

Diversity Management and Affirmative Action Program in Managerial Decision Making: Global Perspective with the Context of Bangladesh

**A thesis submitted in fulfillment of the requirements for awarding
the degree of
Doctor of Philosophy in Management**

**Submitted By
Daisy Nilufar Sharmin
Ph.D Research Fellow**

**Supervised By
Professor Shahid Uddin Ahmed, Ph.D
Department of Management
University of Dhaka**



**Department of Management
University of Dhaka, Bangladesh**

September 2017

September 2017

CERTIFICATE

This is to certify that the thesis entitled "Diversity Management and Affirmative Action Program in Managerial Decision Making: Global Perspective with the Context of Bangladesh" has been prepared by Daisy NilufarSharmin under my supervision. The entire thesis comprises the candidate's own work and personal achievement.

It is an original piece of research work and has not been submitted to any other University or Institution for Ph.D degree or for other similar purpose.

I recommend the thesis for evaluation as per Dhaka University rules for the award of the degree of Ph.D

Professor ShahidUddin Ahmed, Ph.D

Department of Management

University of Dhaka, Dhaka 1000

Bangladesh

September 2017

DECLARATION

I declare that the thesis entitled "Diversity Management and Affirmative Action Program in Managerial Decision Making: Global Perspective with the Context of Bangladesh" embodies the results of my own research work pursued under the supervision of Professor Dr. ShahidUddin Ahmed, Department of Management, University of Dhaka, Bangladesh.

I further affirm that the research work presented in this thesis is original and it has not been submitted earlier either partly or fully to any other University or Institution for any degree or any other similar purpose.

Daisy NilufarSharmin

Ph.DResearch Fellow

Under the supervision of

Professor Dr. ShahidUddin Ahmed

ACKNOWLEDGEMENTS

I like to express my sincere thanks and deepest gratitude to Professor Dr. ShahidUddin Ahmed, Department of Management, University of Dhaka and hon'blesupervisor of my Ph.D works for his precious advice, continuous guidance, warm encouragement and immense support during my study. It would not have been possible for me to complete the study unless he guided me patiently.

I am speciallygrateful to Professor Dr. KaziSaleh Ahmed, President, Foundation for Research on Educational Planning and Development,for his assistance and valuable comments on designing and determining sample size, research methodology, selection of study area for thisresearch. I also extend myheartfelt gratitude and profound respect to Mr. Romij Ahmed, Consultant, World Bank, for sparing his valuable time during data analysis, an important part of thesis works in spite of his busy schedule.The author is grateful to Dr. Md. Amir Hossain, Professor, Institute of Statistical Research and Training, University of Dhaka, who advised me keenly in preparingthe research questionnaire for primary data collection.

I am enormouslythankful to different officials of concerned Departments of Bangladesh Bank, who extended their helping handsespeciallyin secondary data collection regarding Alternative Service Delivery Channels and Gender Equality issues along with other related issues.Again, I am sincerely thankful to thosescheduled bankrespondentsof questionnaire,who whole-heartedly cooperated in collecting primary data and contributed much providing necessary information and facts from time to time as per demand. I must recognize the support provided by my family members like brothers and sisters and also my friends and office colleagues.

I am very thankful to myhusband, Mr. A. S. M.SaifurRahmanSikder, who encouraged and offered exceptional help and inspiration towards the thesis works. Finally,I remember myfather late Md. AbdurRouf, whom I miss every moment with my broken heart, for his having wished me to do Ph.D and acted as company in my endeavor towards the achievement of the Doctorate degree.

TABLE OF CONTENTS

Certificate	i
Declaration	ii
Acknowledgements	iii
Table of Contents	iv
List of Tables	xi
List of Figures	xiii
Abbreviations	xv
Abstract	xvi
Organization of the Thesis	xviii

Chapter 01: Introduction

	Page
1.1 Statement of the Problem	1
1.2 Research Question	3
1.3 Objectives of the Study	3
1.3.1 Major Objectives	3
1.3.2 Specific Objectives	3
1.4 Hypothesis	3
1.5 Methodology of the Study	4
1.5.1 Method of Data Collection	4
1.5.1.1 Primary Source of Data	4
1.5.1.2 Secondary Source of Data	5
1.5.2 Analysis of Data	5
1.5.2.1 Quantitative Analysis (Descriptive Statistics, Correlations and Data Presentation)	5
1.5.2.2 Qualitative Analysis	6
1.6 Significance of the Study	6
1.7 Scope and Limitation of the Study	7

Chapter 02: Literature Review

2.0	Review of the Relevant Research Studies	8
-----	---	---

Chapter 03:

Theoretical and Conceptual Framework of the Study: Diversity Management

3.1	General Views	40
3.1.1	Diversity	40
3.1.2	Valuing Diversity	41
3.1.3	Managing Diversity	41
3.1.4	Affirmative Action Program (AAP)	41
3.2	Quotations of Diversity and Diversity Management	41
3.3	Importance to Understand Diversity Management Concept	43
3.4	Why Does Diversity Matters	45
3.5	History of Diversity Management	46
3.6	Characteristics of Diversity Management	49
3.7	Diversity Management Paradigms	50
3.7.1	The Human Resource Paradigm in Diversity Management	51
3.7.2	The Multicultural Organization Paradigm in Diversity Management	53
3.8	The Diversity/Equality Debate	55
3.9	Managing Diversity	57
3.9.1	Role to be Performed	58
3.9.2	Issues should be Considered	58
3.9.3	Strategies to be Taken	58
3.9.4	Fair vs. Same Treatment	59
3.9.5	Managing Diversity is Different from Affirmative Action	59
3.9.6	Consequences of Ignoring Diversity	59
3.9.7	Employee Diversity Training	59
3.9.8	Management Training	60

3.9.9	Employee Performance Evaluations	61
3.9.10	Compensation & Benefits	61
3.9.11	Promotion of Family-Friendly Work Environment	62
3.9.12	Retention/Termination Criteria	62
3.10	Activities Commonly Included in Diversity Initiatives	64
3.10.1	Strategic Initiative	64
3.10.1.1	Recruiting	64
3.10.1.2	Retention	64
3.10.1.3	Development	64
3.10.1.4	Training	64
3.10.1.5	Staffing and Infrastructure	64
3.10.2	Design of Diversity Strategy	65
3.10.2.1	Development of Diversity Design Plan	65
3.10.2.2	Implementation	66
3.10.2.3	Maintenance	66
3.11	Dimensions of Diversity in the Workplace:	66
3.11.1	In Respect of Nation Wise	66
3.11.1.1	Inter-National Diversity Management	67
3.11.1.2	Cross-National Diversity Management	67
3.11.2	Surface & Deep Level Wise	68
3.11.2.1	Race and Gender	68
3.11.2.2	Culture and Religion	68
3.11.2.3	Age	68
3.11.2.4	Physical Abilities	68
3.11.2.5	Education and Life Experience	69
3.12	Examples of Diversity in the Workplace	71
3.13	The Diversity Continuum	72
3.14	The Components of a Successful Diversity Initiative	73
3.15	What Does a Company Need to Do to Become Diverse	76
3.15.1	Leadership	76
3.15.2	Communication	78
3.15.3	Initiatives	79

3.15.4	Recruiting, Promotion, Retention, and Evaluation	79
3.15.4.1	Recruiting	79
3.15.4.2	Promotion	79
3.15.4.3	Retention	80
3.15.4.4	Evaluation	83
3.16	Signs of Diversity in the Workplace	84
3.17	How to Demonstrate Diversity in the Workplace	85
3.18	Ways to Measure the Diversity Readiness in a Workplace	87
3.18.1	Surveys	88
3.18.2	Complaints	88
3.18.3	Collect Baseline Data	88
3.18.3.1	Collecting Existing Organization Data	88
3.18.3.2	Conduct a Diversity Survey	89
3.18.3.3	Developing Focus Groups	89
3.18.3.4	Determination of Objectives	89
3.18.4	Revenue Pipeline	89
3.18.5	Measurement	89
3.19	Diversity Management and Developed Country	89
3.20	Diversity Works Undertaken by Developed Countries (for example)	91
3.21	Guidelines to Get the Maximum Output from Diversity Program	92
3.22	General Benefits of Difference/Conflict-Friendly Culture	93
3.23	Diversity is Not an Option but Business Imperative	102
3.24	The Top 10 Economic Facts of Diversity in the Workplace of Developed Country	103
3.25	Negative Effects of Diversity in the Workplace	106
3.26	Tentative Solutions of Problems due to Diversity Management	107
3.27	Measurement of the Costs and Benefits of Diversity Policies	108
3.27.1	Performance Measurement Framework	108
3.27.1.1	Important Parts of Performance Measurement Framework	109
3.27.1.2	Coverage of Indicators of Costs and Benefit	110
3.28	General Barriers to Diversity in the Workplace	111
3.29	Obstacles to the Adoption of Diversity Policies	112
3.29.1	Internal Obstacles	112
3.29.2	External Obstacles	113
3.30	Critical Issues for Improving Organizational Performance	114

3.31	How to Celebrate Diversity in the Workplace	114
3.32	Diversity Management: It's Not Just a Management Responsibility	115
3.33	The business Case for Diversity	116

Chapter 04: Theoretical and Conceptual Framework of the Study: Affirmative Action Program (AAP)

4.1	Introduction	118
4.1.1	Elements of the Affirmative Action Program	119
4.1.2	Key Concepts in the Affirmative Action Plan	119
4.1.3	Implementing and Monitoring of the Affirmative Action Plan	120
4.1.4	Departmental Responsibilities	120
4.1.5	Shared Responsibility	120
4.2	History of Affirmative Action Program (AAP)	121
4.2.1	In the Beginning	122
4.2.2	The Controversy Engaged	125
4.2.3	Rights and Consistency	127
4.2.4	Real-World Affirmative Action: The Workplace	128
4.2.5	Real-World Affirmative Action: The University	130
4.2.6	Equality's Rule	131
4.2.7	The Integration Argument	131
4.2.8	Desert Confounded, Desert Misapplied	133
4.3	Has Affirmative Action Achieved Its Goals	134

Chapter 05: Methodology of the Study and Data Analysis

5.1	Methods of Research	138
5.2	Nature and Sources of Data	138
5.2.1	Primary Data	138
5.2.2	Secondary Data	139
5.3	Sample Design	139

5.3.1	Selection of Study Area	139
5.3.2	Population Size and Selection of Respondents	141
5.3.3	Justification for the Selection	142
5.3.4	Selection of Sample Branches and Departments	143
5.3.5	Determination of Sample Size of the Respondents	143
5.3.6	Selection of Sampling Units	145
5.4	Tools for Data Collection and Presentation	146
5.4.1	Development of Questionnaire	147
5.4.2	Tools Used in Presenting Data	148
5.5	Development of Measurement Instruments	149
5.5.1	Explanatory Variables	149
5.5.2	Response variables	149
5.6	Data Validity	150
5.7	Data Analysis and Interpretation	151
5.7.1	Question and Response Wise Findings	151
5.7.2	Quantitative Analysis	162
	5.7.2.1 Relationship between Business Performance	
	-Innovation and Workforce Diversity	163
	5.7.2.1.1 Descriptive Analysis	163
	5.7.2.1.2 Quantitative Analysis	164
	5.7.2.2 Relationship between Business Performance	
	– Per Employee Productivity and Workforce Diversity	167
	5.7.2.2.1 Descriptive Analysis	167
	5.7.2.2.2 Quantitative Analysis	170
	5.7.2.3 Relationship between Business Performance	
	– Profitability (Return on Asset) and Workforce Diversity	176
	5.7.2.3.1 Descriptive Analysis	176
	5.7.2.3.2 Quantitative Analysis	178
	5.7.2.4 Relationship between Business Performance	
	– Profitability (Return on Equity) and Workforce Diversity	185
	5.7.2.4.1 Descriptive Analysis	185

5.7.2.4.2 Quantitative Analysis	187
5.7.2.5 Relationship between Business Image	
– Based on Client’s Views and Workforce Diversity	195
5.7.3 Qualitative Analysis (Factual Analysis)	196

Chapter 06: Findings, Conclusions and Recommendations

6.1 Summary of Findings and Discussions	199
6.2 Conclusions	200
6.3 Recommendations	201
6.4 Contribution of the Study	204
References	206
Appendices	216

LIST OF TABLES

Table No.	Table Title	Page
Table 3.1:	Primary Dimensions of Diversity	69
Table 3.2:	Secondary Dimensions of Diversity	70
Table 3.3:	The Diversity Continuum	72
Table 4.1:	Timeline/Sequence of Development of Affirmative Action Program	122
Table 5.1:	Population Profile of Selected Banks	141
Table 5.2:	Composition of Gender	145
Table 5.3:	Composition of Age of Respondents	146
Table 5.4:	Structure of Questionnaire	148
Table 5.5:	Data Randomness Test - Runs Test	151
Table 5.6:	Innovation & Problem Solving due to Diversified Workforce	152
Table 5.7:	Business Productivity due to Diversified Workforce	153
Table 5.8:	Synergy Creation due to Diversified Workforce	154
Table 5.9:	Best Practices in Business Case due to Diversified Workforce	155
Table 5.10:	Competitive Advantage due to Diversified Workforce	156
Table 5.11:	Key Features of Diversity Policy	157
Table 5.12:	Availability of Diversity Policy	158
Table 5.13:	Reasons not to Have Diversity Policy	159
Table 5.14:	Implementation of AAP to Promote Diversified Workplace	160
Table 5.15:	Organization Vision - Sustainable Diverse Workplace	161
Table 5.16:	Descriptive Statistics of Explanatory and Response Variables	162
Table 5.17:	Correlations of Business Performance -Innovation and Workforce Diversity	164
Table 5.18:	Goodness of Fitted Model - Omnibus Test	166
Table 5.19:	Coefficients (Innovation) - Percent of Female Employee and Percent of Trained Employee	166
Table 5.20:	Descriptive Analysis of Per Employee Productivity	168
Table 5.21:	Correlation Matrix of Business Performance - Per Employee Productivity and Workforce Diversity	171
Table 5.22:	Model Summary - Goodness of Fitted Model	172
Table 5.23:	Coefficients (Productivity) - Percent of Female Employee	

	and Percent of Trained Employee	172
Table 5.24:	Descriptive Analysis of Business Performance - Profitability (Return on Asset)	176
Table 5.25:	Correlation Matrix of Business Performance – Profitability (Return on Asset) and Workforce Diversity	180
Table 5.26:	Model Summary - Goodness of Fitted Model (Linear)	181
Table 5.27:	Parameter Estimation- Percent of Female Employee and Percent of Trained Employee	182
Table 5.28:	Descriptive Analysis of Profitability (Return on Equity)	185
Table 5.29:	Correlation Matrix of Business Performance –Profitability (Return on Equity) and Workforce Diversity	188
Table 5.30:	Model Summary - Goodness of Fitted Model (Linear)	189
Table 5.31:	Parameter Estimation- Percent of Female Employee and Percent of Trained Employee	190
Table 5.32:	Model Summary - Goodness of Fitted Model (Linear)	193
Table 5.33:	Parameter Estimation- Percent of Female Employee and Percent of Trained Employee	193

LIST OF FIGURES

Figure No.	Figure Title	Page
Figure 3.1:	Context for Growing Importance of Employee Diversity	45
Figure 3.2:	Design of Diversity Strategy	65
Figure 3.3:	Steps for Developing a Basic Diversity Initiative	74
Figure 3.4:	Company need to Do to Become Diverse	76
Figure 3.5:	Demonstration of Diversity in the Workplace	86
Figure 3.6:	Standardization and Customization of Workforce	93
Figure 3.7:	Shifting Hierarchy of Managerial Skills	98
Figure 3.8:	Company Performance Index	114
Figure 5.1:	Composition of Gender	145
Figure 5.2:	Composition of Age of Respondents	146
Figure 5.3:	Diversified Workforce - Innovation & Problem Solving	152
Figure 5.4:	Diversified Workforce - Business Productivity	153
Figure 5.5:	Diversified Workforce -Synergy Creation	154
Figure 5.6:	Diversified Workforce -Best practices in Business Case	155
Figure 5.7:	Diversified Workforce -Competitive Advantage	156
Figure 5.8:	Organization Status - Key Features of Diversity Policy	157
Figure 5.9:	Organization Status -Availability of Diversity Policy	158
Figure 5.10:	Organization Status -Reasons not to Have Diversity Policy	159
Figure 5.11:	Implementation of AAP to Promote Diversified Workplace	160
Figure 5.12:	Organization Vision - Sustainable Diverse Workplace	161
Figure 5.13:	Innovation in terms of No. of Service Delivery Channels	163
Figure 5.14:	Histogram of Per Employee Productivity	168
Figure 5.15:	Box-plot of Per Employee Productivity	169
Figure 5.16:	GraphicalCorrelation Matrix of Business Performance - Per Employee Productivity and Workforce Diversity	170
Figure 5.17:	Normal P-P Plot of Regression Standardized Residual	174
Figure 5.18:	Heteroscedasticity Checking - Standardized Residual vs. Predicted Value	175
Figure 5.19:	Histogram of Business Performance - Profitability (Return on Asset)	177
Figure 5.20:	Box-plot of Business Performance - Profitability (Return on Asset)	178

Figure 5.21:	GraphicalCorrelation Matrix of Business Performance –Profitability (Return on Asset) and Workforce Diversity	179
Figure 5.22:	Normal p-p plot of Regression Standardized Residual	183
Figure 5.23:	Heteroscedasticity Checking - Standardized Residual vs. Predicted Value	184
Figure 5.24:	Histogram of Business Performance - Profitability (Return on Equity)	186
Figure 5.25:	Box-plot of Business Performance - Profitability (Return on Equity)	186
Figure 5.26:	GraphicalCorrelation Matrix of Business Performance –Profitability (Return on Equity) and Workforce Diversity	187
Figure 5.27:	Normal p-p plot of Regression Standardized Residual	191
Figure 5.28:	Heteroscedasticity Checking - Standardized Residual vs. Predicted Value	192

ABBREVIATIONS

AAP	Affirmative Action Program
ANOVA	Analysis of Variance
CIPD	Chartered Institute of Personnel and Development
FGD	Focused Group Discussion
EOA	Equal Opportunities Approach
EEO	Equal Employment Opportunity
DAC	Diversity Advisory Committee
IPMA	International Personnel Management Association
NASPE	National Association of State Personnel Executives
HRM	Human Resource Management
ILO	International Labour Organization
M2W	Managing to Win
DLI	Development and Leadership Initiative
EEOC	Equal Employment Opportunity Commission
CSR	Corporate Social Responsibility
SME	Small and Medium Enterprises
CPI	Company Performance Index
GFE	Good Faith Effort
ISRT	Institute of Statistical Research and Training
IQR	Inter Quartile Range
OLS	Ordinary Least Squares
WLS	Weighted Least Squares
PwC	Price waterhouse Cooper
PAM	Proportionate Allocation Method
PPS	Probability Proportionate to Size
SPSS	Statistical Package for Social Sciences

ABSTRACT

In Bangladesh, almost every organization (financial or non-financial) has diversity among all sorts of workers like administrative and non-administrative staffs etc. who compose the human resource in an enterprise. The diversity, as is observed, exists there in respect of age (younger-older), social class, ethnicity, gender, physical and mental ability, race and culture (oriental and occidental) etc. Simply, diversity means variety but in a greater aspect it considers age, gender, race and ethnicity, education level, physical appearance and ability, culture, problem-solving ability, critical thinking ability, team building ability, communication ability, language proficiency, capability for empathy, ability to be kind, ability to motivate people, ability to work with others, job description, skill and knowledge level, listening ability, conflict resolution ability, level of self-awareness and so on. Out of all the above only gender diversity (surface level), and skill and knowledge diversity (deep level) acquired by receiving training by the workforce are mainly dealt in the study. In Bangladesh perspective gender diversity is the most important aspect in Banking Industry. With a view to having a realistic finding, tribal people are not taken into consideration as their appearance is few and far between in the banking industry. The practice and implementation of Affirmative Action Program help to ensure effective diversified workplace/environment.

The objective of the study is to know/identify the benefits, constraints, ways that can handle the obstacles of diversity management. And some policies with crucial institutional interventions for effective diversity management are also discussed. It is hypothesized in this study whether diversity management and associated activities are related to the business performance of the organization in terms of innovation, productivity, profitability and the image of the organization. A conceptual framework has been developed through literature review about the impacts of diversity management on business performance. To test the relationship, two explanatory variables: percentage of female employees and percentage of trained up employees and five response variables: innovation - no. of service delivery channels, per employee productivity, profitability - return on assets, profitability - return on equity, image of the organization due to competitive advantage (bank's clients interview and discussion) are considered.

33 banks (Opinion survey) and 26 banks (Quantitative analysis; Seven banks' annual reports are not available at the time of secondary data processing via SPSS version 20.0) are targeted (via Purposive Sampling) from whole banking industry of Bangladesh. 33 banks with 385 respondents agreed to participate. Because of missing data regarding respondents, the sample for this study is reduced to 336 respondents.

A research methodology has been designed to conduct the study that includes nature and sources of data, sample design: selection of study area, population size and selection of respondents, justification for the selection, determination of sample size of the respondents, selection of sampling units; tools for data collection and presentation: development of questionnaire, tools used in presenting data; development of measurement instruments: explanatory variables, response variables; data validity, data analysis and interpretation. For primary data collection, survey method has been used to conduct opinion survey using questionnaire. From secondary data, descriptive analysis and linear regression analysis are to be used to analyze the data. Based on type of variables, Poisson model and Linear model are used to data. Nature of distribution of data is shown by Histogram. Heteroscedasticity is also checked as well. Ordinary Least Squares (OLS) estimation or Weighted Least Squares (WLS) estimation is to be used depending on the presence of heteroscedasticity. Clients' views and observations are also taken into consideration and qualitative analysis (factual analysis) is also made to view best practices.

Based on collected primary data and opinion survey of respondents, it is found that diversified workforce and associated policies contribute to create innovative and problem solving environment, promotes business productivity, create synergy e.g. cost effectiveness of business activities. Again they also opine that diversified organizations get competitive advantages over homogenous organizations.

From the view point of quantitative analysis, innovation in terms of service delivery channels, per employee productivity, per employee profitability - return on asset and return on equity, business image are significantly affected by percentage of female employees and percentage of trained employees. While return on equity is not significantly affected by the percentage of female employees as well as percentage of employees trained.

Diversity at all levels should be made as priority not only because it is the precise thing to do, but also it is one of the superior business decisions for the sustainable growth of the organization.

ORGANIZATION OF THE THESIS

This dissertation consists of six chapters including (i) introduction, (ii) literature review, (iii) theoretical and conceptual framework of the study: Diversity Management, (iv) theoretical and conceptual framework of the study: Affirmative Action Program (AAP), (v) methodology of the study and data analysis with detail interpretation and (vi) summary of findings, conclusions and recommendations.

Chapter One: This chapter includes statement of the problem describing current situation of different organization of Bangladesh, research questions, operational definition of research. Two types of objectives (major and specific objectives) have been designed in the objectives part of the study. Five hypotheses are developed to get the relationship between explanatory and response variables. Methods of data collection and data analysis tools are mentioned in the methodology part of the study. In the significance part, importance has been given on the ways of utilizing the benefits of diversity for the welfare of the organizations' performance, nature of problem regarding diversity and use of findings by the policymakers, managers of different departments/divisions of the organization and the stakeholders. A set of assumptions are formed and obstacles which are faced at the time of data collection to data analysis have been described in the scope and limitations section of the study.

Chapter Two: This chapter describes literature review of the study. It explains topics such as concept and definition of diversity management, different aspects of diversity management tool and strategies, the economic benefits of diversity management, impacts of diversity on the productivity and profitability of the organization, performance status of homogenous and heterogeneous organization, Government's feeling about the Equal Opportunity and Affirmative Action Program, some arguments favoring diversified organizations, probable problems due to existence of diversity and handling ways etc.

Chapter Three: Chapter three describes theoretical and conceptual framework of the diversity management: definition and concept of diversity, history and characteristics of diversity management, diversity management paradigms, ways of managing diversity, activities commonly included in diversity initiatives, dimensions of diversity in the workplace, the components of a successful diversity initiative, signs of diversity in the workplace, demonstration of diversity in the workplace, ways to measure the diversity readiness, guidelines to get the maximum output from diversity program, economic facts and negative effects of diversity, tentative solutions of problems due to diversity management, general barriers to diversity, obstacles to the adoption of diversity policies etc.

Chapter Four: Theoretical and conceptual framework of affirmative action program (AAP) is discussed in this chapter. It includes elements of the Affirmative Action Program, concepts in the Affirmative Action Plan, implementing and monitoring of the Affirmative Action Plan, history and goals of Affirmative Action Program (AAP).

Chapter Five: This chapter is on methodology of the study and data analysis. This chapter consists of methods of research, nature and sources of data: primary data, secondary data, sample design: selection of study area, population size and selection of respondents, justification for the selection, selection of sample branches and departments, determination of sample size of the respondents, selection of sampling units; tools for data collection and presentation: development of questionnaire, tools used in presenting data; development of measurement instruments: independent variables, dependent variables; data validity, data analysis and interpretation, question and response wise findings, quantitative analysis: relationship between diversity and business performance, qualitative analysis (factual analysis).

Chapter Six: The last chapter of this thesis is summary of findings, conclusions and recommendations. Conclusions are the explanation of important results and the recommendations have been made based on the conclusions.

Introduction

1.1 Statement of the Problem:

Generally, diversity means differences among people in terms of age, class, ethnicity, gender, spiritual practice etc. Diversity issues play a vital role towards the success of organization. Diversity management is a process intended to create and maintain a positive work environment where the similarities and differences of individuals are valued.

In each and every organization (financial or non-financial), there are different groups of people in respect of age (younger-older), social class, ethnicity, gender, physical and mental ability, race and culture (oriental and occidental) etc. To effectively and fruitfully perform jobs as a matter of reality, we need to diversify the workforce and working environment and there is a possibility to arise some contradiction/problems due to having diversified workforce and diversified working environment which can be managed through the implementation of Affirmative Action Program (AAP), changing company policy, company management and employer-employee attitude, management system and legal bindings, elimination of institutional barriers etc. And Affirmative Action (known as employment equity in Canada, positive action in the UK) is the policy of providing special/equal opportunities for a disadvantaged group who suffers from discrimination. It is intended to promote the opportunities of defined minority groups within a society to give them equal access to that of the privileged majority population.

This study is based on the necessity and ways to implement the diversity management in the organizations/enterprises of Bangladesh. Efficient and effective diversity management with the application of affirmative action program enhances the productivity of the financial and non-financial organizations. If the people are not discriminated and if their contribution is properly recognized, a cordial working environment will prevail towards the achievement of maximum productive and prosperous enterprises.

Literally diversity means variety. It has different forms; broadly we can classify diversity in terms of gender, race, social class, age, and nationality (in case of multinational banks) etc. For this study, Bangladesh perspective (Banking Industry), gender is most important issue for us and also to some extent the deep level workforce diversity (knowledge, experience, skill base) also. By racial origin (in the context of Bangladesh), we mean the tribal people who come from hilly area.

There are different groups of people in the human society and diversity affects the organizational performance. We are getting benefits out of diversity but it is giving birth to inter group conflict for protecting mutual interest and if we are able to solve these problems, diversity will bring positive outcome for organization. Here our intension is to minimize the conflict in order to get maximum benefit out of diversity. It is observed in USA, UK and some other countries of the world that there is the existence and practice of Affirmative Action Program to counter act destructive consequence of diversity. Similar other legal bindings are also there. Here the concern is about Bangladesh (Banking Industry). In Bangladesh, diversity is found in some form (Surface level: gender, age, social class, in small scale race also; Deep level: knowledge, skill, experience etc.), but we do not see any forceful legal binding for minimizing the problem due to the existence of discrimination, frustration etc. We, therefore, should try to know the nature and benefit of diversity and its associated management procedure; at the same time the raised problems (due to diversity) and ways (AAP) to solve the same. In order to know these, we need to conduct a study and we believe, conducting such study is justified by the statements we made above.

The Constitution of Bangladesh guarantees women equal rights with men in all spheres of the State and public life as a fundamental right [Article 28(02)] and prohibits discrimination and inequality on the basis of sex.

Article 28(01) lays down that State shall not discriminate against any citizen on grounds of only of sex and nothing in article shall prevent the State from making special provision in favor of women and children or for the advancement for any backward section of citizens. Principles of equality and non-discrimination are well reflected in the Constitution of Bangladesh [Article 28(04)].

Bangladesh government is committed in mainstreaming gender issues in order to incorporate them within the framework of macroeconomics and to formulate policies to effectuate effective, substantial and visible changes to the lives of women at all levels and in all spheres via "Vision 2021" which welcomes a new era of democracy, equality, fairness in Bangladesh. The UN CEDAW Committee congratulated Bangladesh for achieving gender parity in its concluding comments on the fifth periodic report of Bangladesh.

Managing diversity has become a primary concern for top companies of the world. But in Bangladesh perspective, this is very new concept to practice even as a commercial jargon. As a result world-wide, a cottage industry of firms specializing in diversity management has emerged to help corporate executives identify appropriate diversity policies and programs. Generally, however, the diversity management literature consists of a laundry list of best practices that is not well organized, prioritized, or integrated. In contrast to this, here it has been attempted to lay the groundwork for a fact-based approach to diversity management.

1.2 Research Question:

From our statement of the problem, the research questions that arise are - does diversity management affects/related to the business performance of the organization in terms of innovation, productivity, profitability and the image of the organization? The research question, if answered by the study, will also tell us whether the diversity can be a competitive advantage for the organization.

1.3 Objectives of the Study:

The objectives of the study are set in two parts:

1.3.1 Major Objectives:

- To identify the benefits that can be derived from diversity of workforce and work environment in the organizations
- To identify the constraints in diversity management and
- To find out some solutions to the problems arising out of diversity

1.3.2 Specific Objectives:

- To find out the ways of utilizing the benefits of diversity for the welfare of the organizations' performance
- To discover/recognize the nature of problem regarding diversity which affect the productivity of company
- To investigate whether the diversity issues are properly addressed by management of organizations and enterprises of Bangladesh for achieving maximum productivity
- To suggest some policies and crucial institutional interventions for effective diversity management

1.4 Hypothesis:

We have drawn general hypothesis for diversified organization than non- diversified organization:

1. There exists significant relationship among Business Performance - Innovation and Workforce Diversity of the organization.

2. There exists significant relationship among Business Performance - Productivity and Workforce Diversity of the organization.
3. There exists significant relationship among Business Performance - Profitability and Workforce Diversity of the organization.
4. There exists significant relationship among Business Image and Workforce Diversity of the organization.

1.5 Methodology of the Study:

A study on the basis of scientific method (Experimentation: test hypotheses and discover new relationship and survey investigations) to reach a useful and logical conclusion has been done. However, tentatively it can be said that the research methodology will involve both theoretical and practical analyses of the situation prevailing in Bangladesh.

For the theoretical analysis literature review and other secondary sources of data are to be used and analyzed. For practical analysis opinion/observations of the respondents has been collected via questionnaire and personal interview and perceived the practices followed by enterprisers/organizations. In consultation with the supervisor and other experts in the area, based on nature of data collected, by using scientific methods and empirical survey, research is being done to make findings on the effect of performance of the organizations due to workforce diversity.

1.5.1 Method of Data Collection:

Data have been collected based on scientific method of sampling. In selecting the officials, other related employees and persons as respondents, purposive sampling has been applied. After determining the target group of respondents, questionnaire (structured questions e.g. multiple choice, dichotomous and scaling) method is used to collect primary data. Calculated sample size is 384 where the actual respondents no is found 336. [33 banks with 385 respondents agreed to participate. 49 respondents are less than targeted group i.e. 12% of targeted group]

1.5.1.1 Primary Source of Data:

The methods that are being used to collect the primary data as follow:

- Interviewing (Face to face/electronic: mail response/telephonic via questionnaire), Conversation and discussion with the officials/persons who are related with the concerned issue of various Banks of Bangladesh.

- In addition, FGD method of data collection is being applied to organize direct and thorough mutual conversation with related people.
- Occasionally for getting information from original sources, observation method may also be applied.

1.5.1.2 Secondary Source of Data:

Fundamental secondary sources are:

- Mainly, documents and related publications (Annual reports of banks) of the selected banks.
- National and international articles, journal on diversity management published in web sites have been used.
- Different articles and reports on diversity management of regulatory body (Bangladesh Bank)
- Various books on Human Resource Management, Organization Behavior etc.

1.5.2 Analysis of Data:

Following procedures are being applied:

1.5.2.1 Quantitative Analysis (Descriptive Statistics, Correlations and Data Presentation):

Methodology	Reason to Use
Note:	
Explanatory Variables: Percentage of Female Employees (X_1), Percentage of Total Trained Employee (X_2)	
Response Variables : Innovation – No. of Service Delivery Channels (Y_1), Per Employee Productivity (Y_2), Profitability – Return on Assets (Y_3), Profitability – Return on Equity (Y_4), Image of the organization due to competitive advantage (Bank's clients interview and discussion).	
Sample Selection:	To identify and attending the target group.
Mean, Std. Deviation:	To measure central tendency and the variation/dispersion of data.
Correlation Matrix:	To show the relationship between explanatory variables and response variables.
Functional Equation (Regression Line):	To estimate the pattern of relationship – positive or linear relationship and negative or curvilinear relationship among the same variables.
Pictorial Presentation (Pie chart, graph, histogram etc.)	To make the pictorial presentation of analysis on the innovation, productivity, profitability of the organization.
Coefficient of Correlation (r):	To measure the relative closeness of the relationship between explanatory variables and response variables.
Coefficient of Determination (r^2):	To measure the extent to which variations in the response variables can be explained due to any change in explanatory variables.

Heteroscedasticity:	To check whether the errors have constant variance/not in linear regression.
ANOVA:	To determine whether there are any statistically significant differences between the means of three or more response groups

1.5.2.2 Qualitative Analysis:

Factual Analysis:	To represent the world renowned organization's performance (Financial: Productivity, profitability and non-financial: image of the organization) due to diversified workforce, working environment, and implementation and practice of Affirmative Action Program (AAP)
--------------------------	---

1.6 Significance of the Study:

The concept of diversity management is crucial for the economic success and competitiveness of the organization. It should, therefore, be perceived by organizations as a strategic concept, as one of the ways not only to respect diversity but make good use of it too. Any organizations that want to be efficient and successful will have to make sure they create and develop heterogeneous teams in which employees are represented regardless of their personality differences and with respect to the rules concerning equal employment opportunities. But some problems may arise such as hinder productivity, creation of conflict, communication gap among members of heterogeneous group, unfair hiring/promotional preferences due to improper management of diversity.

Under the above mentioned circumstances, some employers try to boost and manage diversity through voluntary affirmative action programs. Affirmative action means employers make an extra effort to hire and promote those in protected groups. The aim is to voluntarily enhance employment opportunities for women and minorities.

Therefore, this study would be useful for the practitioners, policy makers of concerned issue to know the ways of utilizing the benefits of diversity for the welfare of the organizations' performance. The research would also help to discover/recognize the nature of problem regarding diversity which affects the company productivity. The findings and tentative policies and crucial institutional interventions would be beneficial for effective diversity management and implementation of Affirmative action program for improving performance of the organizations.

1.7 Scope and Limitation of the Study:

Diversity Management and Affirmative Action Program are very new concept for the present context of Bangladesh which requires keen significance in the quest of better nursing and management of workforce of financial organizations. The economic benefit of Diversity Management and Affirmative Action Program is very imperative if the probable problems due to implementation of same are managed properly. During the path of thesis some limitations are being faced:

- Since it is very new concept it was really difficult to share and appreciate the prospects of it to the respondents at the time of data collection.
- For the senior executives, due to rush of business hour, it was difficult for them to spare time for in depth discussion.
- Sometimes target group officers were reluctant to fill up the survey questionnaire and give their opinion properly. Even after repeated call, some of them were not cooperative at all.
- Bangladesh perspective, this diversity theory, management and impact are very firsthand hence information on various factors of workforce diversity such as gender ratio, race, age, skill and experience in terms of training are so scattered and undeveloped in nature.
- In case of secondary data collection, out of 33 targeted banks, 07 banks annual reports were not available during data analysis stage.
- A set of assumptions is made in order to bridge the gap where the factual information is missing or where it was necessary to make logical assumptions to proceed with the tasks of information/data collection/analysis. But of course, assumptions which are made for the sake of data analysis have no any artificial impact on the analysis process and findings of the study. Area of assumptions:
 1. Board members and senior management of the organizations are known to the concept and cost-benefit of Diversity Management and Affirmative Action Program.
 2. People of the concerned organizations are intense to proper management and monitoring of Diversity Management.
 3. The study area (336 officials from 33 banks) has been supposed to represent the opinion of all bank officials serving in different banks of Bangladesh.
 4. The dataset is random and representative of the population.

Literature Review

2.0 Review of the Relevant Research Studies:

Increasing globalization requires more interaction among people from diverse cultures, beliefs, and backgrounds than ever before. People no longer live and work in an insular marketplace; they are now part of a worldwide economy with competition coming from nearly every continent. Therefore, diversity can be perceived as a “**double-edged sword**”.

The concept is rooted in the thinking that society is not a melting pot but, rather, a salad bowl where each unique ingredient that is included in it, contributes something to produce a “delicious” outcome. Life and work today are significantly changed by the diversified portfolio of employees. Diversity Management is seen as “**the realization of potential of all employees**”. In Diversity Management, the focus is on the economic benefit argument in favor of capitalizing on diversity as a strategic contributor to reach organizational goals. It is a modus operandi for increasing profitability and should be aligned with other organizational strategic plans. In a word of core, diversity management is way of inclusion. Diversity Management are internally driven and are not externally imposed and again also the effective implication and nursing of diversity management is not only the responsibility of human resource managers rather all mangers of organization.

Proper management of diversity helps to remove the glass ceiling which may make good business sense. **First**, the glass ceiling may lead to disillusionment and higher turnover among capable women, who may have acquired valuable firm-specific knowledge and whose abilities could be leveraged by the organization (Morrison et al., 1992; Powell, 1999; Rosin & Korabik, 1991; U.S. Department of Labor, 1991, 1995). **Second**, perpetuating the glass ceiling may influence the views of both men and women about how an organization treats its employees overall, leading talented people to question their future opportunities (Cox, 1994; Pfeffer, 1981). If functionally irrelevant factors are used to exclude women from top management jobs, both men and women in lower level management jobs might assume that such factors would also affect their future progress in an organization (Pfeffer, 1981; Weick, 1993).

Despite continued sex segregation within specific management jobs, roles, and duties (Baron & Bielby, 1985), the substantial presence of women in management jobs of all types indicates that the process of deinstitutionalizing sex segregation in management is well on its way. Alternatively, the pervasiveness of the glass ceiling in top management ranks is indicative of the firm institutionalization of sex segregation at the highest levels in organizations. Controlling for age and education, women and men have similar

aspirations, work values, and work-related perspectives. This suggests that women's relative absence from top management is not due to career aspiration, values, or socialization that would make them inferior candidates for these jobs (Heilman, 1983; Heilman, Block, Martell, & Simon, 1989; Hodson, 1989; Lefkowitz, 1994; Mittman, 1992; Morrison & Von Glinow, 1990; Schein & Mueller, 1992). In part, the glass ceiling may exist because decisions to fill top management positions are often based on the perceived fit of candidates with existing top managers rather than on measurable job qualifications (Morrison et al., 1992; Powell, 1999; U.S. Department of Labor, 1995). As such, the process of selecting top managers is less open to scrutiny and more subject to the biases of decision makers than the selection from lower level managers according to qualification and expertise (Powell, 1999). Biased decision making processes are facilitated by gender homogeneity in top management ranks and further reinforce this structural arrangement to continue.

In their review of the glass ceiling literature, Morrison and Von Glinow (1990) found evidence that systemic barriers such as dual labor markets for men and women, lack of opportunities and power of women, dominance of white men in management, lack of mentors and role models for women in organizations, and widespread discrimination limited women's opportunities to enter top management ranks. Consistent with these findings, Tharenou, Latimer, and Conroy (1994) found that providing women opportunities for training and development helped them advance to top management, but practically men received more training and development than women and advanced into top management more readily and rapidly. Furthermore, Powell and Butterfield (1994) found that being employed in the hiring department, where women outnumbered men in their sample, helped women to advance into top management, suggesting that demographic characteristics of decision making departments can affect women's advancement into top management.

The representation of women in lower level management jobs may be related to the presence of women in top management jobs for several reasons. **First**, gender diversity in lower level management jobs may indicate that an organization values gender diversity in management (Cox, 1994). If this is the case, institutional pressures may encourage actions consistent with this culture when evaluating women candidates for top management positions (Markham, Harlan, & Hackett, 1987; Morrison & VonGlinow, 1990; Powell & Butterfield, 1994). **Second**, heterogeneity has been shown to positively influence the amount of interaction and the formation of friendships among minority and majority group members (Blau, 1977, 1994; Blum, 1984). Interactions and assistance from friends in an organization can positively influence job level attainment of women (Stewart & Gudykunst, 1982). **Third**, having more women in lower level management jobs reduces the chances that women in these jobs have token status. Token status of women may result in unusual levels of performance pressure and scrutiny (Cox, 1994; Kanter, 1977), which may limit women's access to top management. **Fourth**, women and men in lower level

management may acquire firm specific knowledge and skills desirable for top management positions. For organizations that promote lower level managers into top management, the more lower level management jobs filled by women, the more qualified women candidates available for top management positions. **Finally**, the representation of women in lower level management may be related to the presence of women in top management because it is more socially acceptable for women to lead other women than for women to lead men (Bergmann, 1989; Reskin & Ross, 1992).

By encouraging employees to feel included and valued, minorities and non minorities both are empowered with commitment and trust, internal motivation and satisfaction with the organization. There is substantial literature which argues that diversity has performance advantages over homogenous work structures [Cox, Lobel and MacLeod 1991]. **First**, multicultural organizations have an advantage in attracting and retaining the best talent. The capabilities of women and minorities offer a wider labour pool. Organizations that are able to attract and retain qualified minority group members and keep faith with them through fair and equitable career advancement treatments, gain competitive advantage and derive high quality human resources dividends. **Second**, a multicultural organization is better suited to serve a diverse external clientele in a more increasingly global market. **Third**, in research-oriented and hi-tech industries, the broad base of talents generated by a gender and ethnic diverse workforce, organization achieves a priceless advantage since **“creativity thrives on diversity”** [Morgan 1989]. **Fourth**, multicultural/heterogeneous organizations are found to be better at problem solving, possess better ability to extract expanded meanings, and are more likely to display multiple perspectives and interpretations in dealing with complex issues. Such organizations are less susceptible to “groupthink.” **Fifth**, multicultural/ heterogeneous organizations tend to possess more organizational flexibility, and are better able to adapt to changes. Women, for instance, are said to have higher tolerance for ambiguity than men [Rotter & O’Connell 1982].

The initial reaction of governments to diversity issues has been changed, governments are more supportive towards minor and disadvantaged group of the society even importantly practice appropriate legislation to ensure Equal Opportunities (EO) to all. The focus of EO approach is on disadvantaged or vulnerable groups. It may or may not set targets for ensuring representation of these groups in workplaces. This can be done in either of the two ways: prohibiting discrimination through law by making it punishable; or by asking employers to positively discriminate in favor of the disadvantaged groups including setting quotas for their representation. The former approach is called the traditional liberal approach to equal opportunity. The latter is known as the traditional radical approach to equal opportunity. This approach envisages positive discrimination through Affirmative Action (AA) to level the playground for all.

HR diversity practices have broadened beyond Affirmative Action (AA) and equal employment opportunity (EEO) staffing efforts. Additional best practices include establishing a visible Diversity Advisory Committee (DAC), conducting mandatory training, and targeting communications to different affinity group members (Jackson, 2002).

The first research stream examines the effects of adopting specific HR practices on measures of workforce diversity. For example, Goodman, Fields and Blum (2003) surveyed HR managers in several hundred employers in Georgia. They found a positive relationship between emphasizing employee development and promotion and the representation of women. Typically, researchers are interested not only in overall numbers, but in representation at different levels. In a cross-sectional study of over 100 organizations, Konrad and Linnehan (1995) found that identity-conscious HRM structures – those that explicitly address demographic group representation in HR decision making (e.g. setting diversity hiring goals) – are linked to the greater representation of women and minorities in management. Reskin and McBrier (2000) used data from the National Organization Survey (Kalleberg, Knoke, Marsden & Spaeth, 1994) and found that organizations with formalized HR practices (e.g. written documents for hiring and firing) had higher percentages of women in management.

Leck and Saunders (1992) studied compliance with Canada's Employment Equity Act, the legislation to increase workplace representation of women, disabled persons and minorities. They found that employers who had more formalized programs, hired more women. They measured formalization through an Employment Equity Program (EEP) effectiveness scale. Regression analyses showed the strongest effects between EEP compliance and the representation of women in managerial position.

Rynes and Rosen (1995) found little support for the notion that the adoption of diversity training correlates with top management diversity or increases in workforce diversity. Konrad and Linnehan (1995) found no relationship between formalized HRM structures and percentage of minorities at higher ranks of management. Moreover, Blum, Fields and Goodman (1994) found that companies that have more women and blacks sometimes can be worse places to work (e.g. lower salaries, more turnover), highlighting the issue that demographic diversity is not a proxy for diversity initiatives. Furthermore, although academics and practitioners hope that diversity initiatives will have positive outcomes, there are occasionally undesirable impacts.

Cox and Blake (1991) argued that organizations that valued diversity would have greater marketing capability by mirroring increasingly diverse markets.

In a much earlier writing, Stacey Blake and Taylor Cox offered a framework featuring 06 ways in which effective management of diversity has the potential to create a competitive advantage for firms (Cox and Blake, 1991). [They presented some arguments for a Diversity-Organizational performance link:](#)

Cost Argument: Given the reality of diversity in workgroups, failure to manage the special challenges that it presents may lead to higher cost structures for firms by contributing to higher employee turnover, higher interpersonal conflict, and more miscommunication.

Resource Acquisition Argument: As sources of labor become increasingly diverse, firms that are able to hire, retain and effectively utilize workers from all social-cultural backgrounds may gain an advantage in human assets over firms that less effectively meet their diversity goals.

Marketing Argument: By tapping the insights and understanding of people of different cultures, genders, ethnic groups, etc., firms may gain advantages in designing and selling products and services to a culturally diverse marketplace.

Creativity Argument: Human diversity in workgroups creates a richer flow of ideas and thus has the potential to increase creativity and innovation; this in turn can improve organizational financial performance.

Problem-Solving Argument: Diverse perspectives create a potential for better problem solving in workforces that are culturally diverse. These advantages should be observable in recognizing and defining problems as well as in generating useful solutions.

Values Argument: Organizations seek to perform on a diverse set of measures including integrity on stated core values such as fair and respectful treatment of all members and/or promotion of equal employment opportunities in the broader society. Firms must be proactive in managing diversity in order to honor these values.

Collins' work (1997) also exemplifies unintended consequences. She interviewed 76 of the most successful black executives in Chicago. She examined their job descriptions and coded them into racialized if the position had some link to African American issues, or mainstream if the job involved roles without racial implications. She documents how these executives are often relegated to what she calls 'racialized roles' in organizations, such as marketing to blacks or the job of equal employment officer. Those with racialized roles had lower advancement and mobility rates and less skill development than those with mixed or mainstream job histories.

Indeed, many leading corporations have been effective in hiring women and minorities to mirror their increasingly diverse markets and win over new customers (Perlman, 1992); but they have been less successful in retaining and promoting those hired due to inadequate caring of diversity related activities (Blum, Fields & Goodman, 1994; Goodman et al., 2003). Observing this trend, Thomas (1990: 108) encouraged employers to move **'From affirmative action to affirming diversity'**, arguing that **'women and minorities no longer need a boarding pass, they need an upgrade'**.

For this reason, Cox (2001) advises companies to measure the identity profile or demographics of defined work groups. Using this data, an intervention may be designed to increase the representation of minorities and women in top management, in line functions, that have direct profit and higher responsibility or in functions where they have been historically under-represented, such as engineering, information technology, aviation or other hi tech industry. Thomas and Gabarro (1999) recommend that firms should address specific racial barriers to advancement at each career stage. Overall studies in this research stream have generally shown a positive association between formalized HR practices and workforce diversity.

A workforce that is diverse may increase customer demand for related products and services (Richard, Kochan & McMillan-Capehart, 2002). Resource based strategic theory predicts that firms with greater cultural diversity will be better able to mirror increasingly diverse product markets and have more complex inimitable social resources (Richard, 2000).

Catalyst (2004) conducted a study of linkages between the gender diversity of top management and business performance in Fortune 500 companies. After controlling for size and industry, the study showed that firms with higher top management gender diversity had 35% higher return on equity and 34% higher total return to shareholders than other firms.

Research increasingly suggests that the relationship between the presence of diversity and organizational performance may not necessarily be a simple direct positive or negative relationship. Instead, the relationship may depend on the type of strategy followed (e.g. innovation, growth). Richard's (2000) survey of over 500 banks found that those with more racial diversity and a growth strategy experienced higher return on equity and net income per employee, relative to organizations with a less diverse workforce and no-growth or downsizing strategy. Richard and colleagues resurveyed a subset of this sample several years later and found a moderation effect: workforce racial diversity only significantly improved performance when the firm followed an innovation strategy (Richard et al., 2003).

The human capital in a culturally diverse workforce should be beneficial to growth oriented firms which profit from innovation, flexibility and efficiency in terms of domain of knowledge, skill. An empirical test confirmed that racial diversity was positively related to firm performance in financial services firms that adopted a growth strategy but negatively related to firm performance in firms that adopted a non or negative growth strategy (Richard, 2000).

Cox and Blake reasoned that increasing levels of diversity in organizations would lead to increased costs of turnover and absenteeism. The business case for diversity has the premise that group processes and outcomes can be positively affected by the diversity of members. Diversity can improve the analysis of problems and result in more creative solutions (Cox, 2001; Robinson and Dechant, 1997). A wider range of perspectives, networks, leadership styles, knowledge, and problem solving abilities can be brought to the group (Ely and Thomas, 2001).

Some organizations actively communicate their commitment to diversity to the public to gain positive reputational effects. By enhancing their reputation, they can attract and keep customers who prefer to support organizations that they believe are socially responsible. Minorities not only may prefer to work for an organization that appears to value them, some scholars and diversity practitioners argue that they also prefer to buy from it (Cox and Blake, 1991).

While the team and organizational learning literature has largely been silent on culturally heterogeneous teams, the diversity literature has explored the relationship between heterogeneity and effectiveness in such team with conflicting results. Some researchers have found that heterogeneity enhances performance because it aids creativity and new ways of thinking (Cox, Lobel, & McLeod, 1991; Watson, Kumar, & Michaelson, 1993). Others have found the opposite: that dissimilarity diminishes performance because it leads to miscommunication and greater conflict (Jehn, Northcraft, & Neale, 1999; Tsui, Egan, & Xin, 1995).

Numerous studies have established that culturally diverse teams have different dynamics than homogeneous teams (Williams et al., 1998). These groups are broadly seen as having both increased challenges and opportunities; diverse groups often experience miscommunication and disabling conflicts (Shaw, 1981; Tsui et al., 1995); yet under the right circumstances, they can be synergistic and creative (Cox et al., 1991; McGrath, 1984).

The factors underlying these different dynamics are numerous and complex. As suggested by the definition of cultural diversity, group members will come with different life experiences which have shaped their values, approaches and perspectives. Members of culturally diverse groups may be more

likely than those of homogeneous groups to differ in how they define a problem, structure a discussion, view potential solutions or come to a decision.

Group membership is also associated with differing representation within the group. Members of groups in the minority, whatever that means in a particular context, will be more aware of their identity and of being different from the norm (Ashforth & Mael, 1989; Kanter, 1977/1993). Depending on the dynamics of the group, they may feel less comfortable or less welcome. Members of majority groups, who share ways of thinking and acting, may unwittingly create environments that make it difficult for others to feel included.

