FSC employees so that communication and understanding is not only facilitated between operations internationally but also between employees locally:

All of this stuff applies to them working with anybody here of a different culture, the same as it would apply to them working with somebody from India. So they should have been picking up those principles that they were learning and applying them to people within the building, as well as [to] people in Bangalore, because there is a huge range of different cultures just within the building where the same principles would apply. (EOBU HRM, 23/11/07)

In addition to this cultural training for employees there is a more sophisticated version of EQ training provided as part of the leadership development 'Personal Mastery' program for managers. The focus of this training program is on managing oneself in relation to other employees. The HOL explained this as:

Personal mastery ... is about managing yourself, your energy, what you stand for, your ethics, do you have a sense of purpose... It's about me being in relation to others, and [FSC] people being in relation to each other. (HOL, 6/7/07)

However, this self-awareness is limited to general situations and does not specifically target the influences of employees' ethnicities on their emotions or thought patterns.

A more relevant motivationally based training provided at the FSC is a program called 'Authentic Conversations' that 'skills up' employees so that they are aware of the way they communicate and the communication process in which they engage. The HOL states that:

There's a whole series of tools and practical techniques ... most of which are motivationally based around ... preparing people to be able to have authentic conversations with each other ... so people feel the ability to express themselves fully and freely ... to reassure people of [one's] intent in [the] conversation. (HOL, 6/7/07)

The HOL adds that other tools are brought in to 'constantly allow people to get themselves into a different state, and support those communications'. The purpose of these tools is about allowing employees to be aware of their personal state. The HOL explains:

We teach them tools and techniques to actually challenge some of their mind talk and to shift their energy ... to understand and listen, and kind of acknowledge different perspectives. (HOL, 6/7/07)

Thus, the organisation does provide a motivationally based form of CQ training that focuses on developing self-awareness in employees so that they become sensitive to

other contexts through understanding their own emotional states, those of their colleagues and the communication process that binds them together.

Several other programs are offered by the FSC that incorporate some training in the behavioural component of CQ. The 'Igniting Teams' program uses a team coaching training tool designed to promote inclusion and understanding of diverse perspectives. This technique, which is part of a whole series of tools introduced in the 'Igniting Teams' program, reinforces diversity, systematically builds habits and modifies inappropriate behaviour. The HOL provided the following description of the training process:

The coaches get to see their players in action. And if there's ever a breach or I guess a lack of inclusion or a lack of understanding of diverse perspectives, the coaches are great at saying, 'Hey, hang on a minute here, guys; here's what I'm sensing, that you're not listening to each other'. Or 'Are you open to this point of view?' or just really calling some of the behaviours that they see live in action. (HOL, 6/7/07)

The 'Corporate Charity Challenge' immerses a very diverse group of employees from different communities and cultures in a scenario over a week-long period. Its aim is to accelerate employee skills development by encouraging them to experience a broad array of diverse cultures, by helping them to understand how a foreign culture works in terms of decision-making and energy management, and by encouraging them to reflect on that information and translate their findings into what it all means for them, both as individuals and as a group. The HOL explained as follows:

And by the way, on that you've got people from executive level all the way down [to] graduate level. It's a whole array and spectrum of people that will spend a whole week together... And every night there's a synthesis of what they've learned, a bit of reflection time around diversity... They're going to, in late September, go to a tribe of Aboriginals in the north of Western Australia; they're gonna spend two days immersed in that community... Last year, the exact same program went to Vietnam. Again a very different culture... And each year will be in a different area. (HOL, 6/7/07)

The 'Leadership Essentials' course aims to familiarise managers with the many different groups in the organisation so that they can better understand and manage them. Designed for new managers, this training uses role-play and simulation techniques to immerse managers in roles that are different from those they generally play. The training uses a reflective process of engagement that creates learning opportunities for managers by deepening their understanding of the varied range of beliefs, knowledge, values, orientations and styles of other employees with whom they are working. According to the HOL, this type of program brings diversity to life:

We look at actually putting people [in, having them take] on a role. [Like] what does it mean to be an Aboriginal or from a different culture. There's a whole bunch of roles. And they have to then make decisions, and they play a role for an hour where they literally immerse themselves in that character and start to understand some of the complexities and differences that exist between those characters. So that's another example I guess at an individual level of how we're bringing diversity to life. (HOL, 6/7/07)

In summary, the FSC has implemented a number of training programs that aim to develop managers' and employees' cultural intelligence, particularly in areas where employees are directly involved in offshore operations. The cognitive component of CQ is the focus of the FSC cultural awareness training program that aims at skills development. The development of employee self-awareness from programs such as 'Authentic Conversations' and by using EQ tools in the BCTP generates an outcome similar to that produced by the motivational component of CQ training. Other tools offered in the 'Leadership Essentials' and 'Corporate Charity Challenge' programs include role-play, coaching, and simulations that fulfil the behavioural component of CQ training. However, there is recognition that extension of this training across the organisation as part of a systematic cultural awareness training program could be advantageous. As it stands, much of the training is currently limited to employees who are directly involved in offshore operations or for managers as part of management skills training.

6.3.3 Social Networks

There is some evidence at the FSC of voluntary, informal development of employee interest groups (often termed CoPs) that explore and discuss topics of interest. Such groups are formed organically but are then supported by the FSC's Diversity Council. The DCSR2 described this as:

Network groups have kind of grown organically around common staff having a desire to do something and then the organisation providing the background and initial seed funding to make it happen. (DCSR2, 2/7/07)

Employees confirm that the FSC does provide opportunities for employees to network and share their experiences and to share informal knowledge:

One of their policies to encourage and support informal groups of networks [is] what they call interest groups ... to allow employees with similar issues to get together to discuss those issues in a work context. (Employee, 24/12/07)

Informal knowledge sharing networks are much more commonly used than the formal ones. (Employee, 15/11/07)

Networks are more immediate for informal knowledge sharing. (Employee, 24/12/07)

The HOL confirmed that these interest groups positively contribute to learning and innovation through the ongoing sharing of collective knowledge and result in three main advantages: '...knowledge transfer ... support ...[and] idea generation' (HOL, 6/7/07). These benefits occur through employee relationships and informal knowledge sharing. The HOL stated:

People are getting to know each other and build relationships ... they get to know other people; they can actually learn a lot from each other along the way. (HOL, 6/7/07)

The EOBU PM stated that these interest groups are also useful for raising awareness that makes the Diversity Policy able to be implemented:

[The group diversity or HR units] can send any old policy down the tube, but until somebody that either you know or you're connected with makes it real, puts a face to it, for a lot of people it doesn't happen. So to me that network group is what makes it live and breathe. (EOBU PM, 3/5/07)

Despite recognising that the organisation encourages such networks, employees also stated the need for greater management support by providing time during work hours so they could attend these groups. Several employees commented as follows:

In an informal network, nobody has any official time off from their day job to do this. (Employee, 24/12/07)

It's very hard to get time off from work to go to those sorts of things, because it's not considered to be work, even though to me it is. (Employee, 15/11/07)

They don't just encourage you to take the time. Instead of sort of someone coming up and saying, 'I heard you want to go to this. That's a good idea. Look, we'll reschedule things; we'll organise it for you so you've got time to go', it's sort of, 'If you want to go, you've got to do it yourself'. (Employee, 15/11/07)

Whether these employee interest groups should be encouraged to function independently or supported by management is, however, debated within the organisation. On the one hand, HR argues that they may be able to help the groups. For example the EOBU HRM stated:

We don't want to come over the top of your current meeting, but we would love to come in and meet you and find out what you do, and what you have been doing and what you would like to do. And we want to jump on board and work with you. (EOBU HRM, 23/11/07)

On the other hand, the DCSR1 expressed concern about getting the right balance and maintained that it is better to allow interest groups to grow organically and run themselves, rather than HR setting them up organisationally:

I think on balance the right one is to be as supportive as you can, provide resourcing in the right and appropriate way, but don't sort of somewhat artificially organisationally set up a group. I think these things are better attained organically. (DCSR1, 2/7/07)

Despite the existence of a variety of interest groups, there are none that focus on the question of cultural diversity. Indeed, the DCSR1 was wary that such an interest group may be divisive:

...it would almost be like we're all different so we need to join this group. Firstly, I'd feel uncomfortable that an organisation was that broad. It's almost like, well, everyone else is WASPs, and we're culturally and linguistically different. So I'd hate, I think I'd rather it was different sorts of groups as opposed to an umbrella group. (DCSR1, 2/7/07)

To encourage further networking, one initiative that is currently being explored is the establishment of a Breakout Centre that will provide a supportive learning environment in which staff are encouraged to communicate on specific issues of interest through open space discussion forums using virtual global connections. The HOL explained:

We're building a facility...We will have a whole zone there dedicated to allowing people to build podcasts... Again it's just about linking people to other parts of the world... With technology nowadays, well, I guess what I'm getting to is there is some opportunity to allow people to go one step beyond where they're probably at, at the moment. (HOL, 6/7/07)

The Breakout Centre has the potential for employees to express their views and thus share their tacit knowledge through discussion forums, particularly given the anonymity provided. The HOL stated:

Some of our best research takes place on the web, because you get all these students who are looking to apply for graduate roles, and they all take on these names. But they describe in brutal honesty their experience of going through the [FSC] graduate program, and the XXX one, and XXX [organisation] and others. It's fantastic. You read these blog sites, and it's all there in brutal, brutal honesty. (HOL, 6/7/07)

Most important, creating a Breakout Centre that relies heavily on technology and podcasts could mean the beginning of the virtual discussion forum as an additional and/or alternative communicative medium in the corporate environment. Indeed, the HOL expressed his commitment to pursuing this direction:

[Employees] perhaps don't get a chance to express all of that in a corporate environment. So that's what we were aiming to do through that. (HOL, 6/7/07)

In summary, while the FSC appears to encourage employees to form interest groups, more concrete support is needed from managers, particularly in regard to time allocated to enable employees to meet during working hours. It is also unclear how much support is needed and what degree of involvement employees would welcome from the organisation. The development of the Breakout Centre, with facilities for employees to establish virtual networks, may provide more opportunities for such networks in the future.

