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DIVERSITY MANAGEMENT – BENEFITS AND PROBLEMS

Summary

The article addresses the problem of diversity management. The paper presents the most important issues in this field, with particular emphasis on the problems and threats associated with implementation of the diversity management concept. It has been demonstrated that the positive aspects of diversity management can not be specified alone as both the employees' diversity itself and the idea of managing that diversity can evoke certain controversies.

Key words: diversity, diversity management

JEL: M 12

1. Introduction

The change in business conditions is accompanied by the change of approach to managing the most important asset of any company that is its people. To raise their commitment, increase motivation and use their potential the organizations are proposed with more and more new methods, concepts, ways to build the company's success by the employees and based on them.

At present the challenge that companies are facing is the diversity. Diversity – referred to the company's employees – forces entities to take specific actions, that regardless of the criteria for distribution of workers, would give them all a chance and opportunity to prove themselves at work. The activity in this field is termed diversity management.

The purpose of this article is to present general issues regarding the diversity management and, against this background, to expose the problems related to the introduction of programs in this area. It should be emphasized that studies on diversity and diversity management emphasize primarily the benefits and opportunities that the organization gets from heterogeneity. In contrast, the author wants to answer the question – what threads must the companies that decide to implement this concept be prepared for. It is important to have a full picture of the analyzed problems.

The article uses the available literature and the Internet materials.

2. The essence of diversity and diversity management

According to the Dictionary of Polish Language diversity is otherwise differentiation, heterogeneity, variety [Dictionary of Polish Language]. Diversity can be a collective feature of various entities. With regard to the people it is said to be the "real – or perceived as real – differentiation in terms of features, which, on one hand define the social identity of the individual, and on the other hand determine the individual's position in the relations and interactions with others" [Durska, 2012, p. 33].

For this study diversity refers specifically to the employees. As B. Jamka stated [Jamka, 2011, p. 229] the diversity of employees means "all, i.e. visible and invisible, congenital and acquired characteristics of employees that specify the similarities and differences between them".

These differences can be seen at several levels (in several dimensions). In the literature we find the most common approach, in which the authors speak of two or three levels of diversity dimensions. The first approach is presented by for example M. Loden and J.B. Rosener, who distinguish between primary and secondary dimensions of diversity. The primary dimensions such as gender, race, age, or sexual orientation, have a major impact on our identity. The secondary dimensions such as education, family status, income level or work style are less visible, but they enrich the primary dimensions of the original [Mazur, 2009, p. 14] and consequently form the autonomy of an individual.

In turn, the second approach differentiates three dimensions of diversity which are:

1. the primary identity (race, nationality, ethnic group, gender, age, sexual orientation, (dis)ability);
2. secondary identity (education level, place of residence, family status, etc);
3. the identity of the organization (seniority, work post, the sector in which the entity operates, etc), [*Firma = różnorodność*, 2009, p. 8].

The primary identity, also called basic or internal, is built on the basis of certain characteristics of every man by birth and development; it represents the fundamental characteristics of each employee. The secondary identity overlaps the primary identity and depends largely on external factors, upbringing, value system, education. At the same time the specificity of the company in which an employee operates creates another level of diversity. It is related to the place occupied in the structure, roles played and responsibilities.

Currently, it is believed that diversity in the workplace is a positive phenomenon. A. Aniszewska emphasizes, for example, that it can allow developing a better competitive position, raises the level of creativity of teams while reducing the group thinking syndrome [Aniszewska, 2000, p. 14]. R.W. Griffin considers, however, that organizations of diverse workforce understand better than the homogeneous ones the different market segments, have, through diversity, a larger amount of information which increases the likelihood of obtaining better solutions to specific problems, are more creative and innovative [Griffin, 2004, pp. 191-192].

However, the scientists [D'Netto, Shen, Chelliah, Monga, 2014, p. 1246] suggest that the benefits of human resources diversity are obtainable only with the efficient management of diversity.

Diversity management is defined as the process of planning, organizing, managing and supporting various work teams in such a way that the performance across the whole organization is increased [Hubbard 2004, p. 27]. It includes also the understanding that there are certain differences between employees and proper management of these differences can influence the increase of work efficiency and productivity [Futunes, Mykletun, 2007, p. 975].

The activities of companies in regard to diversity management can be implemented in different ways. M. Armstrong (by Kandol and Fullerton) presents 10 most efficient projects in this area. These are:

1. equal rights and the same benefits for full-time and part-time employees;
2. freedom in terms of clothing;
3. permission to take additional days off intended for care of the family;
4. the principle that the benefits for the partner of an employee are also available for the partner of the same sex;
5. purchase of specialist equipment for disable employees;
6. employment helpers for people who need them;
7. no age discrimination at employment;
8. training for people who will provide training on equal opportunities in the company;
9. providing assistance in childcare;
10. allowing employees to take breaks for the development of their careers [Armstrong, 2007].

