Essay on managing international businesses

Business, Management

Critically evaluate the issues involved in managing diversity in organizations that operate in global context

Introduction

This paper begins by highlighting various terminologies that are crucial to the discussion of diversity in organizations. Some of these terminologies include diversity, multiculturalism, knowledge management and human resource management. The discussion goes further to give a historical background on organizational diversity and a glimpse into the issues surrounding the topic. It further evaluates approaches that attempt to explain diversity such as discussed by Alvesson and Hofstede. The crux of the paper is the examination of new diversity trends that are happening in organizations. The paper therefore hypothesizes that cultural diversity at workplace is dynamic given that knowledge economy in the global village is ever changing. The 21st C organizations will be required to establish competency levels at their work place to be able to have a competitive advantage over their competitors.

Terminologies

This section highlights buzzwords found in the discussion that are central to the development of the ensuing logical arguments.

Diversity

Diversity denotes the various distinctions that people bring to an organization or community. There are various dimensions of diversity: primary (biological) and secondary (Psycho-social-spiritual) (Rosado 2006; Johnson 2003).

Multiculturalism

Rosado (2006) defines multiculturalism as a system of beliefs that distinguishes and respects presence of assorted groups in an organization or community. It accepts values, their socio cultural differences and supports continued involvement specified groups (Lynch 1992; Rosado 2006). It also means taking cognizance of what people have to offer not just based on the fact that those who are powerful have rejected them or have a different opinion.

Knowledge Management

Knowledge management refers to the discipline that promotes a more integrated approach in " identifying, capturing, retrieving, sharing and evaluating enterprise information assets that include documents, data bases, policies, procedures, workforce experience and expertise" (Samii 2011, p. 10).

Human Resource Management

On the other hand, human resource management is that part of management that is assigned all decision making, factors, principles, strategies, functions, operations, activities and methods that are related to management of the workforce in any type of organization (Rennie 2003). It deals with various dimensions related to people and the interpersonal relationships. It ensures quality of work for the work force and delivery of goods and services is above board (Rennie 2003). When transforming an organization to multiculturalism, it is not easy because in most instances, humans prefer continuity of the status quo. They resist new ideas and thus

should access human resource managers who are skilled in organizational development, leadership, feed back through 360 degrees and monitoring and appraisals necessary for improvement. A legal framework is necessary when initiating laws and regulations in order to instill compliance among workmates (Makower 1995).

Thesis Statement

The paper hypothesizes that cultural diversity in the workplace is dynamic given that knowledge economy in the global village is ever changing. The 21st C organizations will be required to establish competency levels at their work place to be able to have a competitive advantage over their competitors.

Historical Background

Going by the 21st C demands, workplace environment is culturally receptive and internationally, focused on course of the future rather the past. This acknowledges and values social cultural distinctions among groups and supports continued contribution of understanding within an all-encompassing context, which energizes all organizations (Rosado 2006).

Once an employee manages to recognize diversity of cultures, he or she should respect fellow staff members. For instance, women's contributions went unnoticed in the U. S; respect came with the formulation of laws that respect the powerless. It implies appreciating that some cultural orientations among groups are valid while at the same time accepting that some cultural practices are better than others. For instance, some societies are involved in female genital mutilation (FGM); while it is in order to respect their cultural

practices, it seems lowly rated when compared to other dominant groups. Multiculturalism aims at giving all members of a group an equal chance to exploit their potential. It provides an opportunity for the staff to be self critical of themselves by examining their own behaviors and cultural life. Multiculturalism thrives on education and training which involves the ability to rejoice with others and the main aim is to bring unity in diversity.

The 21st C challenges in the cultural diversity debate include racial or ethnic hostility and lack of cultural sensitivity. Most organizations therefore resorted to management of diversity practices particularly in the U. S, Japan, S. A, Spain, England and other common states. Some organizations have set in place cultural pluralism that is required to manage diversity. Multiculturalism values management of diversity in a total quality manner (TQM). In business, multiculturalism concentrates on values, human interactions, which recognizes and respects involvement of other racial or ethnic groups. Therefore, human resource management (HRM) practices focus on efforts that enhance multi-cultural diversity. Diversity management considers biological factors (primary factors) in an organization such as age, gender, race and disabilities among other physiological issues. The secondary (Psycho-socio-spiritual) factors include value systems, mindsets and world views.

