

The origins and development of managing diversity

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This chapter discusses the meaning of the term ‘managing diversity’ (MD) and related terms. Managing diversity is a concept that was developed in the United States in the 1980s in response to demographic changes within the workforce and global competition. It was also a reaction to the introduction of equity legislation and practices. Central to this concept is the belief that organisations stand to benefit from having a diverse workforce and that it is therefore in their interest to recognise and cater to the needs of individual employees. In contrast, the framework for equity within workplaces is based on a human rights perspective: the belief that people should be treated equitably and that employment decisions should not be based on personal characteristics such as sex or ethnicity. While human rights issues are in theory universal, approaches to managing diversity will differ between countries depending on their demography, their view of society and their legislation governing employment.

SAMPLE PAGES



THE TERM 'MANAGING DIVERSITY'

The term 'managing diversity' and its variations entered the English lexicon in the 1980s and by the 1990s were in fairly regular use. Various terms have been used to signify the new thinking surrounding the development of increasingly heterogeneous workforces, including the word 'diversity' itself and 'workplace diversity' (Konrad 2003). Within organisations, a variety of terms and expressions are used to denote programs developed in response to this diversity, but the terms 'managing diversity' and 'diversity management' are now widespread (Maxwell, Blair & McDougall 2001: 469). Although the meaning of these two terms is still a subject of discussion in the literature (Prasad, Pringle & Konrad 2006: 7), we have chosen to use MD throughout this book to signify the range of policies and practices in organisations that relate to 'diversity' among the workforce.

There is no one generally accepted definition of MD; it is the subject of wide debate among both practitioners (human resource managers and related professionals) and academics. Heery and Noon (2001: 215), in the Oxford *Dictionary of Human Resource Management*, describe MD as 'the concept of recognizing the wide variety of qualities possessed by people within an organization'. They go on to say that MD 'emphasizes the individuality of people, and the importance of valuing each person for his or her unique combination of skill, competences, attributes, knowledge, personality traits, etc.' Yet this explanation is contested! When we look at both policies and practices within organisations, it is clear that confusion abounds.

The issue becomes even more complex when 'diversity' is considered in relation to terms such as 'equal opportunity', 'equal employment opportunity', 'affirmative action', 'anti-discrimination' and others that signify equity at work. These terms, for which we use the generic term 'equity' in this chapter, predate MD. Equal opportunity is 'a concept of ensuring fair treatment for all employees (or prospective employees) throughout the organization' (Heery and Noon 2001: 106) and, it could be added, in other areas in society. This term, too, is contested, but the reality is that most societies today have legislation in place that addresses fairness in workplace practice and issues of equity (Wirth 2001). Such legislation generally prohibits various types of employment discrimination and sets minimum standards for organisational behaviour. Its origins lie in the human rights or social justice framework that arose from international conventions signed in the wake of the Second World War and the Civil Rights movements of the 1960s and 1970s.



As discussed below, scholars disagree as to where the framework called ‘diversity’ and the framework called ‘equity’ intersect, and a range of views exists. The reality for organisations in countries like Australia, however, is that they have to respond to the ‘equity’ framework, which has given rise to legislation mandating specific organisational practices, as well as to the increasing influence of the ‘diversity’ framework. Even if we could provide neat definitions distinguishing between the two frameworks, they would still be operating simultaneously within organisations in practice. This chapter explores these issues in an attempt to clarify the meaning of the term managing diversity, in all its complexity, and the degree to which this concept overlaps with the concept of equity. It starts by examining the origins of MD and discusses a variety of MD frameworks that have been developed by international scholars and are influential in Australia.

