

HUMAN RESOURCE DIVERSITY AND ORGANIZATIONAL OUTCOMES: MANAGING DIFFERENCES OR ORGANIZATIONAL CULTURE

OLUWATOYIN FREDERICK IDOWU

Department of Industrial Relations and Personnel Management

Lagos State University, Ojo, Lagos, Nigeria.

idowu_oluwatoyin@yahoo.com

ABSTRACT

The study is an attempt at developing an approach for studying the effects of human resource diversity (HRD) on organization outcomes (OOs) approaching it from the perspective of organization culture typology. Literature reviewed revealed that recent studies on the relationships between HRD and OOs produced either inconclusive or conflicting results. Both negative and positive outcomes have been associated with organization that is highly diverse. The discrepancies could have originated from lack of models or theory to guide the studies. The paper constructs a model by which organization culture typology can be correlated with organization outcomes specifics in organizations that have more and more diverse human resources.

Keywords: Human resource diversity, organizational outcomes, organization culture and organization culture typology.

Paper type: Expository

INTRODUCTION

Since 1990s, there had been increased attention devoted to the factor of human resource diversity (HRD) in organizational success. Emerging conferences and literature on complex organization by organization scholars and practitioners, espoused the “business case” argument for recognition of the importance of human resource diversity (HRD) and its management in achieving positive organizational outcomes. The “business case” is the view that a more diverse workforce will increase organizational effectiveness (Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn, Karen, Jonathan, David and David 2002). Emerging literature is showing that companies that are the most diverse are more successful overall (Kochan et al 2002). Kandola and Fullerton (1994) also showed that many organizations believed that diversity makes good business sense by harnessing individual differences to create productive environment which utilizes the talents of all employees to their full potential and enables employers to gain competitive edge. Kochan et al, (2002) however, noted that large sized organizations have been embarking on diversity initiative (DI) without being able to measure the business advantage of such enterprise.

Human resource diversity (HRD) which is variously tagged as workforce diversity (WFD) or simply diversity can be viewed as the uniqueness of all individuals which encompasses different personal attributes, values and organizational roles (Abdullah 2005). Kreitner, Kinicki and Buelens (2002) take diversity as representing the multitude of individual differences and similarities that exist between people. They noted that human resource diversity is not synonymous with differences among the human resources of organizations; it encompasses both differences and similarities. It comprises a collective mixture of differences and similarities, not just individual pieces within it. This suggests that organizational workforce can be unique in certain dimensions like sex, race or ethnicity, but be different in others: age, educational background, religious, etc. Human resource diversity operates at four dimensions, (Kreitner et al 2002): (1) personality dimension; (2) internal dimension of age, sex, ethnicity, race, sexual orientation and physical ability that are not within the control of individuals, but affect assumptions and expectations from others; (3) the external influence which represents individual differences over which individuals have greater control. This dimension exerts a significant influence over perceptions and behaviors. They include educational background/attainment, appearance, work experience, income, etc; (4) organizational dimensions such as seniority, job titles and function and work location.

There has been no organization that is wholly homogenous in the sense of it (Udoma, 2001; Oben, 2002; Balogun, 2005). Every organization can be regarded as heterogeneous based on the elements in the primary (internal) dimension of human resource diversity (HRD) which include: age, sex, educational, ethnic race and physical ability. A heterogeneous organization is that where the human resource of an organization are unique and different in all dimensions. Balogun (2005) aptly commented that diversity has always been part of

organization and management calculus, but how it was perceived in the past is substantially different from the way it is currently viewed. He sees human resource diversity (HRD) in the classical, scientific management thinking as conflict between management and the workforce. It then posed little problem because workers did as instructed. He noted further that Weber's ideal bureaucracy outlasts personality structures, individual behavior, reduces the scope for capricious and whimsical choices, and remains indifferent to personal traits, etc.