Diverse groups may also have different dynamics because of the power differences that are associated with cultural differences. Members of the more powerful groups may consciously or unconsciously act in ways that reinforce their dominance, in their conversational styles, decision-making processes, social interaction, and so on (Elsass, 1997; Ridgeway, 1997; Smith-Lovin & Brody, 1989).

A different aspect of diversity relating to task is cited as an important consideration by Horwitz and Horwitz (2007). After reviewing 35 studies of team diversity conducted between 1985 and 2006, the authors conclude that **"task-related"** diversity (e.g. function or education) positively impacts team performance, whereas **"bio-demographic"** diversity (e.g. gender or ethnicity) does not. The measures of team performance included both the quality and quantity of work. Similarly, a study of top management teams from 57 manufacturing companies revealed that **"job relevant"** diversity (in this case, diversity of education, work function, or tenure) appeared to improve financial performance, while age diversity did not.

Research of Sargeant & Sue-Chan (2001), in case of racio-ethnic diversity and group effectiveness, they found that diversity improved group efficiency – measured in the group members' own perception – as long as the group was able to maintain good cohesion. In this case, a process promoting group cohesion could be considered as an adequate measure of diversity management. This review of a sample of the recent work points to several considerations: Different dimensions of diversity (e.g. age, gender, race, education, etc.) seem to have a different degree of impact on performance

Surface level diversity may be equated with visible differences among group members in terms of demographic characteristics like age, sex, and ethnicity (Milliken & Martens, 1996; Harrison et al., 2002; Riordan, 2000). In general, people feel more comfortable with others perceived to be similar to the self because similarity in itself is rewarding (Berscheid, 1985, Byrne, 1971; Lazarsfeld & Merton, 1964): Similarity is reassuring our beliefs and is interpreted as a signal that future interactions will be free of

conflict. Surface level heterogeneity, however, engenders an immediate impression of dissimilarity among group members, thereby preventing them from engaging in closer interpersonal contact. Additionally, to define themselves, people form self conceptions, i.e. social identities, that are partly based on their affiliation to different social groups (Brewer, 1979; Tajfel & Turner, 1986). To ensure that belonging to a certain social group provides a positive social identity; individuals seek to maximize intergroup distinctions ("us", i.e. in-group members, versus "them", i.e. out-group members) in favor of their own group.

Interestingly, the influence of surface level diversity on a group's functioning is temporary and peaks at the forming stage of a work group (Phillips & Loyd, 2006). The better group members get to know each other over time, the more the influence of surface level diversity decreases, while in return perceived deep level diversity becomes key to explain groups' functioning (Harrison et al., 2002).

Deep level diversity refers to differences among team members' psychological characteristics, including cognitive abilities, knowledge, skills as well as values, attitudes, and non-performance oriented traits (e.g. Harrison et al., 2002). These characteristics need time to evolve and become salient in work group settings, as group members need clues from their interactions with each other to become aware of them (see Harrison et al., 2002).

The relationship between diversity and performance may also depend on the particular dimension of diversity under consideration. Surface level diversity - differences among team members' overt, visible demographic characteristics, such as age, sex, and race differs from deep level diversity - differences among team members' personality, values, and attitudes. The negative effects of surface level differences on team processes and outcomes diminished over time as team members learned more about each other, whereas the negative effects of deep level differences intensified (Harrison, Price, & Bell, 1998; Harrison et al., 2002).

Applying the universal framework, Taggar (2002) reports that the higher the mean value of these personality variables in the groups, the higher the quality of these team creativity. Findings from other studies support the positive effects of high average levels of conscientiousness and agreeableness on group processes and outcomes (Moynihan & Peterson, 2001). This finding is true concept for personality variable, neuroticism where the relationship between higher issues value at neuroticism, contributes negative effect as innovation.

Diversity among work group members might be positively related to innovation ("value-in-diversity hypothesis"; Cox, Lobel, & McLeod, 1991) grounds on two propositions (Justesen, 2001): **First**, diverse people are supposed to have more diverse and thereby more novel ideas. **Second**, diverse group

members approach the same task from different points of view; thus, they are more likely to have task related conflicts. The demand of tackling these conflicts, i.e. of combining diverse perspectives on task related issues is supposed to evoke a more thorough and complete consideration of all aspects, which in return should ensure more high quality and innovative solutions.

Whether the effect of diversity **'in and of itself'** might be rather negative or just not automatically positive, based on empirical research, it is safe to say that diversity does not consistently under all conditions lead to improvements in team performance. Most observers agree that diversity has the potential for positive effects (like increased creativity, innovation, and flexibility) as well as for negative effects (like worse communication and increased conflicts) and that the actual effects strongly depend upon context factors.

The cost advantage is gained through having lower rates of turnover and absenteeism compared to organizations that lack diversity friendly management practices. Diversity and innovation studies in evolutionary economics often consider diversity, intangible resources, within firms to be positively related to performance. Firms with a diverse knowledge base that covers a wide range of technologies have better organizational problem solving routines and broader search activities (Nelson and Winter, 1982; Dosi, 1988). Technologically diverse firms are also found to be more innovative and survive longer (Breschi et al., 2003; Suzuki and Kodama, 2004; Garcia-Vega, 2006). Technological diversity creates cross fertilization and spillovers between related knowledge bases which positively affects the firm's innovative competences. When firms broaden their technological base by adding new technologies, they also widen their search for complementarities and novel combinations (Quintana-Garcia and Benavides-Velasco, 2008).

Innovation often depends on groups of individuals in the organization. It is in the context of a complex social system in an organization where the different types of individual knowledge come into play to generate new knowledge or ideas (Woodman et al., 1993). Therefore, the composition of individuals within the firm is an important factor for understanding innovation, since diversity in the composition of a firm's employees contributes to the knowledge base. As a result, it is not sufficient to analyze diversity in top management team but consider the composition of the entire firm. Innovation is an interactive process where employees interact in groups and develop, discuss, modify and realize new ideas. Thus, diversity in groups is likely to promote innovation behavior (van der Vegt and Janssen, 2003). Wenger (2000) argues that innovative learning requires diversity in the experiences, skills, knowledge and competences of a group. The interplay between diverse competences and experiences generates learning which initiates for better problem solving and unique innovation. However, if they are too disconnected then only a little learning occurs (Wenger, 2000).

The value of diversity management, Kochan et al suggest, may primarily lie in reducing negative and only secondarily in promoting positive diversity effects: 'If these studies are representative of other leading companies with similarly strong commitments to diversity, our results may suggest that efforts to create and manage diverse workforces have generally paid off by eliminating many of the potentially negative effects of diversity on group processes and performance documented previously in the literature. Moreover, there appear to be some conditions under which diversity, if managed well, may even enhance performance.' (2003: 17)

With this assessment, Kochan et al are in line with reviewers of the research on diversity effects: unless steps are taken to counteract impeding effects of diversity, Williams and O'Reilly (1998) says, 'the evidence suggests that, by itself, diversity is more likely to have negative than positive effects on group performance'. Simply having more diversity in a group is no guarantee that the group will make better decisions or function effectively. In our view, these conclusions suggest that diversity is a mixed blessing and requires careful and sustained attention to be a positive force in enhancing performance.

Other authors place more emphasis on the positive findings that do exist, while having to add that positive results are not always to be expected: 'Consistent positive findings for diversity or heterogeneity, have been reported in both the research conducted in laboratory settings and that done in real world settings', however: 'A key finding from all of the research conducted so far is that the presence of diversity in a work-team doesn't just automatically lead to positive outcomes such as enhanced productivity.' (Thompson and Gooler 1996: 402)

Yet others feel unable to decide whether diversity effects are rather positive or rather negative: 'Given the weaknesses in the body of research on diversity, we can draw no firm conclusions for public administrators. We cannot claim that diversity has any clear positive or negative effects on individual, group, or organizational outcomes.' (Wise and Tschirhard 2000: 392)

Simons, Pelled, and Smith (1999) found that job related diversity (diversity in jobs held, education, experience, skill) among executives produced better financial performance than non job related diversity (age). Further, Keller (2001) found that functional diversity (job and technical expertise) improved technical quality and budget performance in research and development organizations. On the other hand, Kochan et al (2003) found that racial diversity was positively associated with growth in a financial services company's business portfolios.

From these solid research studies, we find that diversity can be a factor in organizational success. Most importantly, we cannot conclude that diversity works in all situations (Kochan et al, 2003). Rather, the organizational context is crucial (Kochan et al, 2003; Richard et al, 2003; Jackson, et al, 2003). In those organizations where diversity enhances organizational processes (Svyantek & Bott, 2004) and diversity can improve job performance by supplying task relevant knowledge (Kearney, Gebert, & Voelpel, in press). To illustrate, if innovativeness is valued in the organizational climate, the strategic plan, and job performance (Richard, 2000; Richard et al, 2003; Richard et al, 2004) diversity can enhance innovation by producing more informational and knowledge resources, wider perspectives, and richer experiences to draw from. In short, context factors such as type of strategy, complexity of the environment, task requirements, time frame, and relations with customers determine whether diversity produces a competitive edge.

Diversity in a firm's knowledge base also increases the firm's ability to exploit knowledge from external sources (Cohen and Levinthal, 1990; Zahra and George, 2002). The firm's absorptive capacity depends on the diversity in knowledge in the firm. Knowledge diversity improves the basis for learning and enables firm's to make new combinations (Cohen and Levinthal, 1990). Firms with diversity in the skills, knowledge and experiences among their employees also increase the possibilities for new combinations of internal knowledge through interaction and learning (Lundvall, 1992; Woodman et al., 1993; Wenger, 2000; van der Vegt and Janssen, 2003). Different points of views, educational backgrounds and experiences facilitate the exploratory competence of a firm through better problem solving and generation of new ideas (Quintana-Garcia and Benavides-Velasco, 2008). However, in the knowledge-based economy a firm relies less on their tangible and more on their intangible resources (Teece et al., 1997).

Employee diversity is a key variable for understanding the knowledge base of the firm. Employee diversity is often measured by individuals' demographic attributes that are used as a proxy for different attitudes; knowledge bases and cognitive models (Williams and O'Reilly, 1998; Harrison and Klein, 2007). Many of the previous studies on the relation between diversity and firm performance have focused on the effect of diversity in the Top Management Teams (TMT).

The upper echelon framework analyses factors that affect the executive leadership's strategy formation and subsequently organizational behavior and performance. Finkelstein and Hambrick (1990) argue that functional background and demographic characteristics influence the managers' interpretation of problems and the length of tenure is related to strategic inertia. However, they also found that the characteristics of the management team as a whole had greater predictive power for firm performance than the characteristic of the top manager.

Laursen et al. (2005) takes a broader perspective and analyses the composition of all the engineers in Danish engineering consulting firms to see how employee diversity affects firm performance. They argue that firm performance is not only related to levels of human resources, but also to the composition of these resources. They also argue that too little and too much diversity can have a negative impact which implies an inverted curvilinear relation between diversity and performance.

In their review of 40 years of research on demography and diversity in organizations, Williams and O'Reilly (1998) finds that diversity has both direct and indirect effects on processes and performance of groups. However, some results point towards a positive effect of diversity while others stress the negative effect of an increase in diversity. Thus diversity has potentially two opposite effects. Recent literature reviews find similar results (see, e.g. Horwitz, 2005; Harrison and Klein, 2007; Horwitz and Horwitz, 2007).

Williams and O'Reilly (1998) and Horwitz (2005) suggest that diversity has an effect on performance, although some researchers have found negative effects and others positive effects of diversity. The positive effects relate to openness, creativity, learning, flexibility, broader search space, better problem solving, and new combinations of knowledge. Diversity can also increase the firm's absorptive capacity (Cohen and Levinthal, 1990).

The costs of diversity are related to lack of economies of scale in the knowledge production, distrust, conflict, and dissatisfaction. Diversity also leads to increased transaction costs, since interaction and communication between different knowledge bases and groups might be difficult. Social identity theory predicts that diversity in groups often results in competitive behavior and conflict. Therefore, diverse work groups experience less cooperation and internal communication than homogeneous work groups (Joshi and Jackson, 2003). However, Joshi and Jackson (2003) argue that diversity improves the work group's external relationships. This allow them to acquire knowledge through cooperation with employees from other work groups, while the homogeneous work groups will focus on internal cooperation.

The characteristics of employees differ along a wide range of dimensions and their attitudes, values, cognitive models and knowledge bases are generated through complex processes. To measure the extent of diversity among employees it is necessary to look at measurable characteristics that have influenced their experience, cognitive model, identity and knowledge base. The characteristics can be divided into ascribed and achieved characteristics (Ruef et al., 2003). The ascribed characteristics are demographic attributes, such as gender, age, ethnicity and nationality, while the achieved characteristics are educational background, functional background, and work experience.

Milliken and Martins (1996) and Harrison and Klein (2007) argue that diversity in ascribed characteristics, such as ethnic background, nationality, gender, and age can have negative affective consequences for the firm. Members of the minority group can experience less job satisfaction, lack of commitment, problems with identity, perceived discrimination, etc. However, some of the problems disappear when the minority group grows (Milliken and Martins, 1996). In addition, Milliken and Martins (1996) finds that the cognitive consequences are a broader range of perspectives, increased number of ideas and better innovative performance. Horwitz (2005) argues that cognitive diversity is positively related to firm performance, but diversity in achieved characteristics has a stronger positive effect on performance than ascribed characteristics.

Cox and Smolinski utilize this theoretical base to defend the need for diversity management programs, one may also argue that homogeneity permits comparison and can thus serve to motivate members who are in a minority status in work groups to seek comparison others. That is women managers may themselves promote the hiring of other women managers in order to attain valuable comparison among others. This may contribute to lower costs via reduced turnover rates.

A study conducted by Tsui, Egan and O'Reilly (1992) measured the impact of diversity management on non minority group members. Their conclusion was that the impact of diversity programs is not equally distributed across the organization. That is, diversity programs affect not only minority members, but also non minority co-workers. In their findings, based on a field study of 1705 employees, men associated increasing levels of gender diversity with lower levels of psychological attachment, increased absence and lower intent to stay with the organization. These same findings did not hold true for women.

Legal fees incurred to combat accusations of discrimination are likewise reduced when diversity issues are addressed and reflected in employment patterns (Sandroff, 1988; Wright et al., 1995). An example is the glass ceiling case against Texaco in which a woman who was repeatedly passed over for promotion was awarded \$US20 million dollars (Filipowski, 1991).

Lastly, the costs of job related stress can be reduced via the establishment of organizational environments that clear the way for non traditional managers (Cummins, 1990). As Rosen, Miguel and Peirce (1989) point out, women's career stress is two-fold. **First**, they experience stressors associated with caring for family and children while they balance life and career issues. **Secondly**, they experience institutional stressors that result from organizational policies and practices. These macro level forces provide a lack of access to challenging and rewarding task assignments, lowered promotional opportunities and fewer female role models to serve as social comparisons. Rosen et al. (1989) conclude

that although the first set of stressors act on both women and men, the second set of macro level stressors may have more insidious and long lasting consequences for women.

Other advantages have been hypothesized to result from the hiring of women managers. At the aggregate firm level, these benefits may be expected to contribute to performance differences between firms. Cox and Smolinski (1994) present the Interactional Model of Cultural Diversity. JBE model is based on the premise that the management of diversity has important implications for the economic performance and effectiveness of organizations. Organizational effectiveness is measured across a variety of factors, including turnover, profits, market share and the achievement of public sector goals. Two sets of forces are said to act on organizations to improve their effectiveness. One force addresses the organization's diversity climate and the second addresses employees' individual outcomes.

The organization's diversity climate includes its workforce demographics, stereotypes, cultural differences and institutional bias in management practices. Employee outcomes include measures that capture employees' affective state, in terms of their levels of satisfaction, commitment and involvement, in addition to those that address important achievement related factors or their levels of performance, promotion and compensation. The model indicates that the climate for diversity acts on both individual outcomes and on organizational effectiveness. Thus, following this model, an organization's climate for diversity has both direct and indirect effects on organizations.

Other evidence supports the view that the percentage of women managers employed in organizations may be positively linked to productivity advantages. For example, Chusmir and Durand (1987) suggest that a 12 per cent productivity gain can be achieved among female employees by reducing barriers to their advancement. In a related argument, Thompson and Ditomaso (1988) posit that organizational productivity is improved when firms adopt a multicultural approach due to the effects of multiculturalism on employees' perceptions of equity, their morale, goal setting, effort and individual performance. Cox and Blake (1991) present evidence that diversity can be linked to enhanced creativity and innovation. Morrison (1992) argues that the employment of non traditional workers sharpens managers' skills and thus serves as a development tool.

In the same year that Cox and Blake published their article, Jackson et al. (1991) published a highly influential paper describing the deleterious effects of diversity on turnover. In their investigation of 93 top management teams, Jackson et al. (1991) found that demographic heterogeneity in terms of education level, college curriculum and industry experience explained a significant amount of variance in team turnover. Additionally, their results suggested that the team members most likely to leave those who were most dissimilar in comparison to other members. The relation between diversity and the stability of

group membership has been investigated in a number of other studies with most supporting the assertion that diversity is associated with higher turnover (e.g., Wieserma & Bird, 1993). For example, Alexander, Nuchols, Bloom, and Lee (1995) found heterogeneity of education and tenure to be associated with increased turnover among nurses.

Additional research has examined the relationship between diversity of age, sex, and race and outcome variables such as commitment, turnover, and absenteeism. By and large, the results indicate that demographic heterogeneity is associated with costly outcomes, such as turnover (e.g., Sacco & Schmitt, 2005, Ng & Tung, 2005). Organizational scholars considering the link between cultural diversity in a workgroup and the group's performance have generally concluded that the relationship is neither simple nor direct (for reviews, see Milliken & Martins, 1996; Williams & O'Reilly, 1998).

Information and decision making theories support this idea. Research on how groups generate knowledge suggests that social interaction among people with diverse perspectives can produce new insights and conceptual restructuring of ideas (Argote, Gruenfeld, & Naquin, 2001; Levine & Resnick, 1993). Moreover, group members holding unconventional views can lead groups to consider non obvious alternatives (Nemeth, 1986). Heterogeneous groups are therefore likely to be more creative, make higher quality decisions, and perform better than homogeneous groups (Wanous & Youtz, 1986).

Research investigating the impact of diversity on group performance is more mixed. Diversity in tenure, race, and sex has been shown both to have a deleterious effect on performance (e.g., Clement & Schiereck, 1973; O'Reilly et al., 1997) and when properly managed, to be beneficial to performance (e.g., Cox et al., 1991; O'Reilly et al., 1997). Drawing on the contradictory findings in this body of research, a review of the literature concluded that 'diversity appears to be a double-edged sword, increasing the opportunity for creativity as well as the likelihood that group members will be dissatisfied and fail to identify with the group' (Milliken & Martins, 1996, p. 403).

In groups with a collectivistic culture that valued teamwork and rewarded cooperation and team performance, diversity in nationality, sex, and race was more beneficial to performance than in groups with an individualistic culture that valued individual effort and rewarded competition and individual performance (Chatman et al., 1998). Cooperation and collaboration in diverse teams increase over time, presumably as a result of increased intra group contact, which diminish the negative effects of social categorization (Chatman & Flynn, 2000; Harrison, Price, Gavin, & Florey, 2002).

Cox and Blake (1991) suggest that diverse organizations will be successful attracting and retaining employees from different demographic groups. They argued that recruitment encouraging applications

from diverse groups will become a vital activity as the proportion of white males in the workforce decreases. Indeed, the urgency of attracting a heterogeneous employee base is greater now than when Cox and Blake (1991) introduced their ideas. The changing demographic makeup of the workforce noted by Cox and Blake has been compounded by a worker shortage in the U.S. (Doverspike, Taylor, Shultz, & McKay, 2000). Thus, attracting applications from underrepresented groups is necessary not only to reap potential benefits of diverse membership but to satisfy the basic staffing needs of contemporary organizations.

Research does support the idea that those organizations demonstrating their support for diversity by including inclusiveness policy statements in job ads and advertising diverse membership are successful in attracting a diverse workforce (e.g, Avery & McKay, 2006; Zatzick, Elvira, & Cohen, 2003). In general, research on the effects of portraying diversity in recruitment advertisements demonstrates significant effects for traditionally underrepresented organizational participants and null effects for White participants.

Creative tasks involve formulating new solutions to problems or resolving an issue for which there is no "correct" answer (Jackson, 1992a). Cox and Blake argued that heterogeneity within organizations would promote creativity, but they cited few sources in support of this contention. Since the publication of Cox and Blake's article, research has produced fairly consistent evidence supporting their contention that heterogeneous groups are indeed more creative than homogeneous groups (e.g., Jackson, 1992b). For example, heterogeneous groups generate more feasible and effective ideas, present a wider range of perspectives, generate more alternatives, are more innovative and flexible (e.g., Choi & Thompson, 2005; De Dreu & West, 2001; McLeod, Lobel, & Cox, 1996; Watson, Kumar, & Michaelsen, 1993).

Finally, because members of diverse teams are less likely to see themselves as an in-group they may be inclined to develop relationships with members outside their team (e.g., Ashforth & Mael, 1989), leading to increased social capital (Hooker, Nakamura, & Csikszentmihalyi, 2003) and extensive communication networks outside the group (Reagans & Zuckerman, 2001). In turn, these network effects may impact positively on the creativity of diverse workgroups.

Problem solving refers to activities that involve finding solutions to problems for which there are objective standards or agreed upon answers (Jackson, 1992a; McGrath, 1984). Cox and Blake (1991) suggested that the broader and richer base of experience found in diverse groups, would allow for enhanced problem solving.

Although Cox and Blake's argument is intuitively compelling, the empirical evidence pertaining to the effects of diversity on problem solving, decision making, and performance is mixed at best. In her review of the literature, Jackson (1992b) presents evidence suggesting groups that are heterogeneous in terms of personal attributes are likely to outperform homogeneous groups on problem solving, tasks noting, however, that the evidence is modest. Research conducted since Jackson's review fails to provide conclusive evidence; some studies have demonstrated support for the positive relation between diversity and problem solving (e.g., Sawyer, Houlette & Yeagley, 2006), whereas others suggest that diverse membership is negatively related to effectiveness (Kirkman, Tesluk, & Rosen, 2004).

Jackson, Joshi, & Erhardt (2003) suggested that the nature of the relation depends on the type of diversity, but two recent meta analyses (Webber & Donahue, 2001; Bowers, Pharmer & Salas, 2000) revealed no relation between diversity and performance, regardless of whether the diversity was functional (task-based) or demographic in nature. In sum, Cox and Blake's (1991) suggestion that a diverse workforce will result in better decisions, and appear to be overly optimistic.

Cox and Blake cited system flexibility as another potential advantage of diversity in organizations. They proposed that diversity would produce greater system flexibility because of the increased cognitive flexibility of bi or multi lingual minorities and the greater tolerance of ambiguity of women. We are unaware of any research that ties these forms of intrapersonal diversity to organizational flexibility. However, researchers have examined another form of intrapersonal diversity – possessing multiple areas of expertise on team processes and performance.

A key component of diversity includes diversity of abilities, knowledge, and experience (Konrad, 2006). Indeed, Cox and Blake (1991) felt that organizations able to utilize the broad knowledge available to a diverse workforce would gain competitive advantage. In a study examining 195 organizations, Konrad and Mangel (2000) found that companies with higher proportions of women were more productive when work life benefits were in place to support the diverse employee base. This finding supports the idea that for organizations to benefit from diversity, diversity focused management practices must be implemented. Certainly organizations do recognize that central to exceptional performance is the ability to leverage a broad knowledge base. This is exemplified in the initiatives of two recent Catalyst Award winners - Harley Davidson and Shell Oil Company in U.S.A

As part of its Leadership and Career Development Program, Harley Davidson created opportunities for all employees to participate in different job functions. For example, higher level employees might participate in a program where they are exposed to cross functional strategic planning. In addition, all employees are given opportunities to participate in new teams to maximize their cross functional experience and

develop their business skills (Catalyst, 2005). Moreover, the company provides continuous education opportunities (e.g., full tuition reimbursement), and encourages employees to develop their abilities and interests by participating in organizational decision making (Catalyst, 2005).

Based on data from the management teams of a Fortune 100 company (Bunderson and Sutcliffe, 2002), strong support was found for the positive relation between intrapersonal functional diversity and information sharing. Further, the information sharing was found to partially mediate the positive relation between intrapersonal functional diversity and performance.

The final competitive advantage is the marketing argument. Simply put, compared to their homogenous counterparts, diverse organizations should be preferred by consumers. Cox and Blake (1991) suggest the possibility that diverse organizations garner favorable reputations and designated group 23 members may prefer to buy from these organizations. They also suggest that the positive effects of diversity may extend beyond U.S. corporations as globalization increases. Thus, the benefits to diverse organizations may be evidenced through customer preferences (e.g., consumers will frequent organizations with employees of a similar demographic), stock price fluctuation following diversity related announcements, and the success of multinational corporations, as well as overall financial performance.

Despite the mixed research evidence for the marketing argument (e.g., Kochan et al., 2003), organizations do seem to give weight to this facet of the business case which includes global success, a diverse customer base and overall financial performance. Indeed, the diversity strategy at P&G includes global action plans and Colgate-Palmolive indicates on their website that diversity of all kinds will bring advantages in the global marketplace (Colgate-Palmolive, 2007; P&G, 2007).

Focusing on a diverse customer base is also actively communicated as a desirable practice by many organizations. Some organizations espouse the belief that organizational employees should reflect the customer base they serve (e.g., Verizon Communication/Wireless, 2007). As part of their award winning diversity initiative, Fannie Mae conveyed the commitment to building an employee base that reflects the U.S. population and include diverse others to create competitive advantage (Catalyst, 2005). Wells Fargo is another example of an organization that actively targets diverse markets. For example, Wells Fargo has created a **“Diverse Growth Segments Group”** whose focus is to create targeted business strategies to garner business from diverse groups. Their efforts to do so have proven successful; Wells Fargo is the first major US financial institution to accept identification from Mexican nationals (the Matrícula card) enabling them to open bank accounts. They also use target marketing to increase awareness in diverse communities (Wells Fargo, 2007).

Organizations have seen positive investor reactions with announcements of quality affirmative action programs (Wright, Ferris, Hiller, & Kroll, 1995) and inclusion on Fortune's diversity elite list (Pandey, Shanahan, & Hansen, 2005). Further, there is support for the idea that diversity in multinational corporations, especially in the upper echelon of the organization, does result in positive organizational outcomes. For example, Elron (1997) found support for the hypothesis that cultural heterogeneity in top management teams (TMTs) affects subsidiary performance.

Empirical research provides a foundation from which organizational practices may be developed. However, the reverse is also true; innovative actions undertaken by organizations can also stimulate academic research.

Cox and Blake focused their discussion of resource acquisition on the advantages of being listed as one of the "best companies" for minorities and women, as company reputation inaugurated in the industry there will be higher possibility to receive applications from wider and diversified pool of workforce (Turban & Cable, 2003). A brief examination of company websites suggests that those companies that have won awards for the practice of diversity and created warm environment for the historically disadvantaged group, many list them (e.g., Proctor & Gamble, Coca-Cola, Colgate-Palmolive) on their map of future career path.

Thomas and Davis (2006) suggest two activities for attracting a diverse population of applicants. **First**, companies wishing to attract visible minorities and/or women should attend to recruitment posters and advertisements. Specifically, recruitment posters should have photographs of women and visible minorities and recruitment advertisements should include positive statements about diversity because these statements are noticed and valued by women and visible minorities. Further, these practices do not affect the number of white males in the applicant pool. Thomas and Davis's **second** recommendation is to continuously examine the recruitment sources and to take advantage of institutions that traditionally have diverse populations.

Examining the recruitment sites of many of the organizations with strong diversity initiatives demonstrates that these recommendations are actively used in practice. Organizations such as Coca-Cola (2007), RBC Financial Group (2007), Verizon Communications/Wireless (2007), and Proctor & Gamble (P&G; 2007) state their commitment to diversity on their recruitment website. Additionally, these organizations also include pictures of diverse others as further demonstration of their commitment to attracting diverse organizational members.

Research suggests that diverse organizational members may leave the organization because of their experiences; minority group members may feel isolated from the larger organization and their coworkers (Leonard & Levine, 2006). In addition, minority group members also experience limited opportunities for growth. For example, Wilson (2000) cites that in Canada's public service, visible minorities represent only 3% of senior-level positions and were granted fewer than 3% of promotions to executive positions. Likely as a result of this problem, many organizations have implemented formal practices that aim to integrate diverse employee through networks and mentoring programs.

Although scant, there is some research to suggest that these programs are associated with promotions and career success (Konrad & Linnehan, 1995; Ibarra, 1995) and thus they may also be effective at reducing turnover (e.g., Friedman & Holtom, 2002; McMillan-Capehart, 2005; Payne & Huffman, 2005). Examining current organizational practices suggests that organizations are utilizing formal networks and mentoring programs and there is some case evidence to indicate that a reduction in turnover may follow the implementation of these programs. For example, Wells Fargo has more than 75 "Team Member Resource Groups" based on employee background/affinity. These groups focus on education, network building, and increasing knowledge (Wells Fargo, 2007). Similarly Verizon Communication/Wireless has 10 "Employee Resource Groups (ERGs)" focusing on, among other things, mentoring programs, external partnerships, recruitment, and diversity awareness (Verizon Communication/Wireless, 2007).

The nature of the task represents the first contextual variable that should be addressed when considering whether a diverse team is appropriate or not. Diversity is associated with high performance on creative tasks, but when the task involves convergent processes diversity tends to be detrimental. Research also supports that diverse teams perform well on difficult tasks and homogeneous teams outperform on simpler tasks (Bowers et al., 2000; Jehn, Northcraft & Neale, 1999). Thus, when dealing with diverse teams, it should be better to assign tasks that are difficult and/or unfamiliar.

Communication of diversity initiatives is also touted as key; to be effective, diversity strategies must be communicated to employees and to the community at large (Catalyst, 2003(a); Thomas, 2004). Indeed, many organizations include diversity related information on their websites (e.g., Merck, 2007; Coca-Cola, 2007), in their annual reports (e.g., Starbucks, 2006), and in their company newsletters and marketing materials (e.g., Wells Fargo, 2007). Further, the community service initiatives of many organizations (e.g., Toyota supports external organizations such as the American Indian College Fund and the Hispanic Scholarship Fund (2007); Merck supports the society of women engineers (2007)) help to communicate that the company values and is interested in the welfare of diverse others, which Konrad (2006) recommends the same as part of creating an inclusive environment. Again, effective communication of

the diversity initiative is integral to the Catalyst Award and is demonstrated by all winners (Catalyst, 2005).

Van Knippenberg, De Dreu, and Homan (2004) specified that diversity refers to “differences between individuals on any attribute that may lead to the perception that another person is different from the self” (p. 1008). Similarly, Harrison and Sin (2006) proposed that diversity can be defined as “the collective amount of differences among members within a social unit” (p. 196).

One of the major models of diversity that adopts this approach differentiates between two dimensions: task relatedness (task vs. relational) and observability (surface vs. deep) (Jackson, May, & Whitney, 1995; Pelled, 1996a). The former dimension is anchored by features that are highly task oriented (e.g., educational level, department membership, knowledge, skills, abilities) and those that are relations oriented (e.g., sex, age, race, values, personality). Diversity can also be described with regard to observability: the most observable characteristics are surface-level attributes (e.g., age, sex, race/ethnicity), whereas deep-level attributes (e.g., attitudes, beliefs, values, knowledge, skills, abilities) are “**subject to construal and more mutable**” (Jackson et al., 1995, p. 217). These dimensions capture both social category diversity (i.e., readily detectable attributes such as gender, age, and race) and informational or functional diversity (i.e., less visible attributes that may be more related to the job, such as educational background; Van Knippenberg et al., 2004).

Some data indicate that diverse groups perform better than or equivalent to homogeneous groups over an extended period of time (e.g., Harrison, Price, Gavin, & Florey, 2002; Simons, Pelled, & Smith, 1999; Watson, Kumar, & Michaelsen, 1993). On the other hand, similar studies revealed no relationship between diversity and performance (e.g., West & Schwenk, 1996), or even that heterogeneity in groups can decrease cohesion, increase conflict, and interfere with task performance (e.g., Jehn, Northcraft, & Neale, 1999; Tsui, Egan, & O'Reilly, 1992). A number of researchers have reviewed these general findings, beginning with Milliken and Martins (1996) and updated most recently by Van Knippenberg and Schippers (2007) in the Annual Review of Psychology. Each of these reviews concludes that consistent, overarching linkages between diversity and group processes and outcomes are, at best, elusive.

Two primary theoretical perspectives have been used to explain why diversity in member composition might influence general patterns of interactions within a team (see Williams & O'Reilly, 1998). **First**, social categorization perspectives suggest that diverse personal attributes create beliefs about similarities and differences across social identity groups (Tajfel & Turner, 1986). **Second**, information/decision making models contend that the same attributes function to represent a range of knowledge, skills, and abilities (e.g., Clark, Anand, & Roberson, 2000). In general, a social categorization perspective would

predict that group diversity should be related to increased relational conflict and decreased cooperation, whereas an information/decision-making perspective anticipates that group diversity should be associated with increased task conflict and performance on complex tasks.

These models have dominated team diversity research until more recent, "hybrid" perspectives have emerged. An example of such a perspective would be to consider the effects of diversity on group processes as curvilinear, with optimal levels dependent on particular aspects of the context.

A moderate level of ethnic diversity has no effect on team performance in terms of business outcomes i.e. sales, profit, & market share. However if at least the majority of team members is ethnically diverse, then more ethnic diversity has a positive impact on performance. (Sander Hoogendoorn, Mirjam van Praag, 2012). Ehimare & Oghene, 2011, empirically explored that ethnicity is insignificantly negative in its relationship to both employee productivity and performance. Ethnic diversity would benefit team performance due to a more diverse pool of skills and knowledge that leads to complementary and mutual learning. A moderate level of ethnically diverse workforce has a positive impact on organizational performance in terms of innovation, productivity, sales & market share.

A review of the literature on age and work shows a clear theoretical emphasis on negative predictions (Dermond et al., 2006; Maurer & Rafuse, 2001, Ostroff, Atwater, & Feinberg, 2004, Perry, Kullik, & Zhou, 1999; Shore, Cleveland, & Goldberg, 2003, Perry & Finkelstein, 1999, Barnes-Farrell, Rumery, & Swody, 2002; Maurer, Weiss, & Barbeite, 2003; Shore et al.2003). Unlike race or gender diversity, organizations rarely undertake initiatives to increase age diversity. Traditional age distributions within organizational structures (younger at the bottom and older in the middle and top) were derived from hiring employees at a young age and retaining them through most of their working. The research on age diversity is much less developed than that on race and gender, suggesting the need for new paradigms and new approaches to studying age in the work setting. The majority of research has been conducted in a Western setting and as pointed out by Joshi and Roh (2007). Based on the literature we propose that age diversity has a negative relationship with performance.

Theories and empirical research suggest that diversity can lead to either positive or negative outcomes. The resource based view of the firm (Barney 1991) suggests that there is a positive relation between diversity & performance, whereas social identity theory (Tajfel 1978) suggests a negative diversity performance relationship. Further, empirical research has found inconsistent results suggesting that diversity can be either good or bad for businesses. Svyantek and Bott (2004) reviewed nine diversity studies (published during 1989-2003) investigating the gender diversity and performance relationship. Four studies found no main effects, two studies found positive effect; two studies found negative effects,

and one study found a nonlinear effect. The body of literature on diversity produces contradictory results for practitioners & scholars about whether gender diversity is good for businesses. The mixed results suggest company should consider the value of focusing on competing predictions (Armstrong, Brodie & Parsons 2001) including nonlinear predictions at the time of formulating diversity strategy according to demand.

Depends upon the higher or moderate level of gender diversity, organizations can have either positive or negative results. While the Richard (2000) study offers that diversity has a positive impact on firm performance, it is important to keep in mind that this benefit appears to emerge only in certain contexts.

Ragins, Cotton and Miller (2000) conducted a mail survey on mentoring. The study showed that satisfaction with a mentoring relationship was a stronger influence on career attitudes such as commitment, job satisfaction, intention to turnover and perception of organizational justice. Further diverse teams perform better over time, largely because time allows these teams to develop a deeper level, interpersonal understanding beyond demographic characteristics (Harrison et al., 1998; Pelled, Eisenhardt, & Xin, 1999). Thus, team building & group training of diverse workforce can enhance their commitment towards a common goal. In order to enhance organizational performance it is important to establish a formal measurement to serve as a baseline for the current climate for diversity (Cox, 2001). Thus according to the findings based on the review of literature we propose that focused strategy, team building & group training, efficient communication, need assessment & evaluation are the mediating factors between work force diversity & organizational performance.

The social categorization model implies that differences among team members (particularly those based on deeply rooted and visible social identities such as race; Williams & O'Reilly, 1998) aggravate interpersonal interactions. When social categories are salient, groups may become made up of members who view each other as "us" and "them" rather than "we." Because individuals are more likely to favor those they believe to be similar to them (e.g., Tajfel & Turner, 1986; see also Dovidio, Maruyama, & Alexander, 1998), it may be anticipated that dissimilarity among team mates lessens cooperative process.

Wilson and Kayatani's (1968) study of the extent to which Caucasian and Japanese individuals would exhibit cooperative behaviors toward in group and out group members in a modified prisoners' dilemma game. Results suggested that racially diverse group were equally cooperative as racially homogenous group, but that cooperation was more likely to occur toward in group members overall.

Heterogeneity in group members' age and tenure were negatively associated with social integration. This early group level study provided empirical evidence, consistent with the predictions of social

categorization rationale that heterogeneous groups may be less likely than homogenous groups to engage in cohesive or cooperative behaviors. At about the same time, George (1990) theorized that variability in team members' affective experiences also may be a meaningful aspect of team composition. The findings of her initial study (which have been confirmed by follow-up studies; George, 1996) suggested that positive group affective tone was related to pro social behaviors. That is, homogeneity in affect was positively related to a cooperative behavior.

Watson et al. (1993) studied student groups who engaged in four separate, class-related tasks over the course of several months. Initial results suggested that homogenous groups scored higher than culturally diverse groups on overall team process (which includes aspects of cooperation and coordination) and performance.

A study of top management teams in the technology sector (Smith et al., 1994) tested comparative models relating heterogeneity and social integration processes to team performance. Their results showed that functional heterogeneity (i.e., diversity in expertise or functional area) and heterogeneity of experience were negatively correlated with social integration processes, but with performance interns of complex work / creative work which in turn was a meaningful predictor of organizational performance. Finding that both social integration and performance were negatively related to functional diversity supports the social categorization model and refutes the information / decision making perspective. It is incumbent upon researchers and practitioners to determine conditions under which diversity can have positive effects and for policy makers and organizational decision makers to enact and support such conditions.

The International Personnel Management Association (IPMA) has undertaken a human resource benchmarking project with the National Association of State Personnel Executives (NASPE). IPMA is an organization representing over 1,700 organizations and 2,500 individuals involved in public sector human resource management. The Association's mission is to optimize organizational and individual performance in the public service by providing human resource leadership, professional development, information and services. IPMA has established an International Human Resource Advisory Board to facilitate the exchange of information on international human resource developments. The International Human Resource Advisory Board has 37 members from 35 countries and international organizations.

The IPMA/NASPE Benchmarking Committee consisting of public sector human resource practitioners who are members of IPMA and NASPE directs the benchmarking project. Benchmarking surveys were conducted in 1998 and in 2000 of both IPMA and NASPE members.

The Benchmarking Committee used the following criteria to determine which agencies have potential best practices:

1. Successful over a period of time;
2. Produced quantitative and/or qualitative results;
3. Developed recognized or recognizable positive outcomes including customer satisfaction or some type of definitive positive impact;
4. Innovative;
5. Replicable, portable and/or transferable to other organizations with modifications. The best practice should also add value by improving service, quality and/or productivity; and
6. Meaningful to users of the benchmarking project data.

From the data contained in the 1998 survey, nineteen best practice organizations were selected in the following areas:

1. Diversity/affirmative action;
2. Timely hiring;
3. Information technology recruitment and selection;
4. Training evaluation; and
5. Linking competencies to training.

The Benchmarking Committee is currently selecting best practice organizations from the 2000 survey.

Diversity was selected as a best practice area since changing demographics make it more important to select, retain and manage a diverse workforce. According to the IPMA/NASPE Benchmarking Committee, **“diversity efforts in the workplace facilitate the exchange of new perspectives, improve problem solving by inviting different ideas, and create a respectful, accepting work environment, all of which make good business sense.”**

Diversity management has been described as looking at:

1. the mind set of an organization;
2. the climate of an organization; and
3. the different perspectives people bring to an organization due to race, workplace styles, disabilities, and other differences.

Best practice organizations value people and cultivate an environment where cultural awareness, sensitivity, fairness and integrity prosper. All employees believe that they can progress if they are qualified, motivated and work hard. The Benchmarking Committee found that these organizations shared some common practices that made them best practice organizations.

These practices include:

- The development of a formal process that is contained in laws, rules or procedures. Both human and financial time and resources are devoted to the program. In best practice organizations, diversity is a process that is an integrated, ongoing and measurable strategy.
- Diversity efforts are primarily decentralized with a central governing body outlining the requirements of the plans with individual agencies and departments developing their own plans that are tailored to their specific needs. This reinforces a sense of ownership and ensures that managing diversity has both top level support and is a reality throughout the organization.
- In best practice organizations diversity training is provided to the workforce. The training is not limited to managers but is extended throughout the workforce. Successful organizations incorporate diversity into mentoring efforts, leadership training and management by results programs.
- Best practice organizations utilize workforce data and demographics to compare statistics reported for the civilian labor force. Occupations with under-utilization are identified and goals are established to reduce the under-utilization. All of the best practice organizations use affirmative action models, but each adds creative innovations that get results and set their programs apart.
- Best practice agencies have found that requiring affirmative action efforts through law, executive order, or other mandates compels agencies to establish serious goals and to make earnest efforts toward meeting those goals.
- Best practice organizations have established a review committee that is responsible for establishing diversity policies, providing technical assistance, reviewing/approving plans, and monitoring progress toward the achievement of goals.
- Effective diversity programs also link recruitment, development and retention strategies to organizational performance. They integrate employee development processes and map career paths to see what critical skills are necessary to advance; then communicate these skills to employees and provide training.
- Accountability for the results of diversity programs is another attribute of best practice organizations. Accountability is determined through the use of metrics, surveys, focus groups, customer surveys, management and employee evaluations, and training and education evaluations. Diversity competencies may be incorporated into management systems. In this way organizations can

determine how employees deal with people of different cultures and styles, support workplace diversity, include diverse people in work teams, and understand the impact of diversity on business relationships. While valuing and integrating diversity are lofty goals, to be effective, organizations must use more measurable criteria to evaluate success in managing diversity.

If firms were being forced to hire diverse workers through governmental affirmative action policies and firms were currently discriminating against either female or minority workers then diversity could have a positive impact on firm performance because firms would be forced to hire workers whose wages were less than the value of their marginal product. Alternatively, if there were no discrimination in the labor market, if it were more costly to recruit and hire qualified minority and female workers or if firms must spend resources on programs, such as diversity training, to overcome the discriminatory preferences of existing workers, then diversity may have a negative impact on firm performance.

In a non-discriminatory market, there could also be a positive relationship between diversity and firm performance, prompting profit maximizing businesses to voluntarily seek diverse workers. To the extent that the general public views a diverse workforce as a desirable attribute for a firm. Firms that have this attribute may acquire goodwill capital or brand loyalty.

Profit maximization may require workforce diversity if a firm sells its product in many markets and diversity helps to understand different market preferences (Osborne, 2000). In the end, whether the net economic benefits of workforce diversity are positive or negative is an empirical question.

Primary measure of productivity is labor productivity or log value added per worker (measured as total sales minus total payroll divided by the number of workers in the plant) is used by The Benchmarking Committee. An alternative labor productivity measure is log total sales per worker (total sales divided by the number of workers in the plant).

A unique measure of workforce diversity and compare the results found using this new measure with results found using more traditional measures of workforce composition, namely, "percent white men," "percent minority men," etc. The unique diversity measure, The Benchmarking Committee introduce has two components. The first component captures the combined race and gender diversity of the establishment's workforce; the second captures how that establishment's diversity is spread across occupations. The use of more than one measure of workforce diversity provides an important sensitivity test and reveals that how one defines diversity is important.

This leads us to conclude that establishments that employ a more diverse workforce are no less productive than establishments that employ a more homogeneous workforce.

Numerous researchers looked into whether government equal opportunity programs have positive effect on professional development of women (Leck et al., 1995; French, 2001; Leck, 2002). These programs had a positive effect on development of HRM policies and procedures in organisations incorporating diversity management concept (Konrad and Linnehan, 1995; Holzer and Neumark, 2000). In addition, research has shown these programs contributed to employing more women and members of other social groups. In the context of Canadian organizations, incorporating broad equal opportunities programs, hired more women than others, especially women with disabilities and women from minority ethnical groups (Leck and Saunders, 1992). In the context of USA, the research has shown that organizations aware of possible legal procedures based on failing to implement the obligations from equal opportunity programs, have more women in leadership positions and employ more persons from minority social groups compared to organizations who are not aware of possible repercussions (Konrad and Linnehan, 1995). In addition, organizations with positive attitude towards equal opportunity programs tend to develop gender specific strategies through mentorship and networking in order to overcome prejudice against (French, 2001).

The focus of the Affirmative Action Act was towards individual enterprise responsibility as opposed to legislative and economy wide standards. The Act compelled organizations with more than one hundred employees to implement an AA program. The legislation spelt out eight steps that organizations were to complete: assign responsibility for the achievement of EEO to senior staff and allocate sufficient personnel to undertake the task; undertake an analysis of the position of women in their organization through examination of employment statistics and policies and consultation with women employees and trade unions. From this analysis the company was required to devise a program which addressed some of the problems identified and set targets against which future progress could be judged (Strachan, 1987).

The implementation of EEO principles presumed good corporate citizenship as there were no explicit national standards and the penalties for non compliance. In 1992 the government added the sanction that companies breaching the legislation were ineligible for federal government contracts or specified industry assistance. It is likely that this sanction was never used (no data was collected by the AA Agency). With the election of a Coalition (conservative) federal government in 1996 the legislation was reviewed and changes initiated on 1 January 2000.

To comply with the new Act, organizations have to take actions on the priority issues identified when undertaking an organizational analysis and should practice below mentioned activities from different point of view:

A) Organizations should develop a workplace program by:

- Preparing a workplace profile
- Analyzing the issues for women in the workplace, considering each of the employment matters, to identify their priority issues
- Take action to address the priority issues
- Evaluating the effectiveness of the actions.

B) Organizations are required to address seven employment matters within their analysis.

These are:

- Recruitment procedure and selection criteria for appointment or engagement of employees
- Promotion, transfer and termination of employment of employees
- Training and development for employees
- Work organization
- Conditions of service of employees
- Arrangements for dealing with sex-based harassment of women in the workplace
- Arrangements for dealing with pregnant, potentially pregnant employees and employees who are breastfeeding their children

The Affirmative Action Act proposed the development of goals and targets against which progress could be measured.

C) The Family Friendly Workplace Agenda:

The emergence of the concept of work and family policies in the 1990s has been pursued mainly through government, business and trade union encouragement to pursue policies that allow for the individual worker to combine work duties and family commitments. Recently these have been characterized as work/life issues and in a recent survey 205 organizations reported that a variety of flexible work arrangements had reduced staff turnover and produced other business benefits (Managing Work Life Balance, 2003). These changes have increased the variety of employment arrangements.

Reference to the federal agreements report for 2000/2001 indicates that there appears to be very little progress through enterprise bargaining with respect to family friendly work arrangements. In 2000/01, the following arrangements were in less than five per cent of agreements: unlimited sick leave, all

purpose paid leave, paid family leave, extended unpaid parental leave, paid adoption leave, paid paternity leave, home based work, child care provisions and job sharing.

Since prescriptive EEO's outcome is low, following findings are suggestive with the reason of practice:

- a. EEO is externally driven, based on legal or moral arguments, while Managing Diversity (MD) is internally driven, based on organizational objectives linked to the "business case" for equality, for example profitability.
- b. The EEO agenda is formal and minimalist – organizations need only reach set required targets or outcomes. The MD agenda is not restrictive or minimalist and participating in the agenda is an investment tied to organizational goals.
- c. The EEO agenda uses a white, male, full-time, heterosexual norm and fits other groups into this norm. The MD agenda embraces diversity and the mainstream is expected to encompass the diversity agenda.
- d. The EEO agenda is narrowly focused towards certain groups such as women or racial groups; the MD agenda goes beyond this narrow group focus.

In the HRM literature there is extensive analysis of the details of the MD workplace strategy.

Industrial relation scholars are familiar with the concept that each country has its own unique system of labour relations. The same is true of equity initiatives. While both systems are intertwined and influenced by international trends, the response is not uniform from country to country. Therefore the history of Australia's EEO approaches will influence the form of MD and its spread.

While Australia has had specific anti-discrimination legislation it has also had a widespread workplace program with a legislative base that promotes at least gender equity. This has meant that there is much more attention paid to issues such as retention of women employees and, in the 1990s, the new discourse of accommodating work and family (Strachan and Burgess, 1998a) has meant that some organizations have looked to different working patterns (work styles) for their employees in a way that is not specifically gendered. There has always been a business case argument attached to EEO legislation and policies in Australia along with a social justice argument.

Organizations can be strengthened by leveraging differences that mirror the diversity of its citizens. Surveys have demonstrated a positive impact on high performance where senior management teams include a diversity of ages, ethnicity, and gender. A diverse workforce also can improve organizational productivity and creativity. Managing a diverse workforce can be a challenge. When people from different backgrounds come together in the workplace, there is potential for great accomplishment, but also for

great conflict. This paper has attempted to highlight the diversity efforts that could be the way/tool of sustainable development for the organizations here, to be best practice organizations, diversity is considered as strategy, but without the systematic & pre-defined Affirmative Action Program (AAP) implementation which may/will fall the desired outcome of diversity management in jeopardize.

The relationship between workforce diversity and organizational performance is complex. In spite of this complexity, several conclusions seem appropriate:

- There are a variety of ways in which the presence of cultural diversity can impact organizational performance.
- When gradations such as the breadth of organizational performance measures, the type of diversity, the type of industry, and the nature of the tasks to be performed are properly taken into account, there is a significant amount of evidence that diversity can enhance organizational performance.
- In order to avoid possible performance losses and reap performance benefits of workforce diversity, organizations must create an effective climate for diversity (i.e. manage diversity well).

Main finding is that diversity is either positively associated with productivity or there is no significant relationship between diversity and productivity. We never find a significant negative relationship between diversity and productivity.

Theoretical and Conceptual Framework of the Study:

Diversity Management

Diversity management is a strategy that is intended to foster and maintain a positive workplace environment. Usually initiated by human resources professionals and managed by department heads and supervisors. An effective diversity management program will promote recognition and respect for the individual differences found among a group of employees. The idea of this management style is to encourage employees to be comfortable with diversity in the workplace and develop an appreciation for differences in race, gender, background, sexual orientation or any other factors that may not be shared by everyone working in the same area of the company.

The underlying principle of diversity management has to do with acceptance. While individuals retain their own sense of values and ethics, diversity management encourages people to recognize that not everyone is alike. Rather than being intimidated or prejudiced by those differences, employees are encouraged to accept the fact that there are diverse interests, diverse values, and diverse physical and emotional characteristics present within the workplace environment. Further, the diversity present in the workplace does not have to hamper productivity or create conflict. Instead, the diversity may function as helpful attributes that promote the attainment of the goals and objectives of the department.

In practice, diversity management involves both compulsory and voluntary management actions. An organization diversity management program should include five sets of voluntary organizational activities as follows:

1. Providing strong leadership
2. Assessing the situation of organization
3. Providing diversity training & education
4. Changing culture management systems
5. Evaluating the diversity management program

3.1 General Views:

3.1.1 Diversity:

- Diversity is the sum of all the people who bring a variety of backgrounds, styles, values and beliefs as assets to the groups and organizations in which they interact.

- The mosaic of people who bring a variety of backgrounds, styles, perspectives, values and beliefs into their companies or organizations.