THE ORIGIN OF MD

The concept of MD originated in the United States. It is widely acknowledged (Konrad 2003; Kelly & Dobbin 1998) that a major impetus to its development was a government-commissioned report entitled *Workforce 2000* (Johnston & Packer 1987), which examined the changing demographics of the US workforce. Johnston and Packer (1987: xiii) pointed out that, in the years between 1987 and 2000, the workforce would become older, more ‘feminised’ and ‘more disadvantaged’ as ‘only 15 percent of the new entrants to the labor force ... will be native white males, compared to 47 percent in that category’ in 1987. They stressed the need for national investment in education and training, along with changes in the organisation of work and working conditions to accommodate the needs of women workers (e.g., flexible hours, use of sick leave to care for children, more part-time work). Another workforce challenge they identified was that ‘minority workers [Blacks and Hispanics] are not only less likely to have had satisfactory schooling and on-the-job training [but] they may have language, attitude, and cultural problems that prevent them from taking advantage of the jobs that will exist’. These demographic changes came at a time of increased global competition. The authors concluded that ‘both cultural changes and education and training opportunities will be needed to create real equal employment opportunities’ and that employers had ‘a new, and more responsive, role to play in the development of their workforces’, especially in relation to education and training (xiv, Johnston and Packer xxxvi, 115).

Discussion of these demographic changes sparked literature on the way this changing workforce should be managed. In 1990 the influential *Harvard Business Review* published an article by R. Roosevelt Thomas Jr, a management consultant who founded the American Institute for Managing Diversity in 1984 (AIMD 2009). The origin of the term managing diversity is attributed to him (Kelly & Dobbin 1998: 973). On the basis of the global competition companies faced and the changing workforce demographics identified in *Workforce 2000*, Thomas (1990: 112) proposed that a different approach was needed within organisations. But to these two reasons for change he added a third: the legislation that aimed to achieve equity in the US (affirmative action legislation) was insufficient to achieve the outcomes Thomas identified. Thomas criticised



affirmative action as it was practised in US organisations, saying that it emphasised recruitment of minorities and women but provided them with little organisational support: these employees 'are dropped into a previously homogenous, all-white, all-Anglo, all-male, all native-born environment, and the burden of cultural change is placed on the newcomers' (Thomas 1990: 112). Affirmative action had largely served its purpose of increasing recruitment from these groups and could not cope 'with the remaining long-term task of creating a work setting geared to the upward mobility of *all* kinds of people, including white males' [original italics] (Thomas 1990: 108). He elaborated on this criticism and his vision as follows:

If affirmative action in upward mobility meant that no person's competence and character would ever be overlooked or undervalued on account of race, sex, ethnicity, origins, or physical disability, then affirmative action would be the very thing we need to let every corporate talent find its niche. But what affirmative action means in practice is an unnatural focus on one group, and what it means too often to too many employees is that someone is playing fast and loose with standards in order to favour that group. Unless we are to compromise our standards, a thing no competitive company can even contemplate, upward mobility for minorities and women should always be a question of pure competence and character unmuddled by accidents of birth. (*Thomas 1990: 109.*)

Thomas (1990: 109) concluded that 'we have to learn to manage diversity—to move beyond affirmative action, not to repudiate it'. He asserted that 'so long as racial and gender equality is something we grant to minorities and women, there will be no racial and gender equality. What we must do is create an environment where no one is advantaged or disadvantaged and [an] environment where 'we' is everyone'. The identified goal was 'to manage diversity in such a way as to get from a diverse work force the same productivity we once got from a homogenous work force', and diversity could 'perhaps' deliver a bonus in performance (Thomas 1990: 112). The diversity Thomas talked about included 'not only race, gender, creed, and ethnicity but also age, background, education, function, and personality differences' (Thomas 1990: 114)—a wider range of characteristics than is covered by equity legislation, which deals largely with characteristics that have been in the past, or continue to be, the subject of discrimination in the labour market (e.g., sex, ethnicity, religion, physical disability).

There are a couple of specific points that are important here. Thomas is discussing the unique legislative system adopted in the US in relation to that country's population mix. The US legislation contained employment quotas for minority groups and women, a provision that proved controversial and attracted considerable negative public opinion (Steeh & Krysan 1996). However, the US system of affirmative action was not adopted in Australia. Even though the term 'affirmative action' was used, the Australian system never included quotas: all employment decisions were to be based on the individual merit of the employee (see Chapter 3). The second point is that Thomas's reference to 'accidents of birth' does not take into account the different life chances that Johnston and Packer (1987) discuss for 'disadvantaged' groups—not all employees start with equal chances.



