

Chapter 8

Diversity Management Interventions for Enhancing Competitive Advantage: A Synthesis of Current Research and Literature

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ABSTRACT

Diversity and diversity management is a new organizational paradigm and a business imperative. We already have a vast and rich literature base on these two. Many and varied empirical findings are also available from earlier qualitative and quantitative research studies. An attempt is made in this chapter (1) to examine various theoretical concepts and constructs used in diversity and diversity management, (2) to come up with a synthesis of management research and current literature on diversity and diversity management, (3) to develop a theoretical framework, and (4) to suggest directions for future research as well. This chapter lists some of the challenges faced by firms, the major issues to be addressed, potential research directions, and themes in the Indian context before finally coming up with a conceptual model detailing the antecedents and consequences of diversity and diversity management.

INTRODUCTION

In the face of the global meltdown, focus has shifted from expansion to consolidation. The organizations have concentrated on quality of hires instead of their number. This has revealed the shortage of talent in many regions. The hunt for talent has transcended the regional and national boundaries. The firms with a multi-racial, multi-ethnic, and multi-cultural work force have to tune themselves to the workforce diversity. They have to galvanize the diverse work force to a cohesive productive force to align with their organizational culture. Astounding progress of internet, coupled with fast communication system

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has brought the world close geographically. Despite geographical proximity, cultures prevalent in various parts of the world with divergence in individual orientation, tastes and preferences, attitudes and philosophies towards life and contrasting life styles have posed serious problems in integration of the varied and different national cultures with one organization culture.

Diversity of workforce means inclusion of people with different human qualities and from different cultural groups. Dimensions of diversity are both primary, such as age, gender, and race, and secondary, such as education, marital status, and income. Acceptance of diversity is becoming important because of socioeconomic changes and the changing workforce. Increasing diversity means that organizations must develop programs to deal with global as well as domestic diversity and with potential conflicts that arise. Two recent approaches to supporting and leveraging the power of diversity are *multicultural teams* and *employee network groups*. Many companies are now finding innovative ways to integrate diversity initiatives into their business. The list of HR initiatives that MNCs can use to manage workplace diversity is quite long and varied and their HR Managers need to understand the phenomenon of diversity and its causes and consequences before they effectively deal with the challenges through different organizational approaches and responses. They are required to create an environment that welcomes and values diverse employees in an effort to enhance the competitiveness of firms.

Effective management of a diverse workforce through appropriate interventions is critical for organizations that seek to obtain, improve, and maintain their competitive advantage. To celebrate diversity is to appreciate and value individual differences. This point became increasingly apparent and was also amply established through various research studies in the last two decades. It is not just a nice idea to focus on diversity and look for more and more ways to make an organization truly inclusive in its character. After all, it pays to make full use of the contributions of all employees. It is also good business sense as it definitely yields a competitive edge through greater overall organizational productivity. Diversity awareness training helps people become aware of their own cultural boundaries and prejudices besides learning to communicate with people from their cultural contexts.

It is no exaggeration to state that diversity has evolved from being *important* and the *correct thing* to do to being the *essential thing* to do as an imperative over the years. Progressive firms think of a company restructuring, an expansion, a merger, a corporate takeover, or any other similar episodic event in very highly businesslike manner. Diversity issues are no exception to this list and are expected to be addressed in the same manner before coming up with realistic action plans and solutions.

Building the business case for diversity in any given company will necessarily vary, but in general it can be stated in two compelling arguments: (i) For both large MNCs and small companies these days, the neighborhood in which they sell is the entire world, so it is essential that their workforces look and think like the world, in all of its ethnic, racial, and behavioral variety and (2) The demographics of almost every nation are changing so dramatically that over the coming decades it will be impossible for employers to fill their ranks with members of the traditional workforce. Diversity and diversity management is a new organizational paradigm. There is already a vast and rich literature base as well as empirical findings that are available from earlier qualitative and quantitative research studies.

In this context, an attempt is made in this Book Chapter (i) to examine various theoretical concepts and constructs used in diversity and diversity management (ii) to come up with a synthesis of management research and current literature on viz., diversity and diversity management, (iii) to develop a theoretical framework, and (iv) to suggest directions for future research as well.

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