

## Summary.

Many scientists define diversity as substantial difference that differentiates one person or individual from another. Each individual has a wide range of uncovered and hidden characteristics and qualities.

Mainly diversity characteristics are grouped into four classes:

1. Personality, which includes specific traits, abilities, skill of the individual.
2. Internal, which contains gender, age, level of I.Q., race.
3. External- represented by nationality, culture, religion, marital status.
4. Organizational, that shows the position of the individual in organization, the department.

At the same time diversity represents the differences among individuals in terms of several dimensions, such as race, ethnicity, religion, nationality.

It is impossible to give an ending definition for the diversity, because it has many interpretations and explanations. Many theories on diversity and management of diversity started to develop in the 80s, due to the impact of managerial reports indicating toward the fast growing diversity of the future workforce. Different scholars have determined it in a different way. For instance, Cox (2001) defines the term of diversity as the variation of social and cultural identities among people existing together in a defined employment, while William and O'Reilly (1998) conclude diversity as the degree of heterogeneity among team members on specified demographic dimensions. William and O'Reilly in their research tried to explain how such heterogeneity influences team processes and performance. Thomas and Ely (1998) pointed that diversity should be seen as the varied perspectives and approaches to work, that individuals of different identity groups bring.

Diversity holds all groups of employees at all levels in the company. It calls for such type of organizational culture, where all members can pursue his or her desire without being inhibited by gender, race, nationality or other conditions and factors that are irrelevant to performance. Managing diversity requires fair work environment, where all employees are equal among each other's and no one group has an advantage or disadvantage. Cox (2001) noted, "The challenge of

diversity is not simply to have it, but to create conditions in which it's potential to be a performance barrier is minimized and its potential to enhance performance is maximized".

Diversity management does not refer only to the heterogeneity, but it cites also to the workforce composition across nations.

In last years were introduced several paradigms for diversity management, which highlight its main characteristics and aim. The most famous are: human resource paradigm and the multicultural organizational paradigm.

Human resource practice tends to release and record homogeneity in the workplace as the result of the A-S-A cycle, which refers to attraction-selection-attrition. Usually, people are attracted to companies that already have members with values, which are similar to their own. Then, organizations select new individuals that are very similar to their already existing members, because the existing hiring process continues to make everyone feel comfortable. The result of such process is following: individuals, who do not fit well in the dominant organizational culture in course of time leave such workplace or are fired, and those creating selection attrition process. Such process supports and maintains homogeneity in a workforce. Such trend in organization is unhealthy in the long run, as it will limit talents within organization; it damages an ability to adapt rapidly to changes in the environment and of course the growth rates of the company will decrease.

Kossek and Lobel (1996) offered their own original approach to diversity management. They created the model and made the connection between HR practices, workforce diversity and individuals, groups and organizational outcomes. The four approaches to diversity management introduced by Kossek and Lobel are: diversity enlargement, diversity sensitivity, cultural audit, and strategy for achieving organizational outcomes.

According to multicultural paradigm, diversity management strives to create multicultural organization, where each individual from various backgrounds can contribute to organizational goals and achieve his or her full potential.

The main reasons to implement diversity are:

- Globalization. The significance of diversity has occurred, due to unpreparedness of companies both within their branches and their markets. Cox said: “globalization of business is a trend that makes diversity competency crucial for many organizations”.
- Migration. new tendency: the pull from the developed part of the world and the push from the developing countries. This is the reason why the workforce is becoming more and more diverse all over the world.
- Aging population.
- The role of women. In recent years the role of women has been raised significantly, as some male professions start to be performed also by women.
- Corporate structure changes (outsourcing, global operations).
- Status diversity. As many companies try to reach international level, human resources become more mobile resulting in the presence of expatriate and local employees working all together, but under different working conditions (such as salary, benefits, work period) and promotion prospects, that often lead to confrontation among employees, frustration and loss of meaning of work.

According to Cox and Blake, there are also six reasons to adopt diversity in the organization. Effective management of diversity can benefit organization in such areas as cost, resource acquisition, marketing, creativity, problem solving, and system flexibility.