'DIVERSITY WILL BE GOOD FOR BUSINESS': THE SPREAD OF MANAGING DIVERSITY PROGRAMS

As hinted in Thomas's 1990 article, the proposed reason why organisations should engage with the ideas of MD was the potential for positive business outcomes. For example, David Thomas and Robin Ely wrote in the *Harvard Business Review* in 1996 (79):

Why should companies concern themselves with diversity? Until recently, many managers answered this question with the assertion that discrimination is wrong, both legally and morally. But today managers are voicing a second notion as well. A more diverse workforce, they say, will increase organizational effectiveness. It will lift morale, bring greater access to new segments of the marketplace, and enhance productivity. In short, they claim, diversity will be good for business.

Thomas and Ely (1996: 80) elaborated on this as follows: 'Diversity should be understood as *the varied perspectives and approaches to work* that members of identity groups bring.' Groups such as women, Hispanics, Asian Americans, African Americans, Native Americans and others 'bring different, important, and competitively relevant knowledge and perspectives about how to actually *do work*' [original italics]. They said that there was a new paradigm to be added to the discrimination-and-fairness paradigm and the access-and-legitimacy paradigm (based on US legislation), which they called the learning-and-effectiveness paradigm. This incorporated aspects of the other two paradigms 'but goes beyond them by concretely connecting diversity to approaches to work'.

Lorbiecki and Jack (2000: S20–21) describe four overlapping phases in the development of MD. The first was the awareness of demographic changes that was sparked by *Workforce 2000*. As interest in these patterns grew, 'a new thought dawned: by using the term 'diversity' *anyone and everyone* would be covered' [original italics]. Interest in diversity management then turned political 'when its inclusive philosophy was seen as an attractive alternative to "affirmative action" policies, which were causing widespread unease'. Political interest turned economic 'with the introduction of compelling arguments which warned firms ... that if they did not pay immediate attention to managing diversity their organization's performance or image would be put at risk'—in other words, it introduced the business case.

The spread of MD ideas was swift. The diversity project was pushed by equal opportunity specialists, who often joined forces with consultants, and equal opportunity managers often became diversity managers (Kelly & Dobbin 1998: 977–978). Indeed, by the late 1980s equal opportunity/affirmative action specialists in the US were recasting equal opportunity/affirmative action measures 'as part of diversity management and touting the competitive advantages offered by these practices' (Kelly & Dobbin 1998: 972). Konrad (2003: 5) believes that 'the new rhetoric came from consultants and the business press and from in-house EEO/AA specialists in leading firms'. By 1997, 75 per cent of Fortune 500 companies in the US had a DM program:



... by appealing to the interests of the most powerful organizational stakeholders, namely, business owners and managers, those academics and consultants making the business case for diversity were able to motivate businesses to find ways to include and improve their treatment of groups that historically had been excluded from the best organizational positions. (Konrad 2003: 5.)

While the titles of programs and staff changed, the move to MD did not mark a break with the practices organisations were engaged in under the previous equal opportunity and affirmative action programs, as the core practices of MD were familiar to equal opportunity specialists. By the mid-1990s common diversity practices included ‘incorporation of diversity commitment into mission statements, diversity action plans, accountability for meeting diversity goals, employee involvement, career development and planning, diversity education and training, and long-term initiatives directed at culture change’ (Kelly & Dobbin 1998: 978). All these strategies and practices were common to the previous affirmative action programs (Kelly & Dobbin 1998: 978-979).

Researchers in other countries also adopted the MD ideas. In the UK, for example, there was disquiet with the outcomes of the existing specific equity legislation, some scholars believing that it had not produced race or gender employment equality (Wilson & Iles 1999: 30). Diversity management programs were introduced ‘into a wide range of public and private organizations in the United Kingdom and elsewhere’ (Lorbiecki & Jack 2000). These ideas influenced Australian organisations, and Bacchi (2000), for example, examined the influence of these ideas within the public service. The MD approach is influential and is prominent in a number of Australian human resource management (HRM) textbooks—for example, there is a chapter entitled ‘Managing diversity and work-life balance’ in De Cieri et al. (2008: 302–338). The present book, too, has as its major focus the management of equity and diversity practice within organisations in Australia.