6.4 The Contribution of Human Resources to the Diversity Strategy

6.4.1 Current and Future Responsibilities

HR has the overall responsibility for the Diversity Policy. There is divided opinion on the extent to which HR should be, or is capable of, implementing the policy. On the one hand is the argument that HR should drive diversity. The DCSR2 argued:

That's where diversity currently fits... In terms of where it sits and where the main sponsorship is coming from, I think that it's quite a good fit. (DCSR2, 2/7/07)

Similarly the EOBU PM stated:

[HR] puts the structure behind making sure there are policies in place to support [diversity] ... [HR] would come in and consult ... this is how you can make it more effective, this is how you'd make it proper, and this is how you might implement [it] through all the systems and policies. (EOBU PM, 3/5/07)

Likewise, the HOD explained:

We have [HR] people assisting, so you can get policy advice ... that role is to actually [provide] somewhere for people to go for help. So it's not just for information, it's for help. (HOD, 8/11/06)

In arguing for a centralised approach the HOL stated:

One of the things that prohibits diversity is the concept of separation... We're trying to communicate a message here, and we're trying to reinforce it. But there are lots of competing messages. Sustainability's a big one right now and becoming environmental... In a successful company like this one, that's growing really fast, there are a lot of competing demands for your attention. And that's probably more of an obstacle than anything else ... getting and keeping and holding attention to something for long enough that you can achieve a sustainable shift. (HOL, 6/7/07)

The Diversity Council agreed that HR should play a more central coordinating role, benchmark the Diversity Strategy and provide consistency in driving the strategy. The DCSR1 stated:

There's an inconsistency of application and support ... by the business for some diversity policies, flexible working choices, and things like that. And therefore I think that's a very important part in terms of actually driving that consistency. (DCSR1, 2/7/07)

The DCSR2 proposed a centralised team that could try to push the strategy a bit more:

We've been arguing for a while as to whether or not [the head of HR] needs a team under her to actually be able to make the business accountable for everything that we've come up with, with the strategy. (DCSR2, 2/7/07)

Indeed, some argue that HR needs to create a business case more constructively, and provide evidence of the real tangible business results that could emerge from diversity. The HOL stated:

This is a company that prides itself on delivery, so ... something that will clamour for attention as well is the need to actually create real tangible business results. And in the absence of that, some of this stuff will suffer. (HOL, 6/7/07)

However, the current effectiveness of HR in supporting diversity was questioned. The HOD stated that on the one hand the expertise in HR and its role as a centre of advice is undervalued, but on the other hand HR has not been very effective as a supporter of diversity:

In the diversity area, there's some expertise in [the human resources management] area that people often undervalue... [HR has] a role to support individuals, where this stuff is not working; I think we've lost that a little bit. (HOD, 8/11/06)

The EOBH HRM suggested that HR should be more involved in providing support to staff:

At the moment, they don't have that support from [HR] ... I'm sort of doing my best to build those relationships up and get myself out there, and take the time to do that... I think [HR] can provide that connection. (EOBU HRM, 23/11/07)

The problem was highlighted by employees in the Enterprise Operations Business Unit who expressed their frustration in not being able to find information on diversity:

If you want something done, you do it yourself. You've got to find the information [on] how to do it yourself. And I think if they had more people around, being the guide post, you could say that would help. (Employee, 15/11/07)

Another employee added:

[HR personnel] could go... along to monthly meetings in different areas and just let people know who they are, and that sort of thing. (Employee, 15/11/07)

For HR to be effective in supporting and driving diversity across the organisation, the EOBU PM suggested that employees in HR should be knowledgeable about diversity and more skilled in communicating the diversity message:

...finding the people who do it well and getting them to play their influencing role or that teaching role is probably one of the more effective ways of getting it done ... then a policy comes out, identify your three key champions, give them the time to go out and influence. (EOBU PM, 3/5/07)

Doubts raised about HR's capacity to coordinate the implementation of diversity have added support to the line managers' claims that they should have responsibility for implementation of the Diversity Strategy. The DCSR2 stated that line managers have resisted the involvement of human resources:

The impression that I'm getting is that each area wants to be able drive that for themselves rather than be driven by [HR]. (DCSR2, 2/7/07)

However, many feel that line managers lack the leadership capabilities to implement the Strategy. The HOD stated:

We have quite a low capability of leaders in this space, and yet we have similar people that manage it really well, and others that don't. And it's actually been about luck... You have to help managers get it, and the mindset stuff's really important. (HOD, 8/11/06)

Moreover, it is argued that many line managers do not see the value of diversity. The DCSR2 explained:

A lot of it unfortunately depends on the person who's implementing it, so the same policy is implemented slightly differently in different areas depending on the leadership of that particular area, and if a person has a [wording indistinct] to be more diverse and more open, they will implement it in a manner which is more flexible than somebody else who chooses to do it differently. (DCSR2, 2/7/07)

However, there are pockets of effectiveness, which suggests that the problem may be the size and location of particular operations and the style of leadership. In the Enterprise Operations Business Unit it was argued that the Executive Manager is seen as supporting the diversity message and that this is easier in a smaller unit. The EOBU PM stated:

The other thing that's good here is that we've got quite a large building in one place. And so it's like it's [the Executive Manager's] place. So if he's gonna walk the talk and make it happen, the whole building benefits. Versus you go to another building inside [the FSC] that may have 2,000 people in it, it may have 20 bosses in charge. So how you get those 20 to all want to promote it at the same pace, that's where I think we sort of unravel. (EOBU PM, 3/5/07)

The EOBU HRM adds:

The difference that I've noticed, and I think what kind of sets [the Enterprise Operations Business Unit] apart a little bit from the rest of the [organisation], the fact that it's physically located somewhere else is always going to foster a bit of an environment of its own, which is different. (EOBU HRM, 23/11/07)

In summary, the role of HR, and its capacity to provide centralised support for implementation of the Diversity Policy across the FSC is unclear. While some regard HR as integral to effective policy implementation, others argue that implementation should be the responsibility of line managers, using the lack of knowledge and skills of HR personnel to support their arguments.

6.5 Linking Diversity and KM/S

As stated at the beginning of this chapter, the Diversity Policy/Strategy is integrally linked to the organisation's BBS. However, there is only limited acknowledgement of the potential link between the Diversity Policy/Strategy and the Knowledge Management/Sharing (KM/S) Policy. The HOL indicated that there is some recognition of the value of linking diversity and KM/S policies and of their joint implementation:

To some extent they're intertwined, 'cause we have a relationship to play [in KM/S]—we have a role to play, I should say. (HOL, 6/7/07)

He provided an example of the role diversity plays in KM/S:

In knowledge management, we have 'SharePoint' which is a Microsoft community website ... we play a key role in promoting some of these community sites, how do you share knowledge, how do you share experience. (HOL, 6/7/07)

The HOD highlighted the importance of capturing and leveraging the diversity of knowledge so that employees can learn, practise and embed knowledge transfer to thoroughly infuse such learning:

So our view of the world is that we gain knowledge through these learning experiences; whether it's with your manager or going on a program or doing an e-learning course. The point is you need to then practise and embed that knowledge transfer. And so that is how knowledge management starts to come into the diversity space. (HOD, 8/11/06)

However, the organisation still has a way to go to achieve this and benefit from sharing the diverse knowledge. The HOL stated:

I don't think we're there yet. If you honestly [asked] me right now [about] knowledge management and how are we leveraging the diversity of the people

in [the FSC], I think we could do loads more. And that's the reality of it. (HOL, 6/7/07)

He went on to say:

I think there are stages of diversity from tolerating it to embracing it. And that's quite a substantial shift. So I think we're probably doing quite well in the tolerating piece at the moment. (HOL, 6/7/07)

Employees expressed similar views, with one employee questioning the real commitment of all managers despite the company requirement that they embrace diversity:

I mean, in common parlance he'd be a dinosaur; he's part of the old culture. But he embraces the new culture because he's required to, it's one of [the] performance measures he will be assessed on at the end of every year—how engaged his staff are. (Employee, 24/12/07)

A number of approaches that may help the FSC to fully embrace diversity were suggested. The HOL suggested that the FSC needs to do as other organisations that truly embrace diversity have done, by creating a culture that identifies skills shortages and maps the skills and knowledge available at the organisation to fill these shortages:

How do you really have people truly embrace diversity and seek it? Say, well, in my team right now, I'm missing people who are good at A, B, C, or have these perspectives, or can speak these languages. And seek that more holistically. (HOL, 6/7/07)

He suggested that effective use of technology may present further opportunities:

Technology might give us a helping hand here... I think there's something about leveraging some of the technology of learning. To provide a fun, interactive, interesting way of coming to terms with your own perspective on diversity... Some interactive elements that allow you to deepen your knowledge

electronically or using technology. And I think we can do a lot in the technology space now. (HOL, 6/7/07)

Others alluded to the value of storytelling to draw out and share people's knowledge. The HOL stated:

The other technology that we need to leverage is storytelling ... 'cause [storytellers] send signals. It's learning from others ... so that's the face-to-face part, and I think that can be quite important. (HOL, 6/7/07)

The DCSR1 suggested that diversity would be fully embraced if the FSC were to invest more heavily in reinforcing the diversity message by educating new intakes of employees on the benefits of being diverse and inclusive:

Perhaps in terms of the graduate recruitment process or rather the graduate training process ... I don't have a clear sense, [but] I think it's not as much as I'd like of how much we emphasise diversity because that's the group for tomorrow, and I think that we should be really emphasising to them in terms of diversity what it means to us, what it means within [the FSC], and they're the change agents if you like. I think that would be probably a focus for the future. (DCSR1, 2/7/07)

Likewise, the HOL pointed to a need for the company to continue reinforcing the diversity message in all its programs and to ensure that this message is constantly updated on the intranet platform:

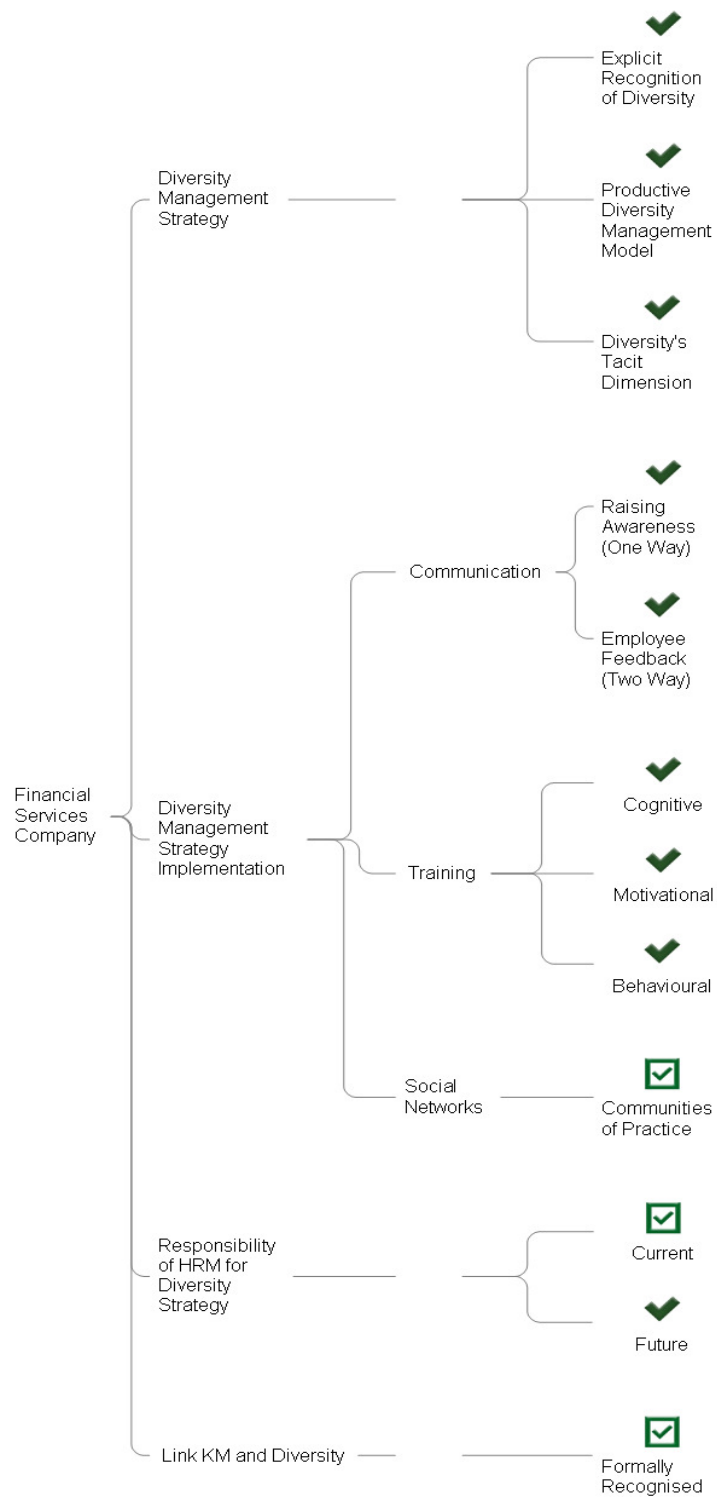
I'd make sure diversity shows up in every single program in one way, shape, or form. It's in a lot of them right now, but it's probably not in all of them. Certainly in the technology, we could probably build it in, in a more overt way than we are. (HOL, 6/7/07)

In summary, despite some examples of staff who recognise the benefits to be gained from more closely linking diversity and KM/S, there is little evidence of action currently being taken to achieve this.