J. Fink, D. Pastore and H. Riemer (2003) proposed a framework of managing diversity that differentiates between “non-compliant” organizations and “pro-active” organizations going through “compliant” and “reactive”. The sense of this framework is very simple, it suggests: the diversity will go from a liability to an asset for the companies that move their diversity management from “non-compliant” “to pro-active”. The “non-compliant” organizations will face the threats imposed by diversity, while the “pro-active” organizations will benefit and profit from their diversity management rise their opportunities.

There are many organizations that already have adopted diversity management. One of the examples is Hewlett-Packard Austria. The organization strongly supports the idea, that diversity

drives the company's growth, productivity and innovation and creates competitive advantages. The analysis of key data on diversity is made on quarterly basis by analysing the results per region, sub-region and per business and function. By doing analysis regular company observes over year-to-year trends and searches the way for improvements. Moreover, every year HP measures staff engagement using Employee Engagement Index (EEI). This index collects feedbacks of all employees of the company with their suggestions and proposals for future and continuous improvements. Using EEI company defines new goals and continues to monitor the achieved ones. And another tool to measure diversity in HP is gender diversification. Now, HP Austria has the highest percentage of women working within local IT industry.

According to the study of the European Commission "The Costs and Benefits of Diversity", the most considerable advantages for companies with an active diversity policy are:

- Reinforcement of cultural values within the organization;
- Boosting corporate reputation;
- Serving as a facilitator of attraction and retention of highly talented staff;
- Increasing motivation and efficiency of employees;
- Increasing creativity and innovativeness among staff.

The impact of diversity on organizational behaviour is powerful and complex. To determine the effect of diversity on organization, it is important to examine organizational culture. Organizational culture includes behaviours, shared values, backgrounds of organization's members. Individuals share a common sociocultural heritage. In last years, culture includes such factors as race, gender, age, and disability. Individuals, who represent the minority groups often, suffer from prejudice, discrimination and stereotypes.

Prejudice is a prejudgment that person builds about another individual on the basis of some factors and characteristics. Prejudice may create positive and also negative considerations about someone. Prejudice is an attitude, while discrimination is behaviour based on attitude. For instance, employer can have a negative attitude about overweight people. Such negative attitude may result in rejection to hire such discriminated employees.

Discrimination is behaviour with respect to a person based on the person's group identity. Reid (1988) made a list of three sources of prejudice and discrimination:

- 1) Intrapersonal factors that result from low tolerance and aggressiveness;
- 2) Interpersonal factors such as communication proficiency heritage effects from the history of intergroup relations;
- 3) Reinforcement factors in society as laws, books and media.

Stereotype represents a barrier for individuals from minority groups, because individuals of these groups are associated with information stored in minds of other individuals about such groups. Stereotypes are the basis for prejudice and discrimination. There are two types of stereotypes: prescriptive and descriptive. Prescriptive stereotypes belong to perception how people should behave, based on their group membership. Descriptive stereotypes belong to the idea on how people will do or behave, according to their group membership. Stereotyping serves to simplify and categorise the world and makes cognitive processes more efficient (social cognitive theory). Categories help quickly and easily revise the data. Human's tendency to categorize is linked with the need to evaluate the person categorized, and this process leads to stereotyping. When individual firstly come into contact with others, he or she categorizes this individuals to an in-group or an out-group. Such trend can affect the relationship among supervisors, peers and job satisfaction. People tend to see the members of their in-group as heterogeneous individuals and out-group members- as homogeneous (with similar behaviours, attitudes, characters- essential characteristics that fit stereotypes).

The negative effects of stereotypes are:

- It will impact the careers of members of stereotyped groups;
- It will affect mainly members of culture minority groups rather than majority groups, due to power imbalances;
- Out-group members (minority) have lower acceptance as a leaders;

- There are present differences in hiring and performance ratings between majority and minority group members.

In order to reduce stereotyping process among employees, organizations have to provide employees with training courses. Kerry Kawakami and colleagues explored the effect of training on stereotype's reduction- when employees deny stereotype, it helps to reduce its activation. And generally, to reduce discrimination based on stereotyping and social categorization process, companies should implement diverse monitoring and controlling measures, such as:

- Well-structured interviews, where interviewer is trained in proper procedures and errors
- Implementation of diverse recruitment and selection teams
- Execute legitimate selection criteria.

Workers from minority groups also face such problem as ethnocentrism within corporate's culture. Ethnocentrism is an idea and believes for majority –group members, who see their own group as the centre of universe and do not evaluate beliefs, values of other groups more positively than their own group.