WHAT IS THE MD APPROACH?

There is no general agreement on where MD fits in in relation to earlier concepts. Thomas (1990: 109) asserted that the MD approach was ‘to move beyond affirmative action, not to repudiate it’ (1990: 109). Others have added the value-laden concepts of ‘old’ and ‘new’ to the two frameworks, or see MD as a novel way forward (Edelman, Fuller & Mara-Drita 2001). For example, Wilson and Iles (1999: 31) propose that there are two concepts: ‘equal opportunities—the old paradigm’ (externally driven; rests on moral and legal arguments; perceives equal opportunity as a cost, with difference perceived as problematical) and ‘managing diversity—the new paradigm’ (internally driven, rests on a business case; perceives MD as an investment; difference is perceived as an asset). Agocs and Burr (1996: 39) conclude that ‘managing diversity and affirmative action are not substitutes for each other, nor do they lie on a continuum, since they address different issues’. Bacchi (2000: 68) argues that MD is a new equity discourse that supplants the equal opportunity and affirmative action discourses. Kirton and Greene (2005: 123) have listed five approaches



that come from the MD literature: MD is 'an evolutionary step from equality'; 'a sophistication of the equality approach'; 'a repackaging of equality'; 'a sanitized, politically unthreatening and market-oriented notion'; and 'a "comfort zone", allowing employers to avoid actively fighting discrimination'.

Other scholars see MD as an approach to management. Kramar (1998: 141) believes that the stimulus for MD is fundamentally the continuing search for organisational effectiveness. Singh et al. (2002: 2) characterise organisational diversity initiatives as 'a managerial philosophy which aims to value workforce diversity in all its forms in order to generate benefits for the organisation's various stakeholders and therefore improve corporate competitiveness by enhancement of organisational performance'. Commenting on the situation in the US, Agoos and Burr (1996: 34) see MD as 'one of the many interventions in the organizational development ... family'. Lorbiecki and Jack (2000: S23) conclude that 'management does and diversity is the object to be managed'. Commenting on the academic literature discussing MD, Konrad (2003: 5) concludes that 'workplace diversity scholarship crystallized as a management subfield in the late 1980s'. The equity literature, in contrast, has largely moved into legal journals, so scholarship in this broad area has been bifurcated, with little conversation between the two frameworks.

MD AND THE BUSINESS CASE

MD is based on the belief that undertaking specific policies and practices designed to achieve specific strategic goals of organisations will have a positive impact on business, and the language of MD is constructed around the key values of business. For example, Thomas and Ely (1996: 79) discussed this issue:

Why should companies concern themselves with diversity? Until recently, many managers answered this question with the assertion that discrimination is wrong, both legally and morally. But today managers are voicing a second notion as well. A more diverse workforce, they say, will increase organizational effectiveness. It will lift morale, bring greater access to new segments of the marketplace, and enhance productivity. In short, they claim, diversity will be good for business.

This direct link to 'the bottom line' stands in contrast to the rationale of equal opportunity/affirmative action policies, which were seen as being driven by forces external to the organisation, such as legislative compliance, social justice, and ethical and human rights (Maxwell, Blair & McDougall 2001: 470).

Three main arguments are offered in support of the business case for diversity. First, a more diverse labour force 'means that businesses desiring to attract and retain the highest quality talent will have to recruit from all demographic categories as the traditional White male demographic shrinks in relative size'. Second, 'a more diverse society plus a globalized marketplace means a more diverse customer base, and businesses that employ a more diverse workforce will garner market intelligence to help them sell to potential customers from a variety of cultural backgrounds'.



Third, 'demographically diverse groups can outperform homogeneous groups on problem-solving and creativity tasks because diverse groups contain a greater variety of information, experience, perspectives, and cognitive styles', although this benefit is questioned in an increasing range of literature (Konrad 2003: 5). De Cieri et al. (2008: 313–314) add that a 'managing for diversity' approach 'facilitates organisational and cultural change'.