3.1.2 Valuing Diversity:

- Recognizing and appreciating that individuals are different and that diversity is an advantage if it is valued and well managed. Diversity is not simply to be tolerated but encouraged, supported and nurtured.
- If relationships within organizations are not based on valued diversity, then it will be difficult to interact in a proactive and positive way with a diverse outside world.

3.1.3 Managing Diversity:

- Refers to the voluntary organizational actions that are designed to create through deliberate policies and programs, greater inclusion of employees from various backgrounds into the formal and informal organizational structures. Diversity management, compared with its predecessors (equal opportunity legislation and affirmative action programs), is proactive and aimed at creating an organization in which all members can contribute and achieve to their full potential.

3.1.4 Affirmative Action Program (AAP):

- An Affirmative Action plan or program is a management tool designed to ensure equal employment opportunity. A central premise underlying affirmative action is that, over time, absent discrimination, a contractor's workforce will generally reflect the gender, racial, and ethnic profile of the labor pools from which the contractor recruits and selects.

3.2 Quotations of Diversity and Diversity Management:

There are many definitions of diversity. They tend to have common view that in order to value diversity one needs to understand and accept differences. The impact of valuing diversity should be felt on the bottom line in terms of enhanced productivity and profitability.

"Diversity fosters creativity. We need to generate the best ideas from our people in all levels of the company and incorporate them into our business practices."

-Frédéric Rozé, Chief Executive Officer, L'Oréal USA.

"We are in 75 countries and we want to hire the best talent in each locale. Diverse teams and companies make better decisions."

-Eileen Taylor, Global head of diversity, Deutsche Bank.

“Government of Bangladesh firmly believes that gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance.”

-Dr. Shirin Sharmin Chaudhury, MP. State Minister, Ministry of Women and Children Affairs, Government of the People’s Republic of Bangladesh [Bangladesh Country Statement, UN CEDAW meeting, Geneva, January 25, 2011]

“Our goal is to be the world’s best bank, in terms of the value we represent and the innovativeness of the products we offer. Having a diverse workforce is very important to our strategy. It allows us to capture new clients and address the needs of our existing businesses.”

-NikiKesglou, Head of diversity and inclusion, Asia Pacific, Credit Suisse.

“We want our management to be culturally prepared. We have a vast amount of diversity that comes into work every day in order to create and build technology that plays out around the world.”

-Rosalind Hudnell, Director of global diversity and inclusion, Intel.

“Where people do not feel that they will be accepted then they cannot contribute their full potential. This is not just a personal loss but also a loss to the organization or business, and also ultimately to society generally.”

-Dr. Michael Murphy, President, University College Cork.

“Equality and diversity are key priorities of both the National Workplace Strategy and towards 2016. Transforming Irish workplace into workplaces of the future is all about fostering greater levels of innovation and creativity, positive equality and diversity policies are a major contributor to higher levels of workplace innovation.”

-Lucy Fallon-Byrne, Director, National Centre for Partnership and Performance (Equality Authority 2007)

The **CIPD’s** definition of ‘diversity’ is: “valuing everyone as individuals – as employees, customers, and clients.” This recognizes that individuals may differ from one another in terms of gender, ethnicity, race, sexual orientation, religion, age, socio-economic status, personality, work style and background.

“Valuing” means respecting and allowing individual differences to flourish, rather than repressing or simply tolerating difference. This understanding of the concept reflects the way in which approaches to ‘diversity’ have evolved and developed over the past thirty years as the social and economic context has changed.

Vancity: Investing in and caring about our employees is not only the right thing to do; it's also in the best long term interests of employees, the community, and our organization. Employees who understand the value of their work, who are treated fairly and equitably, and who feel the connection between their jobs and their communities are the same employees who provide outstanding service to our members. Having a reputation for being a diverse and great place to work also helps us attract the best employees and those who share our values.

RBC (Royal Bank of Canada): "Diversity challenges assumptions and it is in that process that we are able to find new ways to face new business challenges. It is analogous to an orchestra where there are different instruments and skills but together they create the best harmony and make for a rich tapestry."

National university of Ireland Galway: "Treating people with different needs, backgrounds, circumstances, in a manner appropriate to their needs. Being open to change and willing to listen"

The Czech Society for Human Resources Development (2009): "Diversity management is an integral part of quality management and development of human resources. A long term managerial success cannot be achieved without any respect to other people and understanding in what aspect the individual differences complement one another when meeting the common objectives. Successful individuals do not form a homogeneous group: it is formed by men and women, the young and the old, people of different origins, colors of skin, religions, sexual orientation etc. Companies that want to be effective and successful in the long term try to form diverse teams intentionally and pay attention to the fact they have the best employees on all positions regardless of their personal differences. Respecting the rules of equal opportunities should be a logical strategy of those who want to be the best on the market, it should not be only a duty implying from the law or morale."

Cox (Scholar of diversity management): "The challenge of diversity is not simply to have it but to create conditions in which its potential to be a performance barrier is minimized and its potential to enhance performance is maximized"

3.3 Importance to Understand Diversity Management Concept:

The concept of diversity management is crucial for the economic success and competitiveness of the organization. It should, therefore, be perceived by organizations as a strategic concept, as one of the ways not only to respect diversity but make good use of it too. The dissimilarity of the individual members of the organization should not only be perceived as necessary, it should even be considered as a competitive advantage as it can make better use of the potential of each individual.

At present we can find various specifications and interpretations of the concept. If we look at diversity as a mixture of similarities and dissimilarities that are used by management to meet their organizational purposes then we can define it as "a process of planning, organizing, and supporting these collective mixtures in a way that adds a measurable difference to organizational performance."¹

At the same time it can be defined as a systematic procedure focused on using diversity with the aim of accomplishing the mission of the organization and meeting the objectives of the organization and bringing the organization a competitive advantage.²

Diversity management is an integral and important part of personnel management and the strategy of the development of human resources. Any organizations that want to be efficient and successful will have to make sure they create and develop heterogeneous teams in which employees are represented regardless of their personality differences and with respect to the rules concerning equal employment opportunities.

The current development shows that the issues of diversity management in the context of its application in the business practice do not concern only the fields of personnel management and personnel development but that diversity and heterogeneity penetrate and significantly affect other fields in the organization, such as the development of products and services, the relationship to the market and to customers and also factors like visions, strategies, company culture or communication support. Therefore it is not only a sub discipline focusing on the issues of human resources or the activities of personnel management arising from the legislation in the way it is sometimes closely understood in practice.

Diversity management requires diversity to be approached on the individual, interpersonal and organizational level simultaneously. Unlike the traditional approach that focused primarily on the individual and interpersonal aspects, the current approach perceives diversity as a matter concerning all the organization, as a business strategy focused on using the potential of all members of the organization with the aim of gaining a competitive advantage. In this sense the application of the concept of diversity management is closely linked to the process of accomplishing the vision and mission of the organization, to its strategic management as well as to human resources management as these all support diversity of the human capital within the organization.

¹ Hubbard, E. (2004). *The managers pocket guide to diversity management*. Amherst: HRD Press.

² Bedrnová, Nový et al. 2007

Understanding the concept of diversity management is necessary not only for the decision making processes, for the management of companies but also for the educational institutions preparing future managers or providing educational activities in a given field. It is obvious that introducing diversity management, even though some organizations still oppose this idea strongly, will become necessary in the conditions of the current globalizing environment and effective global competing. In connection with the above it is also necessary to realize that the concept of diversity management is not omnipotent and that its successful and effective application assumes creating such an organizational structure that is based on mutual respect and openness towards diversity because only like this, it may be used for the benefit of all.

Applying the concept of diversity management, recognizing and using diverse ideas, knowledge and perspectives of the members of organizations, those are all factors that contribute to the wealth of any organization significantly and create a real competitive advantage, which, in its final form, can be considered a highly positive and constructive tool for solving the current all-society phenomena in the context of the development of the civic society.

3.4 Why Does Diversity Matters:

Diversity has come to matter more and more because of economic and demographic transformations over the past thirty years, as Figure 3.1 below illustrates:

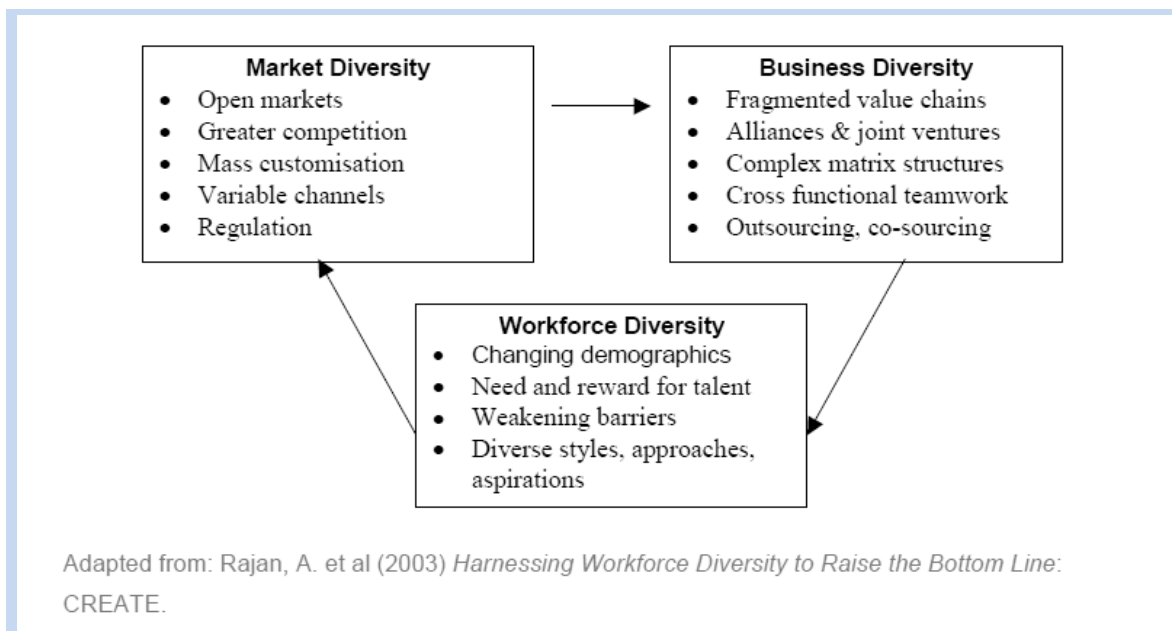


Figure 3.1: Context for Growing Importance of Employee Diversity

Markets are changing. For UK to sustain its prosperity and close the productivity gap with other major developed economies there is a need to become more innovative and move in the direction of a knowledge-based, and high skill economy. Companies are competing on an international stage, and at the same time need to provide local, customized services for increasingly demanding customers who will switch supplier with the click of a mouse. This means it is vital for organizations to better understand their customer's requirements in a population that is becoming older and more ethnically diverse. Customers are also increasingly demanding that services are available outside traditional nine to five hours requiring businesses to make use of flexible working in order to respond to customer demand.

3.5 History of Diversity Management:

The current business focus on diversity is quite different from equal rights legislation and from affirmative/positive action programs. The latter are about trying to achieve equality of opportunities by focusing on specific groups and righting past wrongs. Diversity efforts focus on managing and handling the diverse workforce to give the company a competitive advantage. All these may be viewed as a continuum:

- ❖ Equal Employment Opportunity (EEO) legislation means that it is against the law to discriminate;
- ❖ Affirmative action programs mean that companies need to take positive steps to ensure equal opportunities; and
- ❖ Diversity management is proactive and aimed at promoting a diverse and heterogeneous workforce. The emphasis of the latter is on the business advantage that it can provide to organizations. More and more companies are realizing that there could be a business benefit for having diversity management programs or, at the very least, to including language about it in their public relation materials. For example, IBM's chairman and CEO Sam Palmisano points to the link between diversity management and the core business at IBM.

In the United States, where the term **diversity management** originated, there was a gradual progression over the years from Title VII of the 1964 Civil Rights Act that mandated Equal Employment Opportunity (EEO), to President Lyndon Johnson's 1972 Executive Order 11246 that outlined affirmative action, and culminating in diversity management policies and programs developed in the 1990s and the 2000s. In Australia, the same progressive development took place with anti-discrimination legislation and affirmative action policies requiring the removal of barriers and the implementation of policies that

encourage full employment of groups defined by personal characteristics such as gender, race, physical ability, ethnic heritage, and family responsibilities.³

There, too, diversity management has been seen as the natural next step for effective management in the future competitive business environment ⁴ and many of Australia's most profitable companies have adopted productive diversity policies in different ways.⁵ The EU as a whole has developed a strong commitment to equality and positive action policies. Across Europe, there is a trend to strengthen legislation managing a diverse workforce in the global context against discrimination as indicated by directives on equal treatment of people irrespective of their race and ethnic backgrounds and on the equal treatment of persons in the labor market, adopted by the EU Council of Ministers in 2004 (EU Directive 2000/43/EC Art 13). Different countries within the union, however, have implemented varying levels of protections and initiatives and some have adopted affirmative or positive action programs while others have not.

Accordingly, companies in different countries may or may not institute, or even aspire to implement, diversity management policies and programs, and those that have been developed will vary in scope and organizational commitment. In a series of comparative studies, the International Labour Organization (ILO) evaluated antidiscrimination and diversity-training initiatives in different countries in the EU.⁶ The studies indicated that Spain, for example, was one of the few industrialized migrant-receiving countries that at the time of the study had not introduced antidiscrimination legislation to protect non-national workers; and in general, there was very little or no awareness of the potential problem of ethnic or racial discrimination. Therefore, although there were some labor initiatives coming from local government organizations, trade unions, NGOs, and some multinational companies, the trainings were aimed at antidiscrimination, not at diversity management.⁷ Even in countries that have already instituted equal rights laws and public policies that promote diversity, the general organizational culture may not have been ready for the next step of diversity management.

³ Kramar, 1998

⁴ Burton, 1995; De Cieri, 2003

⁵ Pyke, 2007

⁶ Wrench, J. 2007. Diversity Management. Ashgate. 156 p.

⁷ Angel de Prada, Pereda, & Actis, 1997

In the United Kingdom, for example, diversity management was perceived as premature during the 1990s in several cases unless it followed antiracism and equality trainings.⁸ It is important to remember that the prerequisite for diversity management is having a diverse workforce. Although recruitment of diverse employees can be a goal of diversity management, if there is little diversity in the organization, the focus should be on recruitment strategies and not on diversity management per se. In the Netherlands, for example, a heterogeneous workforce is still more of an exception than a rule. Although the demographics have changed quite dramatically in the last two decades, the workforce is still quite segregated. Most business diversity efforts are focused on recruiting customers, not employees. Therefore, companies need to focus on applying positive action policies in workforce recruitment before they can exercise diversity management.⁹

In some countries such as South Africa where a non-racial, democratic constitution came into effect in 1996, equal rights legislation was implemented at just about the same time as its affirmative action policies and many of its companies have been trying to almost simultaneously design and implement diversity management programs. The results of both equal rights laws and the affirmative action policies in South Africa are already evident in the increased proportion of Black managers, though these rates are still far from their representation in the wider society. As the racial and cultural profile of South African organizations continues to change, the process of managing diversity is becoming more important.¹⁰

The situation in Brazil is quite similar to that of South Africa, with both legislation and government measures to combat employment discrimination taking place relatively recently. Brazil, however, is quite different because it has long been a heterogeneous society, the product of several migration flows relatively early in its development. As a result, Brazilians take pride in their tradition of non-prejudicial national ideology. Nevertheless, inequalities do exist, and the concern of Brazilian companies with the practice of managing cultural diversity is quite recent and relatively limited. Although the population in Brazil is rather diverse, those companies that have developed programs are primarily subsidiaries of U.S enterprises.¹¹

⁸ Taylor, Powell, & Wrench, 1997

⁹ Abell, Havelaar, & Dankoor, 1997; Tsogas&Subeliani, 2005

¹⁰ Horwitz, F.M. 2002. Human Resource practises and discrimination in South Africa: overcoming the legacy of Apartheid. *International Journal of HR Management*, 13(7): 1105-18.

¹¹ Fleury, 1999; Perez-Floriano& Gonzalez, 2007.

As is evident from this brief review, equal rights legislation and affirmative/ positive action policies are prerequisites for the development of diversity because they create the social, legal, and organizational environment on which diversity management initiatives can be based. In some countries, the development was sequential and took decades, whereas in others, the development was rapid and almost co-occurring.

3.6 Characteristics of Diversity Management:

Workplace diversity encompasses more than race and gender. Diversity includes individuals of different ages, education, income levels or religions. Companies with diverse workforces enjoy the benefits of fresh ideas, as people from dissimilar backgrounds think of solutions that are different from the norm. However, diversity isn't always rosy; it can sometimes breed conflict among employees. Some common characteristics are narrated below:

- ❖ **New Ideas:** People with similar backgrounds tend to see the world through the same filters. When the team is diverse, however, each employee brings a unique life experience to the table. This allows team members to see the same problem and come up with different ideas that cover a larger range of options and solutions - more ideas than a homogeneous group might generate.

- ❖ **Wisdom:** Particularly in an age-diverse group, team benefits from the wisdom brought by employees with many years of work experience. Such wisdom can also come from highly educated people. When combined with other team members who don't have the same experience or education, the group is better able to sort through ideas and determine the best ones based not only on creativity but logistics and overall merit. The younger, fresher crowd can express new ideas while the older, wiser crowd sifts through them to find the most feasible options.

- ❖ **Flexibility:** As our market becomes more global, flexibility is key to a company's success. When a workplace is diverse, the company is better able to handle the changes necessary to move the business forward. This flexibility can attract a larger, loyal customer base, according to the human resources department of the University of California at Berkeley. Having a diverse group of employees also can help to find new customers and retain old ones - people like to do business with similar people, and a diverse workplace gives more customers a contact person they can relate to through age or race, for example.

- ❖ **Conflict:** Workplace diversity isn't always easy. Some employees don't respect different ideas or backgrounds, which can negatively affect team performance. A lack of respect for another worker's intelligence or beliefs can lead to intense debate over minor topics, which reduces the team's productivity. Management can help teach employees the value of diverse ideas to help reduce discrimination and increase morale and productivity, states a 2000 report by Stanford University.

- ❖ **Voluntary:** Diversity management is voluntary. Equal rights legislation is enforced through sanctions (monetary fines or incarceration), and affirmative/positive action policies are enforced through incentives (government contracts); but diversity management is self-initiated by the companies themselves. It is not enforced or coerced but is entirely voluntary.

- ❖ **Tangible Benefits:** Diversity management aims at providing tangible benefits to the company. Diversity management is seen as a business strategy aimed at tapping into the full potential of all employees in the company in order to give the company a competitive advantage, whereas in the past, employees of different backgrounds (e.g., race/ethnicity or gender) were labeled as unqualified by managers if they did not conform to values and norms of the majority. The logic of diversity management is that it allows every member of the organization to bring to the workplace his or her unique perspective, benefiting the organization as a whole. Expected benefits of diversity management include such outcomes as broad appeal to diverse clients—because diverse employees communicate better with diverse clients; better products—because diversity of opinions leads to creativity; and improved sales—because diverse employees better understand the needs of diverse clients.¹²

3.7 Diversity Management Paradigms:

In recent years, several paradigms have been offered for diversity management that underscores its unique characteristics and purpose. This section highlights two of the prominent approaches –

- **The Human Resource (HR) Paradigm and**
- **The Multicultural Organization (MO) Paradigm.**

¹² Cox, 2001; Ozbilgin & Tatli, 2008; Thomas et al., 2002

3.7.1 The Human Resource Paradigm in Diversity Management:

Conventional HR practices tend to produce and perpetuate homogeneity in the workforce as a result of the A-S-A (*attraction-selection-attrition*) cycle.¹³ Typically, individuals are *attracted* to organizations that appear to have members with values similar to their own. In turn, organizations *select* new members that are similar to their existing members because their hiring continues to make everyone feel comfortable.¹⁴ Recruiting practices often emphasize hiring people from sources that have historically been reliable and selecting candidates whose characteristics are similar to those employees that have been successful in the past. As a result, employees who do not fit in well with the dominant organizational culture eventually leave or are fired, creating a selective *attrition* process that supports and maintains a workforce that is homogeneous.¹⁵ In the long run, this trend is unhealthy for organizations in that it limits their talent pool, their long-term growth and renewal, and their ability to adapt to environmental changes and tap into new markets.

In recent decades, human resource managers have recognized the need to adopt effective diversity management practices in order to overcome barriers for diversity and reap the rewards of a diverse workforce. Kossek and Lobel (1996) summarize the three prevailing HR approaches to diversity management and offer an original approach of their own. The authors later expanded the concept of the model and made the connection between human resource management practices, workforce diversity, and individual, group, and organizational outcomes.¹⁶ The four approaches are presented and elaborated below:

- ❖ **Diversity Enlargement:** This approach focuses on increasing the representation individuals of different ethnic and cultural backgrounds in the organization. The goal is to change the organizational culture by changing the demographic composition of the workforce. For example, the Norwegian government backed a draft law that would oblige companies to appoint women to at least 40% of their directorships.¹⁷ The assumption is that the new employees will conform to existing practices and that no additional intervention will be needed.

¹³ Schneider, 1987; Schneider, Smith, & Paul, 2001

¹⁴ García, Posthuma, & Colella, 2008

¹⁵ Schneider, Smith, & Paul, 2001

¹⁶ Kossek, Lobel, & Brown, 2006

¹⁷ "Oslo Push," 2003

The mere presence of increasing numbers of employees from different backgrounds will result in a culture change that will bring the desired results. Often this approach is motivated by compliance to laws and public expectations of political correctness rather than a deep understanding of the business need for diversity.¹⁸

- ❖ **Diversity Sensitivity:** This approach recognizes the potential difficulties introduced by bringing together individuals from diverse backgrounds and cultures in the workplace. It attempts to overcome these difficulties through diversity training that is aimed at sensitizing employees to stereotyping and discrimination while also promoting communication collaboration. The assumption embedded in this approach is that increased sensitivity to differences will improve performance. Although this is sometimes the case, in other instances, particularly when the training is not linked to corporate goals and initiatives and not supported by its long-term policies, it can create more harm than good. Emphasizing differences can be backfired by reinforcing stereotypes and highlighting intergroup differences rather than improving communication through understanding and common interests.

- ❖ **Cultural Audit:** This approach aims at identifying the obstacles that limit the progress of employees from diverse backgrounds and that block collaboration among groups in the organization. The audit is usually performed by outside consultants who obtain data from surveys and focus groups and then identify areas in which employees who are different from the dominant group feel that they are blocked from performing to the best of their ability. Although this is a customized approach that is tailored to specific organizational cultures, these recommendations for change are typically based on the notion that the source of the problem is in the dominant cultural group (typically, in North America, White male) and that the change must come from within that group (Kossek & Lobel, 1996). An example of a cultural audit is Ford Motor Company's global employee satisfaction survey. The survey, called PULSE, is distributed annually among all of the company's salaried employees (in 2002, 71% of employees participated in the survey). Employee satisfaction with diversity is one of the 12 dimensions assessed by the survey, and the results are used to assess Ford's commitment and performance in achieving a diverse workforce (Ford Motor Company, 2002).

¹⁸ Kossek & Lobel, 1996

- ❖ **Strategy for Achieving Organizational Outcomes:** This approach, proposed by Kossek and Lobel (1996) as a comprehensive framework for HR diversity management, focuses on diversity management “as a means for achieving organizational ends, not as an end in itself ” (p. 4). Using this strategy, managers have to identify the link between diversity management objectives and desired individual and organizational outcomes. Organizational strategic choices are viewed in the context of environmental drivers such as the changing labor market composition, the global economy, the shift to a service economy, and the legal and governmental pressures. Analyzing environmental drivers can help the organization determine the specific benefits it expects to gain from its diversity management and how those are linked to its overall business strategy. For example, if innovation is a business strategy for the company, it is in its best interest to cultivate multicultural diverse teams because creativity and responsiveness to new markets, primarily in today’s global economy, are more likely to be found in diverse work teams.

3.7.2 The Multicultural Organization Paradigm in Diversity Management:

Cox (1994, 2001) presents a diversity management paradigm that includes three types: **the monolithic organization, the plural organization, and the multicultural organization.** Diversity management, according to this paradigm, should strive to create multicultural organizations in which members of all socio-cultural backgrounds can contribute and achieve their full potential.

- ❖ **The Monolithic Organization:** This is an organization that is demographically and culturally homogeneous. For example, most Chinese companies are monolithic from a cultural and ethnic perspective, as the overwhelmingly majority of their employees are ethnically Han Chinese. They are not, however, monolithic from a gender perspective because there are many women in the companies. Women, though, are more commonly employed at the lower levels of the organization, whereas most of the managers, particularly at the top levels, are men (Powell & Graves, 2003). A monolithic organization in North America or Europe will have a majority of White men and relatively few women and members of ethnic and racial minorities. Typically, women and racial/ethnic members of minority groups, both men and women, will be segregated in low-status jobs such as receptionists and maintenance people that do not have a significant impact on organizational policies and practices (Cox, 1994, 2001). A monolithic organization will have a culture that will perpetuate the homogeneity of its workforce through its hiring and promotion practices.

There will be an expectation that members of diverse groups will assimilate into the culture of the majority with minimal degrees of structural and formal integration. In other words, because one cultural group manages the organization almost exclusively, both the practices and policies of a monolithic

organization are biased in favor of the majority group. Not surprisingly, intergroup conflict is expected to be minimal in such an organization because it is basically homogeneous and is composed of one dominant cultural group. Given the globalizing economy, a monolithic organization will be at a competitive disadvantage, and its homogeneity will become more difficult to maintain given the influx of women and members of minority groups into the workforce around the world.

❖ **The Plural Organization:** This is an organization that has a heterogeneous workforce, relative to the monolithic organization, and typically makes efforts to conform to laws and public policies that demand and expect workplace equality. It will take active steps to prevent discrimination in the workplace such as audits that assure equality of compensation systems and manager trainings on equal opportunity issues and sexual harassment. Although women and members of minority groups are represented in larger numbers, they make up only a small percent of the management, particularly top management and are still expected to assimilate into the majority culture. Examples of plural organizations include companies in which members of minority groups constitute a sizable proportion of the workforce but only a small percent of the managerial positions. Although there is greater structural and formal integration in the plural organization, institutional bias is rather prevalent and intergroup conflict is significant, primarily because the increased presence of women and members of ethnic and racial minority groups is not accompanied by serious efforts to make them a truly integral part of the organization.

Cox (1994, 2001) attributes the increased intergroup conflict in plural organizations in the United States to the backlash against affirmative action programs and the resulting sense among majority group members that they are being discriminated against because of no fault of their own. Cox (1994) identifies the plural organization as the most prevalent type in the North American business environment, but this organizational type is also prevalent in other areas of the world such as Europe, Australia, India, and South Africa.

❖ **The Multicultural Organization:** This is more an ideal than an actual type because very rarely do companies achieve this level of integration. However, Cox (1994, 2001) indicates that it is important to understand this type and use it to create a vision for effective diversity management. The multicultural organization (MO) is characterized by a culture that fosters and values cultural differences—truly and equally incorporates all members of the organization via pluralism as an acculturation process, rather than as an end resulting in assimilation. The MO has full integration, structurally and informally, is free of bias and favoritism toward one group as compared with others, and has only a minimal intergroup conflict.

Cox's (1994) typology of the monolithic-multicultural organizational continuum presents "pure" types that are rarely found in reality but are useful from an analytic standpoint. Although it was generated primarily for the North American context, it is useful for other countries as well because diversity of the workforce is increasingly central, even in traditionally homogeneous societies. By outlining these types, particularly the extremes, Cox's typology is helpful in providing work organizations with a vision of the model they need to strive for in designing their diversity management strategies.

3.8 The Diversity/Equality Debate:

There is debate in the literature about substituting a diversity or business case approach for the traditional EEO or equality approach. The EEO approach was based on concepts of human rights, social justice and fairness with the aim of equitable representation of all groups at all levels and the prevention of discrimination. In contrast, the business case approach argues that diversity will deliver business benefits to organisations in terms of performance and competitive advantage (Cassell, 2004; CIPD, 2005; Kirton and Greene, 2005). EEO emphasis is still needed with its focus on business outcomes, a business case approach will not necessarily deliver equal opportunities for all groups. Sinclair (2006) and others argue that the business case approach neutralises differences within and between different groups assuming that all diversities can be managed in the same way rather than recognising, confronting and addressing the facts of exclusion and discrimination.

Kirton and Greene's (2005) review of academic research finds that most commentators are sceptical about whether the business case approach will deliver equality for all, particularly as many businesses achieve positive business outcomes even though they do not value workforce diversity. They say the business case approach will not necessarily lead to fair or equal representation of disadvantaged groups, even if it does increase the diversity of employees within an organisation. They therefore, argue for the need to continue with an EEO approach of recognising and addressing inequalities and discrimination as well as proactively managing diversity in order to deliver business benefits. Kirton and Greene (2005) also say that it could be argued that the business case approach assumes that equality already exists, so difference can be celebrated.

One of the foundations of the business case approach is the argument that effectively managing diversity helps meet the challenges of the current tight labour market. This may not carry a much weight if labour market conditions change. In addition, there may not be equal business benefits from all diverse groups, so while some individuals or groups may benefit from the business benefits approach, others may not. The EEO approach has been criticised for not going far enough; resulting in increased workplace

diversity, but not in the cultural transformations required for diverse people to move into senior positions or fully draw on their different experiences and perspectives.¹⁹

Other writers argue that the two approaches are connected and complementary and are both needed in order to deliver equality for all alongside business benefits (CIPD, 2005; European Commission, 2003; Kirton and Greene, 2005; Monks, 2007). The business case approach emphasises culture change and valuing and utilising difference, thus adding to the broader representation resulting from an EEO approach. Some writers say the EEO approach is based on an assumption that non-mainstream groups will adapt to the norms of the dominant group, whereas the business case approach recognises the benefits of the differences people bring with them (Kirton & Greene, 2005; Hubbard). Yet, as Kirton and Greene (2005) point out, the full benefits of diverse workforces will not emerge unless discrimination is eliminated.

Cassell (2004) points out that the EEO argument can be seen from a business benefits perspective as, in order to maximise the talent available, all groups must be given equal employment opportunities. In addition, ethical employment practices encompass both EEO and business case approaches as an organisation's reputation as socially responsible and ethical can be linked to improved outcomes in terms of attracting customers and staff.²⁰

A further view of the connections between the two approaches is given in a European Commission (2003) report which says there are three reasons for adopting diversity policies:

- a) Legislative compliance,
- b) Ethical and
- c) Economic.

They argue that legislative compliance is linked with the business case due to the legal costs involved in non-compliance.

Kirton and Greene (2005) say that neither equality nor a business case approach can in practice effect the required transformation of workplace culture which would involve a systemic, structural, and long-term approach involving a voluntary power shift by the dominant group. For example, many women with children need a change from the norm of work from the full-time uninterrupted career pattern of male breadwinners. Therefore some of the push for change has to come from members of the dominant group which is not likely to happen unless they see benefits for themselves.

¹⁹ Thomas and Ely, 2005

²⁰ CIPD, 2005; Kirton and Greene, 2005

As Kirton and Greene (2005) point out, much of the literature on diversity is from the US and, while the concepts and theories are useful, each country needs to contextualise them into its own social, economic, legal and historical circumstances, including the different demographic makeup of each society. In the US, the shift to a business case approach arose from a failed affirmative action approach, rather than the EEO approach taken in the UK and New Zealand. The UK has not embraced the business case approach to the extent of the US while in New Zealand the business case approach has been strongly argued by the Equal Employment Opportunities (EEO) Trust for many years.

Indeed, the term "diversity" is frequently used interchangeably with EEO/AA regulations, but they are not the same. Required by law, EEO/AA programs tend to be focused on short-term recruiting to attain a certain percentage of minority employees, ensure that a company's HR policies are not discriminatory, and keep the company out of legal trouble. Some degree of diversity will be the end result:

- ❖ A workforce composed of a heterogeneous mix of people of different race-ethnicities and genders. But for a company setting out to build a diverse workforce and use it to advantage; the raw diversity numbers are only the start of the story.
- ❖ Diversity management initiatives are long-term and strategic in focus; strive not only to recruit but to actively develop, promote, and capitalize on the different skills and perspectives of minority employees; and involve fundamental organizational change.

3.9 Managing Diversity:

Managing diversity means acknowledging people's differences and recognizing these differences as valuable; it enhances good management practices by preventing discrimination and promoting inclusiveness. Good management alone will not necessarily help work effectively with a diverse workforce. It is often difficult to see what part diversity plays in a specific area of management.

Most people believe in the golden rule: treat others as you want to be treated. The implicit assumption - how you want to be treated is how others want to be treated. But when this proverb is considered through a diversity perspective then some questions arise like: what does respect look like; does it look the same for everyone and so on. It depends on the individual. We may share similar values, such as respect or need for recognition, but how we show those values through behavior may be different for different groups or individuals. Perhaps instead of using the golden rule, we could use the platinum rule which states: "treat others as they want to be treated."

It is very important to consider the following perspectives for effective management of diversity:

3.9.1 Role to be Performed:

Key roles in transforming the organizational culture which reflects the values of our diverse workforce. Some of the roles/skills needed are:

- ❖ An understanding and acceptance of managing diversity concepts
- ❖ Recognition that diversity is threaded through every aspect of management
- ❖ Self-awareness, in terms of understanding own culture, identity, biases, prejudices, and stereotypes
- ❖ Willingness to challenge and change institutional practices that present barriers to different groups

It's natural to want a cookbook approach to diversity issues so that one knows exactly what to do. Unfortunately, given the many dimensions of diversity, there is no easy recipe to follow. Advice and strategies given for one situation may not work given the same situation in another context.

3.9.2 Issues should be Considered:

- ❖ Process to make the job sound appealing to different types of workers
- ❖ Recruitment process that is effectively targeted to diverse groups
- ❖ Ways to overcome bias in the interviewing process, questions, and response

3.9.3 Strategies to be Taken:

- ❖ Specify the need for skills to work effectively in a diverse environment in the job, for example: "demonstrated ability to work effectively in a diverse work environment."
- ❖ Make sure that good faith efforts are made to recruit a diverse applicant pool.
- ❖ Focus on the job requirements in the interview, and assess experience but also consider transferable skills and demonstrated competencies, such as analytical, organizational, communication, coordination. Prior experience has not necessarily mean effectiveness or success on the job.
- ❖ Use a panel interview format. Ensure that the committee is diverse, unit affiliation, job classification, length of service, variety of life experiences, etc. to represent different perspectives and to eliminate bias from the selection process. Run questions and process by them to ensure there is no unintentional bias.
- ❖ Ensure that appropriate accommodations are made for disabled applicants.
- ❖ Known to own biases. Such as: stereotypes that are possessed by people from different groups, preferable communication styles and so on. Sometimes what we consider to be appropriate or

desirable qualities in a candidate may reflect more about our personal preferences than about the skills needed to perform the job.

3.9.4 Fair vs. Same Treatment:

Many people think that "fairness" means "treating everyone the same. For example, when employees have limited English language skills or reading proficiency, even though that limit might not affect their ability to do their jobs, transmitting important information through complicated memos might not be an effective way of communicating with them. While distributing such memos to all staff is "treating everyone the same," this approach may not communicate essential information to everyone. A staff member who missed out on essential information might feel that the communication process was "unfair". A process that takes account of the diverse levels of English language and reading proficiency among the staff might include taking extra time to be sure that information in an important memorandum is understood. Such efforts on the part of supervisors and managers should be supported and rewarded as good-management practices for working with a diverse staff.

3.9.5 Managing Diversity is Different from Affirmative Action:

Managing diversity focuses on maximizing the ability of all employees to contribute to organizational goals. Affirmative action focuses on specific groups because of historical discrimination, such as people of color and women. Affirmative action emphasizes legal necessity and social responsibility; managing diversity emphasizes business necessity. In short, while managing diversity is also concerned with underrepresentation of women and people of color in the workforce, it is much more inclusive and acknowledges that diversity must work for everyone.

3.9.6 Consequences of Ignoring Diversity:

Ignoring diversity issues costs time, money, and efficiency. Some of the consequences can include unhealthy tensions; loss of productivity because of increased conflict; inability to attract and retain talented people of all kinds; complaints and legal actions; and inability to retain valuable employees, resulting in lost investments in recruitment and training.

3.9.7 Employee Diversity Training:

Leaders are beginning to understand that diversity training within their organizations is a key component to supporting diversity initiatives. All employees and, in particular, management, must learn how to effectively interact with others in a diverse workplace. Many companies recognize that they should encourage employees to continue to learn new skills in dealing with and managing a diverse workforce. Through diversity training, a

company can create a common frame of reference and establish a solid foundation upon which employees can understand each other and eliminate biases and barriers that often impede on the companies' overall ability to effectively promote a culture of inclusion.

Conducting diversity training for all employees is a priority at one communications business. All employees must participate in an EEO training course. The course helps employees recognize and understand the importance of diversity in the workforce and how the definition of diversity has evolved over time. In addition to formal training, the business offers comprehensive literature to its employees on diversity. Other sources of information include a video on diversity at the company, a resource library that offers materials on diversity and an intranet website which features important facts on diversity at the company, with additional information on related subjects. The organization believes that by providing the right type of diversity training to its employees, it can encourage better understanding and appreciation of human differences and how those issues can inhibit or enhance an individual's or a group's overall input to the company's shared diversity goals.

The diversity training workshop involves not only general diversity training, but also covers a broad range of specific diversity-related topics such as seminars on 3rd gender in the workplace and sexual harassment awareness training. The objectives of these workshops are to identify the business implications of valuing diversity; to examine the effects that personal attitudes and stereotypes have on behavior; to develop a communication model that emphasizes cultural diversity and to develop personal as well as professional strategies to help cultivate a climate that values diversity.

3.9.8 Management Training:

Some companies focus their diversity training exclusively on top-management personnel. By training supervisors and managers, these companies believe that senior level executives are better equipped as leaders to oversee the infusion of diversity understanding amongst all employees.

A Diversity Champions Workshop was created in 2002 by different world renowned companies (IBM, Google, L'oreal) as a "Train-the-Trainer" program designed especially for managers. Managing to Win ("M2W") is an interactive workshop created to transform the challenge of diversity into an opportunity for inclusion in the business. It helps managers to engage a higher percentage of the workforce in core business activities and increase productivity. Such training helps managers to foster an environment of inclusion whereby all employees, regardless of their background, ethnicity or sexual orientation, have the chance to be involved and engaged in work that they feel adds value to the company's business objectives. In addition, every executive's and manager's performance review is linked to his/her role in supporting the company's diversity policies and goals. Lastly, all participants are required to conduct three staff meetings within their departments to review the concepts of the training material.

3.9.9 Employee Performance Evaluations:

Maintaining a non-discriminatory, objective performance evaluation system is an important element of diversity that is often overlooked. Some companies, however, do recognize that establishing impartial performance criteria not tainted by the evaluator's personal prejudices promotes a work environment that values every employee, regardless of his/her age, gender, racial or ethnic background. Performance evaluation system centers on five core competencies:

- a) Teamwork,
- b) Leadership/vision,
- c) Judgment,
- d) Creativity/innovation and
- e) Accountability.

These five-core set of competency measures rather than experience or skill set measures help the business to ensure better support an objective assessment of performance. The human resources department works closely with managers to help them better assess an employee's performance in an unbiased manner, and to appropriately document the employee's performance as part of its review. Managers, in particular, learned how to offer constructive criticism and feedback.

3.9.10 Compensation & Benefits:

Measures to attract and maintain a diverse workforce should include policies that ensure equal pay for equal work and cultivate a work environment that offers flexible benefits that meet the needs of its employees. Therefore, companies are increasingly offering competitive programs and policies that are supportive of the requirements of a diverse work population. Industry benchmarking is used when determining competitive pay for employees. Recently, one cable company initiated a comprehensive pay equity audit system to evaluate pay across scales throughout the company from various points of view. This new auditing method will be conducted annually to ensure that pay practices are enforced equitably across the board.

"VZ-LIFE" (Life Initiatives For Employees) is a program offered as part of its commitment to meet the changing needs of its employees. Employees can call a toll-free number or access online information for guidance on many topics including marital and family concerns, child and elder care issues, emotional health, substance abuse, health topics and legal issues. Access to an experienced counselor is available 24 hours a day, each day, at no additional cost to an employee. Comprehensive benefits package that ranges from traditional health and welfare benefits, including retiree medical and financial security benefits. The less traditional benefits plan includes adoption assistance, dependent and health care spending accounts, a commuter reimbursement

program, an Employee Assistance Offering (EAO) provides these benefits; company can recruit and retain a diverse group of talented employees who might otherwise not join the company, or may otherwise be forced to leave the workforce due to work-life balance issues.

3.9.11 Promotion of Family-Friendly Work Environment:

The growing demands of employees to balance work and family life is an issue that companies grapple with as they try to create inventive programs and policies that help employees more effectively manage their commitments at work and at home. Generally, a company's benefits program is linked to its obligation to support and advance a family-friendly work environment that addresses the difficulties of balancing work-life issues. By offering flexible programs, companies are in a better position to attract and retain diverse employees.

Where possible, company may permit flexible work arrangements such as flextime, part-time employment, job sharing, compressed schedules and telecommuting. This organization also offers daycare discount agreements with local childcare provider centers across the nation. To foster a family-friendly workplace, company may offer a generous maternity and paternity leave. Some company requires 24 hours/7 days a week business operation in some positions. Examples include alternate work scheduling, flexibility with business-related travel and generous leave policies. Vacation time is accrued based on the number of years of service, however, an employee may purchase three additional days of vacation. In addition, the company may initiate a "summer hours" program to allow its employees more scheduling flexibility in work hours throughout the summer.

By promoting a strong family-friendly workforce, employees are more likely to be productive and successful at work. Company should have a longstanding commitment to provide a professional environment that respects the dignity of every employee. To this end, an anti-discrimination policy is regularly communicated and enforced throughout the company. From time to time, the business sponsors anti-harassment training to educate employees on how to solicit the appropriate advice and support should it become necessary.

On the whole, the company recognizes that its work-life policies are a key role in attracting and retaining talented, diverse employees.

3.9.12 Retention/Termination Criteria:

Few companies that responded to the survey have a formal retention or termination criteria. Many companies view retention as a business goal that is linked to training and career development. As such, organizations address the retention and professional growth of its workforce but have less formal retention/termination policies in place.

In 2001, one telecommunications company commenced a Development and Leadership Initiative (“DLI”) program to address the retention and professional expansion of its minority and women employees. The goal of the program is to ensure that the company continues to be enriched with talented employees from different walks of life, and that those employees are prepared to take on new challenges and opportunities as they arise.

In doing so, the company can better direct its recruitment efforts to draw a broad and diverse candidate pool. Additionally, the company conducts a quarterly turnover analysis on minority turnover. This permits the company to scrutinize changes in employment ratios. It also examines exit data to evaluate the reasons behind employees leave the company either voluntarily or involuntarily. This mechanism allows the company to track trends in turnover related to race or gender.

3.10 Activities Commonly Included in Diversity Initiatives:

3.10.1 Strategic Initiative:

3.10.1.1 Recruiting:

- ❖ Employee referral programs
- ❖ Diverse recruiting teams
- ❖ Internship programs and sponsored scholarships
- ❖ Job posting and advertising initiatives targeting specific groups
- ❖ Minority conference and job fair attendance
- ❖ Recruiting efforts targeting universities and community colleges with diverse student bodies.

3.10.1.2 Retention:

- ❖ Corporate-sponsored employee resource or affinity groups
- ❖ Employee benefits (e.g., adoption, domestic partner, elder care, flexible health, and so on).
- ❖ Work life programs and incentives (e.g., onsite child care, flexible work schedules etc.)

3.10.1.3 Development:

- ❖ Leadership development training programs
- ❖ Mentoring programs
- ❖ Minority supplier programs
- ❖ Community service outreach
- ❖ Communication award programs providing public recognition of managers and employees for diversity achievements
- ❖ Newsletters, internal web sites on diversity
- ❖ Senior leadership addresses, town hall meetings, business updates.

3.10.1.4 Training:

- ❖ Awareness training on the organization's diversity initiative
- ❖ Issue-based/prevention training (e.g., sexual harassment, men and women as colleagues)
- ❖ Team building and group process training

3.10.1.5 Staffing and Infrastructure:

- ❖ Dedicated diversity staffs
- ❖ Executive and local diversity councils

3.10.2 Design of Diversity Strategy:

The development of a diversity strategy needs to reflect the overall business strategy of the organization. Ideally it should contain **goals** (which are broad statements of intent related to the organizational strategy). A goal describes an outcome or an end result that can be met through the achievement of objectives. The goal will be supported by **objectives** which clearly define the desired results. They should be phrased in time frames (e.g. "*within two years we will have one black manager in our organization*").

Then it is important to spell out the "how" or the methods are being used to achieve the objectives. This will be **methodology**. Thereafter an **implementation development plan** will follow. This will identify strategies of various kinds, including training and development to improve the diversity functioning of the organization. During implementation, the **Workplace Skills Plan** should be integrated with the diversity training and development strategies.

Recruitment and selection as well as advancement, if relevant, should form part of the implementation strategy. The implementation should also spell out exactly who in the organization should assume accountability for the different kinds of implementation.

Monitoring and evaluation should be carried out to measure the success of the diversity plan/strategy. The Employment Equity report can act as a benchmark as well as the Annual Training Report.



Figure 3.2: Design of Diversity Strategy

3.10.2.1 Development of Diversity Design Plan:

The design phase should be followed by implementation. The scale of the implementation will depend on the size of the organization but should consider both internal and external approaches.

- ❖ Internal approaches would relate to employees in the organization, training, development, coaching, mentoring and retention.

- ❖ External approaches deal with how company relates to its customer or client base and is sensitive to the external diversity.

This would also be the appropriate stage to consider policy and procedure, especially the kind of policy which relates to diversity (e.g. sexual and racial harassment/recruitment and selection/affirmative action). Organizations must also attend to the communication of diversity planning and again the kind of communication will depend on the size of the organization. Essentially it should be as inclusive as possible.

3.10.2.2 Implementation:

This involves the roll out of the plan and strategy and should deal with the responsible people in the organization, time frames, indicators of success and participation by employees. If the company has an Employment Equity Forum the members might well be involved in the implementation phase.

3.10.2.3 Maintenance:

The critical aspect of any change process, that, it needs to be conceived of as a process and not a **“once-off”** event. Therefore the momentum that will emerge in the initial stages needs to be maintained over time and driven by individuals (sponsors) or a group (Employment Equity Forum).

The Employment Equity Forum is the body elected to represent the employees within the workplace for the purpose of consultation around the EE plans and report. The EE Forum should be representative not only of race, gender and disability but also of job levels and categories.

Obtaining feedback is important in maintenance as is incentivizing the process. Managers need to reward individuals and groups who **“walk the talk”**. The sponsors need both budget and time allocation to make a success of the intervention.

3.11 Dimensions of Diversity in the Workplace:

3.11.1 In Respect of Nation Wise:

With the globalizing economy and the increase in multinational corporations, diversity management no longer refers solely to the heterogeneity of the workforce within one nation but often refers also to the workforce composition across nations.

3.11.1.1 Inter-National Diversity Management:

Refers to managing a diverse workforce of citizens or immigrants within a single national organizational context. An example would be a German company instituting policies and training programs for its employees to improve sensitivity and provide employment opportunities to members of minority groups and recent immigrants in its workforce.

3.11.1.2 Cross-National Diversity Management:

Refers to managing a workforce composed of citizens and immigrants indifferent countries (e.g., a Korean company with branches in Japan, China, and Malaysia establishing diversity policies and trainings that will be applicable in its headquarters and also in its subsidiaries in these countries). Each of these types of diversity management presents different challenges and dilemmas, and each requires a different set of policies and programs.

In addition to practicing within the laws and social norms of its home country, cross-national diversity management requires employers to take into consideration of the legislative and cultural context in other countries, depending on where their workforce resides.

For example, a company based in South Africa has to abide by the South African equal rights legislation, which compels it to treat men and women equally. If the same company has a branch in Saudi Arabia, however, it will have to treat its employees according to the laws of that country, which are inspired by the Shari'ah and follow the Islamic tradition of prescribed gender roles. In South Korea, as another example, the cultural norms dictate that married women with young children leave their careers and devote their time to their families. Therefore, while a U.S. company is likely to provide training and promotion opportunities to young women (in compliance with antidiscrimination legislation), its Korean subsidiary may view such policies as a waste of time, considering the Korean cultural norms.²¹

²¹ Lee, 1997; Park, 2008

3.11.2 Surface & Deep Level Wise:

Dimension of diversity in terms of surface and deep level wise is another way to express existing diversity style in the organization. Detail aspects of diversity dimension are shown in Appendix 3.1.

3.11.2.1 Race and Gender:

The two most common forms of diversity are found in the workplace. These two factors lead to different experiences that can broaden the scope of team; a black woman might have a very different view of the impact of an ad campaign than a white man, for example. The differences can sometimes lead to conflict, but they can also spark new ideas that a homogenous group might never come up with.

3.11.2.2 Culture and Religion:

People often have a strong emotional connection to their heritages and religions, making this a hot point in diverse workplaces. For example, if most employees follow a mainstream religion and want to celebrate a major religious holiday, employees of different religions might feel offended or excluded. On the other hand, manager might not understand when an employee from a minority religion asks for time off for a religious holiday if he/she is not familiar with.

3.11.2.3 Age:

Each generation typically has its work ethic and style, which can cause dissension among the ranks when the styles clash. However, experienced workers often have great wisdom and tenacity, while the fresh-graduates bring new and trendy ideas. It's good for the company to value workers of all ages.

3.11.2.4 Physical Abilities:

Businesses accommodate physical disabilities whenever possible, bringing another level of diversity to the workplace. Some disabilities are obvious, such as someone in a wheelchair, while others, such as chronic fibromyalgia, are not as noticeable. Accommodations might be as simple as an ergonomic chair or keyboard tray or as complicated as installing a ramp or wheelchair lift.

3.11.2.5 Education and Life Experience:

An employee's education level and life experiences help to define who she is, how she sees the world and how she relates to co-workers. Someone with a master's degree might have difficulty finding something in common with a high school graduate. Also, a former stay-at-home mom might have different opinions and ideas from a woman whose main focus has been to climb the corporate ladder.

Surface & Deep Level Diversity Can Also Be Seen as Following Way:

Diversity can be understood as variety or heterogeneity of labor force from the point of view of certain criteria or dimensions:

❖ Primary Dimensions:

1.	Age
2.	Ethnicity
3.	Gender
4.	Mental / physical abilities and characteristic
5.	Race
6.	Sexual orientation

Table 3.1: Primary Dimensions of Diversity

Source: HUBBARD, E.E. Diversity management. Amherst: HRD Press, 2004, ISBN 0-87425-761-1

The dimensions included in the primary dimensions have a big influence on our employability (they are basically self-evident and easy to spot). People often focus mainly on primary dimensions because they are easier to perceive and people are inclined to be more sensitive to them. Hubbard [8, p. 30] states further that: **“Core or primary dimensions of diversity exert an important impact on our early socialization and a powerful, sustained impact throughout every stage of life.”**

Secondary dimensions play an important role in forming our value orientation, our expectations and also in forming our experience. In reality these are very variable.

❖ **Secondary Dimensions:**

1.	Communication style
2.	Education
3.	Family status
4.	Military experience
5.	Organizational role and level
6.	Religion
7.	First language
8.	Geographic location
9.	Income
10.	Work experience
11.	Work style

Table 3.2: Secondary Dimensions of Diversity

Source: HUBBARD, E.E. Diversity management. Amherst: HRD Press, 2004, ISBN 0-87425-761-1

According to the dimension of diversity, understanding “Going beyond the surface” is very important: Diversity is often equated with things we see on the surface. These include age, race, ethnicity, language, religion, sex. Diversity must also include beliefs, values, viewpoints and ways of behaving. Diversity is not just about differences. It is also about realizing how people are similar even though they may seem to be behaving in different ways on the surface. The key is to be aware of biases, recognize where they come from, and do not let them lead us to dysfunctional behavior. In today's rapidly globalizing business environment, many cross cultural problems arise out of a lack of appreciation of diversity.