The overall conclusion about importance of implementation of diverse workforce at the organization is following:

- 1) Multicultural organizations have a competitive advantage in attracting and retaining the best accessible talent, interests and viewpoints; such diverse organizations understand better foreign employees;
- 2) By recruiting the diverse workforce, multicultural organization understands better the political, social, legal and economic environment of foreign countries, where it already does the business or just plans to start it;
- 3) Diversity boosts creativity and innovation and provides advantages; multicultural companies have a greater openness to new ideas;

- 4) Diversity management creates a competitive advantages in such fields as marketing, resource acquisition, problem solving. Diverse workforce is more capable to avoid the outcomes of “groupthink”;
- 5) Diverse teams are rapidly response to changes and show better flexibility;
- 6) Diversity serves as one of the keys for those who want to enter international arena.

At the same time diversity has its drawbacks:

- 1) Communication becomes more difficult among people and brings costs for company. Homogeneous teams often outperform heterogeneous groups, mainly when there is a serious communication problem. Employees from different cultures experience difficulties in understanding one another. When company faces the problem of communication among workers, there is a necessity of cross-cultural training for overcome misunderstandings and communication difficulties. It will help to improve intragroup communication and increase performance;
- 2) Diversity easily increases confusion in organization, complexity and ambiguity;
- 3) It is often difficult to reach a single agreement when there is a cultural diversity within organization.
- 4) Diversity creates problems in developing overall organizational procedures.
- 5) Diversity can generate ethnocentrism, stereotyping and cultural clashes. There negative consequence of such dynamics definitely will decrease productivity, increase turnover, and absenteeism. Heterogeneous groups absenteeism and tenure are associated with lower level of group social interaction and integration.
- 6) The potential of intergroup conflict is higher than in homogeneous teams.

Existing studies shows that diversity can affect an organization’s objectives in positive and negative ways, and the main problem on that, is to understand under which conditions the potential advantages of diversity can be best used, while at the same time minimising the negative actions of it. And of course, the role of managers in organization is very important, because they need to control all the time conflict in groups, distribution of power, the identity of minority group members.

The degree to which company's managers and employees recognise cultural diversity and its benefits and disadvantages determines an organization's strategy of managing cultural diversity.

Adler (1997) proposed three strategies/approaches for managing cultural diversity:

1. Ignore cultural differences
2. Minimize cultural differences
3. Manage cultural differences

In term of first strategy (ignore cultural differences) company's managers do not perceive cultural differences or its impact on organization. The managers and employees of such organization believe that "our way is the only way" to manage and organize. As the result, they do not see any impact of cultural diversity on the organization. For them diversity is irrelevant.

In the second strategy managers recognize the diversity, but only as a source of problem. Managers of such organizations believe that "our way is the best way" to organize and manage. In such strategy managers try to reduce the problems of differences just by reducing diversity. So, they do not think about what kind of advantages they can get from diversity. Such types of organizations try either to hire culturally homogeneous employees or try to socialize all employees into the behaviour patterns of the dominant culture.

The last strategy shows organizations that recognize the impact of cultural differences, with its advantageous and disadvantages. Managers of such organizations believe that "our way and their way of behaving and managing differ, but neither is superior to the other". Therefore, new creative combination of our way and their way may be the best approach to manage and organize. Managers do not ignore the potential advantages of diversity; moreover, they are trying to minimize potential disadvantages of it.



As was mentioned before, diversity has many different characteristics and dimensions. Race is a system that used to classify individuals into groups or populations according to their culture, history, language, ethnic, geography and other unique and essential characteristics (like colour of skin, shape of eyes), that describe as better as possible each group. In my work I have discussed such races as:

- Blacks/Africans
- Latinos/Hispanics
- Asians
- Whites/Europeans

The representatives of such races as Blacks/Africans, Latinos/Hispanics and Asians often feel themselves discriminated at work and for them are often difficult to be promoted. The main problem according to my research about these races is not enough education. And the main recommendations for individuals from these groups in order to obtain better job are:

- Obtain as much education as possible.
- Search work opportunities in a bigger company.
- Be aware that sex and race discrimination is illegal, and each individual is protected under the law.
- Entrepreneurship can be also a solution for these individuals.