The increased globalisation of business, and in particular the issue of expatriate managers, raises a related issue: '... the problems of managing today's diverse workforce ... stem ... from the unfortunate inability of corporate managers to fully comprehend its dynamics, divest themselves of their personal prejudicial attitudes, and creatively unleash the potential embedded in a multicultural workforce' (Mor Barak 2005: 2). This approach focuses on individual manager attitudes and not on systemic organisational structures and policies: '... the training, orientation, and cultural understanding needed for the management and employees of any company ... include the deep understanding of individuals who live in other national and cultural contexts, and the ability to work within a global team framework' (Mor Barak 2005: 3). A large literature now exists on these issues of managing individuals and, in particular, 'cross-cultural communication' (e.g., Gannon & Newman; 2002 Mead & Jones 2002), and articles on cross-cultural management and management on different continents and in different cultural settings are appearing increasingly in academic journals.

THE MD FRAMEWORK AND THE EQUITY FRAMEWORK: SIMILARITIES AND DIFFERENCES

In discussing MD we inevitably come into contact with a complex mix of other terms—some from legislation, some used in public discourse and some used in organisations. One of the key differences among these terms goes back their origins. Equal opportunity and affirmative action recognise historic and ongoing systemic discrimination in a particular society. They seek to eliminate this and to provide some way forward for groups identified as having suffered from discrimination and disadvantage, particularly in the areas of education and employment. In contrast, MD is focused on the present and pays no regard to systemic discrimination or power relations in organisations or in society. A commonly used definition shows this focus on the present:

... the basic concept of managing diversity accepts that the workforce consists of a diverse population of people. The diversity consists of visible and non-visible differences which will include factors such as sex, age, background, race, disability, personality and work style. It is founded on the premise that harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilized and in which organizational goals are met. (Kandola & Fullerton 1994: 8.)

There is thus a major source of tension between equity and MD. Equity legislation in the US, the UK, Australia and elsewhere specifies groups of citizens who historically have experienced labour



market disadvantage, such as women and certain ethnic groups. MD does not recognise groups overtly but talks predominantly about individuals. Yet one of the things that make it difficult to come to grips with the concept of MD is that, while it promotes individual differences, practices within organisations are often targeted at specific groups.

While Thomas (1990) saw both affirmative action and MD working together, the spread of MD frequently meant that organisational diversity programs supplanted equal opportunity/affirmative action programs, even when many of the actual practices were the same (Kelly & Dobbin 1998: 975). The academic literature struggled with these issues and often included lists comparing the two approaches (e.g., Agocs & Burr 1996; Kelly & Dobbin 1998; Wilson & Iles 1999). These lists were specific to particular countries. For example, Kelly and Dobbin (1998: 976) compared major elements of US statutes and government regulations with elements of MD programs. In the US, the rationale for adopting equal opportunity and affirmative action policies is legal compliance, whereas the rationale for MD policies is strategic advantage for the organisation. The implicit cultural values underlying equal opportunity and affirmative action policies are egalitarianism, meritocracy and a remedy for past wrongs—that is, social goals—whereas those underlying MD policies are inclusiveness and respect for differences. The problems equal opportunity sets out to address are caused by bigotry and the limited access some groups have to jobs, networks and skills, whereas the problem diversity addresses is that the ‘organization loses out by requiring workers to assimilate to [a] White male system’. Promoting equal opportunity requires organisations to formalise and commit to a policy of non-discrimination and to targeted programs for recruitment and advancement; for diversity, ‘culture change efforts will remove systemic, institutional barriers blocking minorities’ and women’s advancement’. Concrete practices that promote equal opportunity are ‘plans with goals and timetables, revision of performance review criteria, sensitivity and interaction skills training, networking and support groups, targeted recruiting, targeted training’. For diversity they are ‘policies, statements, diversity action plans with goals and timetables, revision of performance review criteria, diversity awareness and skills training, networking and support groups, diversity task forces, culture audits’. The practical effects of equal opportunity are that workers have recourse to legislation for dealing with discrimination within the organisation and that equal opportunity minorities and women are ‘brought into and moved up the pipeline’; for MD they are ‘unclear’ (Kelly & Dobbin: 1998: 976).