Knowledge management on the other hand promotes an integrated model in an organization that involves capturing, retrieving, sharing and evaluating information that contributes to the overall support and promotion of diversity. Knowledge in this 21st C is becoming increasingly a critical resource of competitive improvement in the global economy. In diverse

multicultural organizational settings, coordination of tangible aspects of creation and exploitation of knowledge aims at increasing culturally diverse unity (Nonaka & Takauchi 1995).

Diversity is important because it creates awareness on the part of staff and other colleagues at work to be sensitive to differences among themselves. Multicultural diversity and its management in the 21st C need to embrace the competitive advantages of a diverse workforce (Soutar 2004; Young 2005). Human resources managers have a duty to redefine management and leadership (Jones 1989). Sometimes practices in mono-managing human resource management destroy diversity in organizations. Therefore, leaders are required build strong distinctive workforce. In order to create the desired transformations, it is imperative for the managers to establish strategies, organizational structures and processes and increased communication and commitment and set goals and missions (Kossek & Lobel 1996). Additionally, at the work place, diversity management comprises of understandable managerial processes for developing a work environment that takes cognizance of all employees (Thomas 1992). The management has to accept the fact that success at work place is dependent on workforce linkage to outside groups (Kreitz 2007). It also becomes imperative for the managers to define clearly what their organizations will achieve in pursuing diversity and should identify particular ways in which their organization will benefit. Diversity has been perceived as regulatory compliance to multiculturalism, social fairness and strategic planning outcomes (McMahon 2006).

Approaches

Alvesson (1993) offers helpful approaches for understanding culture by viewing it in four ways namely unitary and unique organizational culture; organizations as melting points for culture; local subcultures and complex and ambiguous configurations. With time, individual cultures can never be entirely different since it is an entire manifestation of macro-social phenomena. Through the local subcultures model, Alvesson (1993) asserts that sub-cultures suppress macro-societal issues in the long run conceptualizing organizations culture as one that is made up of a variety of local settings. The last model understands culture as having complex and confused, simple and exclusive ad macro or shared issues. He recommends that all the four approaches may be used to comprehend organizational culture (Pinnington, 2003).

Geert Hofstede's research findings on national culture and fundamental distinctions found out that various models guided organizations. Individualism allowed people from a country to act as individuals rather than as a group. Collectivism allowed them to act as though they were members of groups and looked after each other and protected them. Similarly, power distance in organizations describe the extent to which the society accepted power that existed in institutions and organizations as either evenly or unevenly distributed. Organizations needed some form of nurturing of tolerance towards sensitivity in relationships and minding others, acquiring material goods with competition and assertiveness.

The Subject Matter: What is it that Organizations are doing on diversity?

In this paper, the central question is to understand what is it that organizations in the 21st C are doing to overcome diversity challenges? Best practices can be defined as those practices that are accepted to be sound by stakeholders in appropriate situations; methodologies or research which produced reliable results. Aronson (2005) discusses work place diversity by explaining how diversity measures can be understood based on available principles.

G. A. O report identified nine best practices that are exhibited by a diverse organization (U. S G. A. O, 2005). The top leadership commitment is experienced where the top level management establishes a vision of diversity in the visions and missions of the organizations. When developing the strategic plan, it is inherent or forms part of the designed strategic plan. The organization also takes cognizance of the fact that a more multicultural work environment produces better results and develops individual performance. Best practices ensure that there qualitative and quantitative measurement account for overall multicultural programs. Best practices must have ways to ensure that even the leaders in an organization are accountable by linking their performance efforts to progress of diversity (Thomas 1992).

A study conducted by the ministry of manpower (MOM) in 2010 found out that 87% of most companies that participated in the study felt that work harmony was crucial for organizational performance. Well managed diverse teams had the ability to outclass homogeneous teams that were likely to be mismanaged. Diverse groups tended to be more innovative, progressive and

problem solving. When diverse teams are not well managed, communication and trust could water down leading to low performance.