The recommendation for companies that want to implement diversity and have to manage with different in term of races employees need to:

- Each company that wants to achieve the benefits of diversity, must be aware of personal stereotypes and biases and over time try make changes that help to avoid them;
- Being a manager or supervisor that is involved in a hiring or performance management process, must be attentive to important and relevant information and avoid irrelevant one, avoid race-biased stereotypes;
- At the initial stage of selection process, remove the information about sex and name of

applicants, stay fair with each candidate;

- Dispute unfair behaviour of others, if you feel that it brings discrimination and stereotyping;
- Being supervisor or executive, it is important to monitor fairness in hiring process, implement some necessary changes to human resource and recruiting policies and provide staff with trainings;
- Internal audit of hiring, promotion, compensation and termination processes must be conducted on a regular basis;
- I think it is necessary to involve people from various backgrounds in the hiring process. As was mentioned before, heterogeneous teams can provide with better solutions, the same results can be achieved also during the selection of candidates; at the same time, heterogeneous staff could be less likely to discriminate, but resist and also reject stereotypes.

Customer service recommendations:

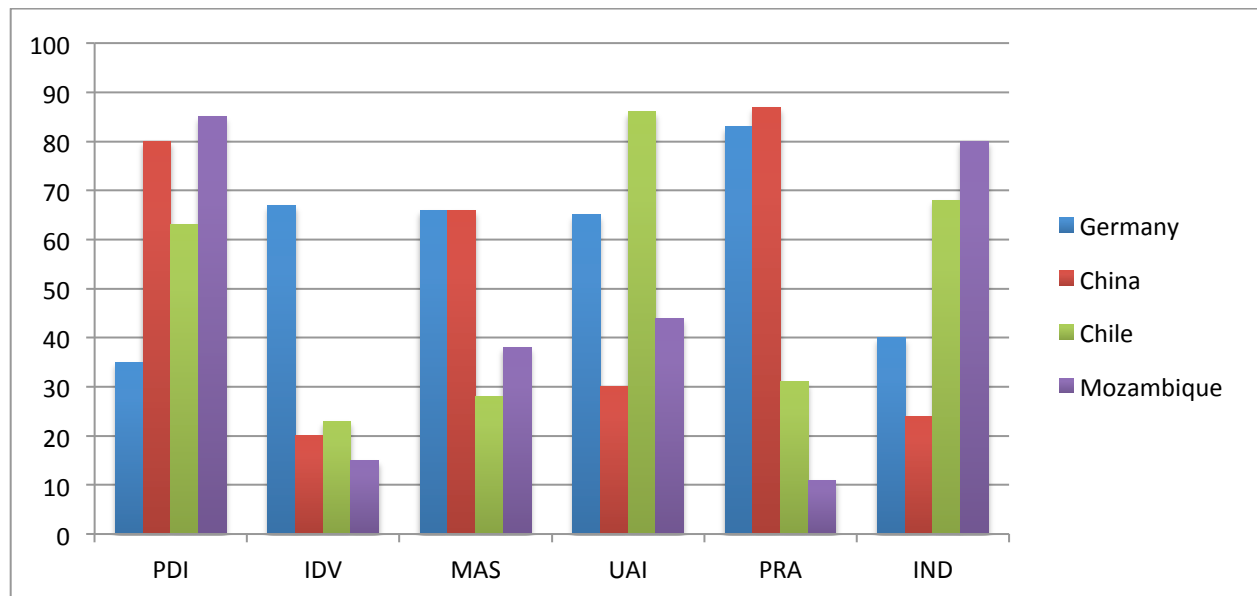
- Organizations must be sure that all customers are treated in a fair way, it can be achieved through continuous training of sales/services people of the company to avoid discrimination against consumers and stereotyping;
- To monitor customer's satisfaction is possible through surveys and after analyse gathered data;
- Consider and investigate customer complaints;
- Adopt within organization a diversity friendly environment, where each customer will be heard and treated in a fair way;

Building over time friendly relationship with customers, hiring diverse people, will help to build loyalty, both with consumers and employees, generate future business and maintain balance of positive working environment.