These lists, while endeavouring to clarify and tease out the approaches, probably reinforced points of difference rather than similarities. When one approach was labelled ‘old’ and one ‘new’, preference was given to the ‘new’ approach of MD. Yet this analysis by Kelly and Dobbin (1998) shows many similarities between diversity and equal opportunity—with the major difference that there is no legislative imperative for MD and the outcomes are unclear. Importantly, ‘there is significant convergence in concrete practices’ (Kelly & Dobbin 1998: 975).

So where does MD stand in relation to the earlier legislated approaches? In reality, in many countries, including Australia, legislation that sets out minimum standards for organisational employment practices (e.g., prohibiting discrimination in employment practices) exists alongside policies that set out organisational approaches to diversity in the workforce. Organisations



respond to both legislative imperatives as well as to the widely discussed ideas of MD. In this they are doing what organisations have always done—obeying the law and trying to maximise organisational effectiveness and profits.

INDIVIDUALS VERSUS GROUPS

Equal opportunity grew out of national analyses of labour force data that showed clearly that certain identifiable groups in a particular society had ‘worse’ employment outcomes than the majority group of workers. The demographic data revealed patterns that were strong enough for us to say that if an individual is identified as belonging to a particular group, that person may have more or less chance of a particular employment outcome (see Chapter 2 for details about Australia). In many countries this majority group of workers consisted of men, and in Australia, the US and the UK it consisted of white, Anglo, non-immigrant, able-bodied males. This majority group had less unemployment, higher incomes, and an overwhelming share of senior and managerial jobs. The demographics of Australian workplaces identified four specific groups whose outcomes differed substantially from those of the majority group: women, Indigenous Australians, people from non-English-speaking backgrounds and people with a disability. These differential outcomes were recognised, and national goals of removing employment discrimination were adopted in many Western industrialised societies in the 1960s and 1970s. The human rights or social justice agenda transformed ideas about access to employment and what constituted an individual’s rights at work. These were no longer seen as being determined by characteristics such as sex, skin colour and other predominantly visible characteristics (see Strachan, Burgess & Henderson 2007; Konrad, Prasad & Pringle 2006; Kirton & Greene 2005). Such issues remain part of the national and social agenda of most countries. In contrast, the focus of MD is on the present situation, not the past, and on the strengths each individual employee brings to the workplace.

A further complication, and a criticism of both the equal opportunity and MD approaches, is the question of how these groups are identified, how individuals fit into these groups and whether individuals fit into multiple groups. ‘Essentialist divisions to signify diversity’ are commonly used, and this model ‘assumes that there is some intrinsic and essential content to any identity, defined either by a common origin (e.g. place of birth, racial heritage) or a common structure of experience (e.g. being a woman, black, old, gay or disabled)’ (Lorbiecki & Jack 2000: S26). It is argued that the view that a diverse set of workers provides an additional source of market intelligence threatens to ‘ghettoise’ certain workers by restricting them to jobs involving group-specific issues, and improved problem solving is only welcomed if the heterogeneous groups out perform homogeneous ones (Konrad 2003: 6). A second model of identity formation ‘rejects the possibility of fully constituted, separate and distinct identities, thereby denying the existence of authentic identities based on a universally shared origin or experience ... identities are always temporal and unstable’ (Lorbiecki & Jack 2000: S26). This model of identity formation (Grossberg 1996) ‘paves the way for an appreciation of multiple identities, these identities will still be constrained by certain discursive practices, such as diversity management discourses, which adhere to the notion that identities are



monolithic and fixed' (Lorbiecki & Jack 2000: S26). The intersection of identities and the impact of this in terms of individual lives and organisational practice are receiving increasing attention (e.g., Eveline, Bacchi & Binns 2009; Acker 2006). Being a member of a group does not always mean having shared interests, and this perspective of shared interests has been criticised—for example, it has been pointed out that women from different ethnic backgrounds may not always have interests in common (Prasad 2006: 137). Frequently, an individual who belongs to more than one 'disadvantaged' group experiences multiple sources of disadvantage (Syed 2007).