3.12 Examples of Diversity in the Workplace:

We literally live and breathe in a diverse world but we sometimes forget to take a moment and reflect on how many opportunities and possibilities it offers us. The remarkable thing is that it requires conscious thought and action to create this type of workplace. Leaders have to deliberately select the qualities they prefer and put the systems in place to make it happen. They could just as easily build workplaces based on an entirely different set of characteristics.

Here are twenty examples of diversity in the workplace; each one can be used as a way to bring people together.

1. Age.
2. Gender.
3. Race and ethnicity.
4. Education.
5. Physical appearance.
6. Physical ability.
7. Culture.
8. Problem-solving ability.
9. Critical thinking ability.
10. Team building ability.
11. Communication ability.
12. Income.
13. Music enjoyed.
14. Type of books read.
15. TV shows enjoyed.
16. Experiences when being raised.
17. Language.
18. Capability for empathy.
19. Ability to be kind.

- 20. Ability to motivate people.
- 21. Ability to work with others.
- 22. Job description.
- 23. Listening ability.
- 24. Conflict resolution ability.
- 25. Level of self-awareness.

People are only as different as we make them out to be. We choose which characteristics we want to highlight mostly based on what we are comfortable with. If we wanted to, we could begin celebrating every quality; our employees possess and increase our access to their amazing talents and abilities immediately. Ideally, we use people’s unique characteristics to make our workplace stronger rather than creating divisions.

3.13 The Diversity Continuum:

According to R Roosevelt Thomas Jr. (Leader to Leader, Winter 1998) approaches to diversity lie across a continuum:

Affirmative action
Understanding differences
Managing workforce diversity
Strategic diversity management

Table 3.3: The Diversity Continuum

Affirmative action focuses on inclusion. The goal is a demographically representative workforce that complies with legal, moral, or social responsibility prescriptions.

Understanding differences focuses on achieving harmony among diverse organizational participants. Here the aim is to leverage the potential richness that can flow from diversity and avoid conflicts that can hamper productivity.

Managing workforce diversity focuses on creating a workplace environment that allows all participants to contribute to their full potential. This approach requires a willingness to assess the organization's core beliefs and practices, and to change these when needed. The company must address the complete range of significant people related differences. It goes beyond racial and gender differences. It accepts that differences in learning style, tenure with the organization, or family responsibilities may have more impact than demographic differences.

Strategic diversity management is the most comprehensive approach to diversity. It addresses workplace or business diversity in ways that support individual and organizational goals. This approach recognizes that non demographic workplace or business mixtures can create challenges equal to those created by workforce demographics. Workplace or business diversity mixtures include the following:

- Business units combined through acquisitions and mergers,
- Distinct functional unit,
- Multiple product lines,
- Customers, clientele, or constituencies.

3.14 The Components of A Successful Diversity Initiative:

Before an organization determines where to begin developing an initiative, they must spend time determining the purpose of the initiative. They need to explore the reasons for beginning diversity work. They also need to identify critical strategic drivers and what and where the challenges and opportunities are. Once the cause for action has been clarified and the desired outcomes detailed, an organization can begin creating a plan.

The following are the steps for developing a basic diversity initiative:

- 1. Get Executive Commitment:** Getting commitment from the top is essential to form a successful diversity initiative. Without the support, team will not be successful. Having commitment from the top sends a very clear message to the organizations senior management about the seriousness and business relevance of diversity. Also, top-down commitment reinforces the desired outcomes and helps to convey the message that cooperation, involvement and commitment of the part of senior management is expected.

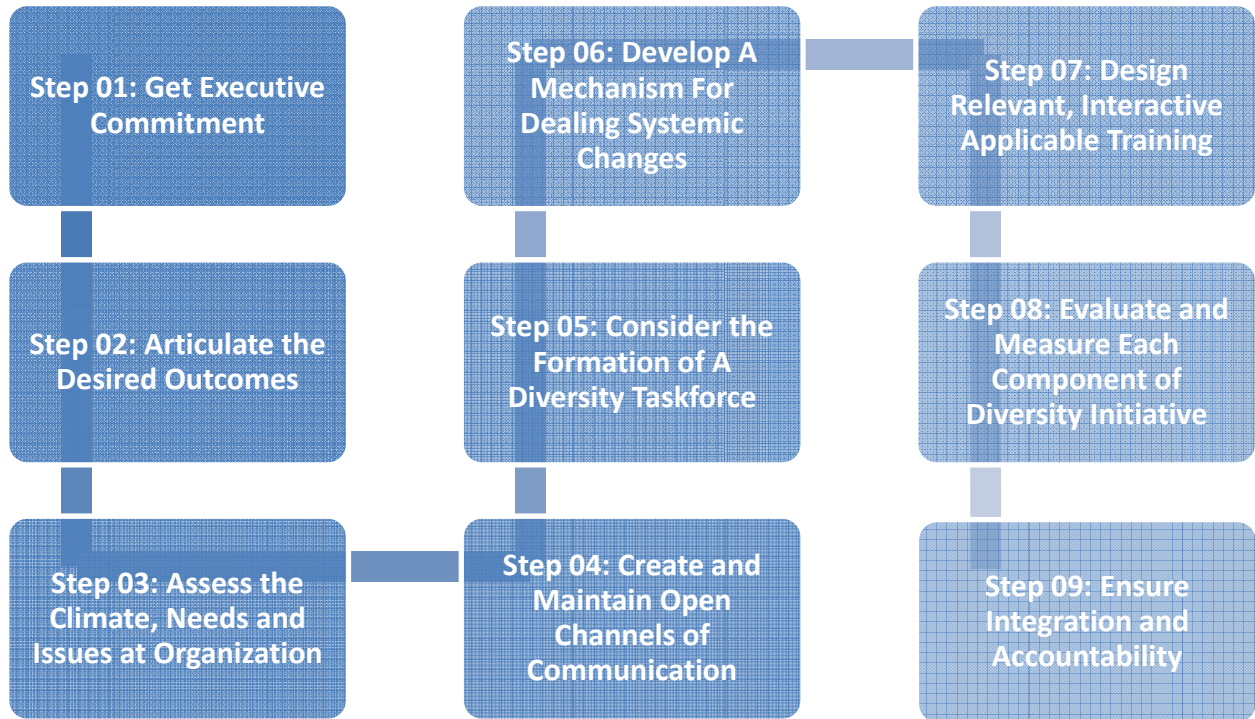


Figure 3.3: Steps for Developing a Basic Diversity Initiative

2. **Articulate the Desired Outcomes:** Be specific about how support and commitment are to be shown and from who it is expected.
3. **Assess the Climate, Needs and Issues at Organization:** Collect information from employees about their perception of diversity issues. It is also helpful to collect information to determine where the organization is on the diversity continuum.
4. **Create and Maintain Open Channels of Communication with Employees at the Launch of the Diversity Initiative and Throughout the Process:** Communication is critical to the success of any diversity plan. It should occur at the beginning of the planning process and should continue throughout the entire process. Communicate back to senior management and staff any results and/or progress. This is essential in order to share successes and benefits and to continue to get support for initiative.

5. **Consider the Formation of a Diversity Taskforce:** To create a taskforce, it should be ensured that it is composed of a vertical and horizontal cross section of the organization. This team can help analyze assessment data and make recommendations to top management.
6. **Develop a Mechanism for Dealing with Systemic Changes and Procedural Problems:** Obstacles and problems must be addressed in order for a diversity initiative to succeed. Work on implementing solution plans to any organization, may encounter. Consider using a diversity taskforce or the creation of special task force teams to work on recommending possible solutions.
7. **Design Relevant, Interactive Applicable Training:** Effective training will increase awareness and understanding about diversity and will also develop concrete skills that employees can use to deal with workplace diversity, its implementations and its effects. Start with awareness training, knowledge training and training that builds specific diversity skills.
8. **Evaluate and Measure Each Component of Diversity Initiative:** Evaluate the results of the initiative and measure progress. Set measurable criteria and determine the process to gather the data. Also pre-and post-assessment and measuring against baseline data is helpful.
9. **Ensure Integration and Accountability:** Lastly, it is important to integrate the diversity efforts into the culture of the organization and hold senior management accountable for pushing diversity down into the organization. These steps will make diversity an integral part of the organization, its operations, systems and policies.

3.15 What Does a Company Need to Do to Become Diverse:

To create an effective diversity-management program, a company must integrate elements from following areas:



Figure 3.4: Company Need to Do to Become Diverse

3.15.1 Leadership:

Formal commitment: ensure that senior leadership or corporate executives express a commitment to diversity and act in line with the stated diversity policy

The company's leadership should cultivate a mindset that acknowledges diversity requires long-term cultural change, views diversity as good for people, and interprets diversity to include managers and executives within the firm should become vocal advocates for diversity programs to all people.²² Making a formal commitment in this way can bind a company's management to taking actions that contribute to diversity. The number of diversity policies that senior managers initiate and explain, and their communication—including memos, public statements, and company speeches—with employees on the topic, reveal the degree of executive commitment to diversifying the workforce.²³

²² Loden, Marilyn, *Implementing Diversity*, San Francisco: McGraw Hill, 1996.

²³ Baytos, Laurence, "Launching Successful Diversity Initiatives," *HR Magazine*, Vol. 37, No. 3, 1992, pp. 91–99

Corporate leaders should embrace diversity within their own ranks. Diversity at the top level signals the leadership's willingness to value and capitalize on it. Placing minority personnel (if qualified as per company standard) in leadership positions will remind other managers and employees of the company's commitment to diversity and will increase overall involvement in diversity initiatives.²⁴

Formal objectives/plan: develop corporate objectives for diversity and integrate them into the business plan

The leadership of a company should develop a set of diversity objectives linked to its business and operating goals. Include diversity principles in the corporate mission statement to integrate diversity into the corporate philosophy, day-to-day practices, and way of doing business.²⁵ Incorporating diversity principles into the corporate philosophy will help catalyze the organizational change needed for a diversity program to be successful.²⁶

Develop a clear business rationale for diversity policies. This will create a more focused direction for the diversity program and a deeper level of firm-wide commitment (Baytos, 1992). Employees are more likely to accept diversity initiatives if they are given economic and business justifications in addition to moral and legal ones.

Leader involvement: involve senior leadership in planning and implementing the company's diversity programs.

Loden (1996) says that the statements advocating diversity will not by themselves motivate change. Extensive management involvement in the implementation of diversity programs is needed to help diffuse diversity principles throughout the organization and into the attitudes of employees. This involvement requires time and energy on the part of senior leaders and is the most significant sign that diversity is a high priority in an organization. Gilbert, Stead, and Ivancevich (1999) describe CEO involvement as the crucial initiation phase of diversity management.

To ensure leadership participation in diversity initiatives, create a separate senior executive position focused on diversity objectives.²⁷ A diversity director should be involved in all aspects of the firm and should attempt to make diversity an overall business requirement. Arrange for the CEO to participate in meetings and feedback sessions relating to diversity. Managers should be personally involved in diversity training sessions for junior-level personnel.

²⁴ Morrison, Anne, *The New Leaders: Leadership Diversity in America*, San Francisco: Jossey-Bass, 1996.

²⁵ Naff, Katherine, and Edward Kellough, "Ensuring Employment Equity: Are Federal Diversity Programs Making a Difference?" *International Journal of Public Administration*, Vol. 26, No. 12, 2003, pp. 1307–1336.

²⁶ Coleman, Troy, "Managing Diversity: Keeping It in Focus," *Public Management*, Vol. 76, 1994, pp. 10–16.

²⁷ Cox, Taylor, *Creating the Multicultural Organization*, San Francisco: Jossey-Bass, 2001.

Direct and visible leadership participation sets ***"diversity-competent"*** role models for the rest of the firm. By committing their own time to diversity initiatives, company leaders demonstrate how important diversity is to the organization and encourage employees to make a similar commitment (Cox, 2001).

Organizational structure: create a diversity office focused on promoting diversity in the firm

Establish a diversity office or department as a means of introducing a new diversity agenda.²⁸ The department must be integrated into the mainstream of the organization. If it is a peripheral entity to which diversity concerns are simply siphoned off, the diversity agenda is likely to become marginalized.

3.15.2 Communication:

Use internal communication programs to support the implementation of diversity programs and articulate to employees the reasons behind importance of diversity.

According to the literature, successful diversity programs require extensive internal communication networks, allowing the management to articulate diversity policies, objectives, rationales, and communicate them directly and clearly to the rest of the firm. Have senior leaders communicate their commitment to diversity through a corporate mission statement as well as memos, public statements, and speeches.²⁹

Present diversity initiatives directly to employees with a clear strategic vision.³⁰ Kirby and Richard's research found that white employees who were not provided with a justification and rationale for diversity programs tended to feel more resentment toward newly hired minority personnel and interacted less effectively with them than employees who were thoroughly informed of the objectives behind diversity programs. Those who did not receive information on diversity policies also tended to have less attachment to the firm and lower morale. Use communication - diversity newsletters, informational intranet, seminars, and direct memos from the CEO - as an ***"internal marketing campaign"*** to win the support and enthusiasm of employees and define what ***"managing diversity"*** will and will not mean in the context of the firm.³¹

²⁸ Caudron, Shari, "Diversity Watch," *Black Enterprise*, Vol. 29, September 1998, p. 91.

²⁹ Baytos, Laurence, "Launching Successful Diversity Initiatives," *HR Magazine*, Vol. 37, No.3, 1992, pp. 91-99.

³⁰ Kirby, Susan, and Orlando Richard, "An Investigation of Workforce Diversity Programmes: A Multiple Perspective Approach," *Equal Opportunity International*, Vol. 15, No. 6/7, 1996, pp. 17-27.

³¹ Hubbard, Edward, *The Diversity Scorecard: Evaluating the Impact of Diversity on Organizational Performance*, San Francisco: Elsevier, 2004

3.15.3 Initiatives:

To be effective, research suggests that diversity practices need to be implemented at all levels and in all aspects of the organization. Without properly designed and articulated initiatives, diversity objectives and leadership involvement will be wasted.

3.15.4 Recruiting, Promotion, Retention, and Evaluation:

Create programs focused on recruiting diverse employees, advancing minorities to management levels, and retaining diverse talent. According to the literature, corporate diversity begins (but does not end) with initiatives to recruit, promote, and retain a diverse group of employees.

3.15.4.1 Recruiting:

Create an organizational environment that appeals to candidates from diverse labor markets.³² A company with a diverse workforce and minority executives can help to convince potential hires that its work environment is diversity-friendly.³³ Use a diverse team of recruiters to spearhead the recruitment effort. They are likely to have connections with a variety of professional organizations and be able to communicate effectively with diverse candidates.

Establish long-term relationships with minority organizations, professional groups, and colleges that can provide access to minority candidates.³⁴ Use minority publications - magazines, newspapers, and web sites—to identify and attract personnel from diverse labor markets (Digh, 1999). Interview potential candidates for "***diversity competency***" to ensure that new hires will be able to support the culture of diversity in the organization. Cox (2001) defines diversity-competent people as those who readily recall working with, and learning from, culturally different individuals.

3.15.4.2 Promotion:

Pay special attention to promoting minority personnel. This does not mean that persons in certain ethnic or racial groups should be promoted with lower credentials or given better performance ratings for lesser work. Rather, promotion boards and performance evaluation should take cultural or ethnic differences into account and capitalize on individual differences (Cox, 2001).

³² D'Netto, Brian, and Amrik Sohal, "Human Resource Practices and Workforce Diversity: An Empirical Assessment," *International Journal of Manpower*, Vol. 20, No. 8, 1999, pp. 530–547.

³³ Cole, Yoji, "Corporate Reputation Matters," *Diversity Inc*, Vol. 1, No. 1, November/December 2002, pp. 53–56.

³⁴ Digh, Patricia, "Getting People in the Pool: Diversity Recruitment That Works," *HR Magazine*, Vol. 44, No. 10, 1999, pp. 94–98

Bowen, Bok, and Burkhart (1999) suggest that race, ethnic background, and gender help to define an individual and so should be considered in an evaluation or promotion process.

Ensure that those in line for a leadership position are diversity-competent; that is, they understand and have internalized the firm's diversity principles (Cox 2001, p. 123). Place minority managers on promotion panels to protect the objectivity of the promotion process while ensuring that diversity concerns are represented (D'Netto and Sohal, 1999).

3.15.4.3 Retention:

Provide effective mentoring and support programs, a diversity-friendly environment, and plenty of promotion opportunities (qualified minority people) to retain more diverse employees.³⁵ According to Diversity Inc. (2003), policies that can effectively encourage minority employees to stay with a firm include skill and managerial training, reimbursement for educational cost, commitment of senior management, making diversity a central aspect of the business strategy, existence of a large base of minority employees, and financial support for diversity initiatives.

Professional development for minorities: establish initiatives focused on developing the skills of diverse employees.

Give minority employees any special preparation—including language and technical training—they need to do their jobs effectively and ensure that they are accepted into the organization (D'Netto and Sohal, 1999). Minority personnel might need additional professional development opportunities because they may not have had exposure to the same opportunities as white employees.

Determine the personal development needs of each minority employee and create an individualized employee training, development, and progression plan.³⁶ Establish mentoring programs for minority employees that give them feedback on their performance, map career options, and provide support and encouragement. Mentoring can help minority employees cope with job stresses and challenges that derive from their minority status.³⁷ Thomas (2001) says that employees of color advance through the corporate hierarchy more slowly than white employees, particularly in the early years of their career. Having a mentor, particularly someone of their own ethnicity, can help speed their development and place them on par with whites.

³⁵ Davis, Sharon, "Minority Executives Want an Even Break," *Workforce*, Vol. 79, No. 4, April 2000, p. 50.

³⁶ Wentling, Rose Mary, and Nilda Palma-Rivas, "Current Status of Diversity Initiatives in Selected Multinational Corporations," *Human Resource Development Quarterly*, Vol. 11, No. 1, 2000, pp. 35–60.

³⁷ Morrison, Anne, *The New Leaders: Leadership Diversity in America*, San Francisco: Jossey-Bass, 1996.

Workforce education: institute programs designed to educate the workforce in ways that create a diversity-friendly environment.

Diversity training programs for a company's workforce are among the most frequently mentioned initiatives in different literatures. Administer diversity training at all levels of the firm, from management to entry level. Training programs have a role in extending a commitment to diversity from a few top managers to those who have day-to-day responsibilities for hiring, developing, promoting, and supporting minority employees. ³⁸

Training can make personnel aware of stereotypes and barriers and allow all groups to address the obstacles that prevent minority employees from advancing or integrating. Use diversity training to teach employees how to appreciate personal differences and work in diverse groups. Training should increase individual awareness about diversity issues and help prepare employees for organizational change. ³⁹

Beyond raising sensitivity and awareness, aim diversity training at communicating important skills such as mediating cross-cultural conflict, interviewing diverse job candidates and providing feedback on diversity issues.⁴⁰ At the management level, design training to teach managers to maximize the benefits of diversity while minimizing potential conflict, respect and value differences, and understand the style and behavior of other cultures.⁴¹ Teach HR personnel how to use recruiting tools that target minorities and prevent various forms of bias.⁴² Although diversity training will have to begin as a separate program, most authors recommend integrating this specialized training into a company's management development programs.

Supplier diversity: create programs to increase the percentage of minority-owned businesses a company uses as suppliers

Supplier diversity programs signal to both the external and internal communities that diversity is an important corporate objective. Establish explicit written company or department goals for the use of minority suppliers. Programs should originate at the senior level, and information about them should be disseminated throughout the organization. Evaluate the performance of programs frequently is very

³⁸ Morrison, 1996, p. 114

³⁹ Thomas, R. Roosevelt, Beyond Race and Gender, New York: American Management Association, 1991

⁴⁰ Loden, 1996

⁴¹ Coleman, 1994

⁴² Digh, 199

important also.⁴³ The literature indicates that training is not a complete solution to diversity problems. For example, research conducted by Hood, Muller, and Seitz (2001) found that Hispanics experienced increases in self-esteem - and white women exhibited an increase in tolerance - after receiving a diversity training seminar. But white men demonstrated less tolerance toward minorities and women after the same training. Improper training can actually have negative effects on diversity support and awareness. Loden (1996) says that training can help increase individual consciousness about diversity but cannot replace communication, proper incentives, leadership commitment, and supportive policies in building a culture that promotes and values diversity.

Although training programs are one of the most frequently cited and used diversity initiatives, organizations seem to be unwilling to adopt appropriate diversity practices to manage their training and development function more effectively.⁴⁴ Keep diversity supplier programs mainstream so that they do not lose momentum.⁴⁵ Where such programs are unsuccessful, the literature attributes it to a lack of leadership support or employee awareness or both.

Social networks and awareness: use affinity groups to strengthen ties among minority employees and provide forums to increase the awareness of diversity in the workforce as a whole.

Use affinity associations to help minority employees build support networks and professional connections.⁴⁶ Although critics fear that such groups promote a negative, divisive message, most often they encourage positive outlooks and allow employees to articulate their concerns in ways that are acceptable to the larger organization.⁴⁷ Furthermore, all employees can benefit from the existence of forums that address cross-cutting issues that all groups share, such as child care.

Recognize that affinity groups take a variety of forms and range in their relationship to the parent company. Some firms choose to formally recognize and even fund a minority or employee network, while in other companies affinity groups remain informal and have a less established relationship with the firm (Cole, 2003).

⁴³ Morgan, James, "How Well Are Supplier Diversity Programs Doing?" *Purchasing*, Vol. 131, No. 13, August 15, 2002, pp. 29-35.

⁴⁴ D'Netto and Sohal, 1999, p. 542

⁴⁵ Murphy, Elena, "Future of Supplier Diversity," *Purchasing*, Vol. 125, No. 2, August 13, 1998a, p. 64S19.

⁴⁶ Digh, 1999

⁴⁷ Wentling and Palma-Rivas, 2000

3.15.4.4 Evaluation:

Accountability: create compensation and performance evaluation programs that function as accountability mechanisms

Make performance on diversity initiatives part of an employee's performance evaluation and tie it to pay, including bonuses. This helps organizations to increase accountability for diversity outcomes, ensure that diversity objectives are a priority for all employees, and speed the acceptance of diversity programs.⁴⁸

Coleman (1994) notes that rewards for top diversity performers can help solidify the firm's commitment to diversity.

Develop accountability mechanisms that give individual managers direct responsibility for the success of diversity policies.⁴⁹ Make sure that corporate executives, managers, and employees are able to clearly articulate the company's diversity policies. The ability to express diversity objectives is a prerequisite for accountability, signaling that personnel have accepted and understood the goals and requirements of the diversity program.⁵⁰

Program assessment: use formal quantitative and qualitative methods to design the company's diversity policies and measure their effectiveness.

Companies need frequent measurement, assessment, and benchmarking to design effectively targeted initiatives, determine the success and progress of diversity programs, and identify areas where additional initiatives might be useful. Gather data as a diagnostic tool before implementing a diversity initiative. The diagnostic and program-design phases of a diversity program require an understanding of the company's current demographics, employee attitudes, and potential problem areas. Data on company demographics can also serve as a benchmark against which to compare future statistics (Carter, Giber, and Goldsmith, 2001).

Seek input from employees about the needs and priorities of a diversity program. Staff surveys and focus groups can help determine where diversity programs are most needed and what constitutes a reasonable diversity goal (Carter, Giber, and Goldsmith, 2001).

⁴⁸ Carter, Louis, Richard F. Beckhard, W. Warner Burke, Edward E. Lawler III, Beverly L. Kaye, Jay Alden Conger, and John Sullivan, *Best Practices in Organization Development and Change*, San Francisco: Jossey-Bass, 2001.

⁴⁹ Morrison, 1996

⁵⁰ Bowen, Warren, Derek Bok, and Glenda Burkhart, "A Report Card on Diversity: Lessons for Business from Higher Education," *Harvard Business Review*, Vol. 77, No. 1, 1999, pp. 138–149

Surveys can ask personnel about the level of communication, the frequency of conflict, the use of informal networks, power distribution, and the existence of stereotypes. This information can help firms design specialized diversity agendas that fit their workplace environment (Cox, 2001). If employees have participated in the formation of a diversity program, they are more likely to make the sacrifices needed to promote organizational change. Use diversity task forces as sounding boards for potential diversity policies and have them recommend their own diversity initiatives and agendas.⁵¹ They can also assist in program evaluation.

Use data as an indicator of the effectiveness over time of ongoing diversity programs. Data collection is the most crucial step of the evaluation process because without data, there is no evidence of the diversity initiative's impact and therefore no need for an evaluation (Hubbard, 2004, p. 69). Program evaluation requires demographic information, including hiring and promotion statistics by ethnicity/race, employee turnover rates, and employee satisfaction levels. During an evaluation process, ascertain employees' reactions to the company's diversity program, their level of learning, the current stage of implementation, and the policy's business impact. Input from employees on how diversity programs are working can help a company redirect or fine-tune its diversity policies to better achieve its goals.⁵² To make evaluation easy, design diversity programs to have an observable or measurable outcome.⁵³

In sum, the above discussions on diversity cover two general topics:

- (1) the reasons for organizations to pursue diversity and
- (2) the methods by which they can achieve greater diversity.

The primary argument for diversity is to improve business performance; the secondary reason is to create a better work environment for employees. According to the discussion, to successfully diversify, companies must follow best practices in three categories of activities: leadership; initiatives related to recruitment, promotion, professional development, and so on; and evaluation.

3.16 Signs of Diversity in the Workplace:

It's no secret that in a country as diverse and multicultural as the United States, the workplace works best when diversity is celebrated. When workers of different ages, races, cultural backgrounds and beliefs work together, employees are happier, the community is better served and companies show that they are about more than just the bottom line.

⁵¹ Bowen, Bok, and Burkhart, 1999

⁵² Hubbard, 2004, p. 69

⁵³ Morrison, 1996

❖ **A Positive Effect:**

Diversity in the workplace is as good for the staff as it is for management. A report on diversity by the University of Florida found that in companies that celebrate and respect a diverse staff, productivity and creativity among employees goes up. A sensitive workplace also lessens the likelihood of lawsuits by creating a fair and safe environment in which everyone has access to the same opportunities and challenges.

❖ **Far-Reaching Success:**

Business today is global, so it does not make sense that a well-diversified staff would put the company in a better position to reach out to a planet full of potential customers. Companies that hire workers from various backgrounds not only draw from a broader pool of top-shelf candidates, they can more effectively market to customers and communicate with clients from different cultures, backgrounds and languages all over the world.

❖ **Support from the Top Down:**

A company is only as strong as those who run it. When it comes to diversity in the workplace, managers can do many things to make sure the company is on the right track. Social gatherings and business meetings that give every employee the chance to speak and listen to each other can create open dialogues. Mentoring programs and sensitivity training for managers also go a long way toward a safe, productive and creative workplace.

❖ **Life Outside the Office:**

Companies today realize that employees have personal lives and families to take care of. The Wall Street Journal reports that benefits such as onsite daycare, childcare subsidies and flexible schedules show employees that their employers are willing to work around important aspects of employees' lives. And companies that accommodate cultural and religious holidays and celebrate cultural events with fun events like international movie nights also make for great, diverse workplaces.

3.17 How to Demonstrate Diversity in the Workplace:

Creating a diverse workplace has many benefits. By hiring from a variety of backgrounds, company brings different cultures and experience to the table. Creating a diverse workplace can increase productivity and creativity, attract and retain talent, enhance communication and increase market share by appealing to a wider client base. Companies that choose to ignore the importance of diversity can place limits on growth

in our ever-changing global marketplace. Following plan might be useful to create diversity in the workplace:

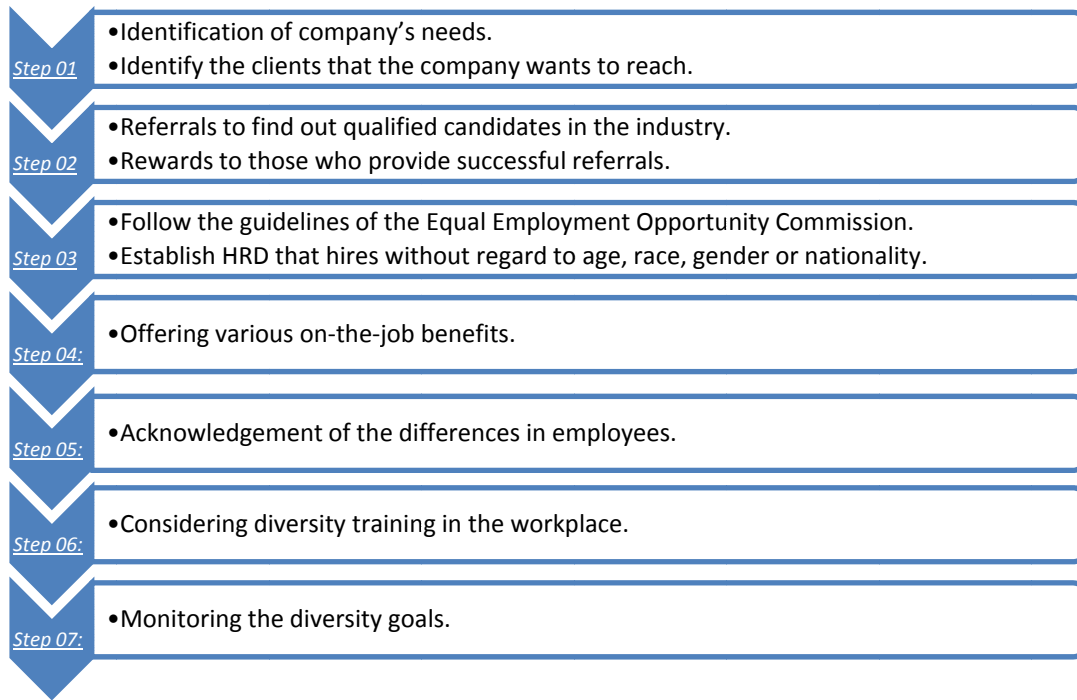


Figure 3.5: Demonstration of Diversity in the Workplace

Step 01:

Identification of company's needs is first step to perform. Employees should represent business community and identify with the clients that the company wants to reach. Recruit employees who support the goals of the company, and teach recruiters to reach out to diverse population groups through job fairs. Interact with agencies in the community that support diversity.

Step 02:

Asking employees for referrals to find qualified candidates in the industry. Offering rewards to those who provide successful referrals.

Step 03:

Follow the guidelines of the Equal Employment Opportunity Commission (EEOC) as per international standards. Establish a human resources department that hires without regard to age, race, gender or nationality. One way to do this is by using a temporary agency that prescreens applicants.

Step 04:

Offering various on-the-job benefits to attract a wider range of employees. Provide on-site daycare services, flexible schedules and accommodate religious holidays.

Step 05:

Acknowledgement of the differences in employees and accept them as valuable assets.

Step 06:

Considering diversity training in the workplace is crucial to consider. Educate employees on the laws and suggestions from the EEOC. There are pros and cons to this type of training, but it may be necessary to point out the benefits of diversity.

Step 07:

Monitoring the diversity goals is the last step to take care of. Keep a record of each employee's background and note what he contributes to the organization. Be cautious to hire and promote based solely on abilities.

3.18 Ways to Measure the Diversity Readiness in a Workplace:

Effective-systematic measurement of the costs and benefits of workforce diversity policies is essential to sustain existing programme sand to build the business case for greater investment, especially by “non-users”:

Leading companies measure the costs and benefits of investments in workforce diversity policies for a number of reasons:

First, there is a tendency for measurement to drive action – “what gets measured, gets done”;

Second, good practice requires the measurement of the costs and benefits of all forms of investment, including investments in intangibles;

Third, measurement provides a justification for the continuing use of scarce resources; and

Finally, measurement enables managers to learn lessons for future, similar investments.

There are already a large number of indicators of cost and benefit in use by companies. Most of these are qualitative and tend to focus on costs and ‘intermediate outcomes’, such as changes in workforce attitudes or demographics. As yet, there is little evidence of quantitative assessment of costs or benefits. There is also little evidence of any systematic measurement of costs, benefits and intermediate

outcomes. Notwithstanding these problems with measurement, it is possible to construct a framework for performance measurement that provides a systematic method of identifying costs, benefits, key processes, and intermediate outcomes.

Diversity in the workplace provides several benefits both internally and externally. Diversity in the workplace is present whenever different groups based on age, gender, race, sexual orientation, religious beliefs and so forth are represented or there is a general acceptance of these different groups based on the atmosphere and practices of the workplace.

There are several tools a company can use to measure diversity readiness in the workplace:

3.18.1 Surveys:

One way that a company can measure diversity readiness in the workplace is by conducting surveys. It is often best for these surveys to be anonymous so that employees feel more open to tell the truth. Questions to pose to the employees should focus on whether or not they personally feel accepted, what they think that the company does to help people of different groups feel accepted.

Another way that employers and managers can measure diversity readiness is by conducting focus groups with employees. If the company size is large, with 50-100 employees, it would be best to break the group down into about 25 people or fewer at a time. It may be best to have an outside diversity expert come in and give the feedback based on their interaction with the employees. Their knowledge of diversity will help not only get answers from employees but also to share information that may be useful to them and teach them diversity in memorable ways.

3.18.2 Complaints:

Often the best method of finding ways to improve the company is to take a peek into what has not been working for the company. Discrimination complaints to human resources office and to the Equal Opportunity Office can provide employers and managers with an honest assessment of what not to do.

3.18.3 Collect Baseline Data:

Measure and gather data about current conditions. Collecting information from a number of sources:

3.18.3.1 Collecting Existing Organization Data: Inclusion of affirmative action plans, EEO complaints and grievances, and turnovers and absenteeism statistics gives a total picture. Existing employee satisfaction survey results can also shed light on factor relevant to diversity.

3.18.3.2 Conduct a Diversity Survey: This can be done by surveying either a random sample or all employees. It is important that the survey tool which is used as tailored according to the information need of organization.

3.18.3.3 Developing Focus Groups: By getting employees together in small groups to discuss their perception of obstacles, issues and conditions, company will be able to obtain pertinent information.

3.18.3.4 Determination of Objectives: Once baseline data has been collected, company need to lay out clear objectives that are measurable.

Some examples include:

- ❖ Reduce turnover of female employees by 25%
- ❖ Improve overall employee satisfaction by 10%
- ❖ Track employees to more closely match demographics of the total workforce.

3.18.4 Revenue Pipeline:

A recent study has revealed that companies that foster workplace diversity generate more profits, have higher numbers of customers, and perform 15 times better in sales than companies that have low levels of diversity (Cox and Blake'2004). The study also revealed that for every percentage that workplace diversity increased, especially based on race and sex, sales revenues went up by approximately 9%.

3.18.5 Measurement:

After implementing interventions, comparing new findings to baseline data to be made. Using the same process in the post-phase that already done in the pre-assessment should be done. For example, to measure the effect of diversity awareness training, adding one question to a regularly administered employee satisfaction survey. Simply asking employees - whether or not they attended diversity training and comparing the survey results of those who had not participated in training. Then it is possible to compare level of satisfaction in general and determine whether or not training had a positive impact on employee performance.

3.19 Diversity Management and Developed Country:

Now European Union (EU) directives establish a general framework for the respect of equal treatment in employment. The Directives cover direct and indirect discrimination on the grounds of race, ethnic origin, religion, belief, disability, age, or sexual orientation. But legislation alone may not be enough to ensure

that all of the EU's citizens enjoy equality of opportunity in the workplace and that ultimately labor market outcomes are more equitable. To achieve these wider policy goals, additional action is needed to persuade companies to recruit, retain, and develop a diverse workforce.

Studies carried out in the UK and the US over the past four years demonstrates that more and more organizations are concerned about the diversity of their employees. Across these studies a recurring pattern of findings is emerging:

- Increasing recognition by top-level executives that good diversity management is important for employee engagement and for business success;
- Growing evidence that organizations that operate best practice HR policies around diversity tend to perform better against operational measures of business performance. 80% of employers in a Schneider-Ross survey (2002) saw a direct link between good diversity policies and improved performance;
- An emphasis upon achieving real change through increasing representative diversity, improving organizational processes, making individuals and the organization accountable for success, and changing workplace cultures;
- A lack of hard evidence to substantiate the return on investment for diversity.

Examples of organizations that have reported a link between diversity practice and key business performance Schneider-Ross survey (2002):

Proctor & Gamble - improved productivity,

Crown Prosecution Service - better service delivery,

Cadbury Schweppes -better marketing,

Nike's women products only generated about 20% of its revenue in 2001, despite the women's sports market being worth nearly \$3 million more than men's. They are recruiting from a more diverse group of people with different backgrounds and have set up a company-wide, grassroots team Nike Goddess. Staff say that this has galvanized them and become an opportunity to reenergize the Nike brand.

The British Council -'Diversity and the encountering of difference' is of course an inevitable and increasing reality of modern life. Globalization has been the principal driving force behind this, diversity creates inter-cultural interaction and what would call '**cultural proximity**'. For the British Council, globalization raises new questions in the context of its cultural relations endeavors. There is undoubtedly a need to create shared approaches to global challenges but this cannot come at the expense of the richness inherent in diversity. Different cultures approach challenges in different ways and for different reasons. We therefore need to value, respect, understand and learn from this rather than trample a path to homogeneity.

Today, **Xerox** is recognized as one of the most progressive companies in the world. It has received exceptional praise and numerous awards for building and maintaining an inclusive corporate culture. It earns several awards for diversity achievements. It has established several initiatives designed to foster a diverse corporate community. Xerox employee caucus, affinity and social groups are instrumental in advocating openness, opportunity and inclusion across the entire Xerox community. They are vital to providing employee advocacy, self-development, positive change, and serve as a communications link between senior managers and the work environment.

Communication of diversity initiatives is also touted as key; to be effective, diversity strategies must be communicated to employees and to the community at large (Catalyst, 2003(a); Thomas, 2004). Indeed, many organizations include diversity related information on their websites (e.g., Merck, 2007; Coca-Cola, 2007), in their annual reports (e.g., Starbucks, 2006), and in their company newsletters and marketing materials (e.g., Wells Fargo, 2007). Further, the community service initiatives of many organizations (e.g., Toyota supports external organizations such as the American Indian College Fund and the Hispanic Scholarship Fund (2007); Merck supports the society of women engineers (2007)) help to communicate that the company values and is interested in the welfare of diverse others, which Konrad (2006) recommends the same as part of creating an inclusive environment. Again, effective communication of the diversity initiative is integral to the Catalyst Award and is demonstrated by all winners (Catalyst, 2005).

3.20 Diversity Works Undertaken by Developed Countries (for example):

❖ European Union:

EU works on diversity management for which considers the project in following three parts:

1. Set-up activities,
2. Initiate fieldwork,
3. Reporting

Again some procedures that are commonly followed:

- Identification of existing indicators (and methods of measurement) used by companies to measure the costs and benefits of workforce diversity policies;
- Assessment of the relevance and effectiveness of existing indicators for companies in a European context, including a review of socio-cultural factors in the EU that might affect the appropriateness or feasibility of existing indicators or create more general obstacles to the adoption of workforce diversity policies;
- Development of a new performance measurement framework for the costs and benefits of diversity policies in companies; and

- Development of a strategy to disseminate the information gathered on the cost and benefits of diversity policies to the main actors for diversity policies in companies.

❖ **Diversity is a way of life at Xerox:**

Diversity agenda includes:

- **Executive Commitment:** Commitment begins at the top, with total executive support.
- **Communications:** Educate employees and management on diversity programs, policies and achievements.
- **Training/Competency:** Xerox ensures that diversity principles are taught to all employees and cascade to all levels of management.
- **Operations strengthening:** Addressing imbalances by identifying shortfalls and closing those gaps.
- **Strategy Development:** Develop strategies that leverage diversity to gain business advantage.

Today, Xerox is recognized as one of the most progressive companies in the world.

In the following section on best practices, we make recommendations based on both of aforementioned ideas. Where conclusive empirical evidence to support HR practices exists we provide this as an example of 'best practices'.

3.21 Guidelines to Get the Maximum Output from Diversity Program:

Roosevelt Thomas Jr. suggests ten advices to get maximum output from diversity program in his "Affirmative action to affirming diversity," Harvard Business Review, March-April'1990:

- 1. Clarify the motivation:** There must be a strong business case for diversity initiatives.
- 2. Clarify the vision:** The aim of diversity programs should be to tap the full potential of every person in the workforce.
- 3. Expand the focus:** Diversity should go beyond race, gender, creed and ethnicity, to include background, education, function and personality differences.
- 4. Audit of corporate culture:** Culture building is a key part of any diversity initiative.
- 5. Modify the assumptions:** Every time changes are made, the culture may resist them.
- 6. Modify systems:** The systems should not just be optimal but should work for all employees.
- 7. Modify models:** Mental models should not stand in the way.
- 8. Tell people they are pioneers:** Implementing diversity initiatives involves change management. People should be judged as pioneers, not as seasoned practitioners.

9. **Ask some key questions:** Does this program, policy or principle give special consideration to one group? Will it only produce benefits for a disadvantaged group? If the answer is yes, many more challenges remain to be addressed.
10. **Continue affirmative action:** The ultimate goal is to manage the company without any unnatural advantage or disadvantage for any member of the workplace. But affirmative action may be needed initially to have a truly diverse workforce.etc.

3.22 General Benefits of Difference/Conflict-Friendly Culture:

The large scale change required for an organization to become a learning organization entails second order change. Such change is not simply learning to do better that which is already done (first order change); it entails a change in fundamental assumptions and organizing principles. For example, structures will be perceived as temporary, improvement and change activities will be seen as primary organizational tasks, and decision making will be made intentionally political by the purposeful exposure of conflict among different perspectives (Mohrman and Mohrman 1993, p. 107). Conflict-handling approaches are part-and-parcel of existing perspectives. Therefore, if second order change is to be accomplished, conflict-handling patterns probably have to be changed too (Bartunek and Reid 1992).

Leading companies know it's essential to consistently maintain diversity as a top business imperative over a period of, at minimum, five years before diversity can gain traction and become part of the way those companies do business. True diversity is not just about the mix that constitutes the workforce; it's also about a company's customers and business partners.

If the diversity management can be ensured via the practice of affirmative action program, institution/organization may be benefited as the following aspects:

Customization is needed to allocate the needs of the minority population. It will enhance diversified skills, motivating all employees including the majority, work as an internal advertisement, create a good impression of a responsible corporate citizen outside; and sometimes give tax advantage. Human resource of the corporation feels the most support from this; and this will again reflect in their productivity.



Figure 3.6: Standardization and customization of workforce

On the other hand, customization can create management hassles; and incur costs to the company. Conflict is sometimes inevitable here. So a company while adopting any side of these two extremes should judge in terms of cost-benefit analysis; however, within the ethical and legal boundary as imposed on them by the society and state, where they are doing business.

❖ **Employees' Performance Enhancement:**

In this way we can exponentially enhance the performance of employees within our organizations. He would be a fool who ignores the potential of different categories of employees and does not allow the competence level to be increased or the performance to be realized.

By implication, it means that those previously disadvantaged in a global or national context, need concerted efforts to accelerate their development and exposure so that they can more fairly compete in an extremely competitive global job market.

❖ **Value Addition:**

Managing diversity is to identify and use the added value of individual differences in a positive way to meet the need and objective of an organization. Each individual and group has added values that need to be identified and utilized in order to improve productivity and efficiency, and reduce the interpersonal dysfunction that inevitably seems to plague for different people who must work together.

Only by everyone working together and bringing their "added value" to the organization can create/enhance organizational culture emersion.

❖ **Welcome for Creativity and Problem Solving:**

Profit and non-profit organizations need diversity to become more creative and open to change; as a result get the problem solved. Maximizing and capitalizing on workplace diversity has become an important issue for management today.

With so many different and diverse minds coming together many more solutions will arise as every individual brings in their way of thinking, operating and solving problems and decision making.

❖ **Women Employment Participation:**

The need to understand diversity is also driven by women in the workplace. Today's workforce has the highest levels of employment participation ever by women. The number of dual income families and single working mothers has increased. Change in the family structure means that there are fewer men and women in traditional family roles. Therefore, diversity issues cut across both race and gender.

❖ **Two Way Benefits:**

Diversity is beneficial to both associates and employers. Although associates are interdependent in the workplace, respecting individual differences can increase productivity. Proper management in diversity in the workplace can reduce lawsuits and increase marketing opportunities, recruitment, creativity, and business image in an era when flexibility and creativity are keys to competitiveness, diversity is critical for an organization's success. Also, the consequences (loss of time and money) should not be overlooked.

❖ **Recognition of Value from Differences:**

Managing diversity is more than simply acknowledging differences in people. It involves recognizing the value of differences, combating discrimination, and promoting inclusiveness and significance.

❖ **Ensuring Equal Treatment for all Qualified Personnel:**

An affirmative action program is a management tool designed to ensure equal employment opportunity and to ensure that all qualified applicants and employees are receiving an equal opportunity for recruitment, selection, advancement, training, development, and every other term, condition, and privilege of employment.

❖ **Balanced Workforce:**

Women and the minorities are the lion shares of labor force growth over the foreseeable future. Furthermore, globalization increasingly requires employers to hire minority members who have the cultural and language skills to deal with customers abroad. As a result, companies are increasingly striving for racial, ethnic and sexual workforce balance as well as enlightened with economic self-interest.

❖ **Creation of Loyal Workforce:**

It ensures the motivation for the employees through the dilution of frustration and disparity which makes them loyal and more productive to the company.

❖ **Establishing Fair Judgment:**

Affirmative action program is nothing but the assurance of establishing equal and right judgment for all. So people become more faithful and moral to their organization.

❖ **Enhancing Organization Citizenship:**

It helps decrease the retention rate of employees who will be promoted and recognized at the right time for his/her right job. It enhances employees' commitment, satisfaction with the company and job, ultimately organization citizenship behavior.

❖ **Diversity and Critical Thinking:**

Conflicts can stimulate learning and change, guard against lethargy and a tendency towards "group think and encourage innovation by forcing parties to search for solutions to underlying problems. Conflict facilitates processes of mutual accommodation through the exploration and resolution of differences. For example, executive teams that experience more conflict perform better than those with low levels of conflict because they gain a deeper understanding of strategic issues and come to more creative decisions.⁵⁴

Conflict-resolution processes facilitate critical thinking on the part of employees and, therefore, also facilitate individual development, cooperation and teamwork and organizational effectiveness. The positive correlation between conflict-resolution processes and critical thinking becomes evident upon consideration of non-conflict-friendly processes; if conflict is unwelcome, critical thinking will either not take place or not be communicated. Management techniques that draw on critical thinking, and are therefore diminished in the absence of conflict, include strategic planning, effective decision making, creative problem solving, situational leadership (willingness to abandon fixed ways of dealing), entrepreneurial risk taking, R&D activity, team building, and TQM.

The components of critical thinking are:

- Identifying and challenging assumptions,
- Understanding the influence of context,
- Managing and exploring alternatives, and
- Being skeptical of claims to universal truth or ultimate explanations (Brookfield 1987, pp. 7– 9).

⁵⁴ Eisenhardt, K. M., J. L. Kahwajy, et al. (1997). "Conflict and Strategic Choice: How Top Management Teams Disagree." California Management Review 39(2): 42–62.

❖ **Promoting Greater Individual Responsibility and Teamwork:**

Personal identities, norms of interaction and perceptions of reality are less fixed than they once were. Managers need to learn that they can no longer assume consensus on these matters as a basis for interaction but that they need to achieve consensus while interacting to reach decisions (Deetz 1993, p. 31).

The key is to balance the requirements for:

- Greater individual responsibility, usually promoted by internal competition,
- Trust and internal support, and
- Control.

One needs to see the requirements not as contradictory but as positive forces that can be harmonized. There is no one balance that is right for all organizations.⁵⁵ As in the case of other apparent management dilemmas such as long v. short term focus, creativity v. discipline, etc., the common element is empowerment v. alignment, which requires a never ending balancing act because both ends of the pole are desirable, not one at the expense of the other. The management task is to get people to see the value in both sides, to live with the inherent ambiguity and to make some sense out of the apparent contradictions.⁵⁶

❖ **Conflict Resolution and Developmental Growth:**

Some managers move beyond problem solving and use problems to create larger opportunities, e.g., Honda's Fujisawa, Ford's Petersen, and GE's Welch. "Problems are not just hassles to be dealt with and set aside. Lurking inside each problem is a workshop on the nature of organizations and a vehicle for personal growth" (Pascale 1990). Well-mediated conflicts can cause one or more of the disputants to reflect on their relative positions, interests, and relationship - not to mention the context in which they find themselves interrelating.⁵⁷ Well-mediated conflicts often result in a positive change in the relationship and/or a positive change in perspective on the part of one or more of the disputants, a strengthening of the self, or even an overall increase in human capability to deal with life and its problems by extending oneself cognitively to better understand others.

⁵⁵ Kaye, K. (1994). *Workplace Wars and How to End Them: Turning Personal Conflict into Productive Teamwork*. New York, AMACOM.

⁵⁶ Stewart, T. A. (1996). "The Nine Dilemmas Leaders Face." *Fortune* 133(5): 112- 113

⁵⁷ Folger, J. P., M. S. Poole, et al. (1993). *Working Through Conflict: Strategies for Relationships, Groups, and Organizations*. New York, Harper Collins College Publishers.

Conflict management becomes a more important managerial skill at higher managerial levels and as organizations move from the traditional managerial orientation to a more change-responsive orientation, as is indicated by the following way:



Figure 3.7: Shifting Hierarchy of Managerial Skills

Source: Basil and Cook 1974

❖ **Organizational Learning:**

The ability to gain insight from experience is the essence of organizational learning. Effective learning occurs when people reflect on the consequences of their actions and thereby gain insight. "Effective learning systems surface differing perspectives to better interpret experience and spark innovation" (Shaw and Perkins 1992, P. 177). Senge defines a learning organization as a place where people are continually discovering how they create their reality and how they can change it. He argues that learning to learn is critical to organizational survival and growth in today's turbulent environment.

The five disciplines required for organizational learning are:

1. **Personal mastery** - gap analysis, on the part of individuals, between the current situation and a desired future state and the development of a plan to close the gap.

2. **Mental models** - deriving models of the relationships among phenomena and making productive use of the models.
3. **Shared vision** - eliciting a collective view of a desired future state for the organization.
4. **Team learning** - searching for synergy.
5. **Systems thinking**- thinking holistically, identifying patterns and relationships, integrating the other disciplines.

Disciplines 1 and 2 focus more on individuals; 3 and 4 do so more on groups. Discipline 3 is not an exercise in senior management prescription but in participative/collaborative future shaping.

Senge also identifies six barriers to change:

1. Positional myopia- obscuring individuals' understanding of their linkage with the larger system.
2. A perception of powerlessness - seeing obstacles as beyond one's control.
3. Failure to recognize one's own contribution to the problem.
4. Focus on the short term to the detriment of longer-term considerations.
5. Difficulty seeing trends (longer term, gradual processes).
6. Misperceiving experience as learning.

The objective is an open system, i.e., "an organization where it is safe for people to create visions, where inquiry and commitment to the truth are the norm, and where challenging the status quo is the norm - especially when the status quo includes obscuring aspects of current reality that people seek to avoid" (Senge 1990, p. 172). Open systems are "capable of transmuted conflict, or disorder, into positive growth. One might say they learn from conflict, that, in fact, conflict is a necessary and integral part of growth and adaptation. Rather than being the opposite of cooperation, conflict is actually a partner to it" (Beal 1995, p. 28).

❖ **Facilitation of Cooperation and Teamwork:**

Teams generate conflict; teambuilding is not possible without conflict resolution.⁵⁸ "The behavioral indications are that the participant/team member "acknowledges and works through conflict; does not remain silent or withhold differing opinion" and "appropriately expresses his/her own opinion" ⁵⁹

⁵⁸ Kaye 1994, p. 18

⁵⁹ Klein, A. L. (1996). "Validity and Reliability for Competency-Based Systems: Reducing Litigation Risks." Compensation & Benefits Review: 31-17.

❖ **Focusing Attention on Process:**

A key to the success of any team is the capacity of the group's members to reflect on the team's processes, to learn from their reflections, and to change the team's processes as needed.⁶⁰ In today's environment, organizations must be able to make conscious trade-offs, and this requires forums where people with diverse perspectives can work together effectively through lateral integrative processes to develop systemic solutions in response to complex, multifaceted choices.

