

Operation to asia

[Parts of the World, Asia](#)



Diversity is crucial and inevitable for any service organizations to create opportunities for more innovative ideas. Diversity involves individuals from different ethnic background, culture, age, gender, status and personality characteristics to communicate and share values. To promote and implement diversity, managers should have an effective recruitment strategy. Although diversity creates opportunities, it can create contemporary issues. The issues on diversity are rather complex. This is due to the changing nature of social trends organizations need to adapt.

For example, there has been an increase of women entering in the workforce by 40 per cent since August 1961 [ABS, 2013.] and an increase of employment in part-time and casuals since 1979. The percentage of full-time employees fell from 42 per cent to 39 per cent, while part-time increased from 25 per cent to 36 per cent [Lawson, 2007. 1. There are other several trends which influence the nature of diversity in the service industry. These include the recognition of Australia characteristics as more of a multicultural country. The country is also known as an aging population and is skewed towards white-collar services.

An increase of technology development creates more of a diverse country through networking. This suggests that social attitudes, cultural trends and values can often change. For example, Santa had the difficulty of maintaining the company's consistency in terms of performance due to the changing nature of diversity. Work-life balanced positions are more in demand. Thus Santa has responded in employing more casual and part-time employees. This change has driven Santa to reduce costs and improved its

International competitiveness. There has also been an increase in participation of women in the Rockford.

Santa has the total 42 per cent of women in which only 23 per cent of women occupy senior roles [Broadening, D. (2013: 68)]. Thus Santa had implemented family practices to maintain women within the airline. This reinforces that, there is a need of ongoing diversity management to gain a productive diversity. Hence organizations are able to gain a sustainable competitive advantage. Managing diversity is defined as "the challenge of meeting the needs of a culturally diverse workforce and of sensitizing workers and managers to differences associated with gender, race, and nationality in attempt to maximize the potential productivity of all employees" [Ellis and Condensable (1994: 82)]. Tests, a UK customer focused retailer has identified the essential of diversity management. To reach its maximum potential goals, Tests has established a clear mission statement - "make what matters better, together" [Tests PL. 2013]. The retailer's mission statement promotes productive diversity. Tests has recognized the importance of inclusion to ensure high employee satisfaction.

The strong communication between managers and employees encourages each employee to examine their own potential productivity against the organization values and its benchmark. The industry further provides flexibility to all employees where "everyone result, Tests has gained significant benefits. These benefits include an increase of diverse knowledge and skills towards customer services, innovative opportunities, positive reputation of the organization and an increase of service productivity. Thus it

reinforces the importance of effective diversity management to gain a sustainable competitive advantage.

A financial company, Western has also incorporated diversity management strategies to ensure the company achieve its vision - " To be one of the world's great companies, helping our customers, communities and people to prosper and grow" [Western Group Ltd, 2013.]. Western has established The Western Group Diversity Council and diversity policy to ensure their objectives have been achieved. The policy outlines that managers should have continuous review and discussions in addressing with any emerging diversity-related organizational issues.

This provides the organization a constant strategic and effective diversity management evaluation. It also outlines management strategies such as effective communication to increase its productive diversity. Hence ensures the company reaches its vision. Western Ltd, 2013. Has clearly identified within its industry that, 43% of employees (36% men and 48% women) work flexibly, over 12% employees have disability, 61% employees are women and 32% of employees were born outside of Australia and New Zealand. These statistics suggests Western have provided an inclusion of all recruited employees to promote a diverse service culture.

As result, Western has gained positive response in managing diversity. The finance company has received recognition as one of the world's most ethical companies [Deciphers Institute, 2013.]; top ten employer for LIGHT (Lesbian Gay Bisexual Transgender and Interest) inclusion [Australian Workplace Equality Index Awards, 2013.]; won the Gender Equity in

workforce [AIR Diversity awards, 2013.]; won the Employer of Choice for Women Award [WorkplaceGender EqualityAgency, 2013.] and has been ranked 10th in the Global 100 list of the world's sustainable corporations.

Therefore it emphasizes the need of diversity management in service industry to maintain a sustainable Diversity can provide organizations great benefits, but it is also the cause of contemporary issues and conflicts when organizations need employees to think in the same direction. For example, according to Sunday Morning Herald, in 2002, TAP had a discrimination-related issue - a Muslim employee had asked the organization to have a five minute break for his prayer was rejected. The issue was brought to the Australian Industrial Relations Commission.