CRITICISMS OF THE MD APPROACH

As frameworks designed to change the way organisations operate, MD and equity have both had their fervent supporters and ardent critics. The 'backlash' against affirmative action in the US mentioned earlier is an example of criticism that opposes the whole notion of equity policies and legislation. The other area of criticism has come from those who broadly support the policies and legislation but view them as not having achieved the desired outcomes. There is much debate on these issues (e.g., Konrad, Prasad & Pringle 2006), and this is outlined in greater detail in Chapter 3. A major area of debate revolves around the question of whether MD can deliver equity in society and improve the position of groups that are disadvantaged in employment. This is discussed below but fundamentally comes back to a belief about how society should operate. Should all employment decisions and outcomes be left to the market, or should we pursue social goals of equity? The latter is a principle of the equity framework but not of the MD framework.

MD promotes the idea that management should make positive use of individual differences among employees. While everyone has multiple identities (e.g., male plus Indigenous Australian plus university-educated plus particular personality type), some of which are malleable and can change over time and some of which are fixed, it is difficult to envisage policies and practices that can capture and capitalise on these in an organisational setting. The outcome could be little more than a general statement along the lines of 'this organisation fully utilises all the skills and talents of its greatest asset, its employees'. This draws us away from the specific issues MD is concerned with:

the individual differences perspective threatens to dilute the workplace diversity construct. Specifically, if individual differences are all that is necessary to make a workplace diverse, then all groups are diverse by definition, and the entire concept of workplace diversity could become meaningless. (Konrad 2003: 7.)

This trait model, which Konrad (2003: 6–7) argues dominates the US workplace diversity literature, is based on the idea that 'diverse groups are thought to function differently because their members vary substantially in personality, values, knowledge, beliefs, attitudes, and behavior'. Arguments based on this model 'locate the fundamental mechanisms driving diversity dynamic within individuals', with the result that research 'downplays identity group membership in favour



of a focus on individual trait differences'. When you look only at these individual differences, 'the logic of the trait model de-emphasizes the impact of power/dominance relations between groups because the focus is on individuals rather than the contextual factors affecting them', with 'the likely result ... a literature that does little to give voice to or promote the concerns of relatively powerless identity groups'. Some critics take this further and see MD 'as a naïve attempt to depoliticize the gender conflicts, racial tensions and cultural frictions that are an endemic feature of contemporary organizational life' (Lorbiecki & Jack 2000: S27).

THE BUSINESS CASE: CAN IT DELIVER HUMAN RIGHTS AND EQUITY?

Organisations exist within a national, geographic, social, economic and cultural environment, which changes over time. This environment largely determines MD policies and practices, and of course organisational practice can also influence this wider environment. As Konrad (2003: 10) notes, 'diversity issues only became salient to scholars in the fields of management, human resources, and organizational studies when groups who had been historically excluded from power positions began to enter organizations in large enough numbers to affect organizational processes'. Whereas equal opportunity has its foundation in the recognition of past discriminatory practices in a society and seeks to achieve human rights, non-discrimination and social justice, MD is focused on achieving organisational effectiveness. On this basis, organisations would only remove discrimination or promote equity if doing so were advantageous to them. Of course, social expectations can have an influence, too. If an organisation does not promote women to senior positions, for example, then women may choose to work in another organisation that offers better career prospects, thus putting pressure on the first organisation to change its practices, but for this to happen other employment must be available. As Konrad (2003: 6) points out, 'arguments suggesting that managers need to become more flexible to deal with the cultural differences of a diverse workforce often ignore the destructive impact of stereotyping, prejudice, and institutional and interpersonal discrimination because raising these sensitive issues can be threatening to power holders'. Or as Lorbiecki & Jack (2000: S28) put it, 'the belief that diversity management is do-able rests on a fantasy that it is possible to imagine a clean slate on which the memories of privilege and subordination leave no mark'.