As a result of the global trend of privatization in erstwhile public organizations, merger and acquisition, changing demographics and globalization, many relatively homogeneous organizations are becoming more and more diverse in terms of human resource characteristics such as age, ethnic, racial, educational level, sex, etc. Many organizational scholars and practitioners have opined that the increasing human resource diversity as a result of the impact of the drivers of change is capable of and has indeed been producing a number of positive and negative impacts on organizational outcomes (that is, success or failure) (Thompson 1991; Kreitner, Kinicki and Buelens, 2002; Moss-Kanter 1983; Iverson 2002; Post and DiTomaso 2004). These double edge outcomes, have also added a management dimension to human resource diversity at work. There has been a call by organization scholars and business men for diversity management (DM) in organization for improved organization outcomes. Human resource diversity management (HRDM) is about creating enabling environment and opportunities to elicit or evoke organizational members' potential directed towards organizational success (Kreitner et al 2002). It involves fostering employees' commitment and performance necessary for organizational success and creating opportunities for organizational member to meet their full potentials within the organization (Abdullah 2005, Matanmi 2005, Kreitner et al 2002, Oben 2002, Udoma 2001). Organizational outcomes are measured in terms of employees' commitment, team spirit, sense of ownership, turnover and productivity. It is a moment of more or less of such criteria.

Human resource diversity management has been espoused to be one of the veritable human resource management strategies for establishing high performing work systems. Organizations are sourcing for highly skilled and knowledge workers, train, effectively reward and retain them so that they can contribute dependably to organizational goals. The argument has been that the hypercompetition engendered by globalization and internationalization of business make such workers imperative, and that such workers cannot be limited to certain demographic group like age, or sex, or educational attainment, they are likely to be normally distributed among them

What has been done in this paper was to review the approaches to the study of diversity and organization outcomes, organization culture typologies and came up with new typology and the specific organization outcomes each will produce. A model was then developed showing the likely relationships between organization culture types and the specific outcomes it would produce.

Approach to the Study of Diversity and Organization Outcomes

The call for diversity management raises a pertinent question. What should be managed? Is it the differences in the workforce demographic composition or the culture within which differences potentials are either released or suppressed? The position of this paper is the latter. This is the proposal pursued in the study. There has been no consensus by researchers on what diversity issue should be studied. Different researchers had pursued contrary goals in studying diversity management (Post and DiTomaso, 2004). One position supports the reduction in workforce inequality and creating a more equitable distribution of opportunities and reward. That is advocating a change in the extant practice. Another position supports opening up the competition to more players; an inclusion approach. Yet another goal is opening the goals to everyone in terms of power and status attainment; equity approach. The latter approach is more acceptable to the study. This is based on the inevitability of diversity in organization as demonstrated latter in this work.

Many empirical studies gave descriptive coping strategies of how organizations had handled workforce diversity issues. Thomas for instance, described eight basic responses options ranging from inclusion/exclusion, denial, isolation, assimilation, suppression, toleration, building relationships and fostering mutual adaptation. Thomas did not indicate the consequences of any option for organization outcomes. Morrison also grouped organization responses to diversity issues into three: treating diverse employees fairly, preparing them for greater responsibilities and advancement, and attracting job applicants at all levels, who are willing to accept challenging work assignment. Other scholar pursued advocacy (Schermerhorn et al, 1997). They urged valuing, respecting, accepting, appreciating individual differences and eliminating stereotypes. How these prescriptive relational processes impact performance was not pursued.

The model developed by Kochan et al posit organization context as what determine diversity and outcomes moderated by group and team process. It was not concerned with what those outcomes could be. There fore,

four studies carried out by them using their model produced contradictory results; diversity posting both positive and negative organizational outcomes. The model negates the reality of increasing diversity of workplace and that many organizations are more or less diverse. Therefore, the issue is not about whether organization has diverse workforce, it is about how an enabling environment is created by organization management to release the potentials of the diverse workforce, or incur costs for not creating such environment. Skaggy and DiTomaso's model, on the other hand, illustrated the process by which inequality is reproduced in organization. The consequences of such process for organization outcomes were not pursued.