❖ **Facilitating Change:**

Change involves conflict. In fact, the essence of change is a process of resolving tension and conflict within a system. Part of the energy for change is unleashed by dynamic resolution of conflict among various stakeholders in the organization. This is the fundamental mechanism by which the assumptions of the status quo are challenged. Consequently, change involves establishing political mechanisms by which stakeholders can resolve issues. This includes joint resolution between groups that had previously operated independently and the empowerment of stakeholders who have a different frame of reference from the keepers of the status quo.⁶¹

The Mohrmans' view as to what it takes to effect change can be argued to be very optimistic. "All learning requires rupture, all real change means crisis for those who are experiencing it. Learning is impossible in a context of gradual and harmonious evolution".⁶² Crozier and Friedberg argue that actors wishing to initiate change must understand the constraints of the system and their freedom to make use of available resources; they must endeavor to broaden their margin of liberty. This view is consistent with the notion that conflict/difference friendliness facilitates change.

❖ **Change-Responsive Organization:**

Lawrence and Lorsch established, reasonably conclusively, that there is no one best way to organize. Environmental requirements, relative to the particular field of business, determine the appropriate structure. Uncertainty and rapid rates of change place different requirements on organizations than do stable environments. Uncertainty and change elicit differentiation, and the more differentiation there is, the greater the need for integration (i.e., difference management).

⁶⁰ Pancanowsky, M. (1995). "Team Tools for Wicked Problems." *Organizational Dynamics*23(3): 36–51.

⁶¹ Mohrman, S. A. and A. M. J. Mohrman (1993). *Organizational Change and Learning. Organizing for the Future: The New Logic for Managing Complex Organizations*. J. R. Galbraith and E. E. I. Lawler. San Francisco, Jossey-Bass: 87–108.

⁶² Crozier, M. and E. Friedberg (1977). *Actors and Systems: The Politics of Collective Action*. Chicago, The University of Chicago Press.

In higher-performing organizations, the tension between states of differentiation and integration is managed through effective procedures and practices for managing conflict. The critical question is how to achieve integration without sacrificing differentiation. The determinants of effective conflict resolution vary depending on the specific environmental demands on the organization (Lawrence and Lorsch 1967).

❖ **Increased Productivity:**

Diversity and inclusion brings in diverse different talents together working towards a common goal using different sets of skills that ignites their loyalty and increases their retention and productivity.

❖ **Attract and Retain Talent:**

Feeling included and appreciated increases loyalty and feeling of belonging. Language skills pool is increased and propels organization forward either to compete in the international global world or to increase its diverse customer base.

❖ **Help to Build Synergy in Teams and Enhances Communication Skills:**

Diversified workforce and working environment bring in new attitudes and processes that profit the whole team.

❖ **Increased Growth:**

A diverse workforce makes the company stronger, which can increase growth and profits. Company growth plays an important role in employee growth, as it provides more opportunities for advancement. Employees know that hiring employees from a variety of backgrounds also gives the company a better perspective on the needs of all its customers, not just one or two groups. Employees who come from a variety of racial and ethnic groups and sexes can provide valuable insight regarding the best marketing or customer service tactics to increase sales and improve customer satisfaction ratings among their respective groups.

❖ **Improved Workforce Quality:**

Making diversity a part of human resources recruiting policy can improve the quality of the employees the company hire. Company may reach a much larger pool of applicants if the company open to hiring people from diverse backgrounds. Diversity in hiring benefits the employees just as much as it helps the company. When companies hire only the most qualified staff member, employees can rely on each other to provide technical expertise and guidance when they encounter a difficult problem. All employees on a team benefit when the group easily meets goals and objectives because each member of the team is skilled and experienced.

❖ **Decreased Turnover:**

A strong diversity program can decrease turnover. Employee conflicts might eventually lead to resignations, if the company doesn't encourage diversity awareness. While limiting turnover helps the company by reducing training and other costs, it also might have a direct impact on employees. High turnover means that employees are constantly training or assisting new hires, reducing time available to spend on their own tasks. Increased staff retention ensures that employees have adequate time to focus on their own duties.

❖ **Increased Flexibility:**

Employees who make up the diverse workforce often practice a variety of religions. Although company probably can't schedule a company holiday for every religious holiday, it might offer flexible work schedules or an increased number of personal days to accommodate the needs of all employees, regardless of their ethnicities or religions. The company also might be more open to permitting other types of flexible work arrangements, such as working from home or work sharing, particularly if the staff includes working parents.

3.23 Diversity is Not an Option but Business Imperative:

Businesses are recognizing the need and importance of investing in diversity and inclusion as part of their overall talent management practices and to continually challenge their organizations to make the connection between those principles and their corporate performance. Diversity is especially crucial in today's global marketplace, as companies interact with different cultures and clients. The payoffs touch every area of the business by potentially resulting in increased creativity, increased productivity, new attitudes, new language skills, global understanding, new processes, and new solutions to difficult problems, greater agility, better market insight, stronger customer and community loyalty, innovation, and improved employee recruitment and retention. The businesses that fail to see the importance of diversity and inclusion might find themselves unable to attract and retain the kinds of customers, employees, and business partners that constitute our changing world in 5 to 10 years.

3.24 The Top 10 Economic Facts of Diversity in the Workplace of Developed Country:

Workforce of various companies of world is becoming more diverse. The share of people of color and more women are entering the labor force. To that end, businesses that embrace diversity have a more solid footing in the marketplace than others.

A diverse workforce combines workers from different backgrounds and experiences that together breed a more creative, innovative, and productive workforce. And businesses have learned that they can draw upon the nation's diversity to strengthen their bottom line. In this way, diversity is a key ingredient to growing a strong and inclusive economy that's built to last.

❖ A Diverse Workforce Drives Economic Growth:

World renowned organizations' human capital substantially grows as more women, racial and ethnic minorities, and gay and transgender individuals enter the workforce. A **McKinsey & Company study**, for example, found that the increase in women's overall share of labor in the United States - women went from holding 37 percent of all jobs to 47 percent over the past 40 years - has accounted for about a quarter of current GDP.

❖ A Diverse Workforce Can Capture a Greater Share of the Consumer Market:

USA Govt. ensures satisfied consumer market by bringing together individuals from different backgrounds and experiences, businesses can more effectively market to consumers from different racial and ethnic backgrounds, women, and consumers who are gay or transgender. It is no surprise, then, that studies show diversifying the workplace helps businesses increase their market share.

❖ Recruiting from a Diverse Pool of Candidates Means a More Qualified Workforce:

When companies recruit from a diverse set of potential employees, they are more likely to hire the best and the brightest in the labor market which is believed and practiced by USA. In an increasingly competitive economy where talent is crucial to improving the bottom line, pooling from the largest and most diverse set of candidates is increasingly necessary to succeed in the market.

❖ **A Diverse and Inclusive Workforce Helps Businesses Avoid Employee Turnover Costs:**

Businesses that fail to foster inclusive workplaces see higher turnover rates than businesses that value a diverse workforce because they foster a hostile work environment that forces employees to leave. The failure to retain qualified employees results in avoidable turnover - related costs at the expense of a company's profits. Having a diverse and discrimination-free work environment helps businesses avoid these costs.

❖ **Businesses Need to Adapt to Changing Nation to Be Competitive in the World Economic Market:**

As per recent Census data, by 2050 there will be no racial or ethnic majority in USA. Further, between 2000 and 2050 new immigrants and their children will account for 83 percent of the growth in the working-age population. Economy will grow and benefit from these changing demographics if businesses commit to meeting the needs of diverse communities as workers and consumers.

❖ **Diversity is a Key Aspect of Entrepreneurialism:**

Nation's entrepreneurs are a diverse set of people of color, women, gay, and transgender individuals. According to the Census Bureau, people of color own 22.1 percent of U.S. businesses. Moreover, women own 28.8 percent of U.S. businesses, and Latina-owned businesses in particular are the fastest-growing segment of the women-owned business market. According to the National Gay and Lesbian Chamber of Commerce, gay or transgender individuals own approximately 1.4 million (or approximately 5 percent) of U.S. businesses.

❖ **Diversity in Business Ownership, Particularly Among Women of Color, is Key to Moving Our Economy Forward:**

The diversity of nation's business owners help boost employment and grow the economy. For example, According to the Census Bureau, women of color own 1.9 million firms. These businesses generate \$165 billion in revenue annually and employ 1.2 million people. Latina-owned businesses in particular have total receipts of \$55.7 billion since 2002.

❖ **Diversity in the Workplace is Necessary to Create a Competitive Economy in a Globalized World:**

As communities continue to grow, it's important to harness the talent of all Americans. Businesses should continue to capitalize on the growth of women, people of color, and gay and transgender people in the

labor force. Our increasing diversity is a great opportunity for the United States to become more competitive in the global economy by capitalizing on the unique talents and contributions that diverse communities bring to the table.

❖ **Diversity in the Boardroom is Needed to Leverage a Company's Full Potential:**

By 2050 there will be no racial or ethnic majority in the United States, and our nation's boardrooms need to represent these changing demographics. Currently people of color and women only represent about 14.5 percent and 18 percent, respectively, of corporate boards among the senior management of Fortune 500 companies. Recruiting board directors with a breadth of expertise and varied experiences will make companies more proficient.

❖ **Other:**

- Improving opportunities within the organization through internal promotion.
- Utilizing the knowledge of different areas of the community.
- Understanding market segments and consumer behavior.
- Becoming an employer of choice.
- Having a more representative 'balanced' workforce.
- Valuing and respecting employees, attracting recruiting and retaining a wider talent pool.

There are some potential risks companies may have to face if diversity is not managed:

- Hinder productivity
- Create conflicts
- Lead to communication gap
- Result in unfair hiring/promotional preferences
- Social traditions
- Industry norm
- Lack of awareness
- Stereotyping

Without any explicit diversity policy organizations deprive themselves of the possibility of gaining top quality varied workers. Neglecting diversity management may have impact on productivity and revenues of the company; it can make itself felt in absenteeism, in training, communication and in possible conflicts. It may also have an impact on the Corporate Social Responsibility (CSR) area, which is also linked with the organization images.

3.25 Negative Effects of Diversity in the Workplace:

❖ **Communication Barriers:**

Workforce with employees from different cultures and countries, company need to increase the number of communication filters and language barriers that impact internal and external communication processes. Work cultures that are more heterogeneous usually find communication easier because employees do not have to work as hard to overcome language and culture issues. Some larger organizations hire interpreters and diversity trainers to help employees work through communication challenges of diversity.

❖ **Cultural Resistance:**

In "[Diversity in the Workplace: Benefits, Challenges and Solutions](#)," in [The Multicultural Advantage](#), [Josh Greenberg](#), points out that resistance to change is common in workplaces. When companies become more diverse, it changes the relationships and nature of the workplace. These changes can cause stress among employees and contribute to negative working relationships and poor workplace morale, if not well-planned and managed. Training employees about diversity is important if it will effect their work roles and processes.

❖ **Discrimination:**

Often, companies that intentionally hire a diverse workforce have human resources processes in place to manage diversity. However, companies that slowly become diverse without a strategic plan may find more discrimination between managers and subordinates and between employees. Consider that discrimination is unfair treatment of someone because of distinguishing traits. Naturally, if companies have a diverse workforce there is more opportunity for discrimination since diversity is based on distinguishing traits among workers.

❖ **Increased Costs:**

In his recommended steps to effective diversity management, Greenberg includes diversity assessment, development and implementation of diversity workplace plans and various approaches to diversity training. All of these processes have direct and indirect costs associated. Use of supplies, consultants and outside professionals, and other materials are direct costs. Indirect costs include the significant time involved by company employees providing and receiving training and participating in other aspects of analyzing and implementing diversity management.

Companies face four types of “additional cost” when they invest in workforce diversity policies:

➤ **Costs of Legal Compliance:**

Potential costs include: record-keeping systems; training of staff and communication of new policies. However, the extent of these costs for a specific business will be influenced by the scale and nature of existing internal processes and current legislative requirements.

➤ **Cash Costs of Diversity:**

The main cash costs are specialist staff, education and training, facilities and support, working conditions and benefits, communication employment policies and monitoring and reporting processes. Some of these are “one-off” and short-term but most are long-term, recurring expenses.

➤ **Opportunity Costs of Diversity:**

Opportunity costs represent the loss of benefits because a scarce resource cannot be used in other productive activities. These include diversion of top management time, diversion of functional management time and productivity shortfalls.

➤ **Business Risks of Diversity:**

Many programs designed to change corporate cultures, take longer than planned to implement or fail completely. This “**execution risk**” is widely understood amongst companies. Sustainable diversity policies are an outcome of a successful change in corporate.

3.26 Tentative Solutions of Problems due to Diversity Management:

There are many legally compulsory actions employers must take to minimize employment discrimination. However, such compulsory actions can reduce the more blatant diversity barriers, blending a diverse workforce into a close knit and productive community also requires employers to take other steps. Employers can take some steps for the prospect of women and minorities, such as, steps to enhance women and minorities promotional and career prospects. Perhaps, the most important thing is to focus on taking the career interest of women and minority employees seriously. In other words, accepting that there are problems, and working on eliminating the barriers. There are some tentative solutions are suggested under some assumptions:

Proposed suggestions for solving the problem:

- ❖ Preferential selection - selection on the basis of race, gender, or ethnicity
- ❖ Increased utilization of women and minorities

- ❖ Quality of women and minor group of people is not questionable
- ❖ Proper training after selection of minor group to perform his/her Job Description.
- ❖ Eliminating these obstacles will result in increased utilization of women and minorities.
- ❖ **Affirmative Action Program:**

Some employers try to boost and manage diversity through voluntary affirmative action programs. Affirmative action means employers make an extra effort to hire and promote those in protected groups. The aim is to voluntarily enhance employment opportunities for women and minorities.

“Affirmative action” means positive steps taken to increase the representation of women and minorities in areas of employment, education, and business from which they have been historically excluded. When those steps involve *preferential selection* - selection on the basis of race, gender, or ethnicity - *affirmative action* may generate a little bit dissatisfaction or lower motivation to work to the people of that group who are enriched of better educational background, working standard, professional knowledge, technical know-how. Because under the affirmative action program, minority group get the same advantage for comparatively less quality of job requirement. But in this case minority group should have to have minimum level of standard/qualification to get the facility of preferential selection; otherwise, he/she will be quit from this organization. In this situation, it can be said that affirmative action program has been done for the group only who are proved to be eligible based on the standard and curriculum of particular organization.

A central premise underlying affirmative action is that, absent discrimination, over time an employer’s workforce, generally, will reflect the gender, racial, and ethnic profile of the labor pools. Affirmative action goes beyond equal employment opportunity by including specific actions (in recruitment, hiring, promoting and compensation) to eliminate the present effects of past discrimination where equal employment opportunity aims to ensure that anyone, regardless of race, color, disability, sex, religion, national origin, or age, has an equal chance for a job based on his or her qualifications.

When designing an AAP, the good faith effort strategy emphasizes identifying and eliminating the obstacle to hiring and promoting women and minorities.

3.27 Measurement of the Costs and Benefits of Diversity Policies:

3.27.1 Performance Measurement Framework:

The costs and benefits of investments in workforce diversity policies are measured by companies for a number of reasons:

First, there is a tendency for measurement to drive action;

Second, such programmes are investments;

Third, measurement justifies the use of scarce resources; and

Finally, measurement enables managers to learn lessons for future similar investments.

Current measurement of the costs and benefits of diversity policies tends to focus principally on two things:

1. Activities to establish a workforce diversity policy; and
2. Intermediate outcomes from activities to implement a new workforce diversity policy, such as changes in workforce demographics.

There is little evidence of any systematic holistic measurement of either costs or benefits. Although most current measurement systems of the impact of diversity policies have only a limited focus, it is possible to construct a 'model' of what a more rigorous and systematic approach could look like. The types of benefits that diversity policies can deliver and taking account of modern performance measurement methods and the current measurement practices of leading companies, we have developed a proposed performance measurement framework.

3.27.1.1 Important Parts of Performance Measurement Framework:

- **Programme Implementation:** Measures cover actions by companies to facilitate cultural change and to remove obstacles, such as indirect discrimination. Actions here are a combination of inputs and processes. This part of the measurement framework tends to measure activities and costs.
- **Diversity Outcomes:** These are the intermediate outcomes of the actions undertaken to implement a workforce diversity policy. As such, none of the outcomes in this part of the model generate business benefits but they are a necessary step that must be passed through before such benefits can be realized. The use of intermediate outcome measures is an important mechanism for gauging progress, and inconsistent with modern performance measures and existing measurement practices.
- **Business Benefits:** This part of the model captures the business impact of investment in a workforce diversity policy. Our framework is based on the types of benefit companies seek from diversity. Short and medium improvements in business performance are measured in terms of operational outcomes rather than overall business results. Improvements in intangible assets, in contrast, form part of more strategic measures.

3.27.1.2 Coverage of Indicators of Costs and Benefit:

Programme Implementation:

- ❖ Top management commitment
- ❖ Diversity strategy and plan
- ❖ Organizational policies
- ❖ Employment benefits
- ❖ Managerial incentives
- ❖ Organizational structures
- ❖ Reporting process (monitoring and evaluation)
- ❖ Communication
- ❖ Support networks
- ❖ Education and training and
- ❖ Productivity losses

Diversity Outcomes:

- ❖ Workforce demographics ('representation') and
- ❖ Employment culture/working environment

Business Benefits:

- ❖ Cost reductions
- ❖ Labor shortages
- ❖ Access to new markets
- ❖ Improved performance in existing markets
- ❖ Access to talent
- ❖ Global management capacity
- ❖ Innovation and creativity
- ❖ Reputation with governments and other stakeholders
- ❖ Marketing image

- ❖ Cultural values

3.28 General Barriers to Diversity in the Workplace:

With more companies moving towards a global initiative, diversity plays a vital role in reaching a greater number of customers. Diversity includes all of the characteristics that make someone different, including age, race, gender, physical qualities and sexual orientation. Companies that emphasize the importance of diversity help to prevent discrimination and promote equality. It's not always a smooth transition to a diverse workplace; companies must often overcome barriers to maintain diversity.

➤ **Attitudes:**

Negative attitudes are one of the most common barriers of workplace diversity. This includes stereotyping and prejudice. According to the **University of Florida Extension Office**, negative attitudes and behaviors can harm working relationships and damage morale and productivity. Employees who stereotype assign labels to certain races and ethnic groups, which is also a form of prejudice. Discrimination can also result when an individual receives different treatment due to their characteristics.

➤ **Problem Consultants:**

Diversity consultants help to attract and retain a diverse workforce. It's crucial to choose a consultant who will work well for the company. A consultant who works for a small business may have a difficult time with a large corporation and a consultant who has extensive service with non-profit organizations may not be appropriate for an immense for-profit corporation. Relying too heavily on the consultant to bring individuals, can lessen the company's involvement with the diversity initiative.

➤ **Lack of Employee Involvement:**

Co-workers should learn to work alongside one another and value the contributions of the other person. For example, someone from the United States may not understand the culture and business practices of Asian countries. Co-workers that get along create a happy, more productive work environment. Companies can offer training and education to create a supportive environment.

➤ **Lack of Funding:**

Economic hardships can lead to company layoffs and a loss of employees. It can be difficult for employers to maintain quality workers when they can't afford to recruit. This situation can leave veteran employees wondering why there is a push towards diversity when the company cannot afford to maintain

current employees. Lack of morale and resources can be enough to keep diverse workers from working for the company.

➤ **Language and Cultural Differences:**

Diverse workers often speak other languages and have different cultural traditions. This can clash with current workers who do not understand. It can create an uncomfortable situation when there is an inability to communicate with one another.

3.29 Obstacles to the Adoption of Diversity Policies:

A complex group of obstacles limit the scale of investment in diversity policies amongst companies. These include legal restrictions on the holding and processing of sensitive data; differences in national cultural responses to different social groups; difficulties in changing the culture of businesses; a lack of awareness amongst companies of the contents, benefits, mechanisms and rationale of diversity policies. Public policy has an important role to play in helping to overcome some of the obstacles.

Evidence from a pilot survey of companies suggests that there are two major 'internal' obstacles that limit investments in workforce diversity policies. These are difficulties in changing the culture of a business and a lack of awareness of workforce diversity policies. This "**awareness gap**" includes lack of knowledge about the content, rationale, costs, benefits, and methods of measurement of workforce diversity policies. There is considerable scope to use public resources to help overcome these deficiencies in knowledge.

In contrast, the scope for public policy to help companies implement cultural change programmes effectively is limited. The main problems facing companies are a lack of management expertise and a fear of change amongst workers and managers. As well as these legal restrictions, differences in social attitudes towards different groups may limit the scale or distort the design of workforce diversity policies.

As with other forms of investment in new human resource (HR) policies, **there are two groups of obstacles to implementation of workforce diversity policies:**

- ❖ Internal obstacles (specific to individual companies); and
- ❖ External obstacles - these emerge from institutional structures, cultures/attitudes, and regulatory factors.

3.29.1 Internal Obstacles:

Three main types of reason which workforce diversity policies have not been considered:

First, there is a lack of awareness about such policies and the benefits they bring.

Second, there is a perception that diversity policies are not needed to meet the current expectations of employees, potential future workers, customers, or the general public.

Finally, there is a lack of pressure from governments or investors.

To complement this, companies that had set up diversity programmes to identify the main problems they had faced during implementation. These were difficulty in changing the existing culture of the organization; lack of internal expertise or experience; lack of understanding of the business benefits of a diverse workforce; and, difficulty in quantifying the benefits to sustain investment.

3.29.2 External Obstacles:

Here are three important types of external obstacles:

- 1. Legal Restrictions on Holding Sensitive Data:** Restrictions on the holding of “sensitive data” about employees and make it impossible to collect data on ethnic origin, religious belief, or sexual preference in most countries. This restricts the ability of companies to measure changes in workforce demographics: one of the critical measures of “intermediate outcomes”. Such restrictions could, potentially, distort the nature of investments in diversity by companies.
- 2. Historic Gaps in Anti-discrimination Legislation:** Anti-discrimination legislation forms an important part of the national socio-legal framework within which companies operate. It outlaws unacceptable employment practices and ‘signals’ important changes in social values to companies. Evidence from different survey and case studies also shows that it can, for certain companies, trigger investments in diversity programmes. But only a limited number of countries at the time of writing have legislation designed specifically to prevent discrimination in employment on grounds of sexual preference or age.
- 3. Differences in National Social Attitudes and Cultural Values:** Social factors, our evidence suggests, can influence the extent and nature of diversity policies adopted by companies, especially small and medium sized enterprises (SMEs). A good example is the potential impact of different national responses to ethnicity.

3.30 Critical Issues for Improving Organizational Performance:

We have found that the most successful firms are those that manage five clusters of issues that make up the 'Company Performance Index' (CPI):

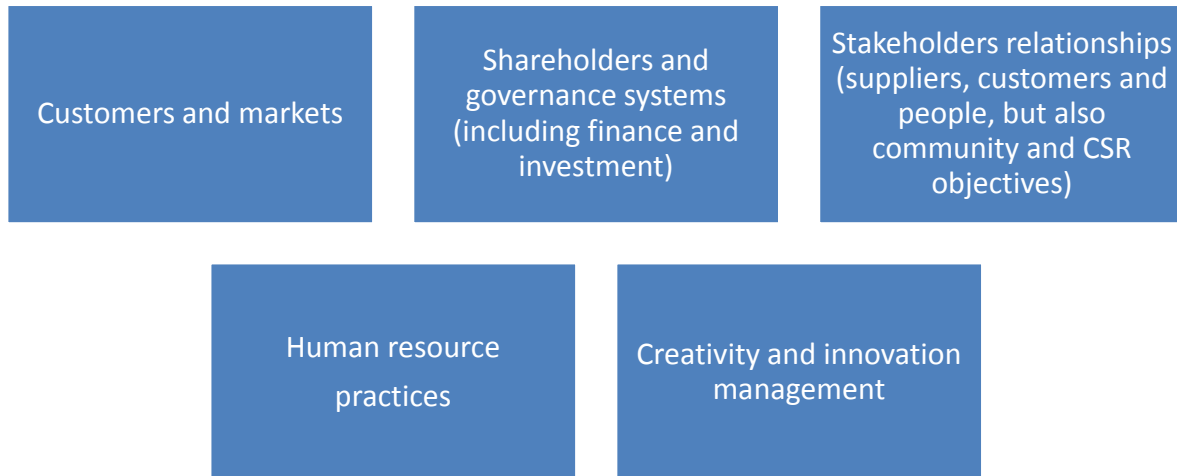


Figure 3.8: Company Performance Index

Source: Cracking the Performance Code (2005), The Work Foundation

3.31 How to Celebrate Diversity in the Workplace:

America has been a cultural melting pot from early of history. Many 21st century Americans want to celebrate cultural diversity at home and in the workplace. However, given the wide variety of ethnic and cultural diversity of many U.S. workplaces, it can be difficult to find appropriate methods and contexts to express our ethnicity, religious affiliation and gender identity without offending others. That said, sociologists, anthropologists and human resources experts have come up with a number of suggestions for thoughtfully celebrating diversity in the workplace which is shown in Appendix 3.2

➤ **Step 01:**

Make respect for diversity as part of organizational culture. Company can begin this process by including a section in organization's core values statement and employee handbook regarding acceptance of cultural differences and valuing diversity.

➤ **Step 02:**

Create diversity programs. Establish a diversity week or month; establish a diversity council to organize activities, events and training programs related to diversity. Build conversations about diversity into formal and informal training programs, including new employee orientations.

➤ **Step 03:**

Hold a semi-annual or annual diversity block party. Organize a gathering in the company parking lot or a nearby park. Invite employees, vendors and neighbors to share their cultural traditions. Think of it as a diversity potluck deluxe where almost anything goes -- music, dance, food, art or even stories. Include kid-oriented events and contests with prizes to promote conversations about cultural differences.

➤ **Step 04:**

Incorporate cultural diversity into the interior decoration of workplace. Consider a rotating "art gallery" from a different culture that changes every few months, or perhaps plants or furnishings from various geographical regions in the public space of the workplace. A life events "photo board" is another great way to get some perspective on cultural traditions.

➤ **Step 5:**

Support minority vendors, minority-owned businesses and businesses that support minority issues. This can be a bit of a challenge, depending on industry and vendor pool, but company can do some research and be creative.

3.32 Diversity Management: It's Not Just a Management Responsibility:

Of course, perpetuating a diverse work environment is not just about management-driven programs and initiatives. Each employee plays an important role in ensuring that everyone is treated with dignity and respect, and valued for their unique talents and contributions. And each employee becomes readily familiar with the behaviors that support the company's inclusive culture. Among them:

➤ **Know Yourself/Seek Information:**

Employees should understand their own biases and assumptions. Employees find out what's fact or fiction about what they believe. Employees monitor their assumptions and behaviors around others.

➤ **Acknowledge and Value the Contribution of Each Employee:**

The company should reward innovation and flexibility. Employees use inclusive language, and make each other feel comfortable showing their true personalities.

➤ **Create a Supportive Work Environment:**

The company should solicit ideas and opinions and encourage others to take ownership of ideas, investigate their feasibility and be empowered to carry them out. The company should listen and allow others to challenge and disagree, without becoming defensive.

➤ **Create a Team Atmosphere:**

The company should create a atmosphere where all get to know their co-workers as team members and find common ground by focusing on similarities, not differences. Employees foster cooperation, build confidence and reward people a steams.

➤ **Use Personal Leadership to Enact Fair Practices:**

Each of us is a visible spokesperson for change, working to shape policies.

➤ **Create and Enforce Human Resource Practices That Value Diversity:**

Company should recruit, hire, and promote a diverse workforce, support flexible work systems, and provide performance feedback based on meeting objectives and behaviors.

3.33 The Business Case for Diversity

The “Business Case” is a term used to describe the evidence needed to convince companies to consider investments in assets, both tangible and intangible. Implementation of a workforce diversity policy is a form of investment in intangible assets, especially organizational and human capital. A review of the business case for other types of intangible assets, suggests that a persuasive and credible case for investment depends on four types of evidence of costs and benefits: ‘testimonials’ (publicly expressed views of major opinion leaders within the business community); case studies; surveys of companies; and empirical research.

The business case for investments in workforce diversity is more fragmented and it is more developed in the USA and Canada than in Europe.

There are a number of reasons for this:

- ❖ Quantification of costs and benefits, in order to produce a traditional analysis of cost-effectiveness, is difficult. Many of the benefits are either highly “context-specific” or difficult to measure;
- ❖ Measurement of ‘diversity’ at a business-level is more difficult than that for other types of intangible asset. Diversity is an outcome of a cultural change process and not an input to other processes;
- ❖ Investment in diversity policies rather than compliance with legislation, is a relatively limited activity amongst EU companies; and
- ❖ As with all forms of investment in human capital there are major gaps in knowledge because of weaknesses in accounting disclosure requirements.

Despite these difficulties, there is an emerging business case for investment in diversity policies. Its greatest strength is its links to investments in human capital and the testimony of a small number of leading European businesses.

The United States as a Case Study:

Historically, American workplace has been a bastion of male dominance. The literature is replete with examples of male dominance in the work place with a particular emphasis on the dominance of white men in particular. However, over the past 25 years we have seen a number of changes and trend developments that have had significant impact on business and other organizations who seek to thrive in the modern economic environment. Of particular interest to this topic area are the significant changes and trends in the demography of markets and the talent required for sustainable competitive advantage.

Here is a summary about the current situation for U.S. business enterprise:

- ❖ The changing demographics of the United States are transforming the culture and buying habits of this nation. This metamorphosis is occurring more rapidly than anticipated. Companies that intend to be competitive going forward must understand and actively court merging - market customers, including people of color, gays/lesbians and people with disabilities.
- ❖ Involvement in emerging-market communities, from supplier-diversity initiatives to philanthropic endeavors, sends a strong signal of support to potential customers and employees within these communities.
- ❖ Recruiting, retaining, and promoting diverse employees are critical to a corporation's success in this evolving marketplace. These efforts must be carefully planned, nurtured and measured to ensure success.
- ❖ Corporate diversity initiatives must have total buy-in from top management, particularly from the CEO. Without support from the top, integration of diversity, inclusion and engagement strategies into corporate business plans and a company's culture are doomed to fail.
- ❖ Corporations must now pay closer attention to the details of quality of life in the communities in which they are embedded as a basis for developing a renewal resource for highly talented associates, suppliers, and distribution partners.

Source: Business Case for Inclusion and Engagement. By Marcus Robinson, Charles Pfeffer, and Joan Buccigrossi, (2003).WetWare, Inc. Rochester, NY. p.2-10

Affirmative Action Program (AAP)

4.1 Introduction:

An Affirmative Action plan or program (AAP) is a management tool designed to ensure equal employment opportunity. A central premise underlying affirmative action is that, over time, absent discrimination, a employer's/contractor's workforce will generally reflect the gender, racial, and ethnic profile of the labor pools from which the contractor/employer recruits and selects.

Affirmative Action programs contain a diagnostic component which includes a number of quantitative analyses designed to evaluate the composition of the workforce of the contractor and compare it to the composition of the relevant labor pools. Affirmative Action programs also include action-oriented programs. If women and minorities are not being employed at a rate to be expected given their availability in the relevant labor pool, the contractor's affirmative action program includes specific practical steps designed to address this underutilization.

Effective Affirmative Action programs also include internal auditing and reporting systems as a means of measuring the contractor's progress toward achieving the workforce that would be expected in the absence of discrimination. An Affirmative Action program also ensures equal employment opportunity by institutionalizing the contractor's commitment to equality in every aspect of the employment process. Therefore, as part of its Affirmative Action Program, a contractor monitors and examines its employment decisions and compensation systems to evaluate the impact of those systems on women and minorities.

An Affirmative Action program is, thus, more than a paperwork exercise. An Affirmative Action program includes those policies, practices, and procedures that the contractor implements to ensure that all qualified applicants and employees are receiving an equal opportunity for recruitment, selection, advancement, and every other term and privilege associated with employment. Affirmative Action, ideally, is a part of the way the employer regularly conducts its business. Federal Regulations has found that when an Affirmative Action program is approached from this perspective, as a powerful management tool, there is a positive correlation between the presence of Affirmative Action and the absence of discrimination.¹

¹ Code of Federal Regulations pertaining to the U. S. Department of Labor, Title 41, Chapter 60-2.10

Affirmative Action is:

- ❖ Providing equal employment opportunities for all individuals
- ❖ A legal obligation

In Another Way Affirmative Action Program is:

A strategic business tool designed to ensure equal employment opportunity by:

- ❖ Taking proactive steps to attract, hire, promote, and retain protected groups
- ❖ Ensuring equal pay for equal work
- ❖ Monitoring the workforce to identify areas where protected classes are not fully represented or "utilized," and establishing Good Faith Effort (GFE) to move towards full representation

Affirmative Action Does Not:

- ❖ Create a quota system
- ❖ Create preferences
- ❖ Discriminate against non-minorities

4.1.1 Elements of the Affirmative Action Program:

- Documentation of policies, practices, and procedures in place to ensure that all qualified applicants and employees are receiving an equal opportunity for recruitment, selection, advancement, and every other aspect of their employment
- Results of specified quantitative analysis
- Identification of problem areas
- Action-oriented programs

4.1.2 Key Concepts in the Affirmative Action Plan:

Underutilization is:

A condition in which women and minorities are not being employed at a rate that can be reasonably expected given their availability in the relevant labor pool

The Affirmative Action Plan includes specific action-oriented steps to address underutilization.

A Placement Rate Goal is:

- Established for job groups determined to be "underutilized"
- A target that is reasonably attainable through the exercise of good faith efforts
- Used to measure progress toward achieving equal employment opportunity
- Not a finding nor an admission of discrimination
- Expressed as a percentage placement rate rather than a number

4.1.3 Implementing and Monitoring of the Affirmative Action Plan:

- Development of school and area-specific action-oriented programs
- Professional development
- Mentoring
- Fostering a climate of inclusion
- Strategic diversity staffing

4.1.4 Departmental Responsibilities:

- Provide equal access to training and advancement opportunities
- Have regular performance discussions with staff
- Recognize where "underutilization" exists in particular area and implement steps to address it
- Conduct meetings with managers to gain support and understanding of the Affirmative Action Plan objectives
- Support positive outreach and recruitment efforts to provide a more diverse pool of applicants from which to choose
- Prevent harassment of any kind in the workplace
- Consultation with HRO in cases of discipline, termination, or layoff
- Complete the Serious Search Plan and Report, if applicable

4.1.5 Shared Responsibility²:

- Policies are applied uniformly
- We respectfully interact with other members of the community

² Thomas H. Nail, Thomas Houston Associates, Inc.

4.2 History of Affirmative Action Program (AAP)³:

Affirmative action is a federal agenda initiated in the 1960s that's designed to counteract historic discrimination faced by ethnic minorities, women and other underrepresented groups. To foster diversity and compensate for the ways such groups have historically been excluded, institutions with affirmative action programs prioritize the inclusion of minority groups in the employment, education and government sectors, among others.

"Affirmative action" means positive steps taken to increase the representation of women and minorities in areas of employment, education, and culture from which they have been historically excluded. When those steps involve *preferential* selection—selection on the basis of race, gender, or ethnicity—affirmative action generates intense controversy.⁴

The development, defense, and contestation of preferential affirmative action has proceeded along two paths:

- A)** One has been legal and administrative as courts, legislatures, and executive departments of government have made and applied rules requiring affirmative action.
- B)** Other has been the path of public debate, where the practice of preferential treatment has spawned a vast literature, pro and con.

Often enough, the two paths have failed to make adequate contact, with the public quarrels not always very securely anchored in any existing legal basis or practice.

The ebb and flow of public controversy over affirmative action can be pictured as two spikes on a line:

Firstly, spike representing a period of passionate debate that began around 1972 and tapered off after 1980, and

³ The discussion in this section relies heavily on the excellent book: J. Edward Kellough, *Understanding Affirmative Action: Politics, Discrimination, and the Search for Justice*, 2006. Washington, D.C., Georgetown University Press.

⁴ First published Fri Dec 28, 2001; substantive revision Tue Sep 17, 2013

Secondly, indicating a resurgence of debate in the 1990s leading up to the Supreme Court's decision in the summer of 2003 upholding certain kinds of affirmative action.

The first spike encompassed controversy about gender and racial preferences alike. This is because in the beginning affirmative action was as much about the factory, the firehouse, and the corporate suite as about the college campus. The second spike represents a quarrel about race and ethnicity. This is because the burning issue at the turn of the twentieth-first century is about college admissions. In admissions to selective colleges, women need no boost; African-Americans and Hispanics do.

Time line/Sequence of Development of Affirmative Action Program:

Period	Action
1964	Civil Rights Act, a remedy federal court could impose on violators of the Act.
1965	President Lyndon Johnson's Executive Order 11246, requiring them to take "Affirmative Action" and President Richard Nixon took the quota idea a step further favoring Affirmative Action.
1971	Publications: A Theory of Justice, Philosophy & Public Affairs, Social Theory and Practice and so on.
1972	Federal anti-discrimination and affirmative action laws were extended to state and local governments and subject to federal EEOC oversight and Inflammatory public issue.
1973 and onwards	Discussion, debate, modification, dialogues and practices are going on from different perspectives which are in detail discussed in below notes.

Table: 4.1 Timeline/Sequence of Development of Affirmative Action Program

4.2.1. In the Beginning:

In 1972, affirmative action became an inflammatory public issue. True enough, the Civil Rights Act of 1964 already had made something called "affirmative action" a remedy federal courts could impose on violators of the Act. President Lyndon Johnson went even further through his advocacy for the Civil Rights Act of 1964, creating the Equal Employment Opportunity Commission (EEOC). The EEOC was the first agency authorized by Congress to promote equal opportunity, and it continues to carry out this work today. Perhaps the more significant impact of Johnson's efforts, however, was to create an incentive for contractors and employers to set specific goals and timetables—often called "quotas" by affirmative action opponents.

Likewise, after 1965 federal contractors had been subject to President Lyndon Johnson's Executive Order 11246, requiring them to take "affirmative action" to make sure they were not discriminating. The Executive Order assigned to the Secretary of Labor the job of specifying rules of implementation. In the meantime, as the federal courts were enforcing the Civil Rights Act against discriminating companies, unions, and other institutions, the Department of Labor mounted an adhoc attack on the construction industry by cajoling, threatening, negotiating, and generally strong-arming reluctant construction firms into a series of region-wide "plans" in which they committed themselves to numerical hiring goals.

President Richard Nixon took the quota idea a step further by directing government agencies to provide potential contractors with information about the percentages of minorities in each local labor market. While not explicitly required, those contractors who proposed hiring a percentage of minorities consistent with these federally determined figures were given an advantage in the bidding process. In 1972, federal anti-discrimination and affirmative action laws were extended to state and local governments and subject to federal EEOC oversight. These policies marked the beginning of a debate, still raging today, about the use of numeric goals and quotas.

After two decades of more aggressive affirmative action policies, opponents began to pushback. In 1987, President Ronald Reagan eliminated the requirement that federal agencies use goals and timetables. Courts also began to raise questions. In its 1995 decision in *Adarand Contractors v. Peña*, the U.S. Supreme Court ruled that affirmative action policies had to be subjected to a high "strict scrutiny" standard. This means that the apparent victims have to show that the state has a "compelling interest" in taking into account an individual's race and that the justification for that interest is necessary or "narrowly tailored" to address it. The strict scrutiny standard made it more difficult for plaintiffs to win their cases. One of the U.S. Supreme Court's most significant rulings was in *Griggs v. Duke Power Company* in 1971.⁵

While the occasional court case and government initiative made the news and stirred some controversy, affirmative action was pretty far down the list of public excitements until the autumn of 1972, when the

⁵ There was a brief period during which the *Griggs* decision was overturned. In 1989, the Supreme Court essentially reversed itself in *Ward's Cove Packing Company v. Antonio*. But President George H.W. Bush soon after signed the Civil Rights Act of 1991, which embraced the rules embodied in the original *Griggs* case and returned the law roughly back to where it was under *Griggs*.

Secretary of Labor's Revised Order No. 4, fully implementing the Executive Order, landed on campus by way of directives from the Department of Health, Education, and Welfare. Its predecessor, Order No. 4, first promulgated in 1970, cast a wide net over American institutions, both public and private. By extending to all contractors, the basic apparatus of the construction industry "plans," the Order imposed a one-size-fits-all system of "underutilization analyses," "goals," and "timetables" on hospitals, banks, trucking companies, steel mills, printers, airlines. At first, university administrators and faculty found the rules of Order No. 4 murky but hardly a threat to the established order. The number of racial and ethnic minorities receiving Ph.Ds each year and thus eligible for faculty jobs was tiny. Any mandate to increase their representation on campus would require more diligent searches by universities, to be sure, but searches fated nevertheless largely to mirror past results. The 1972 Revised Order, on the other hand, effected a change that punctured any campus complacency: it included women among the "protected classes" whose "underutilization" demanded the setting of "goals" and "timetables" for "full utilization" (**Graham 1990, 413**). Unlike African-Americans and Hispanics, women were getting PhDs in substantial and growing numbers. If the affirmative action required of federal contractors was a recipe for "proportional representation," then Revised Order No. 4 was bound to leave a large footprint on campus. Some among the professoriate exploded in a fury of opposition to the new rules, while others responded with an equally vehement defense of them. As it happened, these events coincided with another development, namely the "public turn" in philosophy. For several decades Anglo-American philosophy had treated moral and political questions obliquely. On the prevailing view, philosophers were suited only to do "conceptual analysis"—they could lay bare, for example, the conceptual architecture of the idea of justice, but they were not competent to suggest political principles, constitutional arrangements, or social policies that actually did justice. Philosophers might do "meta-ethics" but not "normative ethics." This view collapsed in the 1970s under the weight of two counter-blows:

First, John Rawls published in 1971 *A Theory of Justice*, an elaborate, elegant, and inspiring defense of a *normative* theory of justice. ⁶

Second, in the same year *Philosophy & Public Affairs*, with Princeton University's impeccable pedigree, began life, a few months after Florida State's *Social Theory and Practice*. These journals, along with a re-tooled older periodical, *Ethics* became self-conscious platforms for socially and politically engaged

⁶ https://en.wikipedia.org/wiki/A_Theory_of_Justice

philosophical literature on affirmative action burgeon. Philosophical writing, born out of the feeling that in time of war ⁷ and social tumult ⁸, philosophers ought to do, not simply talk about, ethics. In 1973, *Philosophy & Public Affairs* published Thomas Nagel's "Equal Treatment and Compensatory Justice" ⁹ and Judith Jarvis Thomson's "Preferential Hiring" ¹⁰ and the in contention was the nature of those "goals" and "timetables" imposed on every contractor by Revised Order No. 4. Weren't the "goals" tantamount to "quotas," requiring institutions to use racial or gender preferences in their selection processes; Some answered "no" (**Ezorsky 1977, 86**). Properly understood, affirmative action did not require (or even permit) the use of gender or racial preferences. Others said "yes" (**Goldman 1976, 182–3**). Affirmative action, if it did not impose preferences outright, at least allowed them. Among the yea-sayers, opinion divided between those who said preferences were morally permissible and those who said they were not. Within the "morally permissible" set, different writers put forward different justifications.

4.2.2 The Controversy Engaged:

The essays by Thomson and Nagel defended the use of preferences but on different grounds. Thomson endorsed job preferences for women and African-Americans as a form of redress for their past exclusion from the academy and the workplace. Preferential policies, in her view, worked a kind of justice. Nagel, by contrast, argued that preferences might work a kind of social good, and without doing violence to justice. Institutions could for one or another good reason properly depart from standard meritocratic selection criteria because the whole system of tying economic reward to earned credentials was itself indefensible.

Justice and desert lay at the heart of subsequent arguments. Several writers took to task Thomson's argument that preferential hiring justifiably makes up for past wrongs. Preferential hiring seen as redress looks perverse, since it benefits individuals ¹¹ least likely harmed by past wrongs while it burdens individuals ¹² least likely to be responsible for past wrongs ¹³. Instead of doing justice, contended the critics, preferential treatment violated rights. The right of an applicant "to equal consideration" ¹⁴, the

⁷ The Vietnam War

⁸ The Civil Rights Movement, Women's Liberation

⁹ <http://plato.stanford.edu/entries/affirmative-action/>

¹⁰ http://www.jstor.org/stable/2264983?seq=1#page_scan_tab_contents

¹¹ African-Americans and women possessing good educational credentials

¹² Younger white male applicants

¹³ Simon, Robert L., 1974: "Preferential Hiring: A Reply to Judith Jarvis Thomson," *Philosophy & Public Affairs*, 3 (Spring): 312–320.

¹⁴ Simon, Robert L., 1974: "Preferential Hiring: A Reply to Judith Jarvis Thomson," *Philosophy & Public Affairs*, 3 (Spring): 312–320.

right of the maximally competent to an open position ¹⁵, or the right of everyone to equal opportunity ¹⁶. Moreover, according to the critics, preferential treatment confounded desert by severing reward from a "person's character, talents, choices and abilities" ¹⁷, by "subordinating merit, conduct, and character to race" ¹⁸, and by disconnecting outcomes from actual liability and damage.

Defenders of preferences were no less quick to enlist justice and desert in their cause. Mary Anne Warren, for example, argued that in a context of entrenched gender discrimination, gender preferences might improve the "overall fairness" of job selections. Justice and individual desert need not be violated.

If individual men's careers are temporarily set back because of [job preferences given to women], the odds are good that these same men will have benefited in the past and/or will benefit in the future—not necessarily in the job competition, but in some ways—from sexist discrimination against women. Conversely, if individual women receive apparently unearned bonuses [through preferential selection], it is highly likely that these same women will have suffered in the past and/or will suffer in the future from sexist attitudes. ¹⁹

Likewise, James Rachels defended racial preferences as devices to neutralize unearned advantages by whites. Given the pervasiveness of racial discrimination, it is likely, he argued, that the superior credentials offered by white applicants do not reflect their greater effort, desert, or even ability. Rather, the credentials reflect their mere luck at being born white. Rachels was less confident than Warren that preferences worked uniformly accurate offsets. Reverse discrimination might do injustice to some whites; yet its absence would result in injustices to African-Americans who have been unfairly handicapped by their lesser advantages.

Rachels' diffidence was warranted in light of the counter-responses. If racial and gender preferences for jobs (or college admissions) were supposed to neutralize unfair competitive advantages, they needed to be calibrated to fit the variety of backgrounds aspirants brought to any competition for these goods. Simply giving blanket preferences to African-Americans or women seemed much too ham-handed an approach if the point was to micro-distribute opportunities fairly ²⁰.

¹⁵ Goldman, Alan, 1976, "Affirmative Action," *Philosophy & Public Affairs*, 5 (Winter): 178–195.

¹⁶ Gross, Barry R., 1978, *Discrimination in Reverse: Is Turnabout Fair Play?* New York: New York University Press.

¹⁷, ¹⁸ Simon, Robert L., 1979, "Individual Rights and 'Benign' Discrimination," *Ethics*, 90 (October): 88–97.

¹⁹ Warren, Mary Anne, 1977, "Secondary Sexism and Quota Hiring," *Philosophy & Public Affairs*, 6 (Spring): 240–261

²⁰ Sher, George, 1975, "Justifying Reverse Discrimination in Employment," *Philosophy & Public Affairs*, 4 (Winter): 159–170.

4.2.3 Rights and Consistency:

To many of its critics, reverse discrimination was simply incoherent. "Just as the previous discrimination did, this reverse discrimination violates the public equality which defines citizenship" (Newton 1973, 310).

William Bennett and Terry Eastland likewise saw racial preferences as in some sense illogical: To count by race, to use the means of numerical equality to achieve the end of moral equality, is counterproductive, because to count by race is- to the way to deny the virtue of the means. The means of race counting will not, cannot, issue in an end where race does not matter. ²¹

For Blackmun, the legitimacy of racial preferences was to be measured by how fast using them moves us toward a society where race doesn't matter. ²² While the critics of preferences insincere to find the very idea of using race to end racism illogical and incoherent, they also fell back on principle to block Blackmun's instrumental defense should it actually prove both reasonable and plausible. "The moral issue comes in classic form," wrote Carl Cohen. Neither he nor other critics thought so. Principle must hold firm. "In the distribution of benefits under the laws all racial classifications are invidious" ²³

Alan Goldman did more than anyone in the early debate to formulate and ground a relevant principle. Using a contractualist framework, he inferred that rational contractors would choose a rule of justice requiring positions to be awarded by competence. They would choose this rule because it instantiates a principle of equal opportunity which in turn instantiates a broad right to equal consideration of interests, this last principle springing from the basic condition of the contracting parties as rational, self-interested, and equally situated choosers. On its face, the rule of competence would seem to prevent filling positions by reference to factors like race and gender that are unrelated to competence.

However, positions by reference to factors like race and gender that are unrelated to competence. However, Goldman's "rule" blocked preferences only under certain empirical conditions. Goldman explained the derivation of the rule and its consequent limit this way:

The rule for hiring the most competent was justified as part of a right to equal opportunity to succeed

²¹ Eastland, Terry, 1996, *Ending Affirmative Action: The Case for Colorblind Justice*, New York: Basic Books and William J. Bennett, 1979, *Counting By Race: Equality from the Founding Fathers to Bakke and Weber*, New York: Basic Books.

²² A view developed in subtle detail by the philosopher Richard Wasserstrom in Wasserstrom 1976

²³ A view developed in subtle detail by the philosopher Richard Wasserstrom in Wasserstrom 1976

through socially productive effort, and on grounds of increased welfare for all members of society. Since it is justified in relation to a right to equal opportunity, and since the application of the rule may simply compound injustices when opportunities are unequal elsewhere in the system, the creation of more equal opportunities takes precedence when in conflict with the rule for awarding positions. Thus short-run violations of the rule are justified to create a more just distribution of benefits by applying the rule itself in future years.

In other words, if “terribly important objectives” having to do with equalizing opportunities in a system with inequality could be promoted by reverse discrimination, justice wouldn't stand in the way.

4.2.4 Real-World Affirmative Action - The Workplace:

The terms of the popular debate over racial and gender preferences often mirrored the arguments, philosophers and other academics were making to each other. Preference's defenders offered many reasons to justify them, reasons having to do with compensatory or distributive justice, as well as reasons having to do with social utility (more African-Americans in the police department would enable it better to serve the community, more female professors in the classroom would inspire young women to greater achievements). Critics of preferences were retorted by pointing to the law. And well they should, since the text of the Civil Rights Act of 1964 seemed a solid anchor even if general principle proved elusive. Title VI of the Act promised that “[n]o person...shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.”

Title VII similarly prohibited all employment practices that discriminated on the basis of race, gender, religion, or national origin.

Many factories and businesses prior to 1964, especially in the South, had in place facially discriminatory policies and rules. For example, a company's policy might have openly relegated African-Americans to the maintenance department and channeled whites into operations, sales, and management departments, where the pay and opportunities for advancement were far better. If, after passage of the Civil Rights Act, the company willingly abandoned its facially segregated policy, it could still carry forward the effects of its past segregation through other already-existing facially neutral rules. A company policy, say, that required workers to give up their seniority in one department if they transferred to another would have locked in place older African-American maintenance workers as effectively as the company's prior segregated rule that made them ineligible to transfer at all. Consequently, courts began striking down

facially neutral rules that carried through the effects of an employer's past discrimination, regardless of the original intent or provenance of the rules. "Intent" was effectively decoupled from "discrimination."

In 1971, the Supreme Court ratified this process, giving the following construction of Title VII: The objective of Parliament in the enactment of Title VII...was to achieve equality of employment opportunities and remove barriers that have operated in the past to favor an identifiable group of white employees over other employees. Under the Act, practices, procedures, or tests neutral on their face, and even neutral in terms of intent, cannot be maintained if they operate to "freeze" the status quo of prior discriminatory employment practices.