When organizations are considered diverse by the public, they enhance their image among the would-be employees therefore attracting the best skilled workers. More still, employees who feel respected, worthwhile and incorporated normally are self motivated. In a worldwide survey on diversity by Gallup in 2008 involving about 3 million employees, it was found that employee performance, satisfaction and commitment was driven by a more inclusive and harmonious environment. When employees were more engaged and valued, it reduced the levels of staff turnover and intentions to leave. According to the study, 51% of the employees had lower turnover rates when engaged more by the organization.

Most organizations have redesigned their job descriptions for their established workers by tapping into technology to reduce more involving physical roles. By using the internet in organizations, it has made it easy to link to knowledge bases from which employees easily tap and improve their competitive advantages (Okunoye 2003). Some organizations have policies that monitor employee recruitment where it is stipulated that they should be obtained from at least ten countries. They also stress on recruitment of people with disabilities by engaging them in job placement programs. Even some have company ethos and cultural values and programs that allow new job recruits. They also have an open door policy where the workforce is allowed to raise challenges faced at work. Some managers have established quarterly assessment of organizational values, relevance of team work and creation of a harmonious workforce.

In some organizations, the responsibility of building a harmonious workforce rests with diversity committees not just human resource managers, which develops and implements initiatives that promote work place inclusiveness and harmony. It also raises awareness of advantages that an inclusive and unified workforce brings to an organization. The department assesses how different employee populations work with human resource and senior management to address diversity-related issues.

Other organizations have reinforced employee competencies by establishing harmonious workplace environments by involving them in formal human resource practices. Organizations ensure that job seekers that are recruited fit into organizational objectives, missions and values.

During learning and development process, by orienting the new employees into organizational visions and diversity, the newly recruited workforce establishes ground understanding their expected outcomes and overall performance. Foreign employees find a chance to receive appropriate information on products, services, organizational history and relevant information about their colleagues. They also get to learn their housing packages, rules, laws and regulations and socio-cultural norms. It is becomes a chance for old staff to know new employees and learn how to align work relations with organizational objectives, missions and values.

It becomes crucial for the management to enhance employee diversity competencies through empowerment trainings and equip employees and managers with skills. Employees should reach a level where visions, strategy and values are harmonious and inclusive. It is a chance that makes the workforce self aware of their preferences and how it affects existing

relationships in the organization. Most employees enhance career development of individuals by giving them opportunities to share their personal experiences. Employers have designed ways that manage their grievances at their work environment. They have established clear organizational grounds on employee and organizational effectiveness. When channels of employee ventilation exist, it becomes easier to contain workplace divisions. Some employers opt to engage employees directly through their associations. Others allow them to set up collective bargaining bodies which engage with top management. Others have employed more personal appeals to employees by nurturing in them internalized symbolic visions of organizational objectives, values and missions.

Summary

Most 21st C organizations acknowledge the fact that values and social cultural distinctions among groups in organizations need to be understood in their inherent all-encompassing contexts. Cultural respect at work is highly valued among fellow colleagues and those who are powerless are protected. While cultural respect is highly valued, not all cultures qualify for this respect particularly, when it is retrogressive. Multiculturalism thrives on educational trainings. The cultural diversity debate includes racial and ethnic hostility and lack of cultural sensitivity and most organizations resort to management of cultural practices to create harmony. Knowledge management promotes integrated models and total quality management (TQM) which captures information retrieval, sharing, evaluation and promotes to overall support of diversity. Diversity creates awareness in the workforce leading to tolerance and sensitivity on cultural diversity issues. Alvesson offers four approaches

to cultural diversity namely; unitary and unique organizational culture; organizations as cultural melting points; local subcultures and complexity or ambiguity models. Hofstede on the other hand utilizes individualism, collectivism and power distance models to shed light on organizational diversity dynamics.

Aronson (2005) highlights best practices as establishment of a clear vision, objectives, missions and values. Multiculturalism programs undergo qualitative and quantitative measurements. The study shows that multicultural groups outclass homogeneous teams and when such teams are not well managed, community trust wanes while workforce performance drops. Organizations have tapped into innovations to reduce physical roles and increase efficiency or comparative advantages.

Conclusion

This study has highlighted key issues that affect organizations in present day management. It has attempted to illuminate what is happening now in organizations in their attempt to survive in the global knowledge based economy complexities. Diversity through multiculturalism undergoes knowledge innovations. The paper concludes that diversity is stronger than homogeneity.

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