6.6 Conclusion

In conclusion the case study of the FSC demonstrates an organisation which has embraced the concept of Productive Diversity and developed company policy and practices designed to implement diversity across the organisation as part of a business growth strategy. This is best illustrated by the Breakout Business Strategy, which not only focuses on promoting an inclusive climate but has as one of its primary objectives the transformation of the internal culture to make a difference in the area of diversity. There is also evidence that the organisation understands the inherent value of the tacit dimensions of diversity. The FSC has developed an organisation-wide cultural change program that aims to educate employees and managers about the importance and value of diversity. The effectiveness of this, however, varies across the organisation, with one unit, the Enterprise Operations Business Unit, displaying an effective and recognised approach in communicating the value of diversity. The rest of the organisation, along with the Enterprise Operations Business Unit, has a comprehensive Breakout Cultural Transformational Program that educates employees about the value of their diversity and empowers them to express their differences. Both the Culture Week initiative and the Breakout Cultural Transformational Program complement each other, as the latter provides employees with a basic foundation in understanding diversity, upon which the 'Culture Week' initiative was then developed. Training in CQ to support diversity at the FSC does reflect all three components—cognitive, motivational and behavioural—although these are not organised to build on employee knowledge in a systematic way. There are several voluntary, informal employee-led interest groups at the FSC, and virtual networks are being established. Finally, there is some evidence of recognition of the potential contribution of linking diversity and KM/S strategies through HR, particularly through storytelling and using IT tools effectively. However, these initiatives need to be further developed to be truly effective as shown in figure 6.1.

Figure 6.1: The FSC findings.



 Full Support
  Limited Support
  No Support

CHAPTER 7

Motor Manufacturing Company Australia (MMCA):

Case Study 3

7.1 Introduction

The third case study¹⁶ is the Australian-based plant (referred to as the Motor Manufacturing Company Australia [MMCA]) of an American-owned automotive manufacturing company (referred to as the Motor Manufacturing Company [MMC]). With 108 plants worldwide operating in 200 markets across six continents, the MMC is one of the largest global manufacturers and distributors of automobiles in the world. The Australian operation includes the sale of vehicles and related service parts for the Asia-Pacific region.

7.2 Diversity Management Strategy

The research first explored the extent to which the MMCA recognises diversity in its business strategy and in the management model it draws on to implement its Diversity Policy. Second, the extent to which the tacit dimension of diversity is recognised was explored. The overall business strategy and policy were established by the parent company (the MMC), which allowed for some flexibility in terms of implementation of the policy to accommodate local cultures, as explained in the following section.

7.2.1 Explicit Recognition of Diversity

The history of the MMC demonstrates an extremely diverse workforce, with 62 nationalities represented as early as 1916. It is therefore not surprising that the MMC first introduced policies concerning equal opportunity and treatment in the 1920s, with a gender non-discrimination clause added in 1946.¹⁷ In the 1990s, the MMC expanded the

¹⁶ Note; Due to the business pressures on the company at the time of this research, interviews were limited to three management representatives of which one interview was not included because the participant refused to be audio taped. While this means that the depth of research for this case study could not parallel that of the other two case studies, it is included here as an example of an organisation in which diversity policy has not progressed beyond compliance, and is limited to gender and Indigenous groups, despite the significant numbers of CALD employees.

¹⁷ In the mid-1950s the MMC employed the first African American and female executives.

definition of diversity to include respect and inclusion as a means to encourage sensitivity and communication in the workplace. By the turn of the century the MMC was continuing to emphasise the need to foster an inclusive culture, free of barriers, in order to build high-performing, collaborative teams across its global business.

The MMC's latest Diversity Policy states:

[The MMC is] committed to equal opportunity in employment and to fostering diversity in [its] work force. [The MMC's] hiring policies and practices require that there be no discrimination because of race, color, religion, age, gender, sexual orientation, gender identity, national origin, disability, or veteran status, and other factors that may be covered by local law. [The MMC] recognize[s] that diversity in our work force is a valuable asset, and we strive to provide an inclusive work environment in which different ideas, perspectives, and beliefs are respected. (MMC Equal Opportunity & Diversity Policy)

This policy was identified in a 'Code of Conduct Handbook' issued in November 2007 by the parent company. The handbook contains all the organisation's corporate policies and directives, and an overview on the equal opportunity and Diversity Policy is provided.

Affiliates are expected to implement this policy, as explained by the MMCA's Diversity Team Representative (DTR):

The diversity policy is something that's set at a very high level... North America is obviously where [the] global headquarters are, and they set the base expectations around what the company accepts as acceptable behaviour. (DTR, 8/6/07)

The Human Resources Business Operations Manager (HRBOM) explained this further:

[MMC] will set some guidance around diversity and how they want to approach managing diversity and leveraging it to achieve business objectives. They will set sort of quite a broad guideline-type framework. (HRBOM, 8/1/08)

The HRBOM explained that affiliates are expected to ‘tailor the policy to suit the sort of issues and scenarios that are likely to come up in their operation’. This was further explained by the DTR as taking into account ‘the legislative framework in a specific country and the specific cultural differences that are experienced’. For the MMCA the operation was behind in updating its Diversity Policy in accordance with the parent company.

The MMCA still follows a Diversity Policy that was set up in 2000, which highlights that the company:

- Values diversity and is committed to respecting the dignity of every individual.
- Is committed to providing Equal Opportunity to its current and future employees, contract workers, customers and suppliers.
- Bases all employment decisions on merit.
- Provides equal access to training, developmental opportunities, benefits and entitlements.
- Maintains a program of Affirmative Action for women.
- Has developed a flexible complaint resolution process to resolve complaints concerning equal opportunity issues. (Zero Tolerance Policy)

The introduction of a ‘Zero Tolerance Policy’ in 2000 was to help the organisation through legally permissible means to well represent minorities and women in their workforce. The Zero Tolerance Policy states:

Diversity is all the differences that make each of us a special, unique person. [The MMCA] and the Unions are committed to valuing Diversity. This also means allowing people to work in safe, productive environments, where individual differences are respected and valued, and where we all have the chance to reach our real potential. (Zero Tolerance Policy)

For the MMCA the main focus has been on diversity issues related to gender and to Indigenous Australians, with the gender focus being not only about protecting female employees against discrimination, but also as a means to appeal to the potential female customer market. That is, diversity strategy is influenced by the business imperative of niche marketing. The HRBOM explained:

We tend to focus a lot more on gender because it's quite visible, the inequity in our workforce profile between the males and females... It's more about ... the role of women in the workplace and getting them into the managerial and ... senior technical roles as being more of a challenge. (HRBOM, 8/1/08)

In 2007 the name 'Zero Tolerance' was changed to 'Respect in the Workplace'. However, the policy's focus is still on ensuring respect, providing equal opportunity, and enforcing anti-discrimination policies for all employees, in particular for women and Indigenous Australians. This policy is currently being reviewed by a diversity team. The review, however, has not progressed beyond trying to define diversity and there is little evidence that any suggested changes will go beyond simply complying with government legislation. The DTR stated:

We're actually in the process of trying to not change [the policy] but to just include things that we have to for legislative reasons: bullying and those sorts of things. We have sort of all scatty policies all over the place, so our diversity manager last year tried to collate it all into a new policy. It's sort of a more comprehensive policy and rather than being titled 'Diversity Policy', the focus is respect in the workplace. And so that's what the policy is now called. (DTR, 8/6/07)

In addition, as the DTR indicated, the new Diversity Policy is 'kind of in a draft form at this stage' and has yet to be formalised. This was explained as the result of the current global economic pressures that have led to the senior executive of the organisation being more focused on developing an organisational structure with fewer resources. The DTR stated:

Because the size of the organisation's been shrinking unfortunately, the resources that we've had to support this have been shrinking also. What has happened because, [as] I said, our diversity manager developed the more comprehensive policy last year or, yeah, tried to bring it all together, her position is no longer, no longer exists. (DTR, 8/6/07)

7.2.2 Recognition: The Tacit Dimension

The 2004 annual corporate citizenship and sustainability report reflects the parent company's understanding of diversity in terms of recognising invisible diversity characteristics such 'life experiences, opinions, and beliefs' and how the many dimensions including tacit characteristics 'help the company to be more innovative', particularly in delivering innovative products that satisfy customer wants. However, when the interviewees were asked about diversity, they made no direct references to its tacit dimension.

In addition, MMCA formal organisational understanding of diversity as described by the interviewees did not include diverse perspectives, knowledge or creative thought. More specifically, as pointed out by the DTR, identifying these competencies and leveraging them 'is not something that is recognised formally in the Diversity Policy at [the MMCA]'. Thus, the MMCA did not demonstrate recognition of the tacit dimension of diversity.

The MMCA also showed no recognition of the advantages that can result from embracing a diversity policy that includes CALD employees. The HRBOM stated:

I think cultural diversity is something that [the MMCA] is pretty familiar dealing with. And I guess we don't see that there's a lot of work we need to do to sort of improve things with people from different cultural backgrounds. (HRBOM, 8/1/08)

A recent recruitment of overseas employees in 2005 to fill skill shortages may, however, necessitate adaptation of the Diversity Policy to include CALD employees. The HRBOM stated:

[We're] getting people to come to actually fulfil jobs ... we'll bring some key technical people out for a two to three year assignment to work on a program. So they will work alongside local engineers or other professionals. (HRBOM, 8/1/08)

In summary, the MMCA has adopted a compliance-based and a limited niche market approach to diversity, with no evidence that the tacit dimensions of diversity are recognised. Indeed, the organisation has showed no signs of pushing to recognise, accommodate, or take advantage of cultural differences, and management appears more concerned about the future global viability of the organisation.

Given this, the next section turns to the research findings in relation to the company's degree of commitment towards diversity, by exploring the implementation process of its Diversity Management Strategy.

7.3 Diversity Management Strategy Implementation

This section explores the implementation process of the strategy designed to communicate the value of diversity and to facilitate a shared understanding on related policies and procedures, to provide training for effective participation in the workforce and to create an environment in which shared diverse knowledge helps to build social capital.

7.3.1 Communication

This section presents the research findings into the different approaches that the organisation uses to raise awareness about the value of diversity and the forms it can take to reinforce the diversity message. It also identifies the extent of employees' understanding of, and collective contribution to this message.