In a few short paragraphs the Court enlightened from prohibiting practices that froze in place the effects of a firm's own past discrimination to proscribing practices that carried through the effects of past discrimination generally. The Court characterized statutory discrimination as ***any exclusionary practice not necessary to an institution's activities***. Since many practices in most institutions were likely to be exclusionary, rejecting minorities and women in greater proportion than white men, all institutions needed to reassess the full range of their practices to look for, and correct, discriminatory effect.

Each institution should effectively monitor its practices for exclusionary effect and revise those that cannot be defended as "necessary" to doing business. In order to make its monitoring and revising effective, an institution ought to predict, as best it can, how many minorities and women it would select over time, were it successfully non-discriminating. These predictions constitute the institution's affirmative action "goals," and failure to meet the goals signals to the institution (and to the government) that it needs to revisit its efforts at eliminating exclusionary practices. There may still remain practices that ought to be modified or eliminated. The point of such affirmative action: to induce change in institutions so that they could comply with the nondiscrimination mandate of the Civil Rights Act.

In early litigation under the Civil Rights Act, courts concluded that some institutions, because of their past exclusionary histories and continuing failure to find qualified women or minorities, needed stronger medicine. Courts ordered these institutions to adopt "quotas," to take in specific numbers of formerly excluded groups on the assumption that once these new workers were securely lodged in place, the institutions would adapt to this new reality.

Throughout the 1970s, courts and government enforcement agencies extended this idea across the board. In all these cases, the use of preferences was tied to a single purpose: to prevent ongoing and future discrimination. Courts fixed out this justification for preferences not through whim but through necessity. They found themselves challenged with a practical dilemma that Parliament had never imagined and thus never addressed when it wrote the Civil Rights Act. The dilemma was this: courts

could impose racial preferences to change foot-dragging or inept defendants or they could order less onerous steps they knew would be ineffective, thus letting discrimination continue. Reasonably enough, the federal courts resolved this dilemma by appeal to the broad purposes of the Civil Rights Act and justified racial preferences where needed to prevent ongoing and future discrimination.

Thus, preferential affirmative action in the workplace served the same rationale as the non-preferential sort. Its purpose was not to compensate for past wrongs, offset unfair advantage, appropriately reward the deserving, or yield a variety of social goods; its purpose was to change institutions so they could comply with the nondiscrimination mandate of the Civil Rights Act.

4.2.5 Real-World Affirmative Action - The University:

In the 1970s, while campuses were embroiled in debate about how to increase African-Americans and women on the faculty, universities were also putting into effect schemes to increase minority presence within the student body. Very selective universities, in particular, needed new initiatives because only a handful of African-American and Hispanic high school students possessed test scores and grades good enough to make them eligible for admission. These institutions faced a choice: retain their admissions criteria unchanged and live with the upshot—hardly any African-Americans and Hispanics on campus—or fiddle with their criteria to get a more substantial representation. Most elected the second path.

The Medical School of the University of California at Davis was typical. It reserved sixteen of the one hundred slots in its entering classes for minorities. In 1973 and again in 1974, Allan Bakke, a white applicant, was denied admission although his test scores and grades were better than most or all of those admitted through the special program. He sued. In 1977, his case, *Regents of the University of California v. Bakke*, reached the Supreme Court. The Court rendered its decision a year later (438 U.S. 265 [1978]).

An attentive reader of Title VI of the Civil Rights Act might have thought this case was an easy call. So, too, thought four justices on the Supreme Court, who voted to order Bakke admitted to the Medical School. Led by Justice Stevens, they saw the racially segregated, two-track scheme at the Medical School (a recipient of federal funds) as a clear violation of the plain language of the Title.

Four other members of the Court, led by Justice Brennan, wanted very keenly to save the Medical School program. To find a more attractive terrain for doing battle, they made an end-run around Title VI, arguing that, whatever its language, it had no independent meaning itself. It meant in regard to race only what the Constitution meant. Thus, instead of having to parse the stingy and unyielding language of Title VI, the Brennan group could turn their creative energies to interpreting the broad and vague language of

the Fourteenth Amendment ("no person shall be denied the equal protection of the laws"), which provided much more wiggle-room for justifying racial preferences. The Brennan group persuaded one other member, Justice Powell, to join them in their view of Title VI. But Powell didn't agree with their view of the Constitution. He argued that the Medical School's policy was unconstitutional and voted that Bakke must be admitted. His vote, added to the four votes of the Stevens group, meant that Allan Bakke won his case and that Powell got to write the opinion of the Court.

In 2003, the Supreme Court took up two cases against the University of Michigan, *Gratz v. Bollinger*, which involved the college's undergraduate admissions, and *Grutter v. Bollinger*, which focused on the university's law school admissions.²⁴

Preferring members of any one group for no reason other than race or ethnic origin is discrimination for its own sake. The diversity that furthers a compelling state interest encompasses a far broader array of qualifications and characteristics of which racial or ethnic origin is but a single though important element.

The diversity which provides an educational atmosphere "conducive to speculation, experiment and creation" includes a nearly endless range of experiences, talents, and attributes that students might bring to campus. In reducing diversity to racial and ethnic quotas, the Medical School wholly misconceived this important educational interest.

4.2.6 Equality's Rule:

"Equal protection" must mean the same thing - that is, remain one rule - whether applied to minority or non-minority. But the same rule applied to different circumstances need not yield the same results. Racial preferences created for different reasons and producing different outcomes need not all be judged in the same harsh, virtually fatal, manner.

4.2.7 The Integration Argument:

In order to cultivate a set of leaders with legitimacy in the eyes of the citizenry, it is necessary that the path to leadership be visibly open to talented and qualified individuals of every race and ethnicity. All members of our heterogeneous society must have confidence in the openness.

²⁴ While the judgment that diversity was a compelling interest was briefly in question following a lower court's ruling in *Hopwood v. Texas*, any ambiguity was eliminated by the Supreme Court's decisions in *Grutter* and *Gratz*.

Three recent works have developed versions of the integration argument. In a long article, "Integration, Affirmative Action, and Strict Scrutiny," Elizabeth Anderson argues that an integration rationale is superior to the diversity rationale not only on its merits but as a plausible rendering of what "compelling state interest"—the legal standard employed by the Supreme Court in racial classification cases—really demands. She concludes:

Current affirmative action debates have lost sight of the ideal of integration as a compelling moral and political goal. Unless disadvantaged racial groups are integrated into mainstream social institutions, they will continue to suffer from segregation and discrimination. But the loss is not only theirs. It is a loss suffered by the American public at large in its failure fully to realize civil society—extensive social spaces in which citizens from all origins exchange ideas and cooperate on terms of equality—which is an indispensable social condition of democracy itself.

Richard Kahlenberg, a proponent of class-based affirmative action, discussed four such goals: "genuine equality of opportunity," "long-run color-blindness," "reduced prejudice and greater social harmony [including diversity]," and "compensation for historical wrongs."²⁵

Anderson has developed her thesis more elaborately in her recent book, *The Imperative of Integration* (Anderson 2010).

Robert Fullinwider and Judith Lichtenberg, in their 2004 book, *Leveling the Playing Field: Justice, Politics, and College Admissions*, present an integration argument for affirmative action centered around the little syllogism above²⁶. Another reason is emphasized by Elizabeth Anderson: democratic governance draws nurture from inclusion rather than exclusion. Lastly, Lesley Jacobs, in *Pursuing Equal Opportunities* (2004), sees affirmative action as a means of overcoming the structural exclusion of African-Americans from major institutions: affirmative action assists structural integration, and structural integration serves the ideal of equal opportunity²⁷

The integration argument, like the diversity argument, is straightforwardly instrumental. It points to hoped-for outcomes of affirmative action. If those outcomes don't materialize, then affirmative action's cause is weakened. Moreover, the little integration syllogism isn't complete as it stands.

²⁵ Richard K. Kahlenberg, *The Remedy: Class, Race and Affirmative Action* 2006, New York: Basic Books.

²⁶ Fullinwider, Robert K. and Judith Lichtenberg, 2004, *Leveling the Playing Field: Justice, Politics, and College Admissions*, Lanham, Maryland: Rowman & Littlefield.

²⁷ Jacobs, Lesley A., 2004, *Pursuing Equal Opportunities: The Theory and Practice of Egalitarian Justice*, Cambridge: Cambridge University Press, 124–142.

Today, promoting diversity is the reason where most supporters give their advocacy for affirmative action. ²⁸ One reason, that the courts have held that diversity is a “compelling interest” in some situations. Diversity also avoids legal and moral concerns about trying to remedy past discrimination. Finally, diversity does not imply favor toward any particular group. It is therefore more credible to argue that affirmative action is good for everyone.

Opponents of affirmative action of course have a very different view. While generally agreeing that discrimination against blacks is wrong, they believe that affirmative action as a solution is worse than the problem it attempts to solve and may even make the problem worse. Affirmative action, they argue, is itself a form of discrimination—reverse discrimination against whites. These conflicts with the idea of a color-blind society where decisions are made based on “merit” alone. Affirmative action is also seen as counterproductive because it stigmatizes blacks. This is especially true of blacks who would have succeeded in today’s society even in the absence of the affirmative action.

The debate between supporters and opponents of affirmation action has been intense and often polarizing since its inception. This is unsurprising because the policy represents a clear tension between two bedrock values: equality and liberty. Affirmative action is intended to increase equality of opportunity, but by making certain decisions in society, such as college admissions, based on factors unrelated to typical notions of merit, affirmative action addresses equality at the expense of liberty. Supporters place more weight on equality and opponents focus more on liberty.

4.2.8 Desert Confounded, Desert Misapplied:

The affirmative action debate throws up many ironies but one in particular should be noted. From the time in 1973 when Judith Jarvis Thomson speculated that it was “not entirely inappropriate” that white males bear the costs of the community’s “making amends” to African-Americans and women through preferential affirmative action, the affirmative action debate has been distracted by intense quarrels over *who deserves what*.

²⁸ Kahlenberg, Richard D., 1996, *The Remedy: Class, Race, and Affirmative Action*, New York: Basic Books

Christopher Edley, the White House assistant put in charge of President Clinton's review of affirmative action policy in 1994–95, speaks of how, during the long sessions he and his co-workers put in around the conference table, the discussion of affirmative action kept circling.

This is a hard question if one defends affirmative action in terms of compensatory or distributive justice. If directly doing justice is what affirmative action is about, then its mechanisms must be adjusted as best they can to reward individual desert and true merit.

Just as Mary Anne Warren and James Rachels in the 1970s thought that the losers under affirmative action were losing only illicit privileges, and the gainers merely gaining what should have been theirs to start with, so Michel Rosenfield in the 1990s, in his extended “dialogic” defense of affirmative action, echoes the same thought: although affirmative action treats innocent white males unequally, it need not deprive them of any genuine equal opportunity rights.

The persistence of this strategy of defense reflects a residual feeling that the fruits of affirmative action are somehow spoiled if they are not deserved (Harris 2003). Nevertheless, it is the wrong strategy for defending real world affirmative action. The programs legitimated under the Civil Rights Act, in both their non preferential and preferential forms, had and have a clear aim: to change institutions so that they can meet the non discrimination mandate of the Act. Selection by race or gender was and is a means to such change. To the extent that such selection also compensates individuals for past wrongs or puts people in places they really deserve, these are incidental by-products of a process aimed at something else.

The aims of real world affirmative action make race and ethnicity (and sometimes gender) salient, not personal desert or merit. The test of real world affirmative action lies in the urgency of its ends (preventing discrimination, promoting diversity or integration) and the aptness (moral and causal) of its means (racial, ethnic, and gender preferences). Both remain much in dispute.

4.3 Has Affirmative Action Achieved Its Goals:

Determining whether most of the goals are achieved is more a matter of logic and reasoning than about facts and figures- tough to say. In theory, it would be helpful to know if race-based affirmative action has made the world more color-blind, but in reality it is really difficult to prove. There is some evidence from government reports that early affirmative action efforts did increase hiring of minorities. ²⁹

²⁹ David H. Rosenbloom, *Federal Equal Employment Opportunity: Politics and Public Personnel Administration*, 1977. New York, Praeger

More recent evidence suggests that affirmative action has led to meaningful occupational upgrading and reduction in racial gaps in wages ³⁰ and those firms practicing affirmative action pay minorities wages and salaries more similar to white counterparts, compared with companies that do not use affirmative action.³¹ Opponents express concern that considering race may mean that unqualified candidates are hired and this may reduce productivity and efficiency in the workplace. However, there is little evidence to suggest that this has occurred. ³²

While race-based affirmative action does appear to benefit minorities, it is clear that the greatest benefits where affirmative action mainly affects students applying to the most elite institutions, who are not surprisingly the most well off. Likewise, in contracting decisions, the bidders are typically business owners who minority or otherwise are almost always well above the average income and often very wealthy. If the goal is to help minorities as a group, including providing role models for the less advantaged, then helping the most well off minorities may be appropriate. But if the goal is to directly help individuals who are disadvantaged, then helping middle and upper-class minorities is a questionable strategy.

Whether affirmative action is achieving its goals therefore depends on what the main goals are and exactly how those goals are defined. If equality of opportunity means helping minorities as a group, then race based affirmative action has generally been a success a point that even supporters of class based affirmative action acknowledge. But if the goal is really to help the most disadvantaged individuals, then it is a failure because class is a stronger determinant of life success than race and because the minorities who get benefit the most from race-based affirmative are the ones who need it the least.

³⁰ James P. Smith. "Affirmative Action and the Racial Wage Gap." *The American Economic Review*, 1993, Vol. 83(2): 79-84. Smith also argues that these effects were partly temporary and that the long-term effects have been smaller.

³¹ Harry Holzer and David Neumark, "Are Affirmative Action Hires Less Qualified? Evidence from Employer-Employee Data on New Hires." *Journal of Labor Economics*, 1999, Vol. 17(3): 534-569.

³² Harry Holzer and David Neumark, "Affirmative Action: What Do We Know?" *Journal of Policy Analysis and Management*, 2006, Vol. 25(2): 463-490.

Methodology of the Study and Data Analysis

Civil society is globally faced with the growth of various forms of intolerance rooted in ethnicity, religion, political affiliation, social class and nationalism, among other expressions of identity. In Bangladesh context, different gender, soft skilled and experienced workforce, and ethnic groups often attempt to co-exist harmoniously – not always successfully: diversity needs to be managed in a context where different cultures and gender dictate how ‘the other’ is perceived and engaged with.

During the 1990s, diversity rhetoric shifted to emphasize the “business case” for workforce diversity (e.g., Von Eron, 1995; and Hubbard, 1997, 1999). Essentially, the argument made was that to manage diversity effectively is a business necessity not only because of the nature of labor markets, but also because a more diverse workforce relative to a homogeneous one produces better business results. The new imperative for diversity advocates is to find evidence to support the “business case” argument.

To date, there has been little systematic research conducted in actual organizations that addresses the impact of diversity on the financial success of business organizations. Few studies have utilized quantitative data and objective performance measures from real organizations to assess hypotheses.

It is worth mentioning a series of studies reported by Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn, Leonard, Levine, and Thomas (2002). In their studies, they found no significant direct effects of either racial or gender diversity on business performance. Gender diversity had positive effects on group processes while racial diversity had negative effects. The negative relationship between racial diversity and group processes was, however, largely absent in groups that had received high levels of training in career development and diversity management.

This same research team also found that racial diversity was positively associated with growth in branches’ business portfolios. Racial diversity was also associated with higher overall performance in branches that enacted an integration-and-learning perspective on diversity. In addition, they found that employee participation in diversity education programs had a limited impact on performance. Finally, this group found no support for the idea that diversity that matches a firm’s client base increased sales by satisfying customers’ desires to be served by those who physically resemble them.

Overall, the search for evidence that directly supports the business case for diversity has proved elusive. Nevertheless, in its most basic form, the business case for diversity perspective predicts that there is

positive impact of diversity on companies' return on investment (e.g., Hubbard, 2004). **It is fairly easy to derive some straightforward hypotheses from the business case of diversity perspective:**

1. There exists significant relationship among Business Performance - Innovations (in terms of No. of Service Delivery Channels) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).
2. There exists significant relationship among Business Performance - Productivity (in terms of Per Employee Productivity) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).
3. There exists significant relationship among Business Performance - Profitability (in terms of Return on Asset) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).
4. There exists significant relationship among Business Performance - Profitability (in terms of Return on Equity) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).
5. There exists significant relationship among Business Image (in terms of client's views) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees)

This study provides an assessment of the business case for diversity that whether diversity is associated with tangible benefits such as higher sales revenue, larger customer base, more market share, and greater relative profitability. These claims are opined and tested with data from the primary (data collection via questionnaire from 336 bankers of different branches and departments of Head Office of 33 banks) and secondary (annual reports and web sites of 26 banks) sources that already mentioned in the report. Seven steps are used to describe the methodology of the study and data analysis chapter. The steps are:

1. Methods of Research
2. Nature and sources of data
 - Primary data
 - Secondary data
3. Sample design:
 - Selection of study area
 - Population size and selection of respondents
 - Justification for the selection
 - Selection of sample branches and departments
 - Determination of sample size
 - Selection of sampling units

4. Tools for data Collection and presentation
 - Development of questionnaire
 - Tools to present data
5. Development of measurement instruments
6. Test of data validity
7. Analysis and Interpretation of data

5.1 Methods of Research:

The study has been conducted on the basis of descriptive and exploratory research design. Here survey method has also been used to conduct opinion surveys via questionnaire to have qualitative judgment from different layer of bank officials. As such, the present study has deployed the method of documentary analysis to review critically and objectively the published or printed facts, data, opinions, observations, inferences and generalizations from different literatures which help to formulate the hypotheses of the study. Studies on the basis of exploratory research, hypotheses are tested and discovered new relationship to reach a useful and logical conclusion.

5.2 Nature and Sources of Data:

This study is based on both primary and secondary data. Data were collected from junior to senior personnel of branches and different departments of selected banks (via Simple Random sampling) using face-to-face interviews, telephone interviews and mailed questionnaires between the mid of 2014 and early of 2015, with different information gathered in each wave. 33 banks with 385 respondents agreed to participate. Because of missing data regarding respondents, the sample for this study was reduced to 336 respondents (49 respondents are less than targeted group i.e. 12% of targeted group, where calculated sample size is 384).

5.2.1 Primary Data: The methods used to collect the primary data are as follows:

- Interviewing (**Face to face/electronic: mail response/telephonic via questionnaire**) the various officials/persons (employers) who are related with the concerned issue of various banks of Bangladesh.
- Conversation and discussion with the officials/persons (employees) of various banks of Bangladesh.
- In addition, FGD method of data collection is applied to organize direct and thorough mutual conversation with related people.
- Occasionally for getting information from original sources, observation method is also applied.

5.2.2 Secondary Data: Fundamental secondary sources are:

- Documents and related publications (Annual report of banks) of the selected banks
- National and international articles, journals on diversity management published in web sites
- Different articles and reports on diversity management of regulatory body (Bangladesh Bank)
- Various books on Human Resource Management, Organization Behavior etc.

5.3 Sample Design:

This study covers only those bank officials who had passed their probationary period of service (opinion survey) and those banks which is blessed with better diversified workforce in terms of gender mix and trained employees than others (Source: Bangladesh bank report on gender mix). It is perceived that the more number of female employees and trained employees, the higher the diversified workforce of that bank possesses. The respondents are usually engaged in branch activities and the selected banks are having better workforce mix as per information provided by Bangladesh Bank. Different branches and departments from 33 banks (Opinion survey) and 26* banks (Quantitative analysis) were selected based on Purposive Sampling. The lists of respondents were collected from Branch Managers and Head of Departments of different banks. To define the individual respondent, Simple Random Sampling is being applied. A total of 336 respondents were selected based on random sampling method for interview (Opinion survey).

5.3.1 Selection of Study Area:

33 banks (Opinion survey) and 26* banks (Quantitative analysis) were targeted (Targeted population) from whole banking industry of Bangladesh. The targeted banks are having better workforce mix (gender and skill of employees via training) as per market information provided by Bangladesh Bank. From the targeted population, due to cost effectiveness of the study sampled population/studied population had been finalized by selecting 2-5 branches and 1-2 departments from each bank of Bangladesh. Majority of respondents (almost 95%) are engaged in various activities of branch such as general banking, loans and advances, cash management, foreign exchange etc.

**Seven banks' (33-26) annual reports were not available at the time of secondary data processing via SPSS. These banks are: Rajshahi Krishi Unnoyon Bank, Meghna Bank Ltd., Modhumoti Bank Ltd., Union Bank Ltd., HSBC, ICB Islamic Bank Ltd., NRB Bank Ltd.*

From the targeted population, respondents work in diverse services some of which are general banking service such as deposit schemes, account opening, clearing, FDR issue and cash management etc., and some are specialized service, such as human resource department, credit assessment and documentation, finance and accounts department etc. These services ensure the views and opinion of all people regarding diversity and affirmative action program in large scale. Different age, skill, experience level, job location are also taken into the consideration. Banks are selected from different angle like: Nationalized banks, Private commercial banks, Foreign banks, Specialized banks, Islamic banks and so on.

The criteria used to select the study area were identified through exploratory research such as, secondary data analysis (Bangladesh Bank Report and Annual reports of Banks), pilot study and personal observation. A pilot survey 25 respondents were conducted among the respondents to get the true workforce scenario reflection of banking industry of Bangladesh.

Study area and pilot survey are based on some criteria:

- Respondents are from different branches and departments of various banks such as in terms of ownership e.g. government and private; origin e.g. local and foreign; norm e.g. conventional and Islamic; concentration of service e.g. conventional and specialized etc.
- Involvement with banking service at least for 05 years.
- Banking experience of multi-desk activities such as general banking, credit, cash management etc.
- Different age group, gender, skill, job location (Dhaka and outside of Dhaka) are also taken into the consideration.
- Respondents experienced to work under gender mix environment and interested to know about the research concept.

5.3.2 Population Size and Selection of Respondents:

Considering the possibilities of investigation and time constraints, the sampled/studied population has been selected carefully. Instead of all banks in Bangladesh, following criteria used in selecting study area, 26 banks have been selected as targeted population (via Purposive Sampling) for research where total finite population is 1,09,596 nos. The breakdown of population size:

Bank's Name	No. of Employees
1. Prime Bank Ltd.	2867
2. Sonali Bank Ltd.	22446
3. Brac Bank Ltd.	6886
4. Standard Chartered Bank	1903
5. Dutch Bangla Bank Ltd.	5556
6. Islami Bank Bangladesh Ltd.	13574
7. NCC Bank Ltd.	2277
8. Jamuna Bank Ltd.	2204
9. EXIM Bank Ltd.	2515
10. Mercantile Bank Ltd.	1962
11. Al ArafahIslami Bank Ltd.	2649
12. First Security Islami Bank Ltd.	2673
13. Premier Bank Ltd.	1350
14. Bank Asia Ltd.	1773
15. United commercial Bank Ltd.	3679
16. Mutual Trust Bank Ltd.	1587
17. One Bank Ltd.	1861
18. Eastern Bank Ltd.	1559
19. Janata Bank Ltd.	14413
20. ShahjalalIslami Bank Ltd.	2145
21. Trust Bank Ltd.	1674
22. Southeast Bank Ltd.	2221
23. Standard Bank Ltd.	1548
24. National Bank Ltd.	4236
25. Dhaka Bank Ltd.	1503
26. City Bank Ltd.	2535
Total	1,09,596

Table 5.1: Population Profile of Selected Banks

Source: Banks' Annual Reports of 2014 and Bangladesh Bank Report on Human Resources

This study covers only bankers of different positions and departments of Bangladesh. Actually, from junior to senior position, final respondents are selected on the basis of gender, area of job location, race, age, experience in terms of job length, skill in terms of training received or not. Thus the study area has been supposed to represent all bank officials serving in different banks of Bangladesh.

5.3.3 Justification for the Selection:

Question may arise as whether the study in service industry such as banking industry is justified to get the view about diversity management. Answer to this question, a lot of reports and online information are searched and sought. Following observations are found:

“Diversity related issues are getting more importance because economies are shifting from a manufacturing one to a service one. In order to be successful in a service business effective interactions and communications with people are essential” - (Waiganjo, et al, 2012; Mayhew,2013).

Banking industry is chosen for study due to:

- ❖ One of the prominent and renowned service industries with diversified workforce among others, such as telecommunication, Software, Health care etc.
- ❖ Easier and convenient access to information for me than from other service industry. So I get the opportunity to collect and analyze the data from vast basket of information.
- ❖ Already available structured facts and figures about business performance in terms of alternative service delivery channels, per employee productivity, profitability in terms of return on asset and return of equity etc. from published annual reports of banks and different publication of Bangladesh Bank website.
- ❖ Bankers are friendlier with business terms and performance indicators as mentioned above than other industry officials from Software, Health care industry.
- ❖ Top management body like Chairman and Chief Executive Officer of most of the telecommunication company in Bangladesh is not Bangladeshi people. Since the purpose of the study to find out the views, practice and business performance due to diversity management of Bangladesh, banking industry is chosen which is ultimately nurtured by Bangladeshi management.

Male and female ratio of respondents is considered based on industry average male and female ratio i.e. 85:15. To ensure the heterogeneous/diversified group of respondents, overall, employees from 33 different banks (in terms of ownership e.g. government and private; origin e.g. local and foreign; norm e.g. conventional and Islamic; concentration of service e.g. conventional and specialized etc.) were

participated for opinion survey and secondary data (Annual reports) about business performance collected from the above banks as well.

5.3.4 Selection of Sample Branches and Departments:

Total 33 banks were identified and included in the survey based on criteria mentioned earlier. Selected respondents work in diverse services (General banking service such as loans and advances, deposit schemes, account opening and maintenance etc., specialized services such as human resource department, credit assessment and documentation, finance and accounts department etc.) to ensure the views and opinion of all people regarding diversity and affirmative action program in large scale. Different age, skill, experience level, job location are also taken into the consideration. Moreover, the bank has more exposure in terms of number of branches (source: annual report) and workforce diversity (source: Bangladesh Bank and Human Resource Departments of banks) the numbers of respondents are taken more from those banks than lower exposure banks (**Proportionate Allocation Method**). Based on the selected area, the distribution of the sample branches and departments is shown in Appendix 5.1

5.3.5 Determination of Sample Size of the Respondents:

The sample size of this study is determined by using a sound statistical formula of population proportion. We estimated sample size is 360-385 where the actual respondents no is found 336 (Primary data for opinion survey). They differed in terms of age, lengths of service, gender, area of service and position. For determining a representative sample size from finite population*, the following formula is used in this study:

$$\begin{aligned} n &= z^2 pq / \omega^2 \text{ -----(i)} \\ &= (1.96)^2 (0.5) (1 - 0.5) / (0.05)^2 \\ &= 384 \end{aligned}$$

Where,

z = Confidence Level (e.g. z value is 1.96 for 95% confidence level)

p = Expected proportion with the characteristics** = 0.5

q = 1- p

ω = Tolerance level of error = 0.05

n = Sample size

**A group of individuals occupying a particular industry; Banking industry*

*** P is expected proportion with the characteristics of the population which is near 0.50 that results in better normality assumption.*

We have adopted more than 10% design effect* and distributed sample size among selected banks proportionately to make it more representative.

Moreover, for opinion survey, we consider that some of target respondents were not found at the time of interview. After several attempts we could reach 336 respondents and others did not cooperate even after repeated request. As a result of non-response, the final sample size came to 336 and the non-response rate is about 12%. We consider that this non-response will not seriously affect the findings of our study. Considering time and resource constraint, we are aware of the fact that the most effective methods and techniques to obtain the requisite information are being chosen and assumed that most of the selected banks have diverse workforce in terms of percentage of female employees and percentage of total trained employee.

And again to test hypothesis, we have collected annual reports and other secondary data from competent authorities (Bangladesh Bank and HRD of different banks under study) for 26 representative banks. Rest of the 07 targeted banks (33-26), annual reports of them were not available at the time of secondary data collection.

**Design effect means non-deliberate problem in selection of sample from the population.*

5.3.6 Selection of Sampling Units:

From the list of all banks, we have selected 33 banks from the industry considering the criteria to choose the study area. Total number of branches and departments of selected banks as per **Purposive Sampling** and finally the respondents' size from each bank are considered proportionately, bank's total portfolio size of employees. From the list of employees of branches and departments, allocating the sample size of final respondents, **Simple Random Sample Method** is used. Based on the selected branches and departments, the distribution of the sample size is shown in Appendix 5.2

Table 5.2 shows that 76% of total respondents are male and 24% of respondents are female where the male and female respondents in number stand 257 and 79 respectively.

In tabular presentation, total scenario as follow:

Male/Female	Frequency	Percent	Valid Percent	Cumulative Percent
Male	257	76.5	76.5	76.5
Female	79	23.5	23.5	100.0
Total	336	100.0	100.0	

Table 5.2: Composition of Gender

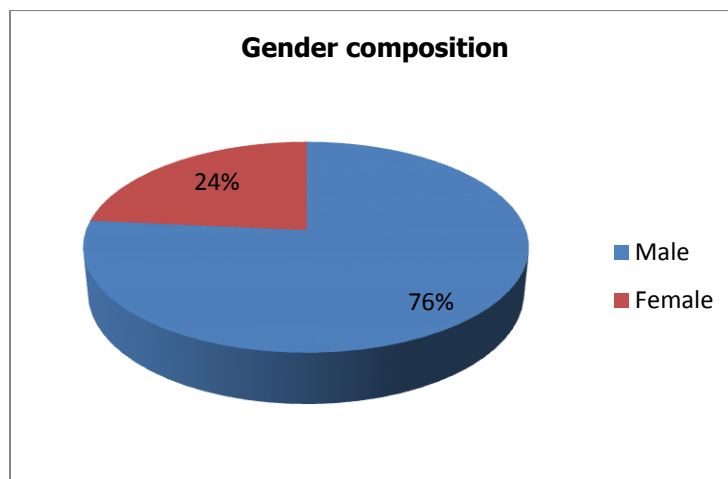


Figure 5.1: Composition of Gender

Below mentioned representation is in terms of age of the respondents:

Age (Years)	Frequency	Percent	Valid Percent	Cumulative Percent
18-30	95	28.3	28.3	28.3
30-40	180	53.6	53.6	81.8
40-50	43	12.8	12.8	94.6
50 and above 50	18	5.4	5.4	100.0
Total	336	100.0	100.0	

Table 5.3: Composition of Age of Respondents

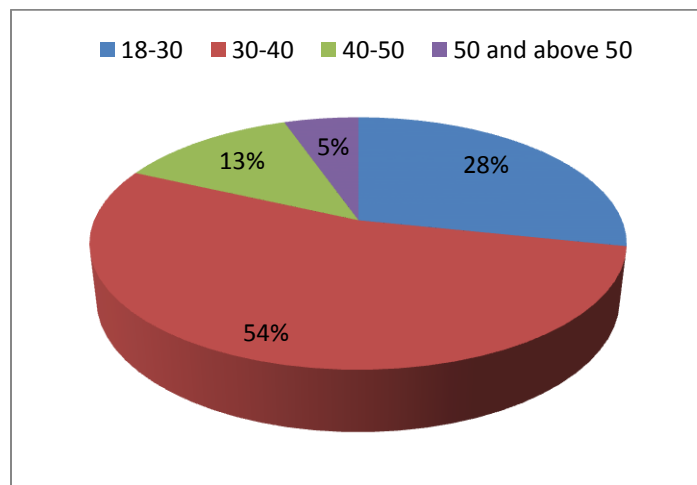


Figure 5.2: Composition of Age of Respondents

The above Table 5.3 and Figure 5.2 shows that 5% of total respondents, age is 50 and above 50 years; Age is 40 – 50 years of 13% people of respondents; 28% of total respondents, age is 18 - 30 years; And more than fifty percent, i.e., 54% of total respondents age is 30 – 40 years old.

5.4 Tools for Data Collection and Presentation:

Tools used for primary data collection in the study are structured questionnaire. After preparing the questionnaire, the quality and content of it is observed and suggested by questionnaire expert of Institute of Statistical Research and Training. And it is examined and verified with a reasonable number of tentative respondents (Pilot Survey) to endorse whether the questions mentioned in the questionnaire

are sufficient to run the study smoothly. Rational efforts that have been made to minimize the shortcomings of the questionnaires.

For secondary data collection annual reports of selected banks, different articles and reports on diversity management of regulatory body (Bangladesh Bank) have been used. Moreover, national and international articles, journal on diversity management are also the source of secondary data.

5.4.1 Development of Questionnaire:

A structured questionnaire was used to know the opinion of the respondents from banking industry about the diversity management and affirmative action program, subsequently the prevailing practices, thoughts of management of different banks in Bangladesh. It includes the aspects of types of diversity if the organizations have impacts of diversity in terms of innovation, business productivity, business profitability and image of the organization. Again it also covers whether implementation of Affirmative Action Program helps to ensure effective diversified workplace/environment. The questionnaire was constructed through reviewing literatures related to the area of study. The questionnaire includes seven dimensions and related items/options which were constructed from the vive of literature reviews that have influence on the business performance of the organizations through diversity management and affirmative action program. The summary of questionnaire is:

Question	Dimension	Question Type	No. of Items
1. What type of diversity in workplace?	Norm of diversity	Multiple choice question	05
2. Does innovation & problem solving derived by diversified workforce?	Diversity benefits	Dichotomous question	03
3. Does diversified workforce promote business productivity?	Diversity benefits	Dichotomous question	03
4. Does diversified workforce help to create synergy?	Diversity benefits	Dichotomous question	03
5. Does diversity promotes the best practices in the business case?	Diversity impacts	5-point Likert Scale ranging from 1 for "Strongly agree" and 5 for "Strongly disagree"	05
6. Does diversified organization get	Diversity impacts	5-point Likert	05

competitive advantage?		Scaleranging from 1 for "much better" and 5 for "much worse"	
7. What key features of a diversity policy in your organization?	Diversity policy feature/techniques to achieve diversity goals	Multiple choice question	05
8. Do you think - your organization has a diversity policy?	Management involvement to diversity	Dichotomous question	02
9. Do you support the implementation of AAP and diversity program help to ensure effective diversified workplace/environment	Employee involvement to diversity	Dichotomous question	03
10. Do you think your organization embodies vision of a sustainable diverse working environment	Sustainable of diversity program	Dichotomous question	03

Table 5.4: Structure of Questionnaire

5.4.2 Tools Used in Presenting Data:

In this study, in case of questionnaire/opinion survey of the respondents, to represent the data easily, different types of charts and graphs e.g. pie charts, histogram, bar diagrams and so on are used. To present the message of different diversity and related theories and concepts, tables and smart arts are used.

In analyzing data collected from different reports of banks, both descriptive and inferential statistics are used. Descriptive statistics is used to explain the situation while inferential statistics is used for identifying the relationships among the variables.

5.5 Development of Measurement Instruments:

This study was primarily being conducted to identify the benefit of the workforce diversity and the implementation of affirmative action program in the banks. The response variables are related to the business performance and the image of the organizations due to the existence of diversity. The explanatory variables are concerned with the workforce diversity in terms of gender mix (surface level diversity) and trained employees (deep level diversity) of the organizations.

5.5.1 Explanatory Variables:

The explanatory variable of this study is concerned with the Workforce Diversity. The explanatory variable was split into two sub-variables. The explanatory variables are:

- a) Gender mix - Percentage of female employee in each bank (X_1) which is measured by using following formula:

No. of female employees/ No. of total employees of a Bank

- b) Trained Employees - Percentage of trained employee in each bank (X_2) which is measured by using following formula:

No. of employees received training*/ No. of total employees of a Bank

**Both internal and external even foreign trainings are considered as per each Bank's Annual Report -2014 representation
Re-appearance of trainees is included.*

5.5.2 Response variables:

The response variable of this study is business performance and image of the organization. The response variable was split into five sub-variables. The response variables are:

- a) Innovation level of the bank– No of service delivery channels in each bank (Y_1)

[Service delivery channels of banking industry of Bangladesh are: own ATM arrangement, Online Banking, Internet Banking, Mobile/SMS Banking, Branch, KIOSK]

- b) Per employee productivity (Y_2) of each bank which is measured by using following formula:

Operating Profit/No. of employee

- c) Profitability – i) Return on Assets (Y_3) of each bank [Considered from declared/reported amount of Return on Assets of corresponding bank's annual report financial highlights part]
 - ii) Return on Equity (Y_4) of each bank [Considered from declared/reported amount of Return on Equity of corresponding bank's annual report financial highlights part]
- d) Image of the organization – Focused group (Clients of selected banks) discussion on random basis

5.6 Data Validity:

Data validity is the strength of our conclusions, inferences or propositions. Cook and Campbell (1979) defined validity as the best available approximation to the truth or falsity of a given inference, proposition or conclusion. Usually a researcher tries to measure concept that is the centre of the target that is called validity.

Before applying any quantitative statistical methods, we need to check the validity or randomness of the data. The hypotheses about validity of the data can be defined as:

Ho: The dataset is not biased i.e., data set is random and representative of the population

Ha: The dataset is biased i.e., data set is not random and representative of the population

To check this hypothesis, we do a non-parametric "Run test" on the data where median (literature review recommended but mean could be used as well) is used as a cut of point. The results are shown in the table 5.5

Particulars	% of Female Employees	% of Employee Trained	Innovation (No. of Service Delivery Channels)	Profitability (Return on Assets)	Profitability (Return on Equity)	Per Employee Productivity
Test Value	16.347498 6552	89.98549 736	4	1.06	12.00	1.98
Cases < Test Value	13	13	12	12	13	13
Cases >= Test Value	13	13	14	14	13	13
Total Cases	26	26	26	26	26	26
Number of Runs	10	16	13	16	13	13
Z (Test Statistics)	-1.401	.600	-.170	.635	-.200	-.200
Asymp. Sig.(2-tailed)	.161	.548	.865	.525	.841	.841

Table 5.5: Data Randomness Test - Runs Test

The table shows that all the p-values are greater than the significance level 0.05, which means we cannot reject the null hypotheses. Therefore, we can conclude with 95% confidence that the data is random and valid as well as representative of the population.

5.7 Data Analysis and Interpretation:

5.7.1 Question and Response Wise Findings (Based on Primary Data):

The study aims to examine the workforce diversity management scenario and practices in Bangladesh. The data collection was aimed at gathering information about workforce diversity management views, practices of different banks in Bangladesh.

✚ **Innovation & problem solving derived by diversified workforce and associated policies:**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	295	87.8	88.1	88.1
	No	23	6.8	6.9	94.9
	No effect	17	5.1	5.1	100.0
	Total	335	99.7	100.0	
Missing	System	1	.3		
Total		336	100.0		

Table 5.6: Innovation & Problem Solving due to Diversified Workforce

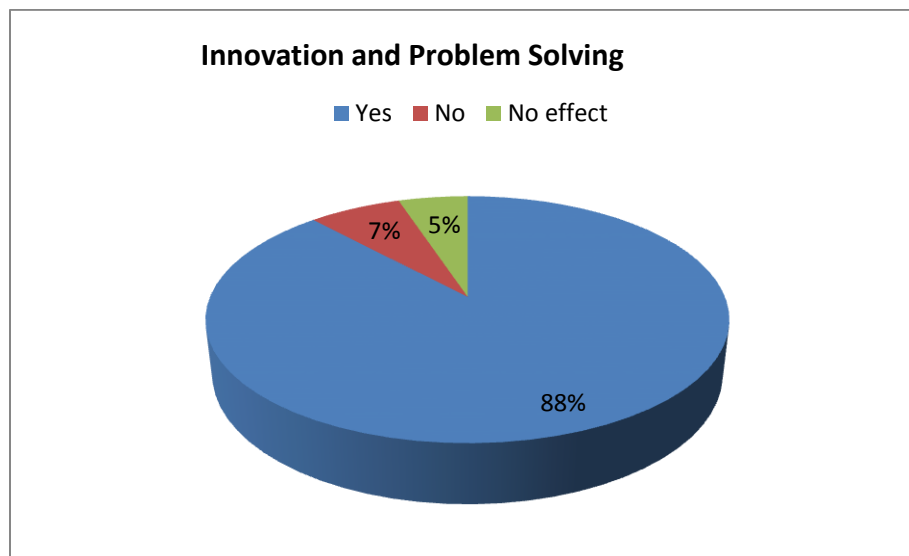


Figure 5.3: Diversified Workforce - Innovation & Problem Solving

As it appears in Table 5.6 and Figure 5.3: 88% respondents think that innovation & problem solving is derived by diversified workforce and associated policies; 7% respondents do not think that innovation & problem solving is derived by diversified workforce and associated policies and 5% of total respondents think that there is no effect on innovation & problem solving due to diversified workforce and associated policies.

- ✚ **Diversified workforce promotes business productivity due to opportunity of choosing/employing right person from diverse people than non-diversified (homogenous) organization.**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	307	91.4	91.6	91.6
	No	13	3.9	3.9	95.5
	No effect at all	15	4.5	4.5	100.0
	Total	335	99.7	100.0	
Missing	System	1	.3		
Total		336	100.0		

Table 5.7: Business Productivity due to Diversified Workforce

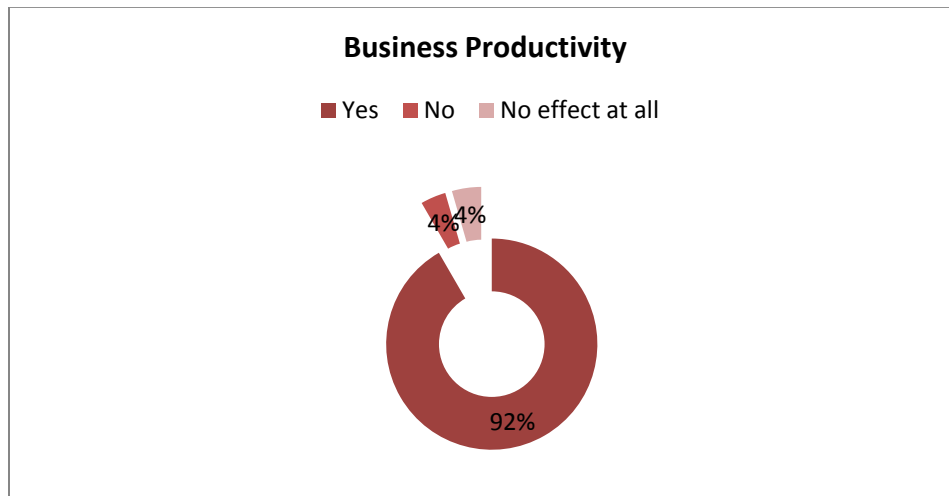


Figure 5.4: Diversified Workforce - Business Productivity

As per appears in Table 5.7 and Figure 5.4: 92% of respondents believe that diversified workforce promotes business productivity due to opportunity of choosing/employing right person from diverse people than non-diversified (homogenous) organization; 4% of respondents do not believe that diversified workforce promotes business productivity and 4% of total respondents believe that there is no effect at all on business productivity due to diversified workforce.

✚ **Do you think diversified workforce (Deep level: experience & knowledge, education, skill) helps to create synergy (Profitability via cost effectiveness) than non- diversified workforce?**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	307	91.4	91.9	91.9
	No	11	3.3	3.3	95.2
	No effect at all	16	4.8	4.8	100.0
	Total	334	99.4	100.0	
Missing	System	2	.6		
Total		336	100.0		

Table 5.8: Synergy Creation due to Diversified Workforce

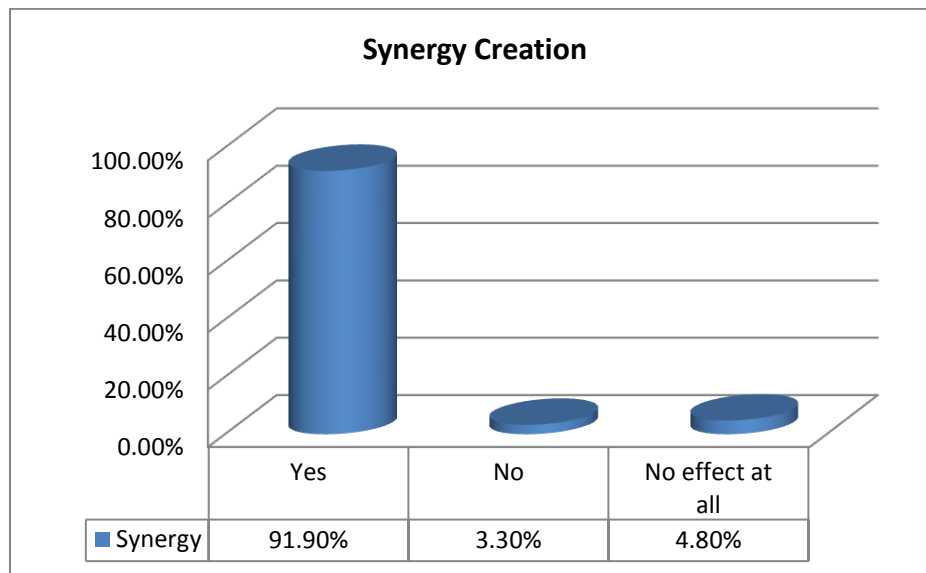


Figure 5.5: Diversified Workforce -Synergy Creation

The above Table 5.8 and Figure 5.5 shows that 92% respondents opine that diversified workforce (Deep level: experience & knowledge, education, skill) helps to create synergy (Profitability via cost effectiveness) than non- diversified workforce; 3% respondents do not opine that diversified workforce helps to create synergy; And 5% of total respondents opine that there is no effect at all on creation of business synergy due to diversified workforce.

✚ **Does diversity & it's management promotes the best practices in the business case?**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	98	29.2	29.3	29.3
	Moderately agree	130	38.7	38.9	68.3
	Agree	89	26.5	26.6	94.9
	Disagree	11	3.3	3.3	98.2
	Strongly disagree	6	1.8	1.8	100.0
	Total	334	99.4	100.0	
Missing	System	2	.6		
Total		336	100.0		

Table 5.9: Best Practices in Business Case due to Diversified Workforce

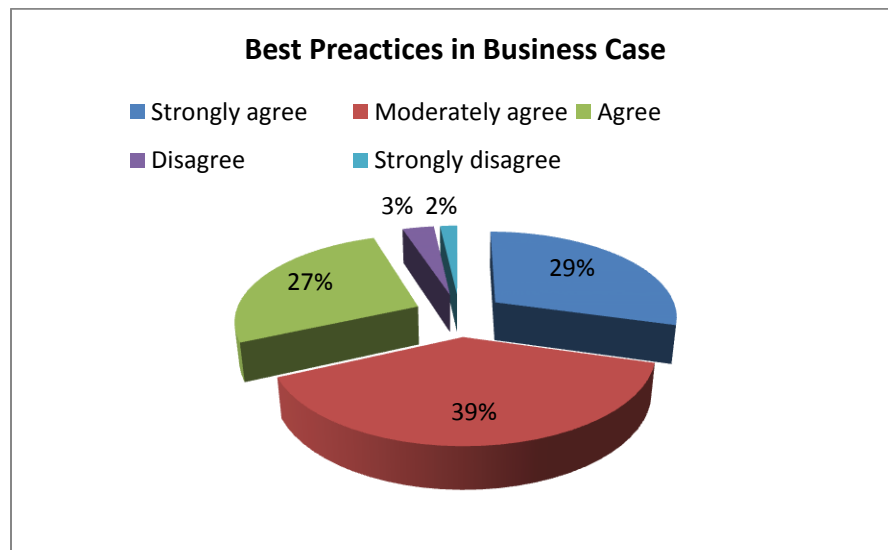


Figure 5.6: Diversified Workforce -Best Practices in Business Case

As it appears in Table 5.9 and Figure 5.6: 29% respondents strongly agree that diversity & it's management promotes the best practices in the business case; 39% respondents moderately agree; 27% respondents only agree that diversity & it's management promotes the best practices in the business case; 3% respondents disagree with that and 2% of total respondents strongly disagree that diversity & it's management promotes the best practices in the business case.

✚ Compared to non-diversified organization, does diversified one get competitive advantage due to existence of heterogeneous group of people?

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Much better/higher	125	37.2	37.7	37.7
	Somewhat better/higher	147	43.8	44.3	81.9
	About the same	53	15.8	16.0	97.9
	Somewhat worse	6	1.8	1.8	99.7
	Much worse	1	.3	.3	100.0
	Total	332	98.8	100.0	
Missing	System	4	1.2		
Total		336	100.0		

Table 5.10: Competitive Advantage due to Diversified Workforce

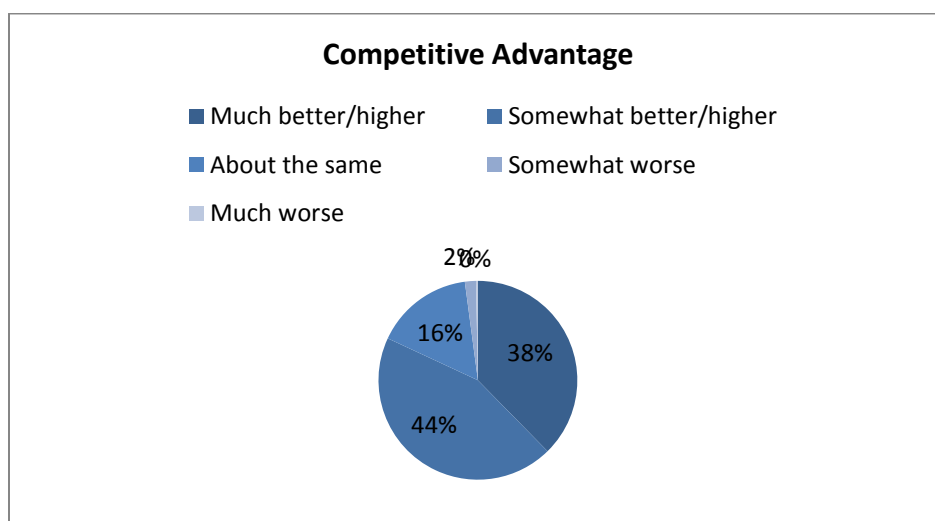


Figure 5.7: Diversified Workforce -Competitive Advantage

From the above Table 5.10 and Figure 5.7 shows that 38% respondents think that diversified organizations get much better competitive advantage due to existence of heterogeneous group of people than non-diversified organization; 44% respondents think that diversified organizations get somewhat better competitive advantage than non-diversified organization; 16% respondents think that diversified organizations get about the same competitive advantage as non-diversified organization ; And 2% of

total respondents think that diversified organizations get somewhat worse and much worse competitive advantage due to existence of heterogeneous group of people than non-diversified organization.

✚ What (would be/are) the key features of a diversity policy in your organization?

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Implementation of AAP	43	12.8	12.9	12.9
	Equal Employment Opportunity	173	51.5	51.8	64.7
	Anti-Discrimination	41	12.2	12.3	76.9
	Equal opportunities	62	18.5	18.6	95.5
	None of the above	15	4.5	4.5	100.0
	Total	334	99.4	100.0	
Missing	System	2	.6		
Total		336	100.0		

Table 5.11: Key Features of Diversity Policy

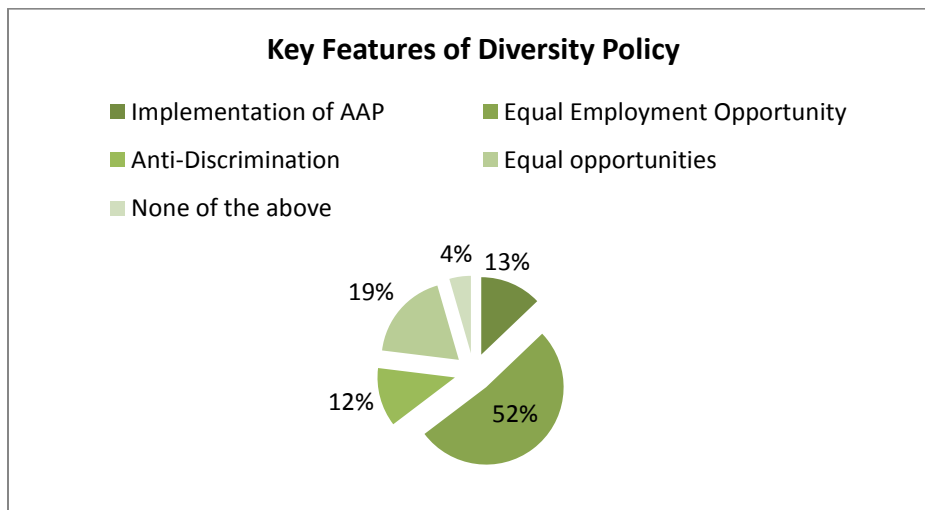


Figure 5.8: Organization Status - Key Features of Diversity Policy

As per appears in Table 5.11 and Figure 5.8: 13% respondents answer that “Implementation of Affirmative Action Program (AAP)” would be a key feature of diversity policy in organization; 12% respondents answer that “Anti-Discrimination” would be a key feature of diversity policy in organization; 19% respondents answer that “Equal opportunities” would be a key feature of diversity policy in organization; More than fifty percent, i.e., 52% of total respondents answer that “Equal Employment

Opportunity” would be a key feature of diversity policy in organization; And only 4% of respondents think none of the above options.