It is viewed that organization will not concentrate attention to the array of diversity dimensions present in its work force and manage them one after the other since diversity dimension are legion, and an individual fall into many dimensions at the same time. It is reasoned that emplacing a culture acceptable and shared by all groups, on the other hand, will take care of all and make them contribute dependably and committedly towards organization goals. Based on this assertion a thesis of organization culture that will drive or inhibit organization success is proposed.

Thesis: in organizations with diverse human resource, the tendency is for each group to entrench its culture as the dominant culture. Whatever culture eventually becomes dominant will either build or inhibit relationships among the diverse groups on the one hand and either drive performance or inhibit it, on the other. That is, culture typology will produce specific outcomes in organization that has diverse workforce. Organization culture is the commonly held beliefs, attitudes and values that exist in an organization (Furnham and Gunter, 1993). Purcell et al, 2003 take organization culture as a system of shared values and beliefs about what is important, what behaviors are important and about feelings and relationships internally and externally. It is the way things are done in an organization. It is recognized in norms and values that are espoused and perhaps enacted by the management of the organization. It influences relationship among organization members, and the evaluation of such culture and climate by the workforce influence behavioral intentions towards work. Norms are the unwritten rules of behavior. They are the informal guidelines on how to behave. Values on the other hand are beliefs about what is right or wrong, desirable and important for the organization. The stronger the value, the more they will influence behavior (Armstrong, 2006).

Organization scholars have classified organization culture into power orientated, people orientated, task orientated, role orientated (Harrison, 1972, Hardy, 1981, Williams et al 1989), achievement and support orientated culture (Schein, 1981). Power culture emphasizes response to personality rather than expertise. People culture makes the individual the central point. Role culture associates power with positions and not people. Achievement culture emphasizes and values motivation, commitment, action, excitement and impact (Schein, 1981). The support culture is characterized by mutuality and trust and people contribute out of commitment and solidarity. Kabanof and Holt (in Kreitner et al 2001) developed four quadrants of organization culture typology crossing reward norms with organization power structure on the basis of equity and egalitarianism, centralization and non centralization of power. They came up with elite, meritocratic, leadership and collegial organizational culture typology. Each typology, endorses, and at the same time, discourages certain values.

Our proposal is that organization culture can be categorized into **performance driven, performance inhibiting, relationship building and relationship inhibiting culture**. Also, each category as espoused and enacted by organization management will produce specific organization outcomes as demonstrated in the latter part of this work.

Our description of performance building culture is that which endorses values of achievement, self actualization, values and rewards performance, allows equitable access to organizational resources and opportunities. Performance inhibiting culture will endorse such values as emphasize rewarding people rather than expertise, clone different career paths for different groups, reward negativism (oppositional), and emphasizing authority inherent in member's position. Relationship building culture will endorse values such as humanistic helpful (Cooke and Lafferty) enables affiliation, trust and mutuality (Schein 1981) and collaboration. Relationship inhibiting culture will endorse the values of mistrust, non mutuality, conflict, competition and discrimination).

The Model

Certain assumptions underlie our model.

Assumption1: The inevitability of diverse work force in modern organization. The assumption is based on the fact that more and more young people, women and physically challenged will continue to come to work place as more of the so called minorities are having increasing access to formal education and becoming more skilled

and competent in specialized areas of knowledge. Exposition to information and communication technology is also a factor of this increase. It has also been predicted that by the year 2010, 80% of new entrants to work place in UK and other developed economies will be women and that companies may soon experience skill gaps which will be hard to fill by current workforce (www.engmanage.Co.2A/terms). Evidently in Nigeria, provisional admission according to Federal Office of Statistics, into first degree for the sessions 1993/94, 1996/97, and 1997/98 was 9,464, 9,464, and 37,745 for male and 5,274, 5,274 and 25,106 for female (FOS, 1998): a growth rate of 198.32% for male and 282.81% for female. Also, the changing nature of work which has become complex, specialized, interdependent, and the need to create new and innovative market in order to compete in global markets have made workforce diversity inevitable.

Assumption 2: organization that desires to survive in hyper competitive dispensation shall not exclude talents in their human resource recruitment and engagement. As such talents are not compartmentalized in one diverse group but widely and naturally distributed among all groups.