7.3.1.1 Raising Awareness (One Way)

The principle source of information on diversity is once again the parent company, the MMC, with the lack of a local communication strategy meaning that much of the information has a North American focus. Employee awareness of this communication is, however, limited to those who have intranet access. The DTR stated:

That sort of stuff is really only available to people who have intranet access, which isn't the wider shop floor here. (DTR, 8/6/07)

Even though the MMC's awareness program is comprehensive and covers a range of diversity topics, there is no similar initiative running locally at the MMCA, although the HRBOM did mention an annual diversity awareness program specific to the MMCA that incorporates a general awareness campaign on broader diversity aspects:

The other thing that sort of happens more locally is just, like it's our broader diversity program which talks about the full breadth of diversity issues around gender and the other dimensions [of] age. So that's an annual thing that we run for all employees. (HRBOM, 8/1/08)

Communication of diversity issues across the MMCA is limited to notices on noticeboards, annual events and the organisation's website to remind employees' of the organisation's position on diversity. The DTR stated:

Whenever the policy is updated, managers put up a plant notice and let people know what they should or shouldn't be doing. (DTR, 8/6/07)

She adds:

[These notices] remind us that the policy still applies at those events and that's kind of a trigger for [employees] to maybe check out the policies again or links to a website. (DTR, 8/6/07)

The information that is provided has a broad focus on appropriate workplace behaviour as identified by the HRBOM:

Thinking about like bullying and just acting in a respectful manner, that's more around the dimensions that you shouldn't be discriminating against—we're talking about issues about dealing with people from different religions—we tend to focus on where there is a lot of difference within the workforce. (HRBOM, 8/1/08)

Awareness of diversity issues for CALD employees is limited to the need for religious tolerance, recognition of cultural and religious holidays through a calendar, and issues

associated with an increased number of Indigenous Australians employed at the MMCA. The DTR explained:

From a cultural prospective, we had an Indigenous program. That was probably the biggest thing that we've done, and it hasn't been [done] recently. I think it was started in 2003 or '4. We had a program for a group of Aboriginal people in the community in this area, and it was like a pre-employment program for them. There was a lot of training about what [it means to work] in a manufacturing environment. (DTR, 8/6/07)

The interviewees also mentioned an English language course and interpreter services that were provided for non-native English speaker employees to help them understand and abide by the employment terms and conditions. However, according to the DTR these programs are no longer running because 'there isn't a dedicated diversity resource any more'.

Information is provided on the company intranet and occasional direct emails. The HRBOM stated:

We've got a lot of online resources that exist, and there are forums that people can log into around the full breadth of diversity... Annually, there's communications that go out on various aspects of diversity from a policy standpoint. So that's sent out by email. (HRBOM, 8/1/08)

The HRBOM also explained that policy documents are uploaded onto the intranet 'so people can really access what policy is'. These documents not only aim to extend employee understanding of the policy but 'talk about scenarios and how to handle situations, and [they do] provide contacts for initial help'. However, relying on this form of communication may be a challenge because not all employees at the MMCA have intranet access.

7.3.1.2 Employee Feedback (Two Way)

The MMC has a comprehensive global online survey that seeks to leverage employee perspectives on a broad range of issues by understanding how business decisions,

management activities, policies and programs affect employees. The HRBOM described the survey as:

Cover[ing] different questions ... they get bundled up into different groups and one of them is specifically about diversity. (DTR, 8/6/07)

However, being broad, the survey does not directly relate to diversity. The HRBOM stated:

I don't think that [the survey] really drills into the cultural side of it too deeply. It tends to be pretty broad around supervisor relationships and about workload, workplace obstacles and that kind of stuff. (HRBOM, 8/1/08)

A Diversity Council, made up of managers and staff representatives, was established in 2001 as part of its Enterprise Bargaining Agreement with the unions.¹⁸ The Council is responsible for ensuring diversity issues are prioritised and communicated with a focus on promoting flexibility and work-life integration. However, no evidence was provided that the Diversity Council has been effective.

In summary, the MMCA has designed a program to raise awareness on diversity that incorporates a general awareness campaign on aspects such as equal opportunity, discrimination, harassment and affirmative action. However, the program is designed to formally communicate general topics around diversity and barely acknowledges the CALD groups. In addition, even though the MMCA is using several forms of communication to disseminate the diversity message, its reliance on online media could be problematic since these are not accessible to all employees. It is indicated in this case how ineffective the use of the intranet has been and it may well be argued that this inadequacy is not confined to DM issues alone. Most staff would not even access or familiarise themselves with corporate strategies or plans from the intranet. Thus, the MMCA has not developed an effective communications strategy on diversity issues. Although a Diversity Council was established that includes both manager and employee

¹⁸ It should be noted that the organisation is quite heavily unionised and thus the lack of action by the Diversity Council is significant given the effectiveness of other joint consultative committees.

representatives, its effectiveness is questionable as no interviewee could provide any examples of actions taken by the Council.

7.3.2 Training in Cultural Intelligence (CQ)

The MMCA has a cultural training program offered through the Product Development Division.¹⁹ The DTR stated:

The Product Development unit have done some cultural training for people here and also for people coming here, as well as for people who are working with people in the region [on] how to conduct themselves in meetings, [on] just being sensitive to the cultural differences. (DTR, 8/6/07)

In fact, two types of training are offered: the first to facilitate the transition of international employees into the Australian operation, and the second to build the capabilities and skills of employees involved directly with those relocating from offshore operations. The HRBOM stated:

[The International Service Office] helps [in] dealing with the administrative aspects of international assignments. And in addition to that, they also work on the cultural readiness, the briefings for the families, briefings for the assignees. They have pre-trips to come out to get familiar with the host location. (HRBOM, 8/1/08)

The training is provided during several phases in an assignment, as the HRBOM explained:

One's at the commencement of the assignment and [during] the assignment... And then there's some pre-departure or some reintegration training at the end of the assignment. (HRBOM, 8/1/08)

¹⁹ The Product Development Division provides design and engineering functions for the company, and approximately 600 people are employed in the division with a mix of non-trade, design and engineering expertise. The Product Development Division employs heavily from overseas.

The second type of training was designed to assist managers to understand the impact of different cultural norms, values and work practices on employee behaviours and how staff interact. According to the HRBOM, this training emphasises differences between operating and thinking styles and the way Australian employees react, respond and communicate in relation to other cultures:

[The training] does talk about difference of thinking styles between people from different parts of the world, differences in terms of orientation to time, in the way that someone will interact, whether they'll be offended if you're really direct with them versus how some people may communicate in a less direct manner. (HRBOM, 8/1/08)

It appears that this training program does include the cognitive component of CQ training in that it covers awareness on cultural differences using Hofstede's cultural dimensions. As the HRBOM described:

We basically rolled out some series of training sessions essentially looking at cultural differences and making [people] aware of communication differences, differences of approaches to work, and just your general cultural differences; the Hofstede-type dimensions. (HRBOM, 8/1/08)

This training is offered to both senior managers and employees in the Product Development Division who are directly involved 'in teams that have got very diverse make-ups or comprise members from different countries'.

The combined training outlined above aims to improve interaction among staff by enhancing employee engagement and participation in building cohesive multicultural teams. According to the HRBOM, the training has delivered benefits both to himself and the participating employees that highlight the importance of developing individual knowledge and understanding of cultural differences in the workplace so as to both eliminate discipline issues and improve the effectiveness of operations. The HRBOM stated:

One is to think about the effect in that group and to eliminate any behavioural issues between employees but see it as part of the team-building activity to try and bring our teams together. And I think that's where we've tended to find most benefit, during that sort of forming of the team phase. (HRBOM, 8/1/08)

He went on to say:

I think [the training is] really good at increasing people's awareness of difference within the workplace. And I think people are very mindful of how to act in a way not to offend others. I think that in some ways it's fuelled greater interest in learning about different cultures. The training helps reinforce the thinking that you need to bear in mind to operate effectively across [cultures]. It certainly does help us to eliminate any sort of discipline issues that may arise with people acting inappropriately. (HRBOM, 8/1/08)

Despite acknowledging the advantages, such training is limited to the Product Development Division rather than being organisation-wide. The HRBOM stated:

At times you do have issues that come up from a diversity point of view, and so in response to some of those issues, we will look at additional or ad hoc training as part of a response to any issues that have occurred... We're not running it sort of like on a regular basis; it's more of an ad hoc, as needs basis. (HRBOM, 8/1/08)

Further, there is no plan to extend this training as there is no evidence of a correlation between training and improved performance. The HRBOM stated:

I think that for us to get heavily involved in it, I see it being a good team-building thing and good at helping establish relationships, but in terms of tangibly affecting people's performance and the firm's performance, I'm not convinced that there's necessarily a direct correlation between that. (HRBOM, 8/1/08)

The HRBOM went on to say:

In a perfect world, we'd probably be a bit more proactive about [the training program], but the reality is that we tend to do it in response to a request. (HRBOM, 8/1/08)

There is evidence, however, of workshops having been run on EQ for managers in 2002 as part of the 'Commonwealth Productive Diversity Partnership' program, in which the MMCA is a participant. These workshops focused on building managers' emotional competence to enhance their self-awareness so they could better understand themselves and facilitate communication with others. However, none of those interviewed could recall these workshops.

In summary, while there is cognitive training in cultural awareness, this is limited to one department and to the encouragement of assimilation. The HRBOM stated:

They've tended to play the role of coordinating people from their region or their countries and sort of helping [them] deal with assimilation issues and with sort of getting used to [begin] working in Australia. (HRBOM, 8/1/08)

It is also indicated in the discussions on cultural intelligence training that they tend to focus on raising awareness rather than on seeking to affect a business strategy. Thus, while training in cultural awareness may be implemented, it may not have been systemic or embedded within organisational practices.

7.3.3 Social Networks

The MMCA encourages the establishment of voluntary social networks, termed employee resource (ER) groups, which discuss common interests and provide different perspectives on a variety of business issues; that is, they engage in knowledge sharing. Other activities in which these groups engage can range from providing support, and identifying barriers, to contributing to employee professional development. Indeed, according to the HRBOM, the MMCA encourages informal ER groups because it is aware of their contribution to knowledge sharing:

I think that people are encouraged to talk about methods or approaches that they've learned elsewhere. To share that in the same way that we would do, that someone from a different organisation within Australia would do. So I think it tends to happen more informally at a local level. (HRBOM, 8/1/08)

In describing how knowledge is circulated and managed, the DTR confirmed the informal nature of these groups:

These little groups of people who are interested in talking about a topic sit there and talk about it, and then someone takes notes in the session and then they feed it all back into a central base. (DTR, 8/06/07)

Moreover, such ER groups are 'driven by people who are quite passionate about that network' (HRBOM, 8/1/08), and HR has no direct involvement in the way they operate. Nevertheless, operating independently of HR does not mean that these groups are entirely free of management involvement. Rather, the DTR indicated that management generally provides support and encouragement but may further intervene in ER group activities 'when guest speakers are invited to talk with the group or when employees want to take time off to attend these meetings' (DTR, 8/06/07).

The HRBOM adds:

They will rely on management's involvement and support if they want to get resources to do certain things. So I think, from that point of view, they need to seek approval for certain things, from a resource point of view. That's where management may intervene. (HRBOM, 8/1/08)

However, given the recent difficult financial state of the company, management funding support for these initiatives has been limited. The HRBOM stated:

The challenge—the reason some things don't get approved—is purely financially driven; it's not that they don't see it as important. It's quite a hard-nosed environment, the automotive industry, and it's not a sort of cash-rich industry where there's lots of resources to share around. (HRBOM, 8/1/08)

When the interviewees were asked about the topics covered in these informal ER groups, they made no mention of any being inclusive of all ethnic groups at the MMCA. Indeed, the only reference to CALD groups in relation to such employee resource groups was to a religious group formed after 9/11 to raise awareness and share knowledge about the Muslim faith. The HRBOM saw this group as a cultural diversity subset:

The only one I can think of ... is a Muslim sort of group, but that's probably the only one that's sort of really active... I do think we see it as part of culture. (HRBOM, 8/1/08)

In addition, e-rooms are being developed to allow staff to communicate using technology as an advanced function of the ER groups. However, while the HRBOM stated that technology is a way of 'connect[ing] groups on areas of interest to other parts of the world in a virtual sense', the DTR expressed her concern about the lack of training and understanding of how to make the most of this technology:

...from a knowledge sharing perspective, we have what are called e-rooms but ... we don't use them very well. (DTR, 8/06/07)

In summary, the organisation provides limited support for the establishment of voluntary Employee Resource groups; however, none has formed around the issue of cultural diversity.