To understand better how different races react in environment (working, social) I propose to use Hofstede's cultural dimensions theory and as he analysed different nationalities, I proposed to take from each race discussed earlier, nationality connected with this race. So, for Black/Africans I will take individuals from Mozambique, Latinos/Hispanics- Chile, for Asian race the example will be China and European race- Germany and examined them under the Hofstede's dimensions as:

- Power Distance Index (PDI);
- Individualism vs. Collectivism (IDV);
- Masculinity vs. Femininity (MAS);
- Uncertainty Avoidance Index (UAI);
- Pragmatic vs. Normative (PRA);
- Indulgence vs. Restraint (IND).

The made analysis of different nationalities, which belong to different races, showed how much individuals are different and how it is important to understand their culture, way of doing work and the manner of life style. Analysing nationalities' habits, behaviours and attitudes it is possible for managers and supervisors to understand how it is better and in what way to manage and control different employees and how better benefit and use their knowledge.



This table summarises four nationalities analysed before. All representatives from four different nationalities are the same IBM employees, but in different dimensions and further life and work situations exhibit different behaviours and therefore show different outcomes.

The survey was adopted for my study. Several questions have been asked to employees, from different nationalities and races, about their country and place of work and their feelings of work environment created by the company and supervisor. These employees work in different parts of the world as Europe, Asia, Australia and United States of America. The survey contains open-ended and multiple-choice questions. Among observed employees there are no part-time employees, as they have completely different working conditions instead of regular employees. In total 200 surveys were presented to the different employees, 79 were collected; the response rate is 36%. The response rate is directly associated with willingness of the employees to participate and take part in the study. The selected population was distinguished from different size organizations. The participants were made up of a large number of workers from different counties and nationalities.

Writing my work I have understood that one of the main problems faced by organizations, who would like to implement diversity and employees, who due to their ethnicity or other personal characteristics, cannot find the job, is first of all:

- Unpreparedness among organizations, even if they recognise the significance and value of diversity;
- Unpreparedness of people to accept diversity;
- Biases that exist in companies and among individual or potential employees, which transform in the future into stereotypes, discrimination and prejudice;
- Racial and ethnic minority groups that not ready to defend themselves and try to change their unemployment situation;
- From the previous problem, I can conclude that there is also not enough attention from the government, who has to support and protect minorities;

The main advices in this case for individuals and companies are:

- Organizational leaders have to update the organizational objectives and future plans for company development;

- If company decided to implement diversity it must be not only on words, but it must be accompanied with the real actions, like trainings, regular communications, support of diverse workforce in the company;
- Individuals of minority groups have to gain as much education as possible, and show that stereotypes do not work on their case;

In my analysis I created a survey and sent it to employees of different nationalities, where I have asked them several questions. My main goals were to understand if employees feel discriminated at work, which variables influence the duration of the contract and how different size companies care about their employees and diversity in general.

Regarding the survey used in my study the main factors that influence the duration of the contract are age and degree obtained by the individual. Gender and size of the company did not show very big significance level, but positive correlation. It means, that if individuals want to get the job, they have to obtain as much education as possible. Age influence the duration, because it is clear that possibility for 19-years employee to get the place of CEO of a big company has a small probability. Gender has not significant influence on duration, but on average women get less long work contracts than men. This is another problem that I have observed during my analysis. In future women can become mothers, and for companies is not convenient to invest much in them, and when she has to leave organization because of such situation, managers have to search for another person and teach him/her again, lose time and money. Therefore, this is one example of discrimination faced by women in organizations. But it is not the problem of women. It is a defect of the company and also not enough protection from the government. Therefore, it is necessary to make changes that will secure each side. According to my survey answers, approximately 32% of all respondents feel themselves discriminated at work, both gender.

The size of the company does not explain the duration of the contract. Any size company can make long or short duration contract. Moreover, with the size of the company I have tried to explain employees satisfaction about trainings and professional development, satisfaction with the workplace environment and also I have analysed if how different size companies care about diversity programs. According to the results obtained satisfaction with trainings and professional development cannot be explained only by the size of the company, any type of the company can

care more or less about this issue. And when I have asked to evaluate the workplace environment, employees from big companies indicated that it is mainly “extremely or quite positive” and also according to statistical analysis that I have got, bigger size companies care more about employees’ satisfaction with workplace environment. The similar result has been obtained analysing the size and the dedication to diversity and inclusion programs. Employees of big companies indicated that their companies dedicate a lot to such programs.