✚ **Do you think - your organization has a diversity policy (e.g. regarding hiring, promotion, retention)? If so does it practice/adheres to its diversity policy?**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	210	62.5	62.9	62.9
	No	124	36.9	37.1	100.0
	Total	334	99.4	100.0	
Missing	System	2	.6		
Total		336	100.0		

Table 5.12: Availability of Diversity Policy

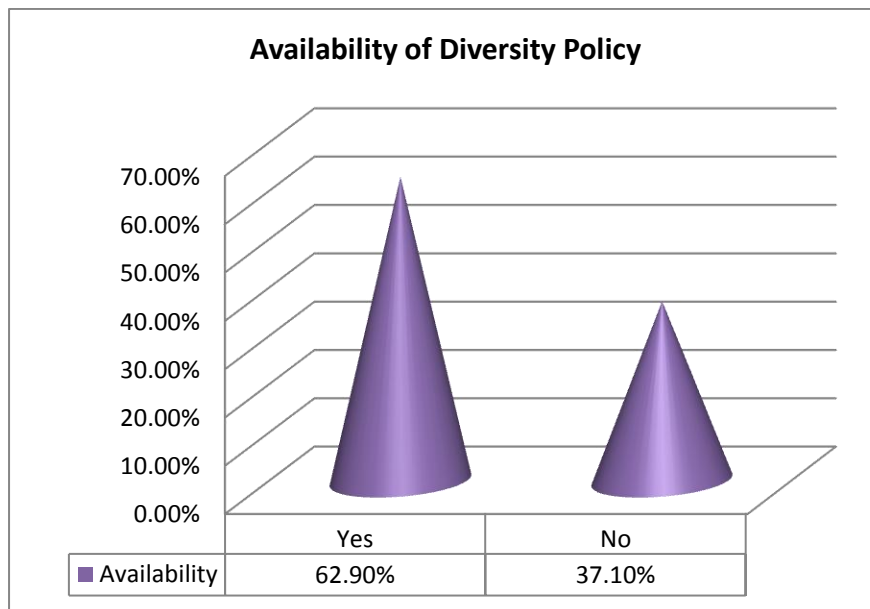


Figure 5.9: Organization Status -Availability of Diversity Policy

From the above Table 5.12 and Figure 5.9 shows that 63% respondents agree that their organizations have a diversity policy (e.g. regarding hiring, promotion, retention) whereas 37% of total respondents inform that their organizations have no diversity policy.

If no it is because of –

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Policy framing needs to be revised	63	18.8	54.3	54.3
	Policy exists but not practiced	33	9.8	28.4	82.8
	A game of politics	20	6.0	17.2	100.0
	Total	116	34.5	100.0	
Missing	System	220	65.5		
Total		336	100.0		

Table 5.13: Reasons not to Have Diversity Policy

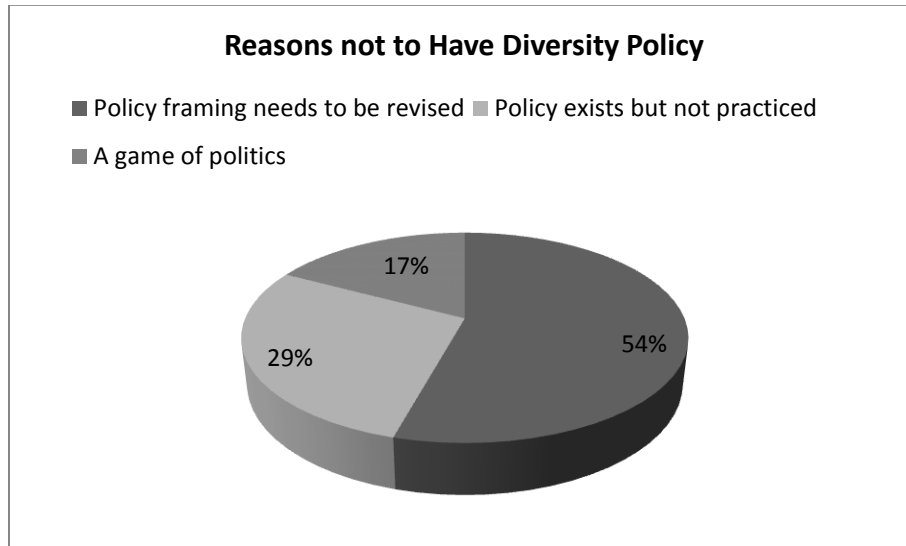


Figure 5.10: Organization Status -Reasons not to Have Diversity Policy

Table 5.13 and Figure 5.10 states the possible reasons behind not to have diversity policy in their organizations. 54% respondents opine that "Policy framing needs to be revised"; 29% respondents opine that "Policy exists but not practiced" and 17% of total respondents opine that it is "A game of politics" regarding not to have diversity policy.

If organization has a diversity policy then we will proceed for next response:

✚ **Do you support the implementation of Affirmative Action Program and other diversity program (diversity training, monitoring and follow up, accountability, scoring) help to ensure effective diversified workplace/environment?**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	236	70.2	92.9	92.9
	No	4	1.2	1.6	94.5
	Indifferent	14	4.2	5.5	100.0
	Total	254	75.6	100.0	
Missing	System	82	24.4		
Total		336	100.0		

Table 5.14: Implementation of AAP to Promote Diversified Workplace

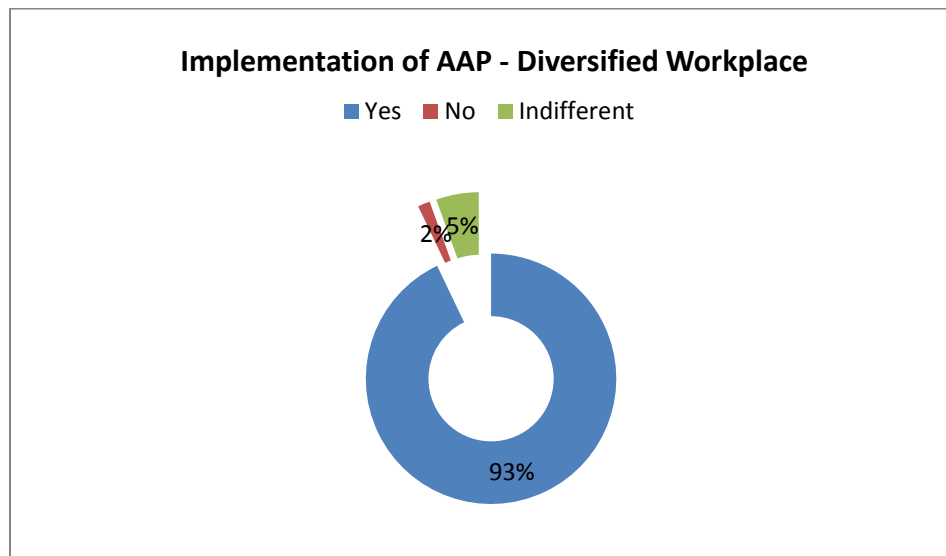


Figure 5.11: Implementation of AAP to Promote Diversified Workplace

As it appears in Table 5.14 and Figure 5.11: 93% respondents support that the implementation of Affirmative Action Program and other diversity program (diversity training, monitoring and follow up, accountability, scoring) help to ensure effective diversified workplace/environment; 2% respondents do not support the same; And 5% respondents are indifferent regarding this.

✚ **Do you think your organization embodies your vision of a sustainable diverse workplace/working environment?**

Particulars		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	191	56.8	61.6	61.6
	On the way to practice	66	19.6	21.3	82.9
	No	53	15.8	17.1	100.0
	Total	310	92.3	100.0	
Missing	System	26	7.7		
Total		336	100.0		

Table 5.15: Organization Vision - Sustainable Diverse Workplace

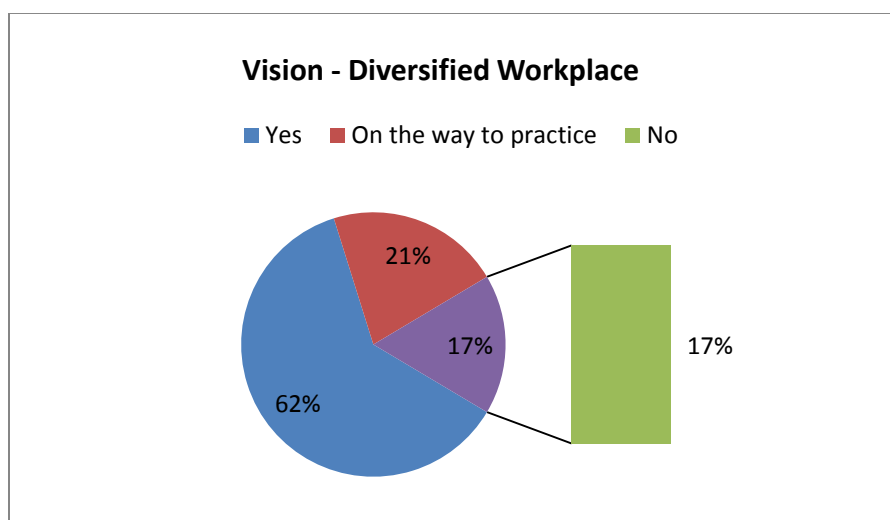


Figure 5.12: Organization Vision - Sustainable Diverse Workplace

Again from the above Table 5.15 and Figure 5.12 states that 62% respondents think their organizations' vision is toward a sustainable diverse workplace/working environment; 21% respondents think their organizations' vision is on the way to practice and rest of the respondents, i.e., 17% respondents is not toward the same.

5.7.2 Quantitative Analysis (Based on various reports of Bangladesh Bank and Annual reports of Govt. and Private Banks - Descriptive Statistics, Correlations and Data Presentation):

We will begin with an informative summary table on all the variables presented below:

Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Percent of female employee	26	3.208	24.970	15.415	5.608
Percent of employee trained	26	27.501	152.245	99.832	52.221
Innovation (No. of Service Delivery Channels)	26	2	6	3.73	1.079
Per Employee Productivity	26	.39	9.37	2.179	1.746
Profitability (Return on Assets)	26	.35	1.87	1.027	.369
Profitability (Return on Equity)	26	5.71	17.33	12.133	3.483

Table 5.16: Descriptive Statistics of Explanatory and Response Variables

5.7.2.1 Relationship between Business Performance -Innovation and Workforce Diversity:

Business Performance -Innovation (in terms of No. of Service Delivery Channels) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).

5.7.2.1.1 Descriptive Analysis:

At the beginning, the pie chart of current innovation scenario of banking industry in terms of available service delivery channels is shown. There are 06 types service delivery channels in banking industry of Bangladesh: own ATM arrangement, Online Banking, Internet Banking, Mobile/SMS Banking, Branch, KIOSK

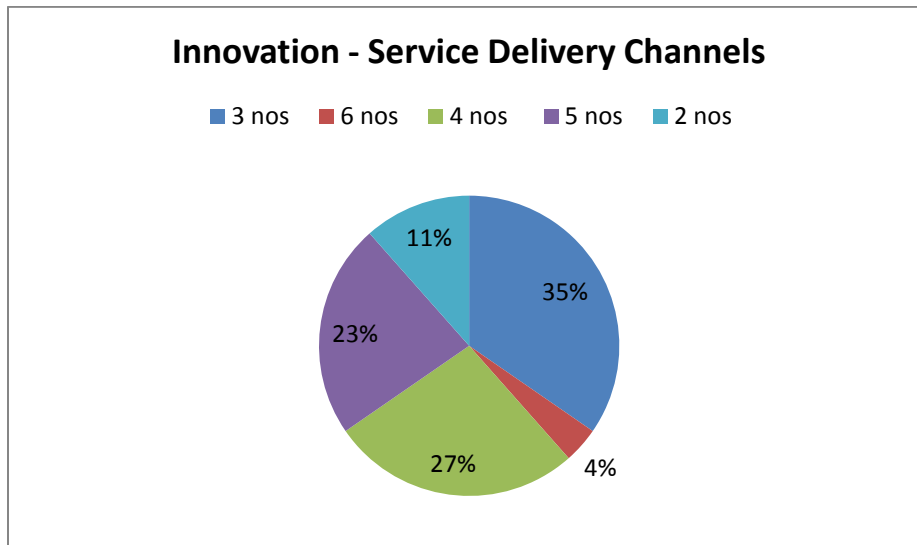


Figure 5.13: Innovation in terms of No. of Service Delivery Channels

From the Figure 5.13, it is found that 34.62% of the banks have 3 types service delivery channels, which is the highest. Also, 3.85% of the banks have 6 types service delivery channels that is the lowest. Besides, 26.92% of the banks have 4 types service delivery channels, 23.08% of the banks have 5 types service delivery channels and 11.54% of the banks have 2 service delivery channels.

5.7.2.1.2 Quantitative Analysis:

In this section, necessary quantitative analysis is done to explore the relationship among innovation in terms of no of service delivery channels and percentage of female employees as well as percentage of trained employees.

❖ Correlation Matrix:

The correlation matrix among the variables - innovation in terms of no of service delivery channels (Response variable) and percentage of female employees and percentage of trained employees (Explanatory variables):

Particulars			Innovation (No. of Service Delivery Channels)	Percent of Female Employee	Percent of Trained Employee
Spearman's Correlation	Innovation (No. of Service Delivery Channels)	Correlation Coefficient	1.000	.354*	.173**
		Sig. (2-tailed)	.	.076	.399
		N	26	26	26
	Percent of Female Employee	Correlation Coefficient	.354*	1.000	.255
		Sig. (2-tailed)	.076	.	.208
		N	26	26	26
	Percent of Trained Employee	Correlation Coefficient	.173**	.255	1.000
		Sig. (2-tailed)	.399	.208	.
		N	26	26	26

*Correlation is significant at the 0.076 level (2-tailed)

**Correlation is significant at the 0.399 level (2-tailed)

Table 5.17: Correlations of Business Performance -Innovation and Workforce Diversity

From the correlation matrix above, weak positive correlation has been found between the innovation in terms of Service Delivery Channels and percentage of female employees. This correlation is significant at 8% level of significance [$r=0.354$, $N=26$, $p=0.076<0.08$]. This implies that percentage of female employees in a bank affects the organization's innovative norm, i.e., no of service delivery channels to

some extent – if percentage of female employees changes in any direction – positive or negative, the innovation norm/level of the bank also changes in the same direction in small scale.

Correlation between innovation in terms of no of service delivery channels and percentage of trained employee, is found weekly positive. This correlation is significant at 40% level of significance [$r=0.173$, $N=26$, $p=0.399$]. This implies that, changes in percentage of employee trained will weekly affect the innovation in terms of no of service delivery channels but in the same direction.

❖ **Hypotheses:**

The aim of our interest is to find out any relationship - positive or negative, among innovations in terms of no of service delivery channels and percentage of female employees and percentage of trained employees. Our aim can be stated in terms of the following hypotheses:

There exists some significant relationship - positive or negative among innovations in terms of no of service delivery channels, percentage of female employees, percentage of trained employees.

❖ **Model Fitting:**

To explore the relationship we will fit an appropriate statistical model to the available data. For our model, innovations in terms of no of service delivery channels is the response variable. The explanatory variables are percentage of female employees and percentage of trained employees.

Since the response variable is a count type variable, we will fit a Poisson model to the data as follows:

$$\begin{aligned} \text{Log (average no of service delivery channels)} &= B1*(\text{percentage of female employees}) \\ &+ B2*(\text{percentage of trained employee}) \end{aligned}$$

We fit the above model to the data. Related results are stated below with appropriate explanations to justify the hypotheses.

Goodness of Fitted Model (Poisson):

Likelihood Ratio Chi-Square	df	Sig.
106.807	2	.000

Table 5.18: Goodness of Fitted Model - Omnibus Test

The above table shows the appropriateness of the fitted Poisson model, i.e., how well the model can explain the patterns in the data. It shows a p-value of 0.000 that is significant at 5% level of significance. This means that the model fits the data well and represents the true scenario. Therefore using this model, we can get the true relationship among the variables.

❖ **Parameter Estimates and Interpretation:**

Parameter	Coefficient Value	Std. Error	95% Wald Confidence Interval		Hypothesis Test		
			Lower	Upper	Wald Chi-Square	df	Sig.
Percent of Female Employee	.057	.0061	.045	.069	87.831	1	.000
Percent of Trained Employee	.003	.0008	.001	.005	11.276	1	.001

Table 5.19: Coefficients (Innovation) - Percent of Female Employee and Percent of Trained Employee

The above model shows the values of the coefficients in the fitted model (Poisson). The fitted model is:

$$\text{Log (average service delivery channels)} = 0.057 \text{ (percentage of female employee)} \\ + 0.003 \text{ (percentage of trained employee)}$$

The above table shows that, both percentage of female employees and percentage of trained employees significantly affect the innovation in terms of no of service delivery channels of bank.

It is found from the data that, if two banks differ by 1% in percentage of female employee, then their log of average service delivery channels will differ by 0.057 units, when both of the banks have same percentage of trained employee. In other words, if bank "A" has 1% more in percentage of female employee than bank "B", then the average service delivery channels for bank "A" is 0.057 units more than that of bank "B", when both have same percentage of trained employee. Moreover, this relationship is significant at 5% level of significance.

Also it is found that if two banks differ by 1% in percentage of employee trained, then their log of average service delivery channels will differ by 0.003 units, when both of the banks have same percentage of female employees. In other words, if bank "A" has 1% more in percentage of trained employee than bank "B", then the average service delivery channels for bank "A" is 0.003 units more than bank "B", when both banks have equal percentage of female employee. Moreover, this relationship is significant at 5% level of significance.

❖ **Findings:**

Innovation in terms of service delivery channels is significantly affected by percentage of female employees and percentage of trained employees. So, there exists positive relationship among innovations in terms of no of service delivery channels, percentage of female employees, percentage of trained employees.

5.7.2.2 Relationship between Business Performance – Per Employee Productivity and Workforce Diversity:

Business Performance - Productivity (in terms of Per Employee Productivity) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).

5.7.2.2.1 Descriptive Analysis:

Per Employee Productivity is a continuous type variable, which is an important indicator of business performance in banking sector.

The following table shows more detail:

(Taka in Million)

Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Per Employee Productivity	26	.39	9.37	2.1792	1.74686
Valid N (list wise)	26				

Table 5.20: Descriptive Analysis of Per Employee Productivity

❖ **Distribution and Outlier Detection:**

To check for normality of the variables and potential outliers as well as extreme values, histogram and Box-plot are very useful.

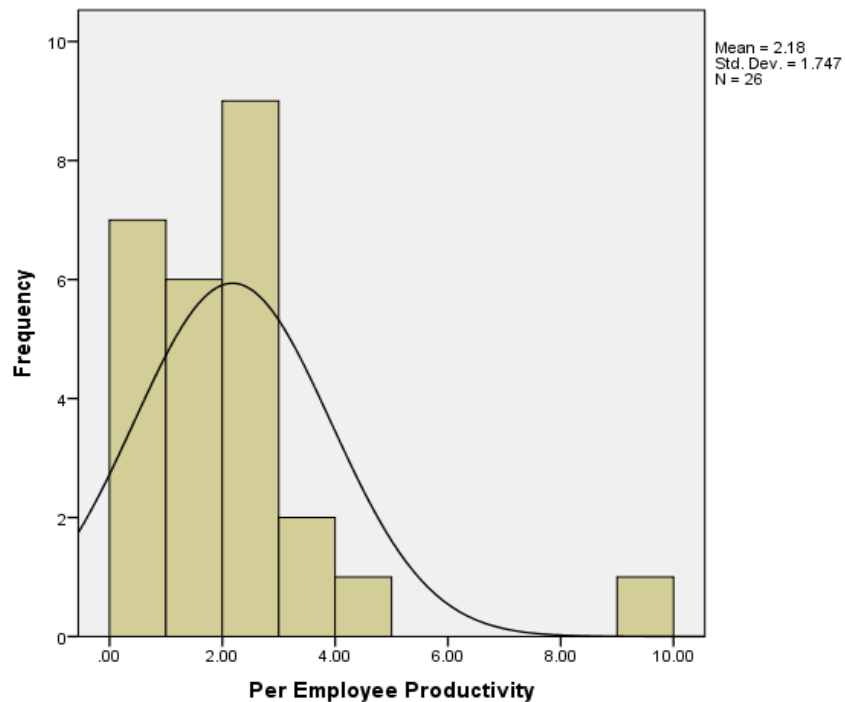


Figure 5.14: Histogram of Per Employee Productivity

The above histogram shows the nature of the distribution of per employee productivity. It is found that the variable has a normal distribution but slightly skewed to the right.

Also, it is found that there is one observation far away from the others which may be an outlier or an extreme value. Therefore, before proceeding for further analysis we will check for outliers or extreme value in the response.

Potential outliers as well as extreme values can be found using Box-plot. An outlier is a value that is greater than 1.5 times the IQR (Inter Quartile Range) and less than 3 times the IQR and marked using a small circle in the Box-plot. An extreme value is defined as a value greater than 3 times the IQR and marked using an asterisk in the Box-plot. Both outlier and extreme values have great impact on the inference procedure and therefore is essential to be handled carefully for drawing valid conclusions based on the data.

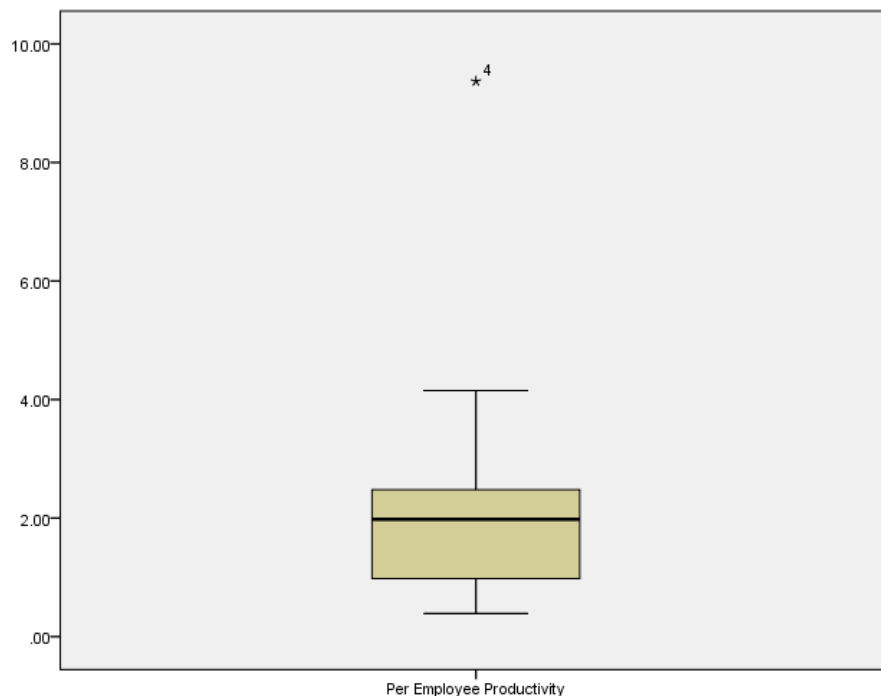


Figure 5.15: Box-plot of Per Employee Productivity

The above Box-plot shows that there exists an extreme value which is actually the Standard Chartered Bank having a very high value for per employee productivity. For drawing valid conclusions, an extreme value should be removed from the analysis.

5.7.2.2.2 Quantitative Analysis:

In this section, necessary quantitative analysis is done to explore the relationship per employee productivity and percentage of female employees as well as percentage of trained employees.

❖ Correlation Matrix:

The correlation matrix among the variables: Business Performance – Productivity in terms of per employee productivity (Response variable) and percentage of female employees and percentage of trained employees (Explanatory variables):

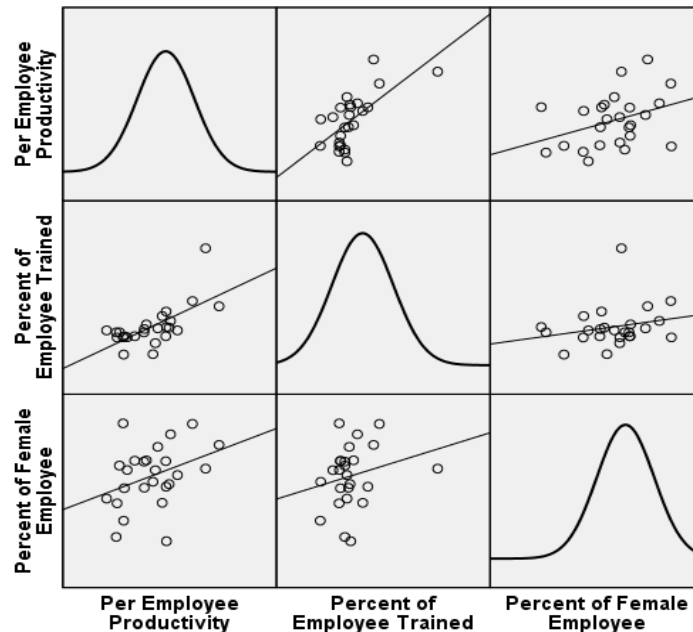


Figure 5.16: Graphical Correlation Matrix of Business Performance - Per Employee Productivity and Workforce Diversity

From the above graphical correlation matrix, it can easily be seen the fitted lines for per employee productivity vs. percent of female employee plot and per employee productivity vs. percent of trained employee plot are almost diagonal indicating that per employee productivity is positively correlated with percent of female employee and percent of trained employee. Also, curves in the diagonals indicate that all of the variables are normally distributed.

Particulars		Per Employee Productivity	Percent of Trained Employee	Percent of Female Employee
Per Employee Productivity	Pearson Correlation	1	.663**	.359*
	Sig. (2-tailed)		.000	.078
	N	25	25	25
Percent of Trained Employee	Pearson Correlation	.663**	1	.230
	Sig. (2-tailed)	.000		.269
	N	25	25	25
Percent of Female Employee	Pearson Correlation	.359*	.230	1
	Sig. (2-tailed)	.078	.269	
	N	25	25	25

*Correlation is significant at the 0.078 level (2-tailed)

**Correlation is significant at the 0.00 level (2-tailed)

Table 5.21: Correlation Matrix of Business Performance - Per Employee Productivity and Workforce Diversity

From the above correlation matrix, it is found that per employee productivity and percent of female employee is weakly correlated in positive direction. This means, changes in percent of female employee in some direction will cause change in per employee productivity in the same direction. Also this correlation is significant at 8% level [$r = 0.359$, $N=25$, $p=0.078 < 0.08$].

Positive moderate correlation between per employee productivity and percentage of trained employee is found. This correlation is significant at 5% level of significance [$r=0.663$, $N=25$, $p=0.000 < 0.05$]. This implies that changes in percentage of trained employee in some direction will cause moderate changes in per employee productivity in the same direction.

❖ **Hypotheses:**

The aim of our interest is to find out any relationship - positive or negative among per employee productivity and percentage of female employees and percentage of trained employees. Our aim can be stated in terms of the following hypotheses:

There exists some significant relationship - positive or negative among per employee productivity and percentage of female employees and percentage of trained employees.

❖ **Model fitting:**

To explore the relationship we will fit an appropriate statistical model to the available data. For our model, per employee productivity is the response variable. The explanatory variables are percentage of female employees and percentage of trained employees.

Since the response variable is a continuous type variable, we will fit a linear model to the data as follows:

$$\text{Average per employee productivity} = B_0 + B_1 * (\text{percentage of female employees}) + B_2 * (\text{percentage of trained employee})$$

We fit the above model to the data. Related results are stated below with appropriate explanations to justify the hypotheses.

Goodness of Fitted Model (Linear):

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.696 ^a	.484	.437	.72672	.484	10.314	2	22	.001

Table 5.22: Model Summary - Goodness of Fitted Model

From the above table, the R-square is found .484. This means that, almost 50% of the variation in per employee productivity can be explained by the fitted model accurately. The model is also found significant [$p=0.001 < 0.05$] at 5% level of significance. Therefore, the model can be used to draw valid conclusions on the relationship among those variables.

❖ **Parameter Estimates and Interpretation:**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.218	.466		.467	.645
	Percent of female employee	.037	.027	.218	1.384	.180
	Percent of employee trained	.011	.003	.613	3.892	.001

Table 5.23: Coefficients (Productivity) - Percent of Female Employee and Percent of Trained Employee

The above table shows the values of coefficients in the fitted model. The fitted model is:

$$\begin{aligned} \text{Average per employee productivity} &= 0.218 + 0.037 * (\text{percent of female employee}) \\ &+ 0.011 * (\text{percent of trained employee}) \end{aligned}$$

It is found from the table that both percent of female employee and percent of employee trained significantly affect per employee productivity of the bank.

The constant term in the table indicates that if a bank has no female employees and no trained employees then that bank's average per employee productivity is Taka 0.218 Million. But this term is significant at 65% level of significance meaning that it should not be given more importance.

The table also shows that if two banks differ by 1% in percentage of female employees then their average per employee productivity will also differ by Taka 0.037 Million, when both banks have the same percentage of trained employees. In other words, if bank "A" has 1% more in percentage of female employee than bank "B", then bank "A" will have Taka 0.037 Million more in average per employee productivity than bank "B", when both banks have equal percentage of trained employees. Moreover, this is significant at 18% level of significance, which means this is of moderate importance.

It is also found that, if two banks differ by 1% in percentage of trained employees then their average per employee productivity will also differ by Taka 0.011 Million, when both banks have the same percentage of female employees. In other words, if bank "A" has 1% more in percentage of trained employees than bank "B", then bank "A" will have Taka 0.011 Million more in average per employee productivity than bank "B", when both banks have equal percentage of female employees. Moreover, this is significant at 5% level of significance, which means that this is of great importance.

❖ **Error Normality Assumption Checking:**

In linear regression, one of the assumptions is that errors have normal distribution. To check this assumption, a normal P-P plot is used. If the plot shows a plot having all the data values around a diagonal line, this means that the errors are normally distributed. The more scattered the errors are from the diagonal, the more deviation from the normality is occurred.

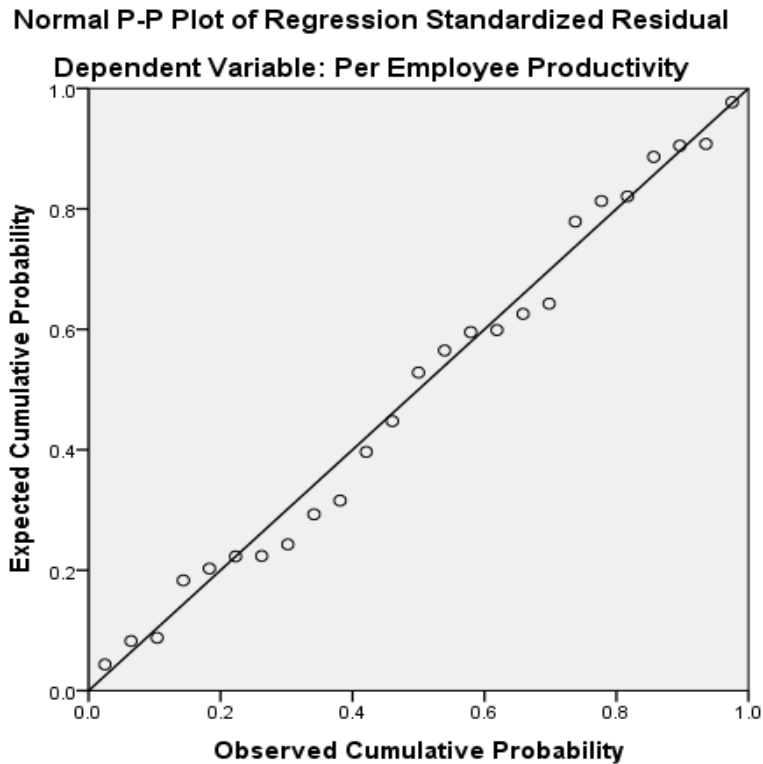


Figure 5.17: Normal P-P Plot of Regression Standardized Residual

The above plot shows that errors are scattered closely around the diagonal meaning that the normality assumption is met here.

❖ **Heteroscedasticity Checking:**

In linear regression, one of the assumptions is that errors have constant variance. If this assumption is not met, the variances of the parameter estimates will increase greatly and will result in inefficient or insignificant parameter estimates. Therefore, heteroscedasticity checking is a must in linear regression.

Heteroscedasticity can be checked by the scatter plot of standardized residual vs. predicted value. If the plot exhibits no pattern then it is assumed that no heteroscedasticity is present there. But if any specific pattern can be detected such as widening to the right or left, clustered etc., then it is assumed that heteroscedasticity is present in the data. In presence of heteroscedasticity, the Ordinary Least Squares (OLS) estimators become inefficient and therefore are not suitable to draw conclusions. As a remedy,

Weighted Least Squares (WLS) estimation procedure is used which overcomes the problem and the estimates become more efficient.

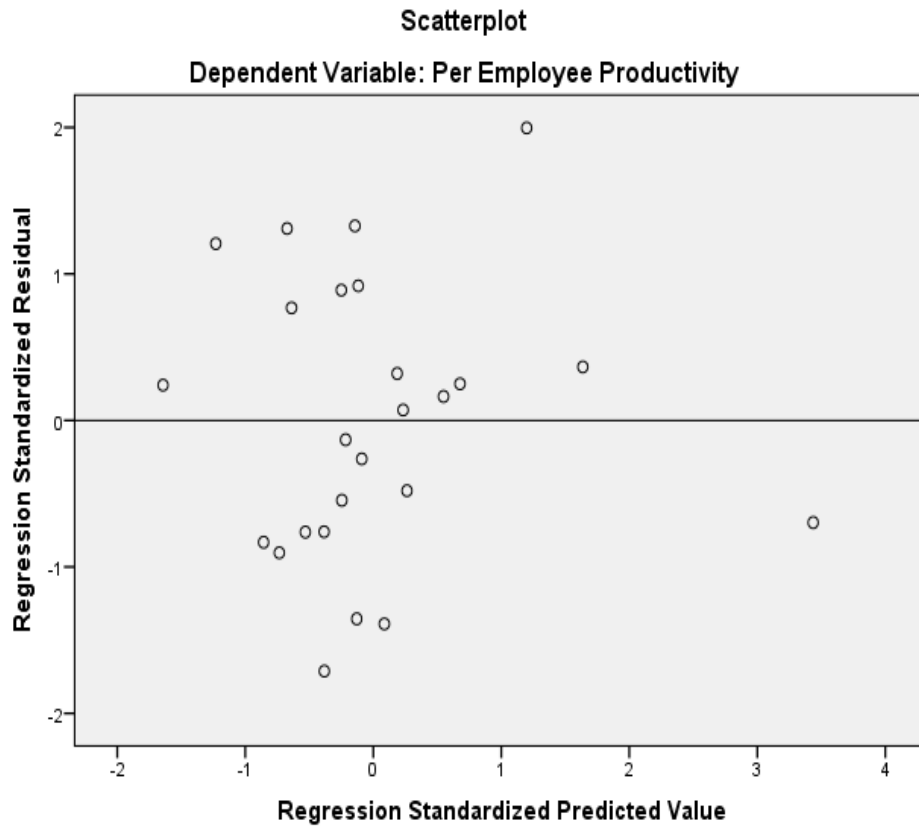


Figure 5.18: Heteroscedasticity Checking - Standardized Residual vs. Predicted Value

From the above plot, no particular pattern can be detected. This means, heteroscedasticity is not present here. Therefore, no further adjustments are needed.

❖ **Findings:**

Per employee productivity is significantly affected by the percentage of female employees as well as percentage of employees trained. So, there exists positive relationship among Per employee productivity (Response variable) and percentage of female employees, percentage of employees trained (Explanatory variable).

5.7.2.3 Relationship between Business Performance – Profitability (Return on Asset) and Workforce Diversity:

Business Performance - Profitability (in terms of Return on Asset) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).

5.7.2.3.1 Descriptive Analysis:

Return on asset in a continuous type variable which is an important indicator of business performance in banking industry. The following box provides more information-

(Taka in Million)

Particulars	N	Minimum	Maximum	Mean	Std. Deviation
Profitability (ROA)	26	.35	1.87	1.0277	.36961
Valid N (list wise)	26				

Table 5.24: Descriptive Analysis of Business Performance - Profitability (Return on Asset)

❖ **Distribution and Outlier Detection:**

To check for normality of the variables and potential outliers as well as extreme values, histogram and Box-plot are used:

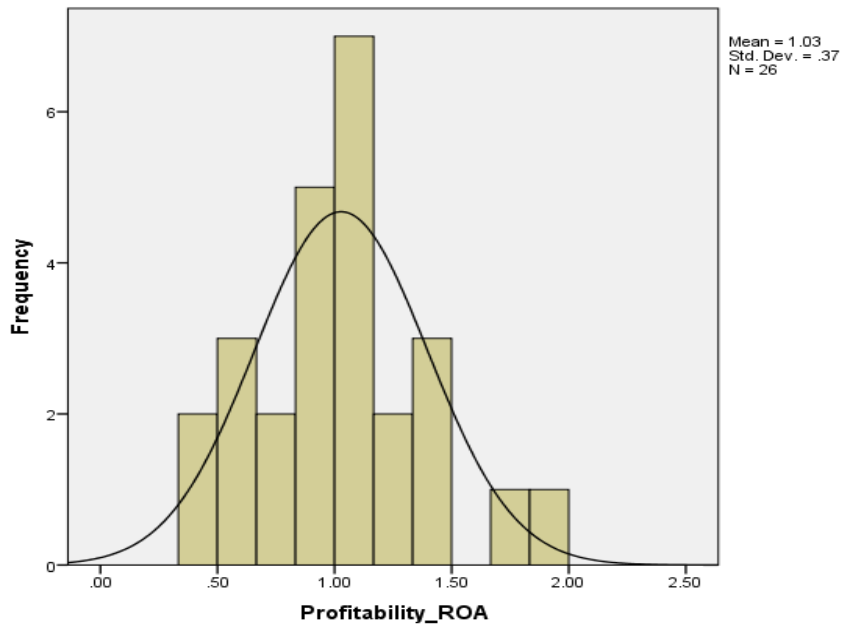


Figure 5.19: Histogram of Business Performance - Profitability (Return on Asset)

The above histogram shows the nature of the distribution of Return on Asset. It is found that the variable has a normal symmetric distribution. Also, it is found that there are two observations a little far away from the others and those may be outliers or extreme values. Therefore, before proceeding for further analysis, we will check for outliers or extreme value in the response.

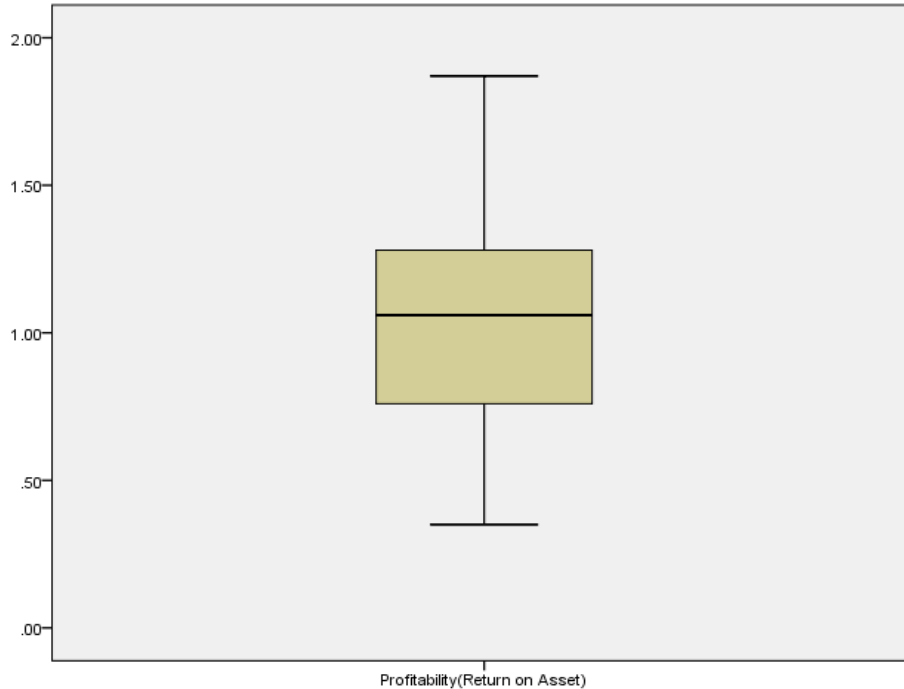


Figure 5.20: Box-plot of Business Performance - Profitability (Return on Asset)

From the above Box-plot, it is found that there are neither outliers nor extreme values in the response. Therefore, no further exclusions or adjustments are needed.

5.7.2.3.2 Quantitative Analysis:

In this section, necessary quantitative analysis is done to explore the relationship among return on asset and percentage of female employees as well as percentage of trained employees.

❖ Correlation Matrix:

The correlation matrix among the variables: Business Performance – Profitability in terms of Return on Asset (Response variable) and percentage of female employees and percentage of trained employees (Explanatory variables):

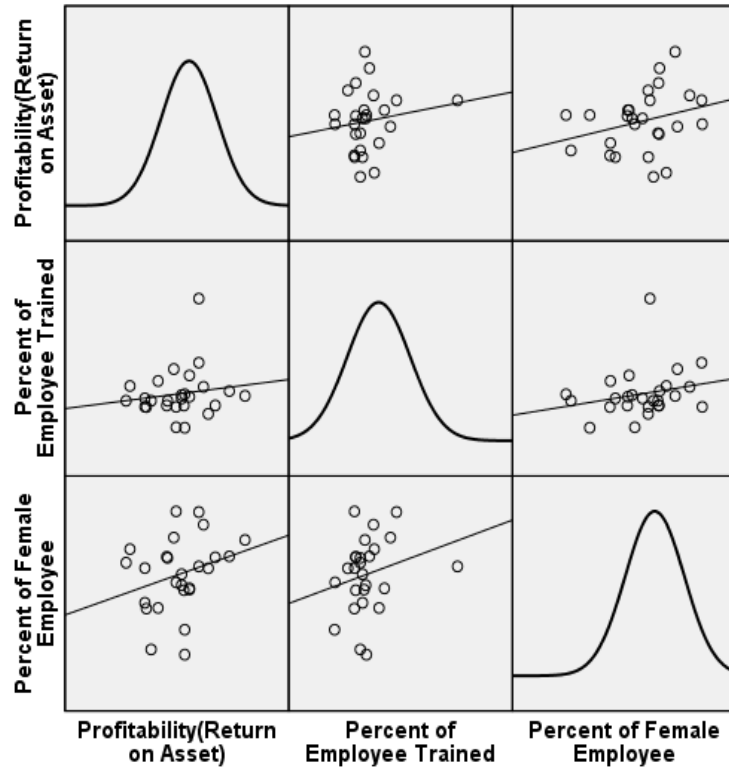


Figure 5.21: Graphical Correlation Matrix of Business Performance –Profitability (Return on Asset) and Workforce Diversity

From the above graphical correlation matrix, it can easily be seen the fitted lines for Return on Asset vs. percent of female employee plot and Return on Asset vs. percent of trained employee plot are not much diagonal indicating that per employee productivity is weakly and positively correlated with percent of female employee and percent of trained employee. Also, curves in the diagonals indicate that all of the variables are normally distributed.

Particulars		Profitability (Return on Asset)	Percent of Trained Employee	Percent of Female Employee
Profitability (Return on Asset)	Pearson Correlation	1	.153*	.279**
	Sig. (2-tailed)		.455	.167
	N	26	26	26
Percent of Trained Employee	Pearson Correlation	.153*	1	.236
	Sig. (2-tailed)	.455		.246
	N	26	26	26
Percent of Female Employee	Pearson Correlation	.279**	.236	1
	Sig. (2-tailed)	.167	.246	
	N	26	26	26

*Correlation is significant at the 0.455 level (2-tailed)

**Correlation is significant at the 0.279 level (2-tailed)

Table 5.25: Correlation Matrix of Business Performance –Profitability (Return on Asset) and Workforce Diversity

From the above correlation matrix, it has been found that Return on Asset and percent of female employee is weakly correlated in positive direction. This means, changes in percent of female employee in any direction will cause smaller change in Return on Asset in the same direction. Also this correlation is significant at 17% level [$r = 0.279$, $N=26$, $p=0.167 < 0.17$].

Correlation between Return on Asset and percentage of trained employee is found weakly positive. This correlation is significant at 45% level of significance [$r=0.153$, $N=26$, $p=0.455 < 0.5$]. This implies that, changes in percentage of trained employee in any direction will cause smaller changes in Return on Asset in the same direction.

❖ Hypotheses:

The aim of our interest is to find out any relationship - positive or negative among Return on Asset and percentage of female employees and percentage of trained employees. Our aim can be stated in terms of the following hypotheses:

There exists some significant relationship - positive or negative among Return on Asset and percentage of female employees and percentage of trained employees.

❖ **Model fitting:**

To explore the relationship we will fit the appropriate statistical model to the available data. For our model, Return on Asset is the response variable. The explanatory variables are percentage of female employees and percentage of trained employees.

Since the response variable is a continuous type variable, we will fit a linear model to the data as follows:

$$\text{Average Return on Asset} = B_0 + B_1 * (\text{percentage of female employees}) + B_2 * (\text{percentage of trained employee})$$

We fit the above model to the data. Related results are stated below with appropriate explanations to justify the hypotheses.

Goodness of Fitted Model:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.294 ^a	.086	.007	.36836	.086	1.085	2	23	.355

Table 5.26: Model Summary - Goodness of Fitted Model (Linear)

From the above table, the R-square is found 0.086. This means that almost 9% of the variation in Return on Asset can be explained by the fitted model accurately. The model is also found significant [$p=0.355 < 0.40$] at 40% level of significance. Therefore, the model can be used to draw valid conclusions on the relationship among those variables **with some cautions**.

❖ **Parameter Estimates and Interpretations:**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.701	.235		2.977	.007
	Percent of female employee	.017	.014	.258	1.256	.222
	Percent of trained employee	.001	.001	.093	.451	.656

Table 5.27: Parameter Estimation- Percent of Female Employee and Percent of Trained Employee

The above table shows the values of coefficients in the fitted model. The fitted model is:

$$\text{Average Return on Asset} = 0.701 + 0.017 * (\text{percent of female employee}) + 0.001 * (\text{percent of trained employee})$$

It is found from the table that, both percent of female employee and percent of trained employee significantly affect the average return on asset.

The constant term in the table indicates that if a bank has no female employees and no trained employees then it's average Return on Asset is Taka 0.701 Million. But this term is significant at 5% level of significance [$p=0.007 < 0.05$] meaning that it should be given more importance.

The table also shows that if two banks differ by 1% in percentage of female employees then their average Return on Asset will also differ by Taka 0.017 Million, when both banks have the same percentage of trained employees. In other words, if bank "A" has 1% more in percentage of female employee than bank "B", then bank "A" will have Taka 0.017 Million more in average Return on Asset than bank "B", when both banks have equal percentage of trained employees. Moreover, this is significant at 25% level of significance, which means this is of moderate importance.

It is also found that if two banks differ by 1% in percentage of trained employees then their average Return on Asset will also differ by Taka 0.001 Million, when both banks have the same percentage of female employees. In other words, if bank "A" has 1% more in percentage of trained employees than bank "B", then bank "A" will have Taka 0.001 Million more in average Return on Asset than bank "B", when both banks have equal percentage of female employees. Moreover, this is significant at 70% level of significance which means that this is not of great importance.

❖ **Error Normality Assumption Checking:**

Normal P-P plot is used, in linear regression, to check the assumption that whether errors have normal distribution or not. Errors are normally distributed if the plot which having all the data values around a diagonal line. The more scattered the errors are from the diagonal, the more deviation from the normality is occurred.

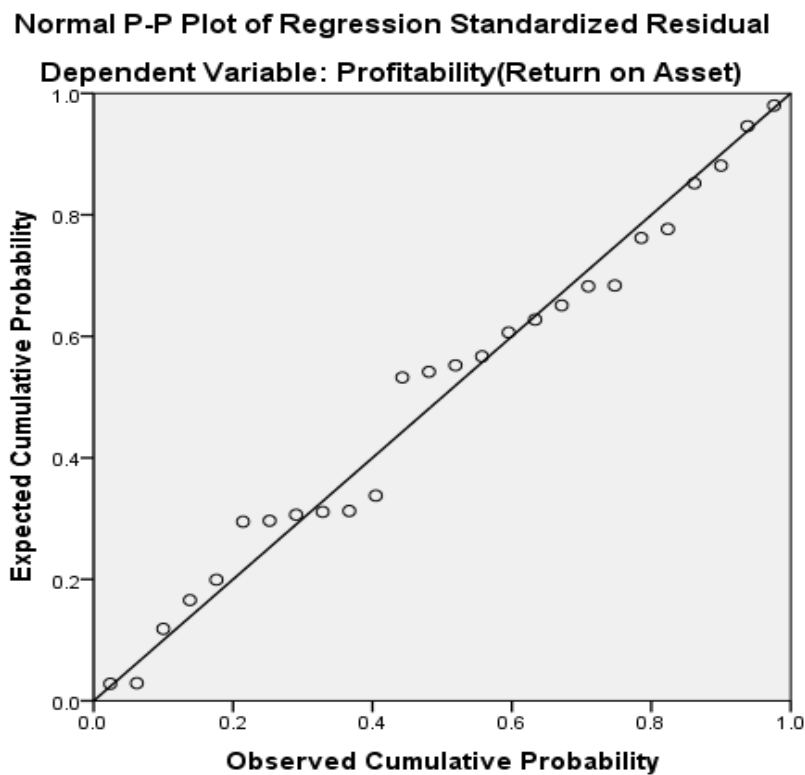


Figure 5.22: Normal P-P Plot of Regression Standardized Residual

From the above p-p plot, it is seen that the points are scattered closely around the diagonal line. This indicates that errors are normally distributed. Therefore, no further adjustments are needed for the errors and valid conclusions can be drawn from here.

❖ **Heteroscedasticity Checking:**

In linear regression, heteroscedasticity checking is a must to know the assumptions regarding whether errors have constant variance or not. Heteroscedasticity can be checked by the scatter plot of standardized residual vs. predicted value. If the plot exhibits no pattern then it is assumed that no heteroscedasticity is present there. But if any specific pattern can be detected such as widening to the right or left, clustered etc., then it is assumed that heteroscedasticity is present in the data. In presence of heteroscedasticity, the Ordinary Least Squares (OLS) estimators become inefficient and therefore are not suitable to draw conclusions. As a remedy, Weighted Least Squares (WLS) estimation procedure is used and the estimates become more efficient.