7.4 The Contribution of Human Resources to the Diversity Strategy

7.4.1 Current and Future Responsibilities

HR is responsible for setting up the diversity agenda, modifying the policy and continuously updating it to meet government requirements. In addition, HR plays a central formal role in dealing with issues related to diversity, particularly harassment and EEO. As the DTR explained:

[HR] manage as part of their job; if there are complaints from the equal opportunity perspective, they'll go through that investigation process. (DTR, 8/6/07)

HR is responsible for raising awareness on the Diversity Policy and initiatives through a program at induction and a follow-up refresher program, as well as fulfilling the supportive role of 'coaching people on aspects of the Diversity Policy'. According to the HRBOM, HR makes an effort 'to leverage people who are particularly passionate about diversity to be diversity contact officers'. It also provides frontline support and coaching to employees who might be experiencing issues, thereby enabling a diversity network that acts as a conduit of information on diversity. The HRBOM stated:

HR will help in setting those networks up, providing training to those individuals who act as contact officers, and then working [on an ongoing basis] as a point of contact and support [to which] those contact officers [can] then come back. (HRBOM, 1/8/08)

Beyond this responsibility HR also works in partnership with line management to tailor and implement the Diversity Strategy. The HRBOM stated:

The role of HR is not to be a sort of police force for the organisation, but it's to really prompt management to be able to lead [in] dealing with any issues that do arise. (HRBOM, 1/8/08)

The HRBOM summarised the role as:

I think we've got the balance pretty right here. I think that I tend to encourage the team not to try to take on too much extra for fear [of upsetting] that balance between the business getting involved and owning it and HR getting seen as the owner. In the past, HR has very much been seen as the resource to be the custodian of this and to also be the sole subject matter expert. But I think that that balance has changed, and that's sort of set an image. We don't want to go back to that more paternalistic approach where HR is sort of the old-school personnel function. (HRBOM, 1/8/08)

7.5 Linking Diversity and KM/S

While the MMCA is aware of the technical skills that come from employing a diverse workforce, and the need to develop these technical skills in less mature regions, there is little acknowledgement of the broader advantages that can accompany knowledge sharing among employees from diverse cultures. The HRBOM emphasised the value of sharing technical knowledge in the following statement:

One of the focuses that we're taking on at a more strategic level is looking at how we share, how we gain knowledge to help what's happening in the operations here. [How to] help the less mature regions, be it India or China or South Africa, help them develop their technical abilities. (HRBOM, 1/8/08)

While the HRBOM did recognise that there was some knowledge that would come with employees from diverse cultures, there was little evidence of action being taken to assist this. The HRBO stated:

The reason that we have 'International Assignments' is to bring people with specific technical knowledge or know-how they've gained in a different sort of environment or context and bring that to teach us and impart some of that... I think that the disciplines and the approach and the methodologies that they will bring, some of that will be informed by the culture within which they operate. And I think that some of that [has] a positive influence [on] the way that we operate here. (HRBOM, 1/8/08)

However, the HRBOM also acknowledged that the internal climate of this global organisation is homogenous and the automotive manufacturing industry is a global system whose methods are mostly standardised. While this assists managers to recruit from overseas and facilitates the sharing of know-how between employees who are already familiar with the organisation's internal culture, this knowledge sharing is limited when introducing employees from outside that culture:

What you tend to get here is that [the MMC] has a very strong internal culture, so that if you're familiar with the culture in Brazil or in North America or in

Europe, it's not that dissimilar to the way that the MMCA culture is in Australia... I think the corporation tends to encourage standardisation across the world. (HRBOM, 1/8/08)

Furthermore, while highlighting the existence of formal knowledge transfer processes and tools at the MMCA, there is an assumption that knowledge could be transferred 'regardless of culture and sort of ethnic background'. The HRBOM stated:

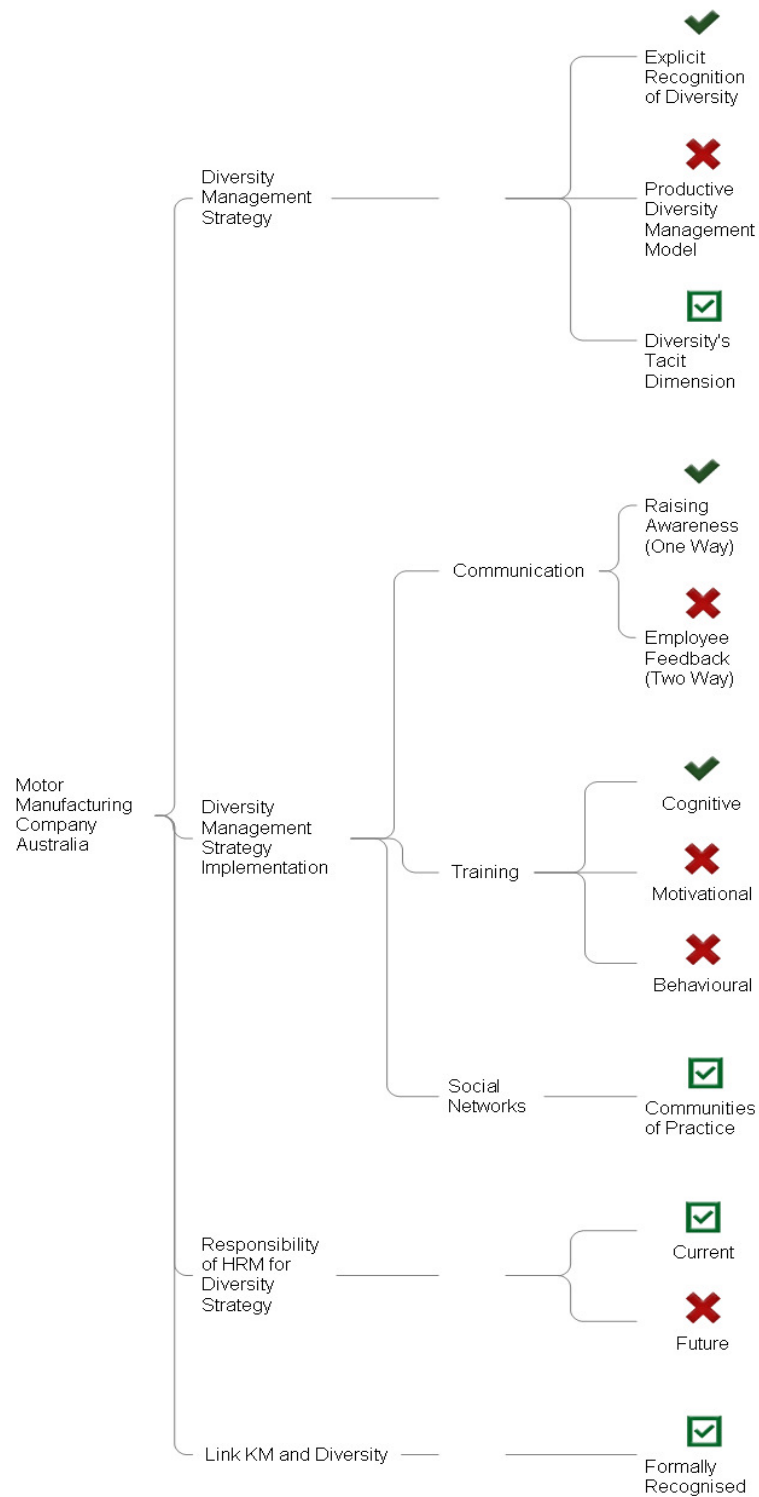
There's anything from a computerised sort of knowledge management database through to the more informal sort of activities, like meetings and just knowledge sharing that happens with project teams that come together. (HRBOM, 8/1/08)

In summary, recognition of the value of knowledge transfer across the company's diverse workforce is limited to an emphasis on technical rather than cognitive knowledge.

7.6 Conclusion

In summary, the Diversity Policy and Strategy at the MMCA displays a compliant character, with an emphasis on assimilation rather than taking advantage of leveraging the diverse cultural knowledge held by its employees. This means that there is no support provided for employees to recognise the importance of their tacit cultural knowledge, there is only limited training in how such diverse knowledge might be leveraged and there is little support for the development of social networks through which knowledge can be shared. This is shown in figure 7.1. While HR is responsible for the implementation of the Diversity Policy and Strategy, its role is limited by the need to work in partnership with line managers, who are more concerned about the economic viability of the organisation than developing strategies to encourage knowledge sharing among employees. Typical of many technically based organisations, culturally diverse employees are valued for their technical knowledge and skills rather than the cognitive tacit knowledge they possess.

Figure 7.1: The MMCA findings.



 Full Support
  Limited Support
  No Support

CHAPTER 8

Discussion and Conclusion

8.1 Introduction

This final chapter presents a cross-case analysis of the findings from the case studies against the holistic D-KM/S framework presented in Chapter 4. It uses this comparison to respond to the research question and in so doing suggests action that should be taken by organisations seeking to utilise the cultural (particularly tacit) knowledge of the diverse workforce as effectively as possible.

8.2 Summary of the Research

The research for this thesis was motivated by recognition that if Australian organisations are to maximise the value they can obtain from employing a multicultural workforce, they must develop strategies that leverage the knowledge of their culturally diverse staff and encourage employees to share their tacit knowledge. The research was framed by the following primary research question: *What organisational strategies are required to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds?*

To examine this issue, an extensive literature review was first undertaken in the fields of Knowledge Management/Sharing (KM/S) and Diversity. The KM/S literature acknowledged the existence of both explicit and tacit knowledge and recognised the need to create organisational environments in which social capital can be developed, particularly through communities of practice. However, although there was recognition of the increasing value of leveraging tacit knowledge through its sharing to enhance the development of social capital, there was no acknowledgement of the importance and value of different cultural knowledge, particularly (for the purpose of this thesis) knowledge related to ethnicity. This meant that there was no awareness of the potential contribution of leveraging and sharing tacit knowledge that is ethnically influenced that resides within ethnically diverse workforces.

Given this finding, the researcher turned to the literature on culture and in particular on diversity, to focus on the impact of these factors on organisations. Once again, the literature recognised the importance of both the explicit and tacit dimensions of knowledge; however, in this case, there was recognition of the importance of the diversity of ethnically influenced knowledge. In this regard, the literature suggested two strategies for organisations seeking to encourage employees to value and share their ethnically influenced (often tacit) knowledge: first, an improved two-way communication strategy that both raises awareness of the value of diversity and encourages employee feedback through a new management structure; and second, training programs that proceed beyond simply explaining diversity-related issues, to developing skills and capabilities in the CQ of managers and employees (cognitive, motivational and behavioural). This literature also identified the benefits of a Productive Diversity management strategy that combines both compliance to legislation (to ensure EEO) and action to encourage business efficiency. The latter can be achieved through recognising the value of capitalising on the languages and cultural knowledge of employees, particularly in regard to parallels between the ethnically diverse workforce and the consumer-base. This assists opportunities for Niche Market development.

In summary, two issues emerged from the literature survey. First is the need to develop KM/S strategies that effectively use the knowledge of the culturally diverse workforce. Second is the need for diversity strategies that go beyond compliance to celebrating the diverse knowledge that a multicultural workforce can provide. However, the literature review also revealed a gap in that there is little or no acknowledgement of the potential links between the two. Given this, a conceptual framework for a holistic D-KM/S Strategy was designed, which consisted of three elements that had been identified as important from the literature review. The researcher also proposed that the HRM department would be the most appropriate to assume responsibility for implementation of such a framework. In addition, the researcher proposed a phased introduction of the framework.