MD does not engage with notions of past prejudice and discrimination or even present prejudice and discrimination and 'provides only limited motivation for organizations to establish agendas promoting equality for historically excluded groups' (Konrad 2003: 5). Wrench (2005) summarises these areas of concern: MD might be used 'to prioritise "soft" rather than "hard" equal opportunities practices'—that is, it might focus on issues like intercultural awareness rather than, for example, the introduction of positive action targets; MD 'dilutes policies against racism and ethnic discrimination by mixing them with policies relating to other groups'; MD 'operates from an unnaturally reified view of ethnicity and exaggerates the importance of cultural differences'. In this 'it risks perpetuating a view of the permanence and immutability of cultures, while reducing ethnicity to simplified constructs that can be easily summarised in management training sessions'. Finally, 'perhaps the most fundamental criticism' is that 'it removes the moral



imperative from action for equal opportunities', subordinating the human rights issue to the business case (Wrench 2005: 75–77).

The question of whether the business case can deliver human rights and equity takes us back to the question of what the goals of equal opportunity and MD policies are. These issues are discussed in greater detail in Chapter 3. If equity in employment is desired on the grounds of social justice, then MD comes in for severe criticism:

Put simply, you cannot rely on diversity management policies alone to deliver fairness and inclusion at work when, first, many of the alleged intrinsic benefits of demographic diversity have been overstated and, second, in some sectors of work, it is completely irrelevant. The important difference is that equal opportunity legislation, and the legal endorsement of positive/affirmative action, were introduced as means of social engineering by governments, in order to produce a more equitable society. In contrast, diversity management is an organisational policy with business motives. If it is adopted widely it may *indirectly* produce a more equitable society as a side-effect of the actions of individual companies, but there is no guarantee of this' [original italics]. (Wrench 2005: 79.)

Dickens explored these issues in detail in several articles in the 1990s (Dickens 1999; Colling & Dickens 1998; Dickens 1994), contending that 'the market tends to produce discrimination, not equality' (Dickens 1999: 13). The 'privatised approach' of leaving equal opportunity 'to individual organisations taking voluntary business case-driven initiatives is an insecure foundation for general overall improvement' for women and ethnic minorities (Dickens 1999: 9). Noon (2007: 776–777) elaborates on 'problems' with the business case: first, 'short-termism'—that is, employers take a short-term focus for business reasons; and second, employers take a 'blinkered view of what constitutes a benefit' for an organisation. Noon (2007: 778) concludes that 'the business case relies on an overly rational cost-benefit analysis which tends to assume that inevitably the balance will tip in favour of investing in equality initiatives. The danger is that in some instances this will simply not be the case.'

CONCLUSION

The MD and equity approaches discussed in this book reflect the Western outlook on organisations and management. Most English-language textbooks on management draw from these traditions, and it is frequently implicit in their approach that these traditions represent the best way to manage. These ideas are being questioned. Many feminist scholars from developed countries in particular have been criticised for the sense of privilege that 'impels them to act to "save" their so-called less-privileged Third World sisters' (Prasad 2003a: 23). Broader issues of management are being scrutinised from the perspective of post-colonial theory (e.g., Prasad 2003b). This book focuses on the situation in Australia, and while drawing firmly from the Western tradition it recognises that the roots of diversity and equity will differ in different cultural and national settings.



The concept of MD has spread rapidly throughout North America, the UK, Australia and other Western industrialised countries in recent decades. Its central idea is that management can achieve improved business outcomes by making positive use of the different characteristics and qualities that employees bring to the workplace. The framework of MD was developed after the introduction of national legislation designed to promote equal opportunity in the workplace (the equity framework). Today this mandatory equity framework exists alongside the voluntary MD framework, and organisations respond to both. Critics of both MD and equity frameworks variously question the need for such policies and the extent to which they can deliver business and/or equity goals. The issues are complex and the arguments for and against the different approaches clearly demand careful consideration.

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