Proper and consistent diversity management in the company extends the benefits of having a diverse team only. A. Wziątek-Staśko presents a broad list of these perks, created on the basis of extensive literature. The list includes the following benefits:

- the impulse for innovation and excellence in the approach to work, a quicker way to work out the best solutions, broader thinking;
- greater adaptability of the organization, easier process of overcoming resistance to change;
- the possibility to use internal selection to a large extend, greater possibility of human resources reconfiguration and choosing the optimal management strategy, more appropriate division of labor and the possibility of substitution between the employees;
- broader base to build core skills of the company, increasing the organization knowledge resources, supporting the implementation of the concept of a learning organization;
- broader base to build core skills of the company;
- creating the atmosphere of cultural sensitivity, mutual tolerance, better atmosphere at work, enriching the workers themselves, effective use of the employees' abilities and expectations;
- no artificial barriers at entering the organization, easier access to the talent base;

- faster and more frequent finding opportunities in the environment, branched network of contacts made by workers, improved corporate image, being closer to the market, the possibility of taking up a position of the market leader;
- compliance with anti-discrimination legislation;
- more efficient management of the organization [Wziątek-Staśko, 2012, pp. 75-46].

So, diversity management is important to organizations with regard to two perspectives: external and internal [Ardakani, Abzari, Shaemi, Fathi 2016, p .409].

3. Problems related to diversity management

As noted in the Introduction, in literature the attention is primarily on profits of diversity and diversity management. However, it is worth to identify and accentuate the problems that may be related to the lack of staff homogeneity and the activities in the area of diversity management.

First, as A. Lipka said, the risk posed by the diversity of employees is worth noting. These are:

- unequal level of employees' identification with the organization's mission;
- different degree of inclusion of employees;
- difficulty in creating an atmosphere of trust in the company;
- emergence of conflict situations;
- strengthening of the stereotypes and prejudices;
- competition between employees;
- cost of fluctuation, absenteeism and discrimination against workers [Lipka, 2005, pp. 279-281].

The lack of diversity in the group of employees can thus prevent a series of conflicts and create a better chance for better atmosphere at work. S. M. Simons and K. N. Rowland emphasize that people prefer to establish social relationships with persons similar to them in terms of personal and socio-demographic characteristics. This trend applies to such groups as family, married couples, personal relations, but also to work. Social bonds created between differing individuals are more fragile and break more rapidly than between similar people. [Simons, Rowland, 2011, p. 172]

Diversity management, which, as mentioned previously, is to be the recipe for the above problems, but it can also lead to a number of complications. The first problem is certainly the very attitude of staff to activities in the field of diversity management. Insufficient knowledge of workers and no previous training may translate into lack of understanding of the diversity management principles. Prevailing stereotypes and prejudices mean that the activities are not accepted by and are treated with hostility by the employees and even regarded as unfair. We should also note the fact that not all companies are prepared for the introduction of diversity management. The success of this approach depends largely on the management team preparation and receptivity. Specific competences associated with people management are necessary.

The economic aspect of actions taken can not be ignored in any company. Regardless the benefits of diversity management, these programs combine high costs to be borne by the organization to "promote" diversity. "Assimilation of diversity is the cost of the necessary adjustments to achieve results at the existing level, while the integration of diversity is the cost of an organizational change necessary to implement a new quality" [Jamka, 2011, p. 280]. It is necessary to decide to what extend does this approach actually pay off in the company and at what time the return on investment can be expected. There is also the question - what to do if, in the opinion of the company, diversity management does not bring any economic benefits?

Of course, measuring the benefits of diversity management may also be very problematic. R.R. Thomas states that there is pressure on the managers, who implement diversity management, to point to the benefits of these activities and prove the validity of continued engagement. If this is not possible – involvement in programs related to diversity management is reduced or eliminated [Thomas 1999, p. 49]

Another issue may be too narrow definition of diversity within the organization, which "can at best be read by some employees as marginalization and exclusion, and at worst as a typical discrimination in the workplace" [*Firma = różnorodność*, 2009, p. 25] It is also connected with the risk of omitting certain employees. Therefore, it becomes necessary "to assess whether any of disadvantaged groups will not be left out of the process of supporting diversity" [Wziątek-Staśko, 2012, p. 48].

The next problem is often inaccurate choice of activities, which are not adequate to the situation in the organization. Many companies can not adapt programs to the real needs of separate groups and simultaneously balance the action, which is not to allow favoring one of the groups at the expense of others.