The framework for a holistic D-KM/S Strategy consisted of three crucial elements:

- A Diversity Management Strategy built on Productive Diversity principles that recognise not only the need to comply with EEO legislation but also the

potential business efficiency (value) of encouraging the sharing of cultural (in this case ethnic/cultural) knowledge—both explicit and tacit.

- An implementation process that encourages advancement beyond one-way delivery of legislative requirements to two-way communication that enables employees to comment on diversity issues. This is to be coupled with training that goes beyond diversity awareness-raising to developing the CQ skills and capabilities of employees. Finally, organisational support for social networking through CoPs.
- A HR process that links diversity to knowledge management with a focus on encouraging the sharing of tacit knowledge that is ethnically influenced.

Given that the framework requires a range of changes to be implemented by organisations, the researcher proposed a four-phased approach for organisations seeking to adopt this framework, which explained the organisational journey to a holistic D-KM/S Strategy.

Before proceeding to the detailed case study research, designed to identify the extent to which Australian organisations had advanced through these phases, a desk audit was undertaken at a range of organisations recognised for their diversity programs to confirm the validity of the proposed framework. This audit identified the existence of all the elements of the framework in these organisations (although to varying degrees and in varying combinations). It also identified that there were no additional elements that should be included in the framework. From this audit three organisations were chosen for the detailed case study research, using semi-structured open-ended interviews, focus groups and non-technical literature. The results of this research were presented in the previous three chapters. The following section presents a comparison of the findings, with an emphasis on whether any patterns emerged within and between the three case study organisations.

8.3 Comparative Findings from the Case Studies

Using the identified elements of the holistic framework for a D-KM/S Strategy, Tables 8.1 and 8.2 present a comparison across the three organisations. This builds on the earlier identification undertaken in the desk audit. Table 8.1 compares the diversity management strategies of the three case studies, while Table 8.2 compares the Implementation processes designed for the strategies.

8.3.1 Diversity Management Strategy

Table 8.1: A Comparative Summary of Diversity Management Strategies

	Diversity Management Strategy		
Organisation	Explicit Recognition of Diversity	Productive Diversity Management Model	Diversity's Tacit Dimension
CSC	Diversity is recognised in the Business Strategy	Focus on Compliance & Niche Market. Transitioning towards a Productive Diversity approach	Recognised.
FSC	Diversity is recognised in the Business Strategy	Productive Diversity (including Compliance & Niche Market).	Recognised.
MMCA	Diversity is recognised in the Business Strategy	Compliance & Niche Market only.	There were signs that it is considered important in one business unit but it is not formally recognised.

Table 8.1 identifies that while all three organisations recognise the positive advantage of championing diversity as part of their business strategy only one, the FSC, has combined legislation compliance with a Niche Market approach to form a Productive Diversity management model. The CSC is transitioning towards such a model while the MMCA's development of a Niche Market approach is limited to gender diversity (accessing the female market segment).

While both the CSC and the FSC appear to formally recognise the potential value of leveraging the tacit dimension of employee diversity this is not recognised by the MMCA, except for technical tacit knowledge used in the product development business unit through international assignments. Overall, the FSC was the only organisation to recognise both the explicit and tacit dimensions of diversity in their Productive Diversity management model.

In terms of their transition towards a holistic D-KM/S Strategy these findings suggest that the CSC is in Phase 2 of its journey, the FSC is in Phase 3, while the MMCA has not progressed beyond Phase 1.

8.3.2 Diversity Management Strategy Implementation

Table 8.2: A Comparative Summary of Diversity Management Strategy Implementation

	Diversity Management Strategy Implementation				
Organisation	Communication	Training in CQ	Mechanisms for Social Networking (CoP)	Role of HRM in Diversity	Linking Diversity & KM/S
CSC	One-way: no employee feedback.	Cognitive. Motivational but limited.	None.	Overall policy, with line managers.	Little acknowledgement. Narrative Approach.
FSC	Two way communication from awareness workshops (BCTP). Feedback from employees through survey, Diversity Council & Culture Week.	Cognitive, Motivational & Behavioural.	Employee Interest Groups to facilitate communication Virtual CoP.	Manage diversity operation through senior management. Role in providing support is limited.	Little acknowledgement. Narrative Approach.
MMCA	One-way: no employee feedback.	Cognitive only.	Employee Resource Groups to understand customer needs. Virtual CoP.	Supports diversity strategy with line managers.	Little acknowledgement.

8.3.2.1 Communication

All three organisations have developed a one-way communication process designed to explain diversity legislation. The communication programs designed by both the CSC and FSC have progressed beyond simply raising awareness on legislation to recognising the business benefits attributed to productively managing diversity. The organisations offer a number of programs that promote the potential value of leveraging the diversity in their organisations. The MMCA, however, focuses entirely on appropriate workplace behaviour.

Both the CSC and FSC have, or are in the process of developing, a comprehensive information kit on diversity to assist line managers to make diversity management operational. This is a tool considered vital for clarifying diversity policy and updating information on the diversity programs, initiatives, and activities offered by these organisations.

However, these kits are limited to one-way communication as they are planned at a macro level (between the respective diversity departments and top corporate executives), and are delivered to employees from the top, without considering or understanding employees' diversity needs. This kit does not include a process that takes into account employees' or business unit managers' views on diversity. As Gardenswartz and Rowe (2001) argue, this could result in the kit not being fully embraced by staff and thus it having limited usefulness.

All three organisations rely heavily on their online intranet platforms as a primary means of communication. Employees in all three cases complained that this has resulted in limited access to information on diversity.

The FSC is the only organisation to have developed a two-way communication process. This is achieved by encouraging employee responses through their cultural change program, employee involvement in discussion sessions during an annual cultural event, employee feedback through an annual survey and employee representation on the Diversity Council.

The FSC's annual cultural event employs consultative practices at the grassroots level. Its success stems from the increase in employee motivation as they engage in the design of the initiative and play a significantly active role in the resulting activities. Moreover, its cultural change program focuses on empowering employees by recognising them as agents of change. The program focuses on increasing employees' awareness of the value of identifying and sharing the tacit dimensions of diversity and its potential contribution for the organisation.

These examples are significant given the importance attached to two-way communication seen in the literature review. For example, Kramar (1998) argued that effective diversity management is reliant on the need to operate by satisfying employee needs. Wentling (2004) went further and stated that the basis for developing effective diversity initiatives to communicate the diversity message is reliant on organisations fully understanding employees' diversity needs through both formal methods (such as employee surveys and employee exit groups) and informal methods (such as employee networking groups, diversity committees and advisory councils). While Wiltz, Venter and Porter (2005) stated that developing confidence in employees to acquire and utilise

resources that are necessary to act as agents of change achieves diversity self-efficacy and ensures work productivity.

In terms of their transition towards a holistic D-KM/S Strategy this suggests that both the CSC and MMCA are in Phase 2 of their journey while the FSC is in Phase 3, having developed a communication strategy on its diversity programs in accord with the D-KM/S Strategy framework.

8.3.2.2 Training

The results show that all three organisations have examples of training in the cognitive component of CQ training. One of the organisations (the FSC) demonstrates examples of the motivational component of CQ, while the CSC provides EQ tools but its training in the motivational component is limited by a lack of reference to cultural factors. Only one of the organisations (the FSC) demonstrates examples of training in the behavioural component of CQ. More detail on these examples will be provided further on in this section.

While the desk audit suggested that the CSC does provide some training in the behavioural component of CQ this was not proven in practice. An example of limited training in the motivational component of CQ was found in reality, which added to the desk audit findings. While the desk audit suggested that the FSC provides training in the motivational and behavioural components of CQ, in practice this organisation provides training in all three components of CQ. This is important as the literature review revealed that only by providing all three components of CQ can managers foster understanding between people in a manner that lets them circumvent cultural differences and become culturally intelligent (Earley & Mosakowski 2004).

The main purpose for providing training in CQ was mixed. For the FSC it was in response to the need to improve working relationships with offshore operations, in the MMCA it was to facilitate international assignments, and in the CSC it was to tackle intercultural communication problems.

While the three organisations have examples of training in the cognitive component of CQ, this training was limited at the CSC and FSC. In both these organisations the knowledge that is provided about the different cultures represented in the workplaces

and their appropriate behavioural norms does not cover all the ethnic groups employed. The FSC only provides information on two cultural groupings—local Australians, and the variations across the Indian culture of the offshore operation in Bangalore. Likewise, the CSC training primarily covers information on one ethnic group (the Vietnamese) as it compares to the host Australian culture. As a result, these programs concentrate only on the traditional modes of behavioural norms of these specific cultures and do not encompass the many ethnic groups represented at both organisations. This means that employees' ability to make sense of other different cultural practices in these organisations is limited.

On the other hand, the MMCA was the only organisation that fully implements the cognitive component of CQ training. This organisation provides employees with general cultural information (including Hofstede's cultural dimensions) to enable them to understand the range of cultural differences involved in their communication processes. As was found in the literature, culture-general information is a very powerful tool for explaining cultural practices and sensitising employees to the need for awareness of important differences of the cultures involved (Lustig & Koester 2006). The cognitive component of CQ training is a lot more valuable to employees if it contains information on all the different ethnic groups employed in an organisation and the corresponding cultural dimensions.

Only the FSC provides training in the motivational component of CQ, and this is provided only to managers as a means to facilitate communication. The training (part of a program called 'Authentic Conversations') contains tools and practices designed to make managers aware of their own emotional and personal state, their communication styles and the communication processes in which they engaged. In addition, some training in EQ tools (through a series of workshops in the BCT program) is provided to employees and managers to develop their overall set of emotional associations. The CSC does offer limited training in the motivational component of CQ as EQ tools are provided to managers to assist them to become aware of their own emotional reactions through an understanding of their feelings and intentions. However, while the focus of EQ tools is (to a limited degree) similar to that of the motivational component of CQ training, it cannot substitute for the latter. As Deng (2006) argues, when EQ is not presented as a cultural concept (as it is in the motivational component of CQ training) it does not address how external cultural influences shape employees' emotions and

overall outlook. In other words, for managers to be able to interpret the meaning of other people's messages in an intercultural setting they have to uncover their own feelings and intentions and understand what motivates employees' behaviour, by considering the influences of cultural practices on employees' emotions.

For EQ to be considered equivalent to the motivational component of CQ it would need to be extended to consider the influences of cultural difference on employees' emotions. In this regard, the training in EQ at the CSC ignores the multicultural depths and the influence of diverse ethnicities on people's motivations. This means that the motivational component of CQ training that handles stereotypes and the development of awareness and general sensitivity towards other cultures [as discussed by Gudykunst & Kim (2003)] requires further development at the CSC to enhance the ability of managers to be open-minded and accept other views influenced by diverse cultures.

The only evidence of training in the behavioural component of CQ was in two FSC training programs for employees and managers in appropriate and effective behaviours. These programs include an introduction to the tools of coaching and simulation (including role reversal and functional and cultural role-playing, designed to clarify the differences between functions and cultural groupings). As was found in the literature, such tools develop employee ability to generate required behaviours by reflecting on the cultural information provided (cognitive), and on their own motivation, to achieve competence (motivational) (Earley & Ang 2003; Lustig & Koester 2006).

Employees at both the FSC and CSC identified the importance of training in CQ in developing their skills and capabilities to ensure effective intercultural interaction. They stressed the benefits received from, and the importance of, training, especially when interacting with culturally diverse employees in Australia or in offshore operations. Managers, however, gave conflicting views on whether a corporate-wide cultural awareness training program that incorporates all three components of CQ is needed. Whereas the MMCA representatives saw no need to engage all employees in the cognitive component of CQ training (which they viewed exclusively as a team building activity), managers at the FSC supported training for the workforce in all CQ components. Managerial responses at the CSC fell somewhere in the middle, with the employees (and the TDM) generally favouring extending this training to the rest of the organisation. However, two managers most directly involved in managing diversity and

learning did not see intercultural challenges as a concern despite their potential to hinder productivity. Consequently, in spite of managerial efforts to find solutions to intercultural problems, these challenges have still not been totally resolved.