Assumption 3: The differences in organization outcomes for different organizations predicate upon the culture espoused and concomitantly enacted by the management of the organizations.

Based on the demonstration that it is organization culture and not individual differences that should be managed for organization outcomes, the derived organization culture types, and assumptions made, certain propositions are made.

Proposition 1. Organization that adopts performance driven culture is likely to have all the diverse group share its core values, evaluate the culture as fair, equitable and therefore impact positively on organizational outcomes (satisfaction, low turnover, ownership, high performance and productivity)

Corollary 1. Organization that adopts performance inhibiting culture is not likely to have the diverse workforce accept its core values, would evaluate the culture as unfair, inequitable, and there fore impact negatively on organization outcomes (failure: dissatisfaction, high turnover, less commitment, performance not beyond the required).

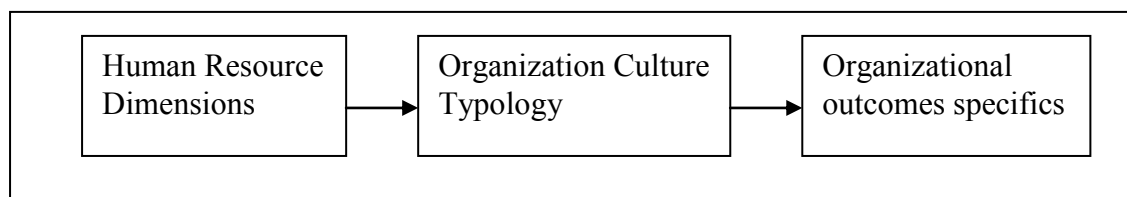
Proposition 2. Organization that adopts relational building culture is likely to influence mutuality, trust, cohesiveness and supportiveness among its diverse workforce who consequently work as a team in accomplishment of organizational goals (positive organization outcomes).

Corollary 2. Organization that adopts relational inhibiting culture is likely to influence mistrust, non mutuality, tension, intense conflict and divisiveness among its diverse workforce who consequently may work uncollaboratively in the accomplishment of organizational goals (negative organizational outcomes).

It should be noted that organization that has a contrary results based on propositions 1 and 2 is likely to have a mixture of the values of both the propositions and their corollaries present in their enacted culture. Also for comparative analysis, similar organizational culture is likely to produce similar outcomes for different organization types and kinds (large, medium and small; manufacturing and service)

Proposition 3 organization culture emplaced by the management of an organization will have direct influence on process and procedure in the practice of management and human resource functions. As an illustration performance driven and relationship building culture will result in human resource policies, process and practice, leadership style, participatory decision making and communication flow that will regenerate or reproduce such culture in practice. This will lead to positive outcomes The corollary holds. Fig. 1 illustrates the model

Fig. 1 Organizational Culture Typology and Organizational Outcome



Source: developed by the Author

The thrust of the model is that as organization becomes more and more diverse, there is the likelihood of culture mix and each group will attempt to entrench its culture as the dominant one. Whatever culture emerges, may drive performance or inhibit it, build relationship or inhibit it. Enactment of any of these cultural types and as evaluated (fair, equitable, supportive, hostile and oppositional) by different diverse groups would likely produce specific organizational outcomes as described in the propositions 1 – 3 above

Implications of the model

For managers Organization management that post negative outcomes as a results of human resource diversity should have a checklist of values its culture endorses. Management should emplace performance driven culture that endorses values which enhance high performing work systems. It is not enough for management to embrace diversity inclusion strategy. It is necessary to also emplace a culture that will endorse performance driven values. Such core values, espoused and enacted, have the tendency of being shared by all groups and therefore consequent in positive interact ional process that leads to organizational success.