A big threat may be also "unintentional generating" of new demanding groups among employees. It is therefore important that the criteria of broadly defined diversity were widely known in the organization (used and presented in internal communication). The lack of appropriate models for the organization […] can be a problem, but also too "fetishized" ones can bring counterproductive effects [*Firma = różnorodność*, 2009, p. 25]. The consequence of this may be also the increasingly demanding attitude of employees who will become more aware of their rights and who "will want to use the company readiness to take action to promote diversity not necessarily in line with its intentions" [Wziątek-Staśko, 2012, p. 48] In order to implement "diversity management it is first necessary to define the diversity and choose the approach which will be put into practice by the company. It is also crucial to consider whether in this particular environment, branch or situation diversity management is or is not desirable" [Jelínková, Jiřincová, 2015, p. 6].

"As a result, diversity, […] is generally seen as a problem because it means taking extra effort to adapt 'non-standard' employee to the set standards of operation in the enterprise" [Jamka, 2011, p. 279].

The following negative consequences of introduction of diversity management should also be mentioned, this time related to the organizational culture and behavior of employees. A. Wziątek-Staśko draws attention to:

– unequal level of employees' identification with the company's mission,

- difficulty in creating a unified organizational culture of the company,
- risk of disruption of employees' activities in the phase of being away from their existing cultural order and not accepting the new one,
- difficulty in creating an atmosphere of trust in the company, reduced sense of security, higher stress,
- difficulty in communication, the risk of conflict, lower quality of work,
- higher motivation and evaluation risk – differences in the impact of individual motivators [Wziątek-Staśko, 2012, p. 49].

It is also worth noting that some companies seeking to stand out can take advantage of diversity management not to improve their personnel policy, but to improve their PR. On the other hand, as only a small group of companies implementing diversity management, the company can become an object of special interest and this can reveal the existing gaps and shortcomings in this area [Wziątek-Staśko, 2012, p. 49] This is confirmed, for example, by the results of research carried out in Poland within the framework of the First edition of the Diversity Barometer. In fact studies have shown that diversity management for many organizations has definitely image characteristics. Introduction of the diversity policy is carried out in an incidental and occasional way [Lisowska, Sznajder, 2013, p. 13], which certainly does not prove professionalism and provides the basis for criticism.

R. Lawthom in deliberations on the future of diversity in the workplace writes that "In the language and terminology used in the theory of diversity management it is assumed that differences can be managed or the differences can be appreciated in different ways, but this assumption is questionable if the psychological approach is applied to the complex human relationships […]. On the grounds of the organization it is difficult to defend the claim that heterogeneity is the best solution" [Lawthom, 2003, p. 436]. R. Lawthom also draws attention to considerations of Prasad and Mills, who list the main shortcomings of diversity management. These include the fact that diversity can be interpreted differently, often in a contradictory way "from the proportional representation of the different groups, to the elimination of prejudices or changing the essence of practices used in the workplace in order to take into account the cultural influences of various groups". The cited authors also recognize that programs to promote diversity are only a prelude to the real training and do not affect the actual discrimination. A very important observation of the authors is that organizations have a lot of developed over the years, common norms, values and operating principles which make up the organizational monoculture. The operating rules and expected behavior resulting from it mean that companies are not able to incorporate all the diverse, multi-cultural preferences of individual groups [Lawthom, 2003, pp. 434-435]. R. Lawthom cites also thought by Casselle who believes that "the goal of diversity management paradigm is rather to achieve success in business and benefit the competitiveness than to implement the social justice" [Lawthom, 2003, p. 435].

It is worth noting that even if the company understands the importance of diversity management and sees the benefits of introduction of this concept, the implementation of it to the company can meet a number of barriers. According to information obtained

through the analysis carried out in the framework of the international project – CSR/ Diversity Project, the most important obstacles are:

1. stereotypes and prejudices,
2. lack of developed anti-discrimination and anti-mobbing policies,
3. lack of knowledge and access to best practices,
4. lack of developed cross-sector platform for dialogue,
5. the issue of monitoring and evaluation of diversity management results,
6. imprecise law [Gryszko, 2009, p. 29].

As it shows these are mainly external barriers, derived from the environment, which the companies are not in a position to overcome. It becomes necessary to support both the legislature and for example, non-governmental organizations promoting the idea of diversity, e.g. in the field of good practices and combating the stereotypes.

4. Conclusion

When analyzing the literature on diversity management we notice that the benefits of this activity are primarily highlighted. It is acknowledged that this is both an activity which is the fulfillment of legal assumptions (regarding the fight against discrimination) and the response to the trends in society and economy (aging population, difficult situation of people with disabilities in the labor market, gender inequality, labor migration, etc.) According to the information presented in this study, although this approach in fact generates a number of positive developments, the problems associated with this concept of management can not be ignored. Therefore, implementing it in the company must be preceded by deep thought and consideration given to the pros and cons. We should be aware that the implementation of diversity management requires the managers' knowledge and particular intuition, as well as understanding the principles and objectives of this idea by the employees.

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