In terms of their transition towards a holistic D-KM/S Strategy this suggests that the both the CSC and the MMCA are in Phase 2 of their journey, with the FSC at Phase 3.

8.3.2.3 Social Networks

While Communities of Practice (CoPs) are encouraged in two of the cases studied (FSC and MMCA) support from management is limited, and in the third organisation (CSC) there is no evidence of CoPs.

Both the FSC and MMCA encourage the formation of voluntary, informal, employee-led groups. The self-organising social phenomenon is carried out by employees who join the group voluntarily and interact intensively with other members so that an overall pattern is formed within the context in which they are placed. In so doing, a sense of identity is created and collective learning is stimulated through social interaction, story telling, collective reflection and problem-solving (Mittendorff et al. 2006). The collaboration among members in this human social system is informal, flexible and formed to facilitate diversity strategy implementation as well as engender better understanding of the consumer needs and wants of the groups represented. The regular patterns of connections and behaviour formed between members and their ongoing interaction are important to stimulate learning. More importantly, these two organisations stress the contribution of these groups to knowledge creation through informal idea sharing.

Even though there should be a complete absence of managerial intervention in running the social network, a need to foster the surrounding conditions of the social network is required such that it supports, strengthens and reinforces its progression. Managers can also play a role in facilitating these groups by stimulating, for example, informal meetings, and recognising the implicit learning in these groups and the value of tacit knowledge (McElroy 2002; Mittendorff et al. 2006).

Several challenges have arisen that appear to limit the potential for CoPs to be effective in knowledge sharing. First, in these two organisations the time allocated to group meetings is limited because managers do not regard CoPs as vocational and therefore do not encourage employees to attend them during work hours. Second, no CoPs have been formed around the CALD groups and thus, there are no CoPs whose membership encompasses all the ethnicities represented in these organisations. Third, at the MMCA specifically, managers intervene in CoP activities in numerous circumstances, including the search for funding, the invitation of guest speakers, and requests for training session participation or leave to attend CoP group meetings. The literature review suggested that such intervention limits employee interaction and hinders the full development of CoPs. Further, the fact that employees need to request funding indicates their marginalisation and weakens their participation in diversity-related activities (Paul-Emile 2005).

In addition, both the FSC and the MMCA are exploring how to develop a virtual setting to support CoP development as well as searching for methods to improve the communication channels in their corporate environments. However, the lack of training in accessing this resource at the MMCA has negatively impacted employees' understanding of how to make the most of this technology.

In terms of a transition towards a holistic D-KM/S Strategy this suggests that the CSC has not progressed beyond Phase 1 because there is no evidence of the development of CoPs as a means to enabling social networks. Both the FSC and MMCA may be seen as being between Phases 2 and 3 as they have developed approaches that encourage informal knowledge sharing but these are limited in terms of the support provided from management.

In summary, it is clear from the cross-analysis that a number of elements of the framework are exhibited in all three organisations, although differences exist among them in varying ways.

8.4 Answering the Research Question

It is clear from this cross-case comparison and analysis that each of the three organisations displays various elements of the D-KM/S framework. Each of the organisations has progressed at least some way through the different phases in their

transition towards a fully holistic implementation, although none has developed beyond the third phase. This suggests that the framework developed for a holistic D-KM/S Strategy does address the primary research question by identifying an appropriate organisational strategy to support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds. This strategy includes the need for a Productive Diversity Management Strategy, supported by a two-way communication strategy, training in all elements of CQ and encouragement for employees to develop CoPs.

There are two further strategies that emerged from the case studies that were not originally included in the framework but need consideration. These are, first, a more proactive use of IT intranets as a form of communication and, second, the encouragement of a narrative to share culturally specific tacit knowledge.

With regard to the intranet there is a need to explore ways to assist effective employee access to, and use of, this medium. It is also important that recognition be given to the employee preference for face-to-face communication. This may mean consideration is needed of increasing the number of contact officers and communication teams that employees can contact directly about diversity issues.

Second, there is a need to consider the potential role of narrative to extend understanding of the practical effectiveness of diversity policies. This may present additional opportunities to explore and use the cultural knowledge and language skills of the multicultural workforce in addition to its current use in terms of assisting access to diverse markets. It may also enable organisations to tap into the tacit knowledge of employees to fill skill gaps.

Narrative can be introduced into the KM space by utilising self-organising informal CoPs as an expression or form of social capital (McElroy 2002). Given that CoPs provide a system of interpersonal relationships that involves the participation of members who reflect on information exchanged within the group through a discussion and a problem-solving process, the role of story telling is vital. Thus, an informal trusting environment of exploration guided by a facilitator is required to reveal insights around a particular theme, a topic of interest or a practice.

The relatedness of this process to KM lies in the importance of narratives in conveying complex ideas in simple memorable forms and converting tacit knowledge into explicit knowledge (Linde 2001; Simons & Ruijters 2001; Snowden 2000). Once the narrative strategy is brought within the KM ambit through CoPs it can lead to new insights that affect the group's working process, and as a result of this exchange, new knowledge can be developed. Thus tacit knowledge can be made available and negotiable for others through this process.

In terms of the role of HRM, the three case studies provide evidence that the role HRM plays in planning, driving and reviewing diversity strategy, while initially central, has changed as line managers assume greater responsibility for implementation of diversity. It appears that there is a need for a new model in which HRM and line managers work much closer together to design suitable approaches to develop a holistic D-KM/S Strategy if organisations are to benefit from the diverse tacit knowledge of their multicultural workforce. Loden (1996) and Arrendondo (1996) support this finding as they argue that it is crucial that the implementation of diversity initiatives is shared by business unit managers and HRM. Loden (1996) adds that it is through dispersing responsibility that diversity initiatives become more credible.

In summary this research makes a valuable contribution to the fields of both diversity and KM/S as the results have shown that organisations are beginning to acknowledge to some extent the interlinked relationship between their diversity and KM/S strategies, and the value of leveraging the tacit dimension of diversity. This is confirmed by the fact that the three organisations, chosen for their recognition as leaders in diversity, exhibit the elements presented in the framework. In addition, their practices have enabled the framework to be further developed to incorporate the potential role of narrative and the potential for IT to extend social networking capabilities through virtual CoPs. The following section completes the thesis with a summary of the contribution made by this research. In so doing it identifies possibilities for further research.

8.5 Key Contributions, Limitations and Recommendations of the Research

This research has contributed to research into diversity management and KM/S in two major ways. First, it addresses the gap in the literature by designing a framework aimed at achieving the desired outcome of using the innovative potential of a diverse workforce.

Second, it provides empirical data that increases understanding of the mechanisms required to recognise and share tacit knowledge that is ethnically influenced in culturally diverse environments. Whereas most studies to date have focused on each of the strategies individually, this research has focused on the importance of acknowledging and sharing tacit knowledge that is ethnically influenced that binds the two strategies of diversity management and knowledge management together and integrates them into a holistic strategy through the inclusion of elements highlighted in each of the disciplines. In so doing, the research has provided a different perspective on the development of diversity and KM/S strategies and opened up new avenues for research in this domain.

As indicated in the methodology chapter, while there was some difficulty in accessing the full range of personnel originally proposed (especially in one case study), the fact that the interviews and focus groups involved 28 individuals (managers and employees) across different functional levels and ethnicities in three organisations (covering the spectrum of Australian business), whose diversity programs were regarded as exemplary, resulted in the information collected from the research being rich, thorough and diverse.

The data from the qualitative interviews identified that the elements of a holistic D-KM/S Strategy are exhibited in the organisational strategies in varying degrees in the case study organisations, with two additional elements emerging from the research into practice—namely the narrative approach and the development of IT for CoPs. The information collected also identified that HR has a central role in linking diversity and KM/S strategies, even if this is to ensure that they work more closely with line managers. The developmental process of this strategy in each organisation was also clarified with suggestions offered on what would be suitable to effectively identify and share employees' ethnically tacit knowledge. Thus, the perspectives presented here can assist practitioners in developing a holistic D-KM/S Strategy.

Another important contribution is that the research yields both a broader and deeper understanding of how to develop a holistic D-KM/S Strategy as it explored this strategy from the perspectives of participants. The use of an inductive, qualitative research methodology has enhanced the likelihood of developing empirically supported new

ideas that hold particular relevance and interest to practitioners, and has also offered a lively portrayal of how the elements of communication, training and social networks are enacted in real life. Thus, Australian organisations that wish to take advantage of the multicultural workforce and to encourage employees to first recognise and then share their tacit knowledge need to use this framework to develop a strategy that takes advantage of the knowledge presented by this ethnically diverse workforce.

In addition, the framework for a holistic D-KM/S Strategy outlined here is a potentially highly valuable and useful tool for managers in culturally diverse organisations. Follow-up research elucidate on how the framework might be expanded with a consideration of the ways in which the narrative may be incorporated into social networks to ensure collective learning outcomes, and whether a computer-supported virtual CoP environment could support the framework. Questions such as ‘Is the narrative approach an element that should be incorporated into a holistic diversity-knowledge management/sharing strategy?’ and ‘Is collective learning of economic relevance to a holistic diversity-knowledge management/sharing strategy?’ might then be asked.

Another area of future investigation lies in identifying a multidimensional measure of organisational performance as this may be useful in revealing which dimensions of productivity are most influenced by the elements comprising a holistic diversity-knowledge management/sharing strategy. This may help us to better understand the outcome of implementing this holistic strategy. Further research on both the value of IT elements that build up CoPs and the narrative approach which may add to the framework would also be valuable.

8.6 Conclusion

This research has identified a variety of organisational strategies that support and encourage the development and sharing of knowledge between employees of different cultural and ethnic backgrounds. Of central importance is the need for a holistic integrated D-KM/S Strategy. This framework should include a clear strategy that identifies the Productive Diversity management model. There is a need for an advanced communication strategy that includes both one-way and two-way communication. There is also a need for training to include cognitive, behavioural and motivational components of CQ, as well as training and development opportunities for social networking to build social capital. Underpinning this is the suggestion that HRM should

play a larger role in this integration. Finally, the proposal of a phased approach towards this holistic framework will enable organisations to implement the change with minimal disruption.

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APPENDICES

Appendix A: Interview Guides

Interview Questions for Managers

A) Diversity Management Strategy

1. What diversity initiatives have been introduced by your organisation to harness the benefits of employing a CALD workforce?
 - a. Are there any examples of how these initiatives uncover the perspectives of CALD employees & tap into their knowledge & practical experience?
2. What are the main differences in the focus of your current diversity strategy and the previous diversity strategy?
 - a) How often does your organisation customise their diversity strategy?
3. What have you used to date to measure the effectiveness of your current diversity strategy and what did you find out?

B) Diversity Management Strategy Implementation

I) Communication:

4. What programs are offered to raise awareness on your diversity strategy?
 - a. What mechanisms are used to communicate the diversity message to your staff?

II) Training

5. Is there a cultural awareness training program that is provided at your organisation?
 - a) How do employees access this program? Who signs off?
 - b) What motivates them to engage in this program?
 - c) What do you think of the program?
 - d) How effective do you think it has been?
6. Are there any other training programs or workshops provided at your organisation to extend awareness and understanding of different cultures?