As a result, TAP had failed to recognize its need of incorporating diversity with its culture values. Thus there was a need in changing its work ethnic values. Conflict can arise due to the differences of stakeholders values and miscommunication. Hence it is difficult to measure fairness and equality between the different cultures and social and ethical values. For example social etiquette is vital in perspectives. This is due to language barriers and different cultural aspects. It is also difficult to recruit a diverse workforce that is able to parallel with the organizational culture values.

For example, most recruitment is based on skills, personal traits, experience and qualifications that are fitted to the organization's value. Conflicts are also inevitable, thus, managers should implement conflict resolution strategies to decrease the amount of conflicts. Conflict resolutions include identifying the issue, negotiating, mediating, grievance procedures and

involvement of courts and tribunals. Thus, these strategies are a vital tool for service industries to promote productive diversity. Identifying the issue is the first step when a conflict arises.

Managers who recognizes the cause of the conflict are able to prevent further complex disputes. To avoid misunderstandings, managers should use active listening skills. This includes ironing, paraphrasing, summarizing, clarifying questions and providing the speaker motivational response.

Negotiating is a bargaining process between two or more parties seeking to discover a common ground and reach an agreement to settle a matter of mutual concern or resolve a conflict [Chapman, S. 2011 .]. Mediation is the process of using a third party to settle a dispute [Samson, D. ND Draft, R. 2012.]. Both solutions provide an ongoing communication between stakeholders to reach a " win-win" situation. Grievance procedures are used in certain conflict situations which must be handled in procedure. This method provides clear instructions on resolving a dispute. Courts and tribunals are a third individual mechanism that enforces a solution based on the conflict circumstance. Although it is used effectively to end a dispute, it could be argued that, this mechanism would be the causes of organizations to have further internal disputes.

This is due to the negative publicity. In 2011, Santa had a dispute in terms of different values between CEO and the union and employees. It could also be argued, that this conflict is due to poor management. The issue was based on providing employees a sense of Job security, u to the " cultural shift" of outsourcing parts of its operation to Asia. The lack of flexibility and

ineffective communication due to the top-down management hierarchy were also the causes of conflict. As result, the dispute had become internationally known and major costs were involved.

Santa human resource managers should have clearly communicated its vision to provide a sense of employee's job security. Integrating diversity in the workplace is not only to create opportunities but it is to abide legal ethics. The legislation enforced in Australia to ensure equality employment is Equal Employment Opportunity Act 1987 (Act). The Equal Employment Opportunity (EEO) outlines that all employees have equal access to the opportunities that are available, including promotion possibilities, overtime availability and leave entitlements [Chapman, S. 011]. Thus, it could be argued, that, the legislation promotes diversity. Organizations which fail to abide the legal systems would be subjected to hefty fines and gain a negative industry reputation. For example, in the EEO. The company did not offer a suitable part-time position after her maternity leave. As a result of this issue, TAP had to cover \$75, 000 of damage [Sunday Morning Herald, 2003.]. This suggests poor productive diversity. It is recommended, that TAP should evaluate its diversity management and its culture values.

This case study also suggests the need to reform the legislation where women with pregnancy are included to avoid further conflicts. Thus, the Equal Employment Opportunity Amendment Act 2012 (Act) legislation further reinforced and depicts issues on conflicts based upon discrimination, harassment and racism. Western and Santa have obligated to promote EEO within the workforce. Western has effectively promoted EEO and its values

to employees. The establishment of the diversity council group had lead Western to manage its diversity effectively.

Through continuous evaluation, Western has created high staff morale. Thus the company is able to maintain its low staff turnover and absenteeism.

Santa has established a Diversity Statement to ensure the airline industry is obligated to the EWE. The EWE provides Santa to promote diversity through leadership, talent and development programs, flexible work arrangements and recruitment and selection processes [Santa Airways Ltd, 2013.]. This management approach supports Santa objectives, delivers competitive advantage and benefits to customers.

In conclusion service industries that effectively implement diversity management allows organizations to achieve its maximum potential goal. Hence it is an essential strategy for managers maintain a sustainable competitive advantage through productive diversity. It is also an opportunity for organizations to embrace diversity to become more innovative. Although productive diversity allows positive recognition response like Western, it can also be the cause of contemporary issues. Unable to identify contemporary issues will lead to conflicts. Conflicts are inevitable.

Therefore, here is a need for conflict resolution mechanism to maintain ethical practices in the workforce. Further disputes can create a disadvantage. For example, Santa should have positive reinforcement if there is a need for change of work practices. The lack of Job security has lead unions and employees to go on strike. As result, major financial costs were involved and negative publicity. The establishment of the Equal Employment

Opportunity Act 1987 (Act) is enforced for all organizations to abide. The legislation ensures equity and fair ethical practices in the workforce.