

What is global diversity management? In 2005, a survey of global Fortune 500 companies and other global firms found that 100 percent of organizations rated global diversity as an important or very important issue¹.



Global Diversity Management

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Global diversity management refers to “the planning, coordination, and implementation of a set of management strategies, policies, initiatives, and training and development activities that seek to transcend national differences in diversity management policies and practices in organizations with international, multinational, global and transnational workforces”². In recent years, trends in globalization have made global diversity management an important issue in many international companies. Diversity is becoming increasingly recognized as influencing organizational outcomes such as increased global knowledge creation and sharing, increased performance and innovation, and increased employee engagement. According to current research in the field, there are two main issues in global diversity management³. The first issue is country diversity management across and within countries, and understanding how to differentiate diversity socially, legally, and politically. The second issue is cultural diversity management across employees and countries within a global firm, and understanding how to manage multicultural teams, develop cultural competences, and facilitate smooth transitions across global employees and business units. Dealing with these issues from a global context requires much coordination from top management who may choose to approach these issues locally, universally or transversally⁴. In a localized approach, there is a unique diversity management program for each region or each nation and there is no coordination of programs. In a universal approach, there is a standardized diversity management

program that is applied throughout the global firm. In a transversal approach, there is a communicative, cooperative and negotiable diversity management program that encourages all subsidiaries to contribute towards shaping the global diversity management program. While most companies use a mix of all three, some researchers recommend a transversal approach for effective global diversity management, with the following recommended practices⁵:

- Inclusion of global units in the diversity management decision making process;
- flexible human resource management that balances the local and global needs of the firm;
- global diversity definitions and practices that define and respect >>>



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- » local and cultural contexts; and
- global competencies development that train and encourage cross-cultural awareness in employees.

Globally Diverse Leaders

In order for global and local diversity management initiatives to achieve organizational wide success, the support of organizational leaders is crucial. Current researchers in diversity and leadership suggest that leaders can have a positive effect on diversity by adopting the following behaviors⁶:

- Assessing one's own beliefs and biases: Most people have ambivalent attitudes towards diversity and leaders that recognize their own attitudes will be better able to strengthen their own diversity mindset and to influence others to do the same. If leaders are not aware of their own beliefs, they will lack sincerity when convincing others. A leader's ability to create a diverse climate in an organization leads to more integration and learning perspective towards diversity.
- Examining HR policies: Most traditional HR policies in effect today were not designed with diversity in mind. Leaders can re-examine these policies and change them in accordance to policies that reflect diversity. New recruiting methods, such as targeted recruitment have been empirically proven to help reduce adverse impact in selection. Some researchers suggest new selection criteria that reflect the new skills, knowledge and abilities of a diverse workforce, as well as new performance appraisal processes that demand more accountability from supervisors and managers to enact diversity strategies, such as 360-degree feedback, peer reviews, and employee attitude surveys⁷. However, more research is still needed until definite conclusions can be made of the specific types of diversity initiatives that will be beneficial to organizations over time.

- Becoming active advocates of equal employment opportunity and inclusion: Leaders should also work to actively disconfirm stereotypes whenever they can. Passive leaders who may not endorse stereotypes, but who are not seen to be proactive in taking a stance against discrimination and prejudice may send out a passive message about diversity. Thus, leaders have to lead by example and should be visible in their efforts to create and engage in building an environment that promotes a diverse workforce.

Globally Diverse Virtual Teams

Global diversity management naturally involves globally diverse teams. As organizations provide increasing opportunities for employees from different geographical subsidiaries to work together, globally diverse virtual teams are increasingly common. Virtual teams are groups of people who are working together using communications technology more often than face-to-face; who are distributed across space; who are responsible for a joint outcome and usually work on strategic or technically advanced tasks; and who are multi-functional and/or multicultural⁸. Virtual teams are formed because of a need for the specific expertise of its members who work in different locations, and they allow organizations to achieve increased flexibility, efficiency and responsiveness⁹. Virtual teams are diverse, since they often consist of members from different geographical regions, different functions, or different cultures. While diversity has been found to be beneficial for difficult and complex team tasks that require creativity and a high integration of data¹⁰, not much is known about the effect of diversity in virtual teams. Current research shows that virtual teams using virtual communication technologies can potentially offer benefits such as visual anonymity, equal participation, and irregular communication that could be advantageous for virtual team processes. However, research on diversity in virtual teams is still in its infancy, and more research is needed before definite conclusions can be made on whether diversity could be beneficial for virtual teams and in what ways.

¹ Dunavant, B. M., & Heiss, B. (2005). *Global diversity 2005*. Washington, DC: Diversity Best Practices.

² Nishii, L. H., & Özbilgin, M. F. (2007). *Global diversity management: towards a conceptual framework*. *The international Journal of Human Resource Management*, 18, 1883-1894.

³ *Ibid*.

⁴ Özbilgin, M. F. (2008). *Global Diversity Management*. In P. B. Smith, M. F. Peterson, & D. C. Thomas (Eds), *The handbook of cross-cultural management research* (pp. 379-396). Sage.

⁵ Nishii, L. H., & Özbilgin, M. F. (2007). *Global diversity management: towards a conceptual framework*. *The international Journal of Human Resource Management*, 18, 1883-1894.

⁶ Avery, D. R., & McKay, P. F. (2010). *Doing diversity right: An empirically based approach to effective diversity management*. In G. P. Hodgkinson, & J. K. Ford (Eds), *International Review of Industrial and Organizational Psychology* (Vol 25. pp 227-252). John Wiley & Sons, Ltd

⁷ Giscombe, K., & Mattis, M. C. (2002). *Leveling the playing field for women of color in corporate management: Is the business case enough?* *Journal of Business Ethics*, 37, 103-119.

⁸ Maznevski, M., Davison, S. C., & Jonsen, K. (2006). *Global virtual team dynamics and effectiveness*. *Handbook of Research in International Human Resource Management* (pp. 364-384). Edward Elgar Publishing Limited.

⁹ Powell, A., Piccoli, G., & Ives, B. (2004). *Virtual teams: A review of current literature and directions for future research*, *Data Base for Advances in Information Systems*, 35, 6-36.

¹⁰ Bowers, C. A., Pharmed, J. A., & Salas, E. (2000). *When member homogeneity is needed in work teams: A meta-analysis*. *Small Group Research*, 31, 305-327.