III) Social Networking - Communities of Practice

7. What have your organisation done/are doing to encourage knowledge sharing between your CALD staff?
 - a. What has worked best from the methods implemented?
8. Are you aware of any voluntary informal network groups at your organisation that you can join to explore and discuss a topic of interest?
 - a. Any examples?

C) Role of HR

9. What is HR's involvement in the diversity strategy?
10. How does HR support managers in implementation of this strategy?
11. What further involvement do you think HR could have?

D) Final Question: A holistic D-KM/S Strategy

12. If you were to redesign your diversity strategy to encourage greater sharing of the diverse knowledge of your employees, what would you include?

Focus Group Questions

A) Diversity Management Strategy

1. Are you aware of your organisation's diversity policy/strategy?
 - a. How is this policy/strategy related to you directly?

B) Diversity Management Strategy Implementation

I) Communication

2. How is the diversity message communicated to you? Is it clear?
3. Are you encouraged to provide your feedback on the diversity policy/strategy?
 - a. What mechanisms are used to capture your feedback?

II) Training

4. Are there any training programs or workshops provided at your organisation to extend awareness and understanding of different cultures?
 - a. How do you access this program? Who signs off?
 - b. What motivated you to engage in this program?
 - c. What do you think of the program?

III) Social Networks – Communities of Practice

5. What is done at your organisation that encourages you to share your knowledge and expertise to your colleagues?
6. Are you aware of any voluntary informal network groups that you can join to explore and discuss a topic of interest? Examples?
 - a. Are you a member of any? Why/Why not?
 - b. What would motivate you to engage in this group?

C) Human Resources Management

7. What do you think of the role HRM is playing in driving the diversity program?
8. What further involvement do you think HRM could have?

D) Final Question

9. If you were to redesign the organisation's diversity policy to encourage greater sharing of your diverse skills, knowledge and talents, what would you include?

Individual one-on-one interview questions with employees.

A) Diversity Management Strategy

1. Could you give me an example of diversity initiatives/programs that have been introduced by your organisation to harness the benefits of employing a culturally diverse workforce?
 - a. Are there any examples of how these initiatives uncover your perspectives & tap into your knowledge & practical experience?

B) Diversity Management Strategy Implementation

I) Communication

2. What programs are offered at your organisation to raise awareness on your diversity policy/strategy?
3. Are you encouraged to provide your feedback on the diversity policy/strategy?
 - b. What mechanisms are used to capture your feedback?

II) Training

4. Are there any training programs or workshops provided at your organisation to extend awareness and understanding of different cultures?
 - a. How do you access this program? Who signs off?
 - b. What motivated you to engage in this program?
 - c. What do you think of the program?

III) Social Networks – Communities of Practice

5. Are there any examples of any voluntary informal network groups that you can join to explore and discuss a topic of interest?
 - a. Are you a member of any? Why/Why not?
 - b. What would motivate you to engage in this group?

C) Human Resources Management

6. What do you think of the role HRM is playing in driving the diversity program?
7. What further involvement do you think HRM could have?

D) Final Question

8. If you were to redesign the organisation's diversity policy to encourage greater sharing of your diverse skills, knowledge and talents, what would you include?

Focus Group Questions for the Diversity Council (The FSC)

A) Diversity Management Strategy

1. What are the main differences in the focus of your organisation's current diversity business strategy and the previous diversity strategy?
 - a. How often does your organisation customise their diversity strategy?
2. What have you used to date to measure the effectiveness of your current diversity strategy and what did you find out?

B) Role of Diversity Advisory Council:

3. What is the council's involvement in the diversity strategy?
4. How do you currently support managers in implementation of this strategy?
5. What further involvement do you think the council could have?

C) Diversity Management Strategy Implementation:

I) Communication

6. How do you communicate the diversity message and what mechanisms do you use to raise awareness on diversity?
7. How involved are the employees in these mechanisms?

II) Training

8. Are there any training programs or workshops provided to extend awareness and understanding of different cultures?
 - a. How effective do you think these programs have been?

III) Social Networking – Communities of Practice

9. What role do social networking groups play in fostering openness and knowledge sharing between your employees?

Final Question

10. If you were to redesign your organisational diversity strategy to encourage greater sharing of the diverse knowledge of your employees, what would you include?

Appendix B: Plain language Statement for Participants

RMIT University

Business Portfolio

School of Management

INVITATION TO PARTICIPATE IN A RESEARCH PROJECT PROJECT INFORMATION STATEMENT

Project Title:

Developing diversity strategies to address complex operating environments.

Investigator:

Mr Ahmad Al-Mousa (Management PhD student, RMIT University, ahmad.mousa@rmit.edu.au, (04) 04 623 219, (03) 9925 1666)

Dear Participant,

Your organisation is invited to participate in a research project being conducted by RMIT University. This information sheet describes the project. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask the investigator.

Who is involved in this research project? Why is it being conducted?

Ahmad Al-Mousa is currently a research PhD student in the School of management at RMIT Business. His research topic is ‘*Developing diversity strategies to address complex operating environments*’. His supervisor is Assoc. Professor Sandra Jones, Director of Learning and Teaching Development, RMIT.

The research is being conducted as part of a Doctor of Philosophy degree. The project has also been approved by the RMIT Business Portfolio Human Research Ethics Sub Committee.

Why have you been approached?

A case study approach has been chosen for this research to provide a detailed explanation on the issues associated with workforce diversity in a natural setting.

Your organisation and two others have been chosen to participate in this research based on the approach outlined in your strategy for the employment and inclusion of a culturally diverse workforce, your ongoing commitment to diversity, and your history of being a diversity award winner.

You will be interviewed to share your views on your organisational diversity policy/strategy and on the training programs provided.

What is the project about? What are the questions being addressed?

In light of skill shortages and increased workforce participation schemes, the diversity in Australia’s workforce continues to play a crucial role in the success of organisations today. Recognising the contribution that diversity of constructive opinion, perspective and culture has on business advantage, has led organisations to consider ways to enhance the working relationship and performance of their diverse workforce. This requires organisations to consider a new approach to their diversity strategy that builds on the knowledge of their diverse workforce.

The research project aims to study diversity strategies in several Australian organisations. This is done to explore how organisational diversity strategies are taking advantage of the potential knowledge sharing opportunities that arise from employing a culturally diverse workforce.

The primary research questions addressed by this study are:

- To identify what strategies are required to support and encourage the development and sharing of the diverse knowledge between employees of different cultural and ethnic backgrounds.
- To explore the contribution of HRM in assisting organisations with the implementation of diversity strategies and the actions required to encourage the sharing of the diverse knowledge.

A theoretical framework of a model for an integrated diversity, knowledge management strategy has been developed from the literature. This includes a communication element, a training element and a social networking element.

If I agree to participate, what will I be required to do?

Part of conducting the study is interviewing managers and other employees to explore issues related to the organisational diversity strategy, the active role of HRM in driving this strategy and on training issues. The interview will be directed at getting your response to the conditions required for greater sharing of the diverse knowledge of the workforce.

The interview will take about an hour and it will be held on the organisation's premises. The interview will be audio-recorded subject to your consent, to ensure the accuracy of the transcription of the interview conversation. You are able to terminate the audio recording at any time. You are also able to withdraw partially or completely at any time during this research and you may refuse to answer any questions. You will not be directly quoted in the final research paper.

What are the risks or disadvantages associated with participation?

You will not be exposed to any risk factor as the information the investigator is seeking relates only to research and supervision purposes.

What are the benefits associated with participation?

The research will provide valuable feedback to the organisation on how managers and employees view the implementation processes of the organisation's current diversity strategy. It is considered that this will provide ideas for future adjustments to the organisation's diversity strategy.

The research is intended to provide information to Australian Organisations on how to effectively unleash the potential of the workforce and utilise their diverse knowledge in seeking to enhance business effectiveness and sustain competitiveness. It aims to indicate how to develop a best practice communication process for a diverse workforce.

The research attempts to make a contribution to the existing body of knowledge in the field of diversity and knowledge management and offers a useful application tool in business.

What will happen to the information I provide?

The information collected will be analysed by the investigator as part of his PhD thesis and the results may appear in conference papers or journal publications. The results will be reported in a manner that does not enable you to be identified. Thus, anonymity will be protected and maintained throughout the research.

The confidentiality of the data collected for this research is guaranteed by the investigator, with access to the information collected available only to the investigator and his research supervisor. Your identity will be disguised in all published reports by using pseudonyms. All taped

interviews will remain totally confidential. Thus, your anonymity and confidentiality will be strictly maintained.

The research data will be held securely in a locked cabinet at RMIT premises for a period of five years after the completion of the project and then disposed of in a locked paper disposal bin. A summary of the findings of the research will be published in a thesis.

What are my rights as a participant?

This research is voluntary and you may withdraw your participation at any time, without prejudice. You have the right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified. You have the right to have any questions answered at any time.

Whom should I contact if I have any questions?

If you have any queries regarding this project please contact the investigator on his details provided above or his supervisor Assoc. Professor Sandra Jones, phone (03) 9925 4936, email: sandra.jones@rmit.edu.au. If you have any ethical concerns please contact the Chair of the Business Portfolio Human Research Ethics Sub-committee, phone (03) 9925 5594, fax (03) 9925 5595, email: rdu@rmit.edu.au.

What other issues should I be aware of before deciding whether to participate?

Attached is the Consent Form. Please complete and sign the form if you wish to participate.

Thank you very much for your consideration!

Yours Sincerely,
Ahmad Al-Mousa

Phd Cand.; MSC; MA; BA

<p>Any complaints about your participation in this project may be directed to the Executive Officer, RMIT Human Research Ethics Committee, Research & Innovation, RMIT, GPO Box 2476V, Melbourne, 3001. Details of the complaints procedure are available at: http://www.rmit.edu.au/rd/hrec_complaints</p>

Appendix C: Informed Consent Form for Participants

Prescribed Consent Form For Persons Participating In Research Projects Involving Interviews, Questionnaires or Disclosure of Personal Information

PORTFOLIO OF Business
SCHOOL OF Management
Name of Participant: _____
Project Title: Developing diversity strategies to address complex operating environments.
Name(s) of Investigator: Ahmad Al-Mousa Phone: 0404 623 219

1. I have received a statement explaining the interview/questionnaire involved in this project.
2. I consent to participate in the above project, the particulars of which - including details of the interviews or questionnaires - have been explained to me.
3. I authorise the investigator or his or her assistant to interview me or administer a questionnaire.
4. I give my permission to be audio taped: Yes No
5. I give my permission for my name or identity to be used: Yes No
6. I acknowledge that:
 - (a) Having read the Plain Language Statement, I agree to the general purpose, methods and demands of the study.
 - (b) I have been informed that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied.
 - (c) The project is for the purpose of research and/or teaching. It may not be of direct benefit to me.
 - (d) The privacy of the information I provide will be safeguarded. However should information of a private nature need to be disclosed for moral, clinical or legal reasons, I will be given an opportunity to negotiate the terms of this disclosure.
If I participate in a focus group I understand that whilst all participants will be asked to keep the conversation confidential, the researcher cannot guarantee that other participants will do this.
 - (e) The security of the research data is assured during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to Debra Dodgson. Any information which may be used to identify me will not be used unless I have given my permission (see point 5).

Participant's Consent

Name: _____ Date: _____
(Participant)

Name: _____ Date: _____
(Witness to signature)

Participants should be given a photocopy of this consent form after it has been signed.

Any complaints about your participation in this project may be directed to the Executive Officer, RMIT Human Research Ethics Committee, Research & Innovation, RMIT, GPO Box 2476V, Melbourne, 3001. The telephone number is (03) 9925 2251.