For researchers the discrepancies in the study of diversity effect on organization outcomes can be resolved by focusing empirical studies of the subject matter on studying organization culture and outcomes specifics. Concretely, the consequences of organizational culture type on interaction, management style, human resource policies and practice should be sought and the likely evaluations and outcomes, identified. Any deviation should also be explained in terms of any contradiction in the values the management espoused and enacted

CONCLUSION

The paper attempted to develop an approach which has utility for empirical studies of the effect of human resource diversity on organization outcomes. The paper concluded that contemporary organizations will continue to have new entrants that are diverse as a result of complexity of work, globalization, and talents required at work which are not limited to any demographic group. Also, it was established that it is plausible to manage organization culture within which individual differences potentials are released or suppressed rather than managing the pieces of HRD within it. An organization culture that is shared by all members of the organization is likely to advance the interests of all, and therefore, evokes behavior that will impact high performance. A synthesis of organization culture typology was made and new typology of performance driven, performance inhibiting, relationship building and relationship inhibiting culture and their effects on specific outcomes were established. Relationship building and performance culture for instance, will impact positively on organization outcomes. As performance and relationship inhibiting culture, will impact negatively on organization outcomes. The implications of the model is for managers to always keep a tab on their culture to find out if it promotes positive relationships among the diverse groups in the organization and if it also allows for individual growth and self actualization. Otherwise, there is the need to have a change of culture. Researchers are also to diagnose the organization culture type emplaced by organization management and their likely consequences for organization success or failure.

REFERENCES

1. Abdullah, A. (2005). “*Challenges of Diversity Management in Nigeria work environment*”. A paper presented at the First Annual Lecture of Chartered Institute of Personnel association. Lagos.
2. Armstrong, M. (2006). *Human Resource Management and Practice*. 10th ed. London. Kogan Page.
3. Balogun, J. (2003). “*Diversity Issues Facing the Public Service in Sub-Saharan Africa*”. Reports of United Nations Economic Commission for Africa.
4. Cooke, R. and Lafferty, J. (1989). *Organizational Culture Inventory*. Human Synergistic.
5. Plymouth, M. I.FOS. (2001). *Admission into degree programs*. Federal Office of Statistics.
6. Gibson, J., Ivancevich, J., Donnelly, J. (2002). *Organization Behavior: Structure and Process*. New York. Irwin McGraw Hill.
7. Handy, C. (1981). *Understanding Organizations*. Penguin Books. Harmondsworth.
8. Harrison, R. (1972). *Understanding Your Organization characters*. *Harvard Business Review* 5, 119-128.
9. Kochan, T., Bezrukova, K., Ely, R., Jackson, S., Joshi, A., Jehn, K., Leonard, J., David, L. and Thomas (2002). “*The Effects of Diversity on Business performance: Report of the Diversity Research Network*” Cambridge Sloan/ MIT School of Management
10. Kreitner, R., Kinicki, A. and Buelens M. (2002). *Organizational Behaviour* second European edition. New York: McGraw Hill.
11. Matanmi, O.O. (2005). *Managing Human Resource Diversity in the Emerging Countries: The case of Nigeria*. A paper delivered at the first Annual Lecture of Ojo Badagry Personnel Practitioners Consultative Association.
12. Moss-Kanter, R.(1993). “*The Change Masters*” New York. Simon & Shuster.

13. Oben, A. (2002). Diversity Management: A paper presented to the 2002 Annual Conference of Chartered Institute of Personnel Management. Abuja.
14. Post, C. and Di-Tomaso N. (2004). "*Workforce Diversity Why, When, and How*". Diversity in Workforce; Research in the Sociology of work. 14, 1-14.
15. Schein, E. H. (1985). Organisation Culture and Leadership Jossey bass New York.
16. Schermerhorn, Hunt and Osborn. (1997). Organisation Behaviour 6th edition New York: John Wiley & Son Inc.
17. Skaags, S. and Di-Tomaso.(2004). Understanding the Effects of Workforce Diversity on employment outcomes: A Multidisciplinary and Comprehensive framework. Diversity in Workforce; Research in the Sociology of work. 14, 1-14.
18. Udoma, S. (2001). Managing diversity and inclusion in the work place: A paper delivered at the Annual Conference of the Institute of Personnel Management. Abuja
19. www.engmanage.co.2A/terms