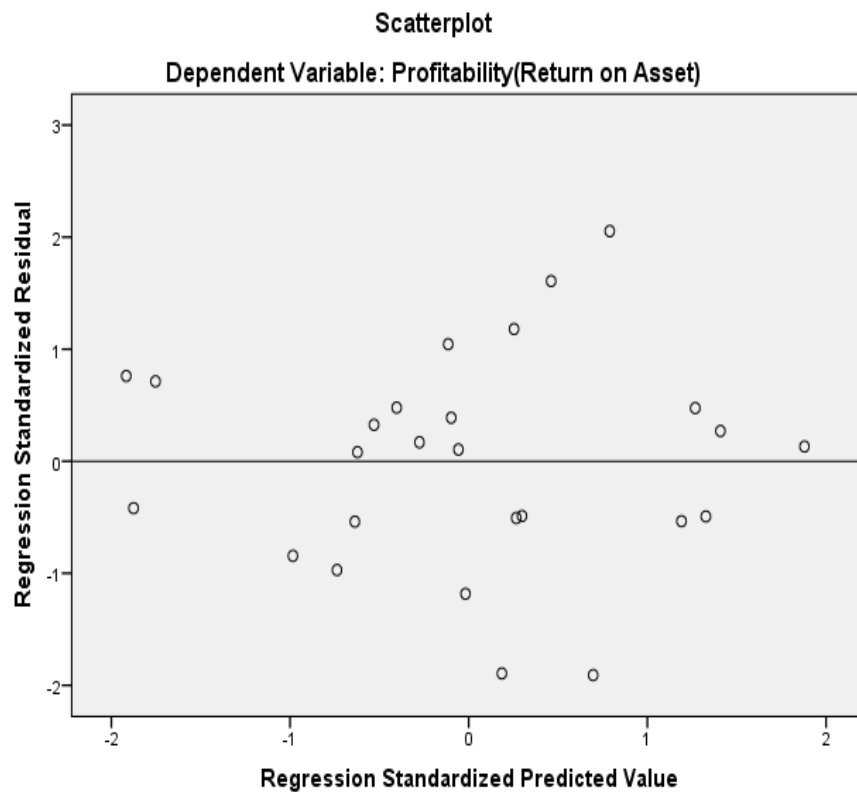


Figure 5.23: Heteroscedasticity Checking - Standardized Residual vs. Predicted Value

From the above scatterplot, it is found that the points are scattered randomly and no particular pattern is detected. This means there is no heteroscedasticity and the errors have constant variance. Therefore, no further adjustments are needed.

❖ **Findings:**

Return on Asset is significantly affected by the percentage of female employees as well as percentage of trained employees trained. So, there exists positive relationship among Return on Asset (Response variable) and percentage of female employees, percentage of trained employees (Explanatory variable).

5.7.2.4 Relationship between Business Performance – Profitability (Return on Equity) and Workforce Diversity:

Business Performance - Profitability (in terms of Return on Equity) and Workforce Diversity (in terms of percentage of female employees and percentage of trained employees).

5.7.2.4.1 Descriptive Analysis:

Return on Equity in a continuous type variable which is also an important indicator of business performance in banking industry. The following box provides more information:

(Taka in Million)

Particular	N	Minimum	Maximum	Mean	Std. Deviation
Profitability (Return on Equity)	26	5.71	17.33	12.1338	3.48316
Valid N (list wise)	26				

Table 5.28: Descriptive Analysis of Profitability (Return on Equity)

❖ **Distribution and Outlier Detection:**

It is essential to check the distribution of the response variable and also look for potential outliers as well as extreme values in the response. Therefore, histogram and Box-plot are drawn in Figure 5.24:

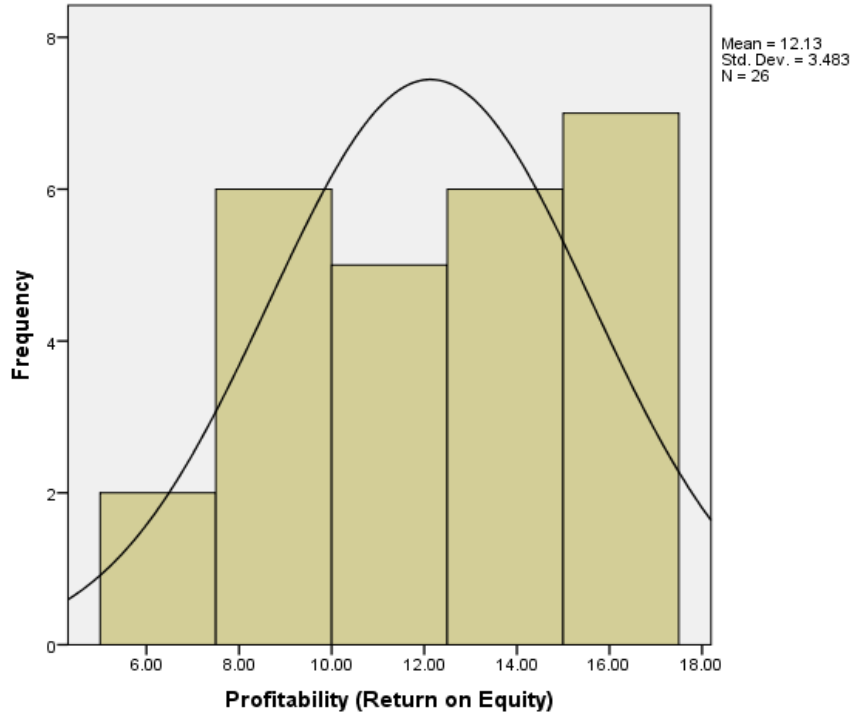


Figure 5.24: Histogram of Business Performance - Profitability (Return on Equity)

The above histogram shows that the response is normally distributed although the mode doesn't lie in the middle. This may be because of the smaller sample size. But mean and median both lie in the middle. Therefore, it should not be of great worries and further analysis can be done.

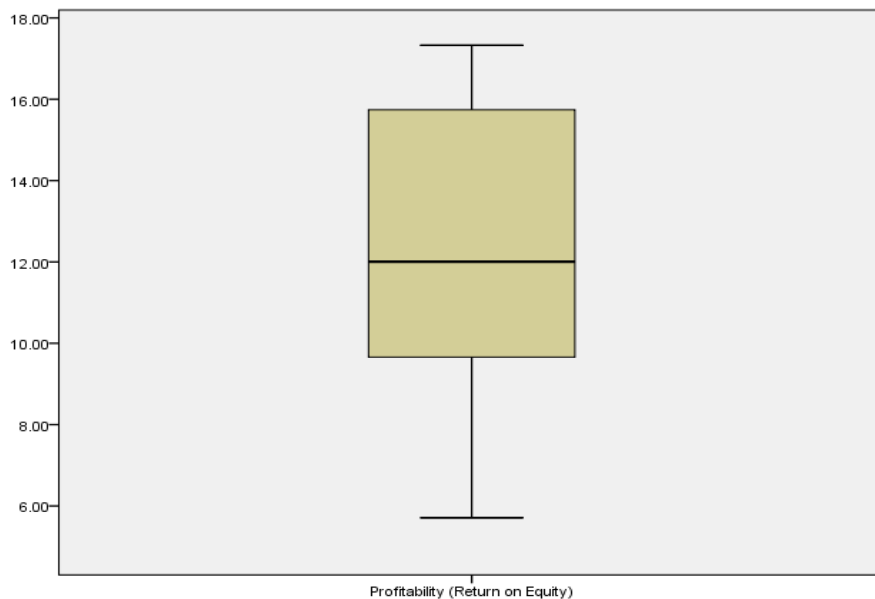


Figure 5.25: Box-plot of Business Performance - Profitability (Return on Equity)

The above Box-plot exhibits no circles or asterisk signs. This means, there are neither outliers nor any extreme values in the response variable. Therefore, no further adjustments are needed.

5.7.2.4.2 Quantitative Analysis:

In this section, necessary quantitative analysis is done to explore the relationship return on equity and percentage of female employees as well as percentage of trained employees.

❖ Correlation Matrix:

The correlation matrix among the variables: Business Performance – Profitability in terms of Return on Equity (Response variable) and percentage of female employees and percentage of trained employees (Explanatory variables):

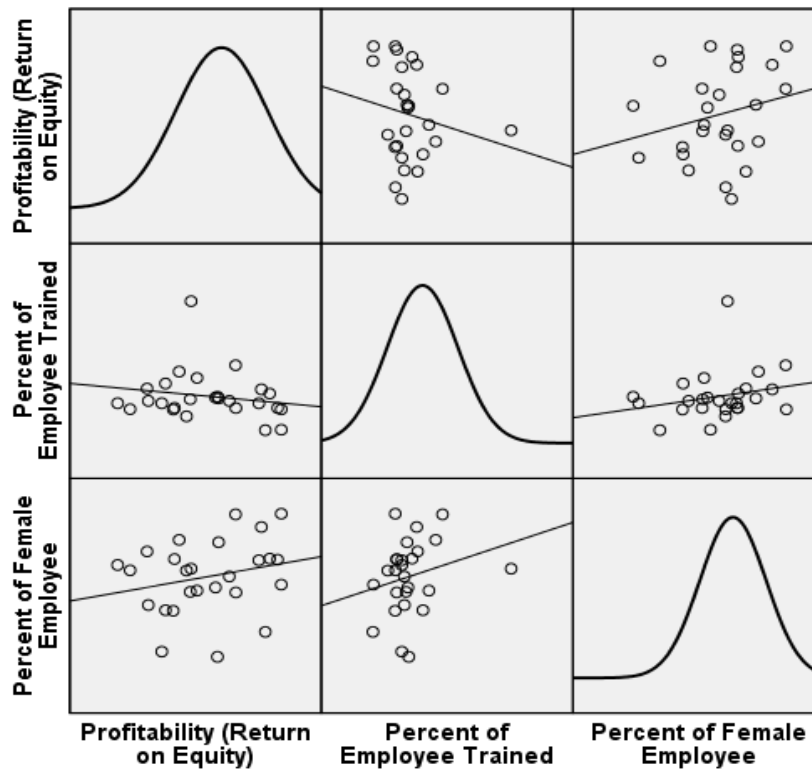


Figure 5.26: Graphical Correlation Matrix of Business Performance –Profitability (Return on Equity) and Workforce Diversity

From the above graphical correlation matrix, it can easily be seen the fitted line for return on equity vs. percent of female employee plot is not much diagonal indicating that return on equity is weakly correlated with percent of female employee in positive direction.

It is also found that, the fitted line for return on equity and percentage of trained employees is adversely diagonal meaning that return on equity is weakly correlated with percentage of trained employees in negative direction.

Particular		Profitability (Return on Equity)	Percent of female employee	Percent of trained employee
Profitability (Return on Equity)	Pearson Correlation	1	.235*	-.185**
	Sig. (2-tailed)		.247	.366
	N	26	26	26
Percent of female employee	Pearson Correlation	.235*	1	.236
	Sig. (2-tailed)	.247		.246
	N	26	26	26
Percent of trained employee	Pearson Correlation	-.185**	.236	1
	Sig. (2-tailed)	.366	.246	
	N	26	26	26

*Correlation is significant at the 0.235 level (2-tailed)

**Correlation is significant at the - 0.185 level (2-tailed)

Table 5.29: Correlation Matrix of Business Performance –Profitability (Return on Equity) and Workforce Diversity

From the above correlation matrix, it is found that return on equity and percent of female employee is weakly correlated [$r=0.235$] in positive direction. This means that changes in percent of female employee in any direction will cause smaller change in return on equity in the same direction. Also this correlation is significant at 25% level [$r= 0.235, N=26, p=0.247<0.25$].

Correlation between return on equity and percentage of trained employee is found weakly negative [$r=-0.185$]. This correlation is significant at almost 40% level of significance [$r= -0.185, N=26, p=0.366<0.4$]. This implies that changes in percentage of trained employee in some direction will cause smaller changes in return on equity in the opposite direction.

❖ **Hypotheses:**

The aim of our interest is to find out any relationship - positive or negative among Return on Equity and percentage of female employees and percentage of trained employees. Our aim can be stated in terms of the following hypotheses:

There exists some significant relationship - positive or negative among Return on Equity and percentage of female employees and percentage of trained employees.

❖ **Model fitting:**

To explore the relationship we will fit the appropriate statistical model to the available data. For our model, Return on Equity is the response variable. The explanatory variables are percentage of female employees and percentage of trained employees.

Since the response variable is a continuous type variable, we will fit a linear model to the data as follows:

$$\text{Average Return on Equity} = B_0 + B_1 * (\text{percentage of female employees}) + B_2 * (\text{percentage of trained employee})$$

We fit the above model to the data. Related results are stated below with appropriate explanations to justify the hypotheses.

Model Goodness of fit:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.342	.117	.040	3.41299	.117	1.519	2	23	.240

Table 5.30: Model Summary - Goodness of Fitted Model (Linear)

From the above table, the R-square is found 0.117. This means that, almost 12% of the variation in return on equity can be explained by the fitted model accurately. The model is also found significant

[$p=0.240 < 0.25$] at 25% level of significance. Therefore, the model can be used to draw valid conclusions on the relationship among those variables **with some cautions**.

❖ **Parameter Estimates and Interpretation:**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.001	2.181		5.045	.000
	Percent of female employee	.184	.125	.296	1.465	.156
	Percent of trained employee	-.017	.013	-.255	-1.263	.219

Table 5.31: Parameter Estimation- Percent of Female Employee and Percent of Trained Employee

The above table shows the values of coefficients in the fitted model. The fitted model is:

$$\text{Average return on equity} = 11.001 + 0.184 * (\text{percent of female employee}) - 0.017 * (\text{percent of trained employee})$$

It is found from the table, both percent of female employee and percent of trained employee significantly affect average return on equity.

The constant term in the table indicates that if a bank has no female employees and no trained employees then its average return on equity is Taka 11.001 Million. But this term is significant at 5% level of significance [$p=0.00 < 0.05$] meaning that it should be given more importance.

The table also shows that if two banks differ by 1% in percentage of female employees then their average return on equity will also differ by Taka 0.184 Million, when both banks have the same percentage of trained employees. In other words, if bank "A" has 1% more in percentage of female employee than bank "B", then bank "A" will have Taka 0.184 Million more in average return on equity than bank "B", when both banks have equal percentage of trained employees. Moreover, this is significant [$p=0.156 < 0.17$] at 17% level of significance, which means this is of moderate importance.

It is also found that if two banks differ by 1% in percentage of trained employees then their average return on equity will also differ by Taka -0.017 Million, when both banks have the same percentage of female employees. In other words, if bank "A" has 1% more in percentage of trained employees than bank "B", then bank "A" will have Taka 0.017 Million less in average return on equity than bank "B", when both banks have equal percentage of female employees. Moreover, this is significant [$p=0.219<0.22$] at 22% level of significance, which means that this is not of great importance.

❖ **Error Normality Assumptions Checking:**

Normal P-P plot is used, in linear regression, to check the assumption that whether errors have normal distribution or not. Errors are normally distributed if the plot which having all the data values around a diagonal line. The more scattered the errors are from the diagonal, the more deviation from the normality is occurred.

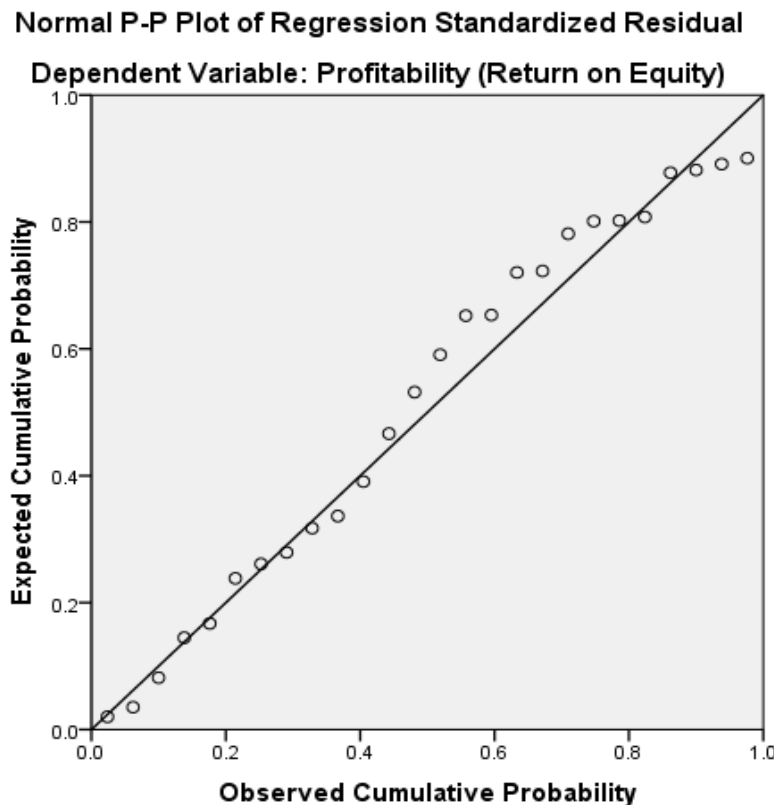


Figure 5.27: Normal P-P Plot of Regression Standardized Residual

From the above plot, it can easily be found that the points are scattered closely around the diagonal line. This indicates that the errors are normally distributed. Therefore, no further adjustments are needed.

❖ **Heteroscedasticity Checking:**

In linear regression, one of the assumptions is that errors have constant variance. If this assumption is not met, the variances of the parameter estimates will increase greatly and will result in inefficient or insignificant parameter estimates. Therefore, heteroscedasticity checking is a must in linear regression.

Heteroscedasticity can be checked by the scatter plot of standardized residual vs. predicted value. If the plot exhibits no pattern then it is assumed that no heteroscedasticity is present there. But if any specific pattern can be detected such as widening to the right or left, clustered etc., then it is assumed that heteroscedasticity is present in the data. In presence of heteroscedasticity, the Ordinary Least Squares (OLS) estimators become inefficient and therefore are not suitable to draw conclusions. As a remedy, Weighted Least Squares (WLS) estimation procedure is used which overcomes the problem and the estimates become more efficient.

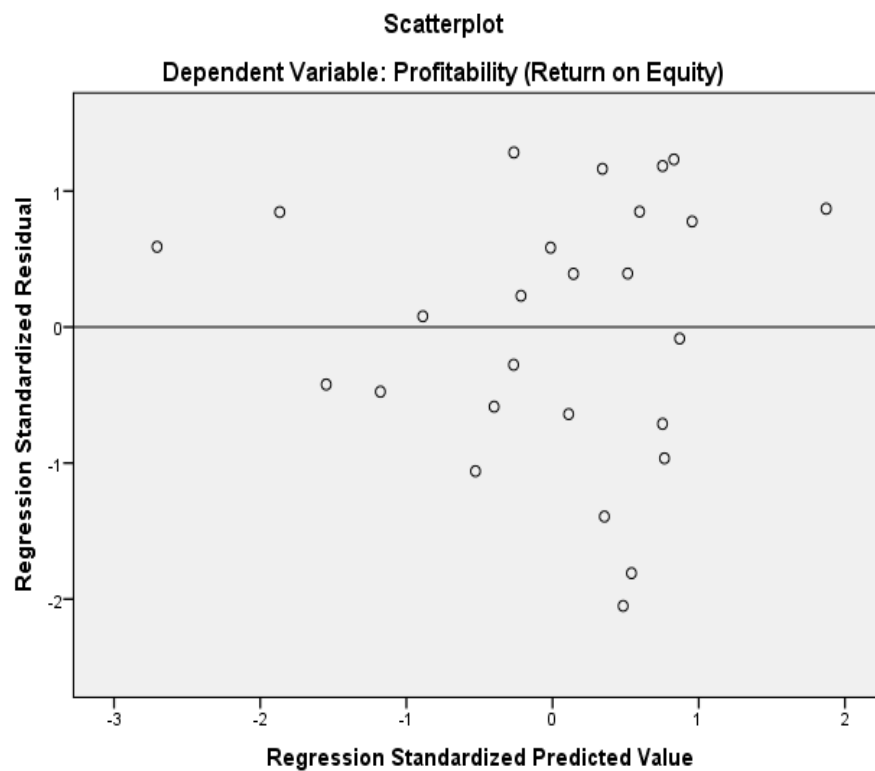


Figure 5.28: Heteroscedasticity Checking - Standardized Residual vs. Predicted Value

From the above plot it is found that points are not scattered randomly and the points are widening to the right. This indicates a particular pattern and hence, heteroscedasticity is present here. Therefore, some remedial measures for drawing valid conclusions are needed.

Remedial Measures: Weighted Least Squares:

By estimating the parameters through weighted least squares method, the estimates will be more consistent and have minimum variance.

After applying Weighted Least Squares to the model, the following results are obtained-

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.358	.128	.053	1.16915

Table 5.32: Model Summary - Goodness of Fitted Model (Linear)

From the above table, it is found that the R-square is increased to 0.128 (from 0.117) which means almost 13% of the variation in response can be explained by the model. This increase in R-square is due to using weighted least squares method.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.378	1.777		5.841	.000
	Percent of female employee	.154	.111	.283	1.393	.177
	Percent of trained employee	-.007	.004	-.315	-1.549	.135

Table 5.33: Parameter Estimation- Percent of Female Employee and Percent of Trained Employee

The above table shows the values of coefficients in the fitted model using weighted least squares method. The fitted model is:

$$\text{Average return on equity} = 10.378 + 0.154*(\text{percent of female employee}) - 0.007*(\text{percent of trained employee})$$

Again it is found from the table that both percent of female employee and percent of trained employee significantly affect average return on equity. The constant term in the table indicates if a bank has no female employees and no trained employees, then its average return on equity is Taka 10.378 Million. But this term is significant at 5% level of significance [$p=0.00<0.05$] meaning that it should be given more importance.

The table also shows that, if two banks differ by 1% in percentage of female employees, then average return on equity will also differ by Taka 0.154 Million, when both banks have the same percentage of trained employees. In other words, if bank "A" has 1% more in percentage of female employee than bank "B", then bank "A" will have Taka 0.154 Million more in average return on equity than bank "B", when both banks have equal percentage of trained employees. Moreover, this is significant [$p=0.177<0.18$] at 18% level of significance, which means this is of moderate importance.

It is also found that, if two banks differ by 1% in percentage of trained employees, then the average return on equity will also differ by Taka 0.007 Million, when both banks have the same percentage of female employees. In other words, if bank "A" has 1% more in percentage of trained employees than bank "B", then bank "A" will have Taka 0.007 Million less in average return on equity than bank "B", when both banks have equal percentage of female employees. Moreover, this is significant [$p=0.135<0.15$] at almost 15% level of significance, which means that this is not of great importance.

❖ **Findings:**

Return on Equity is not significantly affected by the percentage of female employees as well as percentage of trained employees. There exists weekly positive relationship between return on equity (Response variable) and percentage of female employees (Explanatory variable); Negative relationship between return on equity (Response variable) and percentage of employees trained (Explanatory variable) is in week position.

5.7.2.5 Relationship between Business Image – Based on Client’s Views (Face to Face Conversation) and Workforce Diversity:

The aim of our interest is to find out any relationship - positive or negative among Business Image and percentage of female employees and percentage of trained employees. Our aim can be stated in terms of the following hypotheses:

❖ Hypotheses:

There exists significant relationship – positive or negative among Business Image (in terms of client’s views) and Workforce Diversity (in terms of percentage of female employees and percentage of employees trained).

❖ Observation Based on Client’s Views:

Workforce diversity issues are going to be more important in the future because of increasing differences in the population of Bangladesh (Adler, 2005). So, companies need to concentrate on diversity and search for ways to become totally diversity oriented because it has the potential of yielding greater productivity and competitive advantages (Carrel, 2006).

Managing and valuing diversity of employees has become a key aspect of managing people effectively to enhance the productivity of workforce (Jayne & Dipboye, 2004). Managing diversity in the workplace can reduce grievances and increase opportunities, creativity, and reputation of business (Esty, Katharine, Griffin, & Schorr-Hirsh 1995).

To examine this hypothesis, we have selected and interviewed 50 people (random sample basis) from the different group of professionals of society. We have considered most prominent ten professions and from each categories, equal number of interviewees (05) are interviewed. Ten professions are:

1. Teachers
2. Doctors
3. Lawyers
4. Businessmen
5. Merchandisers
6. Engineers
7. Nutritionist
8. Chartered Accountants

9. IT Personnel

10. Journalists

From face to face discussion, it is found that majority of interviewees (almost 42-45 persons) are interested to open an account and choose to take banking services from those of banks which have better name and fame in the banking industry (such as Eastern Bank Ltd., ONE Bank Ltd., Standard Chartered Bank, Mutual Trust Bank Ltd. etc.).

Again it is found that the name of banks which are mentioned by the interviewers for several times, the banks those have more diversified workforce in terms of surface level, e.g. male and female ratio [Interviewers preferred banks' male female ratio is almost 81:19 where industry average is 85:15 or Male female ratio of banks on an average 90:10 which names are not preferred by the interviewers]

Even in terms of deep level, e.g. knowledge and skill level of employee which is the output of employee training; those banks names are mentioned by the interviewers which have more trained employees. [Almost 146% (average) of total workforce are trained from interviewers preferred banks where industry average is on an average 99% and trained employee percentage of non preferred banks is only 75% (average)]

Name of some preferred banks by the interviewers are: Prime Bank Ltd., Eastern Bank Ltd., ONE Bank Ltd., Standard Chartered Bank, Mutual Trust Bank Ltd., Bank Asia Ltd., Southeast Bank Ltd., Dhaka Bank Ltd. etc.

❖ Findings:

Business Image is significantly affected by the percentage of female employees as well as percentage of trained employees. So, there exists positive relationship among Business Image (Response variable) and percentage of female employees, percentage of trained employees (Explanatory variable).

5.7.3 Qualitative Analysis (Factual Analysis):

✚ Case Study on "The women of Microsoft"¹

Bill Gates, CEO of Microsoft, and his senior management team said that they only hire smart people. In the early days of the firm, this mostly meant male software engineers; Microsoft was not a particularly

¹Robinson, G., Dechant, K. (1997), "Building a business case for diversity", *Academy of Management Executive*, Vol.11, No.2, pp.25-26.

hospitable place for women. Today, the future growth of the company remarkably depends on the women of the Interactive Media Division.

As the corporate market for PCs slows, Microsoft is looking to the consumer market; its U.S. Multimedia Division is looking to come up with creative CD-ROMs to engage this growing segment of the market. The requirements for these home CD-ROMs differ considerably from corporate computer and spreadsheet programs. They demand talents found mainly in a female talent pool. Microsoft has begun to leverage its skills to attract and retain women in a industry where such talent is scarce and is fast becoming a determinant of competitive success.

HSBC: Case Study

“Interacting and being flexible to individual needs and requirements is fundamental to how (HSBC) deliver the brand promise. Understanding racial diversity helps (HSBC) to understand other differences too, and this helps them to deliver better individual solutions.”

- **Hilary Wiseman, Head of Diversity for UK and Europe, HSBC**

- 49% of recruits in Birmingham are from ethnic minorities, helping to attract new customers.
- Employing a Chinese speaker in Coventry generated extra £500,000 of business within six months
- Learning about the impact of Sharia law from employees instigated the launch of HSBC Amanah Finance, which enables Muslims in the UK to own their own homes which ultimately contributes to the business performance and image of HSBC.

Case Study on Sainsbury's:

- Almost 15% of workers are now over the age of 50.
- Just over 1% of workers are over the age of 65.
- This mixed-age workforce has led to improved customer satisfaction by more accurately reflecting the profile of their customers.
- This new approach has, Sainsbury's believe, contributed to better-motivated workforce which feels more valued and, therefore, more willing to contribute to business success.

Case Study on Barclays:

“Barclays knows that this is good for business. Not only in terms of retained corporate memory and experience, but also in attracting and serving older customers and capturing a bigger slice of the growing market.” - **Charlotte Sweeney, Diversity Manager, Barclays plc**

- Barclays sees age diversity as a major driver for their business in the next decade, extending the formal retirement age from 60 to 70.
- Strategic aim – to retain knowledge and experience.
- The bank has trained all its recruiters, trainers and customer-facing staff in diversity, including age, and the significance this has for the business.

Case Study on PricewaterhouseCooper (PwC):

Diversity strategy is based on recognising all the ways in which people are different, both the visible ways such as gender and ethnicity, and the non-visible, such as social background or personality.

- Long-term aim is to create a culture in which all individuals feel respected and included.
 - Public sector clients are asking PwC to demonstrate how they are supporting diversity.
 - PwC clearly see the link between managing diversity and retaining talent. At present they are losing too many women.
- **Incomes Data Services, Diversity at Work No. 6 (December 2004)**

Wall Street Journal:

Workforce diversity reflecting consumer/market diversity results in:

- New product development
- Consumer confidence
- Increased product/service marketability
- Significant revenue growth (e.g., McDonalds, Pepsi-Cola, IBM 3,000% growth from 1998-2001 attributed to diversity market) ²

There are an increasing number of case studies suggesting that good diversity management is leading to improved business performance. Good diversity management practice needs to embrace inclusion, fairness and ethical behaviour.

² Carol Hymowitz. "The New Diversity," *Wall Street Journal*, November 14, 2005

Findings, Conclusions and Recommendations

6.1 Summary of Findings:

This study has been conducted to identify some diversity management related factors that make contribution to business performance and business image of banks through ensuring Affirmative Action Programs in Bangladesh. Through an extensive literature review, a conceptual framework for Diversity Management and Affirmative Action Programs has been presented. From literature review different types of surface and deep level diversity of workforce which are related to the performance and image of banks are also identified.

From the literature review, diversity factors which contribute to make relationship with the business performance have been sought. The most prominent factors: male and female employee mix of total workforce and percentage of trained employees are considered as explanatory variables based on the repeated recommendation. According to the results of the analysis, workforce diversity in term of percentage of female employees and percentage of trained employees out of total workforce has impact on service delivery channels, productivity level, return on asset, return on equity and consequently image of the bank (response variables) to existing and potential customers. It is also found from the literature review that there is relationship between above mentioned explanatory variables and response variables. This indicates that the variables identified through the analysis are very much important for the development and improvement of service, financial performance, and image of banking industry in Bangladesh.

Based on collected primary data and opinion survey of respondents, it is found that diversified workforce and associated policies contribute to create innovative and problem solving prone environment, promotes business productivity, create synergy e.g. cost effectiveness of business activities. Again they also opine from service length experience that diversified organizations get competitive advantages over homogenous organizations.

According to the prevailing banking industry human resource culture, most of the organizations prefer diversity policy as Equal Employment Opportunity and then implementation of Affirmative Action Program and anti-discrimination policy as key features of diversity policy, strategy etc.

It is also sought that almost two thirds of the organizations have a diversity policy regarding hiring, promotion, retention etc. and one third of the organizations does not adhere to diversity policy owing to these organizations have diversity policy but didn't practice the same or policy framing need to be revised.

Most of the respondents agree that implementation of Affirmative Action Program supports to build effective diversified workplace/environment and almost two thirds of the organizations embody the vision of a sustainable diverse workplace.

From the view point of quantitative analysis, following major findings are stated:

- ❖ Innovation in terms of service delivery channels is significantly affected by percentage of female employees and percentage of trained employees.
- ❖ There exists positive relationship among per employee productivity (Response variable) and percentage of female employees and percentage of trained employees (Explanatory variable).
- ❖ Return on Asset is significantly affected by the percentage of female employees as well as percentage of trained employees.
- ❖ Return on Equity is not significantly affected by the percentage of female employees as well as percentage of trained employees. There exists weekly positive relationship between return on equity and percentage of female employees; Negative relationship between return on equity and percentage of trained employees.
- ❖ Business Image is significantly affected by the percentage of female employees as well as percentage of trained employees.

6.2 Conclusions:

Diversity initiatives in many companies proceed in a typical way. They often begin with affirmative action, aimed at helping disadvantaged and under-represented groups who need some special attention and hand holding. These include women, handicapped people, and linguistic and religious minorities. But conscious and justifiable efforts should be made to boost the real theme of affirmative action program and diversity management. But too often, things do not move as expected and the expected career progression does not happen. Some of the frustrated minorities leave for whispering by other people if there is the existence of malpractice of favored treatment toward minority people and gender biased treatment rather qualitative action. Those who stay back remain confused as they have a nagging feeling at the back of their mind that the company has done them a favor. So they prefer to keep quiet.

Typically after some time, the company's diversity initiatives start attracting widespread criticism. So, with the intention of fair judgment and human resource activities with blessed features of diversity management, organizations should proceed for the good practice and implementation of affirmative

action and diversity management program. From the study of literature review, primary survey and quantitative analysis give the vive of following:

Diversified workforce and associated policies help innovative and problem solving capacity of the organization, promote business productivity, create synergy e.g. cost effectiveness of business activities and make the company unique from others.

Principles of equality and non-discrimination are well reflected in the Constitution of Bangladesh [Article 28(04)].

Bangladesh government is committed in mainstreaming gender issues in order to incorporate them within the framework of macroeconomics and to formulate policies to effectuate effective, substantial and visible changes to the lives of women at all levels and in all spheres via "Vision 2021" which welcomes a new era of democracy, equality, fairness in Bangladesh. The UN CEDAW Committee congratulated Bangladesh for achieving gender parity in its concluding comments on the fifth periodic report of Bangladesh.

6.3 Recommendations:

A potentially powerful case for investment in workforce diversity policies is beginning to emerge. Although there are already a large number of indicators of cost and benefit in use by companies, these tend to be qualitative in nature and most focus on costs and 'intermediate outcomes' (such as changes in workforce attitudes or demographics). Notwithstanding these problems with measurement, it is possible to construct a 'model' of performance measurement that provides a systematic method of identifying costs, benefits, and key processes. Investment in sustainable diversity policies in Bangladesh is probably limited to a small number of pioneering companies today.

The policymakers of diversity management and affirmative action program should focus on some important aspects including dissemination of idea and theme of it, awareness about diversity management and affirmative action program, steps of developing successful diversity initiative, implementation procedure of diversity in workplace, guidelines/set rules about diversity and affirmative action program, economic benefit, obstacles/negative outcomes of diversity if it is not properly handled. These initiatives help employers –employees to gain proper idea about diversity management and as a result innovative, productive and profitable organizations would be built up.

These initiatives are three-fold such as, **stimulatory support** like awareness buildup, training, **supporting initiatives** like capital investment, legal and logistic support, **sustaining facilities** like

making long term business plan considering the concept of diversity management, Affirmative Action Program and continuous monitoring and follow up of stake holders.

❖ **Diversity Awareness:**

Truly speaking, most of the organizations of Bangladesh doesn't know about the diversity and it's inherent benefits. To introduce this new best practice which is practiced and welcomed by developed countries, it is very important to know what diversity is. Since it is a contemporary issue to recognize, from the employer level, awareness should be created upto the bottom level to survive in the near future.

❖ **Office of Diversity:**

Almost it is found extremely challenging to have a expert/specialized person to share, teach, demonstrate about diversity in the organizations of Bangladesh. Sometimes it becomes a question why and how diversity effects the organization. Though it is not core initiative but must be introduced in very short span.

❖ **Diversity Policies & Strategies:**

Based on the discussion and suggestion of diversity expert/s, each and every organization should have a proper diversity policy frame to get balanced workforce. Time to time as require, diversity strategies should be formed and modified to respond to the changing demographics and current competitive business world which is very challenging for Bangladesh since still inception level needs care.

❖ **Diversity Training and Follow-up:**

Once diversity concept, policies and strategies are delivered to the employees, it requires extensive training to the employees and even employers also. There should be an arrangement for post training regarding the opinion of people about diversity and how people react towards minority group of people (as instance how dominating group communicate with the minority group).

❖ **Conflict in Diversity Training:**

There is nothing wrong with conflict because of the nature of the issues dealt with; one can expect to have opposing opinions in the training. A good provider will be able to deal with and manage the conflict, making sure that all voices can be heard. A good diversity process will ensure that issues raised are

adequately handled leaving no residual baggage for the workplace. Effective diversity training will ensure follow up activity and sustainability which need to monitor carefully.

❖ **Accountability:**

A set of standards needs to develop as well as practice of accountability in case of discrimination even after arranging diversity training and follow up. Without accountability, results of follow up would be failed.

❖ **How to Build a Diverse Team:**

An organization builds a diverse team by actively recruiting or developing people who are different from each other in terms of gender, physical ability, culture, religion, skill and knowledge level etc. This may mean actively seeking out employment agencies which specialize in the recruitment and selection of different groups. Clearly companies/organizations are challenged by this in terms of their size and low levels of staff turnover. However any opportunities which arise should be capitalized to build diversity within the team.

❖ **Communication Gap:**

Lack of communication within or outside the organization results cohesion. From top to bottom level of the organization, diversity necessity, importance, policy and strategies should be well communicated to get a synchronized working environment. Successful diversity programs require extensive internal communication networks, allowing the management to articulate diversity policies, objectives, and rationales, and communicate them directly and clearly to the rest of the firm.

❖ **Initiatives:**

To be effective, research suggests that diversity practices need to be implemented at all levels and in all aspects of the organization. Without properly designed and articulated initiatives, diversity objectives and leadership involvement will be wasted.

❖ **Provision of Information:**

Provision of information about the benefits of workforce diversity policies; Development of formal and informal networks to share information about the costs and benefits of workforce diversity policies, and

methods of measurement; and Establishment of programmes to develop new tools for measuring the benefits of workforce diversity programmes are recommended.

❖ **Cost vs. Benefit:**

Since diversity is simply a jargon in Bangladesh perspective, organizations are behind of the cost and benefit calculation of the diversity. It becomes challenge to introduce this business activity where people are more reluctant for any change.

❖ **Lack of Regulatory Body:**

In Bangladesh, there is no regulatory body for nurturing the diversity management and associated activities which make the organizations relax to set any diversity vision and practice. It requires attention for the concerned authority to ensure best practice.

❖ **Linking Success on Diversity to Bonuses:**

It is also recommended that those organizations that link improvements in diversity to the bonuses (financial benefit), annual performance reviews of business leaders tend to have better diversity among their workforce and top leadership of their organizations than previous.

❖ **Set up Social Traditions and Industry Norm:**

It is so far for Bangladesh to welcome the workforce diversity as social culture and at the same time as industry norm. However, findings of empirical survey narrate the economic facts of diversity management to get a smart outlook of workforce portfolio as other developed countries have.

❖ **Philanthropy is Good, but Not Enough:**

Although philanthropy is good and should be part of a organization's diversity plan, philanthropy alone is simply not enough. Diversity at all levels should be made a priority not only because it is the right thing to do, but because it is a good business decision.

6.4 Contribution of the Study:

It is reiterated by this study that proper mix of human resources and fair organizational treatment is the key to the development of organization through the implementation of affirmative action and diversity management program in the banking industry of Bangladesh. Under these circumstances, identification of

diversity norm of human resource and economic benefit of affirmative action and diversity management program might be useful to the policymakers for the sustainable growth of the banking industry of Bangladesh.

Future works:

The research on age diversity is much less developed than that on race and gender, suggesting the need for new paradigms and research work for further study on relationship between workforce diversity in term of age and business performance.

References:

- ✚ Anderson, Elizabeth S., 2002. "Integration, Affirmative Action, and Strict Scrutiny," *New York University Law Review*, 77 (November): 1195–1271.
- ✚ Appiah, Kwame Anthony, (2011). "Group Rights and Racial Affirmative Action," *Journal of Ethics*, 15 (September): 265–280.
- ✚ Arnold, N. Scott, 1998. "Affirmative Action and the Demands of Justice," *Social Philosophy and Policy*, 15 (Summer): 133–175.
- ✚ Astin, Alexander W. and Dongbin Kim, 2004. "Cross-Racial Interaction Among Undergraduates: Some Consequences, Causes, and Patterns," *Research in Higher Education*, 45 (August): 529–554.
- ✚ Ayers, Ian and Richard Brooks, 2005. "Does Affirmative Action Reduce the Number of Black Lawyers?" *Stanford Law Review*, 57 (May): 1807–1854.
- ✚ Bassett-Jones, N. 2005. The paradox of diversity management, creativity and innovation. *Creativity and Innovation Management*, 14(2):169-175.
- ✚ Bertone, S., A. Esposto, et al. (1998). Diversity and dollars: productive diversity in Australian business and industry. Melbourne, Workplace Studies Centre, Victoria University.
- ✚ Bertone, S. and M. Leahy (2003). "Multiculturalism as a conservative ideology: impacts on workforce diversity programs - a research agenda." Asia Pacific Journal of Human Resources 41(1).
- ✚ Burton, C. (1991). The promise & the price: The struggle for equal opportunity in women's employment. Sydney, Allen & Unwin.
- ✚ Barnes, Katherine Y., 2007. "Is Affirmative Action Responsible for the Achievement Gap Between Black and White Law Students?" *Northwestern University Law Review*, 101 (Fall): 1759–1808.
- ✚ Beauchamp, Tom L., 1998. "In Defense of Affirmative Action," *Journal of Ethics*, 2: 143–158.

- ✦ Beckwith, Francis J. and Todd E. Jones (eds.), 1997. *Affirmative Action: Social Justice or Reverse Discrimination?* Amherst, New York: Prometheus Books.
- ✦ Bell, Derrick, 2003. "Diversity's Distractions," *Columbia Law Review*, 103 (October): 1622–1633.
- ✦ Beauchamp, T. L., 2006. "Affirmative Action and Racial Preference: A Debate," *Mind*, 115 (July): 747–750.
- ✦ Corlett, J. Angelo, 1993. "Racism and Affirmative Action," *Journal of Social Philosophy*, 24 (Spring): 163–175.
- ✦ Curry, George E. (ed.), 1996. *The Affirmative Action Debate*, Reading, Massachusetts: Addison-Wesley Publishing Company.
- ✦ Cassell, C. 2004. The business case and the management of diversity. *Women in Management. Current research issues volume II*. Davidson, M. and Burke, R. (eds). Sage:250-262
- ✦ Catalyst, 2005. *Creating a business-aligned diversity scorecard*. Making Change series. www.catalystwomen.org
- ✦ Catalyst, 2004. *The bottom line: connecting corporate performance and gender diversity*. Catalyst, www.catalystwomen.org.
- ✦ CIPD, 2005. *Managing diversity. Linking theory and practice to business performance*. Chartered Institute of Personnel and Development, London.
- ✦ Cox, T. 2001. *Creating the multicultural organisation. A strategy for capturing the power of diversity*. University of Michigan Business School Management Series.
- ✦ Charlesworth, S., P. Hall, et al. (2005). Drivers and Contexts of Equal Employment Opportunity and Diversity Action in Australian Organisations. Melbourne, RMIT Publishing.
- ✦ Cope, B. and M. Kalantzis (1997). Productive Diversity: A new Australian model for work and management. Sydney, Pluto Press.
- ✦ Chrobot-Mason, D., Konrad, A., and Linnehan, F. 2006. Measures for quantitative diversity scholarship. In *Handbook of Workplace Diversity*. Konrad, Prasad and Pringle (eds), Sage.

- # Cox, T. (2001). Cultural Diversity in Organisations. San Francisco, Barrett-Koehler Publishers Inc.
- # Cox, T. (1993). *Cultural Diversity in Organizations: Theory, Research & Practice*. San Francisco, Berrett-Koehler.
- # Chang, Mitchell J. *et al.* (eds.), 2003. *Compelling Interest: Examining the Evidence on Racial Dynamics in Colleges and Universities*, Stanford, California: Stanford University Press.
- # Clarke, Simon, 2006. "The Case for Affirmative Action," *The Philosopher's Magazine*, Issue 33 (First Quarter): 73–77.
- # Cohen, Carl, 1995. *Naked Racial Preference*, Lanham, Maryland: Madison Books.
- # DaGama Pinto, C., B. D'Netto, et al. (2000). *Theoretical and Practical Issues in Diversity Management*. Melbourne, Monash University.
- # Dagher, J. and B. D'Netto (1997). *Managing Working Diversity in Australia*. Melbourne, Monash University.
- # DeCieri, H. and M. Olehalns (2001). Workforce Diversity in Australia: Challenges and Strategies for Diversity Management. Melbourne, Faculty of Business and Economics, Monash University.
- # Department of Immigration and Multicultural Affairs (2000). *21st Century Business - Delivering the Diversity Dividend: Reports of the Productive Diversity Partnerships Program*. Canberra, Commonwealth of Australia.
- # David A Thomas (September 2004). "Diversity as Strategy," *Harvard Business Review*.
- # Diversity Inc, 2006. *The business case for diversity. Based on best practices from the nation's leading data-driven diversity list: the DiversityInc Top 50 Companies for Diversity*. 5th edition. DiversityInc. www.DiversityInc.com.
- # David A Thomas, Robin J Ely (September-October 1996). "Making differences matter – A new paradigm for managing diversity," *Harvard Business Review*.
- # Davis, Michael, 1981. "Racial Quotas, Weights, and Real Possibilities," *Social Theory and Practice*, 7 (Spring): 49–84.

- ✦ Durlauf, Steven N., 2008. "Affirmative Action, Meritocracy, and Efficiency," *Politics, Philosophy and Economics*, 7 (May): 131–158.
- ✦ Epstein, Richard A., 2002. "A Rational Basis for Affirmative Action: A Shaky but Classical Liberal Defense," *Michigan Law Review*, 100 (August): 2036–2061.
- ✦ Ezorsky, Gertrude, 1991. *Racism and Justice: The Case for Affirmative Action*, Ithaca, New York: Cornell University Press.
- ✦ Esen, E. 2005: 2005. *Workplace diversity practices survey report*. Society for Human Resource Management, Alexandria VA, USA. www.shrm.org/research.
- ✦ Gassmann, O. 2001. Multicultural teams: increasing creativity and innovation by diversity. *Creativity and Innovation Management*, 10(2): 88-95.
- ✦ Godwin, K. 2006. Brent Council – breaking the glass ceiling. *Equal Opportunity Review*, 151:6-11.
- ✦ Guillory, W. 2004. *The roadmap to diversity, inclusion, and high performance*. Innovations International Publishing.
- ✦ Gahringer, Robert E., 1979. "Race and Class: The Basic Issue of the Bakke Case," *Ethics*, 90 (October): 97–114.
- ✦ Glazer, Nathan, 1975. *Affirmative Discrimination: Ethnic Inequality and Public Policy*, New York: Basic Books.
- ✦ Hajdin, Mane, 2002. "Affirmative Action, Old and New," *Journal of Social Philosophy*, 33 (Spring): 83–96.
- ✦ Hansson, Sven Ove, 2004. "What are Opportunities and Why Should They Be Equal?" *Social Choice & Welfare*, 22 (April): 305–317.
- ✦ Haslett, D. W., 2002. "Workplace Discrimination, Good Cause, and Color Blindness," *Journal of Value Inquiry*, 36: 73–88.

- # Hasnas, John, 2002. "Equal Opportunity, Affirmative Action, and the Anti-Discrimination Principle: The Philosophical Basis for the Legal Prohibition of Discrimination," *Fordham Law Review*, 71 (November): 423–542.
- # Hill, Thomas E., 1991. "The Message of Affirmative Action," *Social Philosophy and Policy*, 8 (Spring): 108–129.
- # Himma, Kenneth Einar, 2001. "Discrimination and Disidentification: The Fair-Start Defense of Affirmative Action," *Journal of Business Ethics*, 30 (April): 277–289.
- # Ho, Daniel E., 2005. "Why Affirmative Action Does Not Cause Black Students to Fail the Bar: A Reply to Sander," *Yale Law Journal*, 114 (June): 1997–2004.
- # Henry, P. 2003. *Diversity and the bottom-line. Prospering in the global economy.* TurnKey Press, Austin.
- # Herring, C. 2006. *Does diversity pay? Racial composition of firms and the business case for diversity.* Dept of Sociology and Institute of Government and Public Affairs, University of Illinois, Chicago.
- # Hubbard, E.E. 2004. *The diversity scorecard. Evaluating the impact of diversity on organisational performance.* Elsevier
- # Hyter, M. and Turnock, J. 2005. *The power of inclusion. Unlock the potential and productivity of your workforce.* Wiley, Canada.
- # Ibarra, Robert A., 2001. *Beyond Affirmative Action: Reframing the Context of Higher Education,* Madison, Wisconsin: University of Wisconsin Press.
- # Jacobs, Lesley A., 2004. *Pursuing Equal Opportunities: The Theory and Practice of Egalitarian Justice,* Cambridge: Cambridge University Press.
- # James Surowiecki, (Abacus – 2004). "The Wisdom of Crowds - Why the many are smarter than the few,"
- # Jossey-Bass. De Dreu, C. and West, M. 2001. Minority dissent and team innovation: the importance of participation in decision making. *Journal of Applied Psychology*, 86(6):1191-1201.

- ✚ Kerston, A. (2000). "Diversity management: dialogue, dialectics and diversion." Journal of Organisational Change 13(3).

- ✚ Kolb, D. M. and S. S. Silbey (1991). Enhancing the Capacity of Organizations to Deal with Disputes. Negotiation Theory and Practice. J. W. Breslin and J. Z. Rubin. Cambridge, Mass., Program on Negotiation at Harvard Law School: 315–322.

- ✚ Lawrence, P. R. and J. W. Lorsch (1967). Organization and Environment: Managing Differentiation and Integration. Boston, Harvard University.

- ✚ Lobriecki, A. (2001). "Changing views on diversity management: The rise of the learning perspective and the need to recognise social and political contradictions." Management Learning 32(3).

- ✚ Landau, Iddo, 1997. "Are You Entitled to Affirmative Action?" *International Journal of Applied Philosophy*, 11 (Winter-Spring): 17–22.

- ✚ Leach, Bryan W., 2004. "Race as Mission Critical: The Occupational Need Rationale in Military Affirmative Action and Beyond," *Yale Law Journal*, 113 (March): 1093–1143.

- ✚ LeFevre, Joseph, 2003. "The Value of Diversity: A Justification of Affirmative Action," *Journal of Social Philosophy*, 34 (March): 125–133.

- ✚ Morgan, G. (1986). Images of Organization. Newbury Park, Calif., SAGE Publications.

- ✚ Mihaly Csikszentmihalyi (1996). "CREATIVITY - Flow and the psychology of discovery and invention," Harper Perennial.

- ✚ Mills, Nicolaus (ed.), 1994. *Debating Affirmative Action: Race, Gender, Ethnicity, and the Politics of Inclusion*, New York: Dell Publishing.

- ✚ Mosley, Albert G., 1998. "Policies of Straw or Policies of Inclusion? A Review of Pojman's 'Case against Affirmative Action'," *International Journal of Applied Philosophy*, 12 (Fall): 161–168.

- ✚ Murray, Dale, 2005. "The Affirmative Action Debate," *Teaching Philosophy*, 28 (June): 284–287.

- # Nagel, Thomas, 1973. "Equal Treatment and Compensatory Discrimination," *Philosophy & Public Affairs*, 2 (Summer): 348–363.
- # Newton, Lisa, 1973. "Reverse Discrimination as Unjustified," *Ethics*, 83 (July): 308–312.
- # Nickel, James W., 1972. "Discrimination and Morally Relevant Characteristics," *Analysis*, 32 (March): 113–114.
- # Nieli, Russell (ed.), 1991. *Racial Preference and Racial Justice: The New Affirmative Action Controversy*, Washington, D.C.: Ethics and Public Policy Center.
- # Nunn, William A., 1974. "Reverse Discrimination," *Analysis*, 34 (April): 151–154.
- # Nonaka, I. (1991). "The Knowledge-Creating Company." *Harvard Business Review* 69(6): 96–104.
- # Norton, J. Renae and Fox, Ronald, E. (1997). *The Change Equation: Capitalizing on Diversity for Effective Organizational Change*, American Psychological Association, Washington, D.C.
- # Opportunity Now, 2004. *Diversity dimensions – integration into organisational culture*. Opportunity Now, London.
- # O'Flynn, J., N. Fisher, et al. (2001). "The Diversity Dividend." [HR Monthly](#).
- # O'Neil, Robert M., 1975. *Discriminating Against Discrimination: Preferential Admissions and the DeFunis Case*, Bloomington, Indiana: Indiana University Press.
- # Orfield, Gary with Michael Kurlaender (eds.), 2001. *Diversity Challenged: Evidence on the Impact of Affirmative Action*, Cambridge, Massachusetts: Harvard Education Publishing Group.
- # Orlans, Harold June O'Neill (eds.), 1992. *Affirmative Action Revisited*, Newbury Park, California: Sage.
- # Owen, Matthew S. and Danielle S. Barbour, 2007. "Disparate Impact and the Use of Racial Proxies in Post-MCRI Admissions," *Michigan Law Review First Impressions*, 105: 144–148. [[available online](#)]
- # Pojman, Louis, 1992. "The Moral Status of Affirmative Action," *Public Affairs Quarterly*, 6 (April): 181–206.
- # Purdy, Laura, 1994. "Why Do We Need Affirmative Action?" *Journal of Social Philosophy*, 25 (Spring): 133–143.

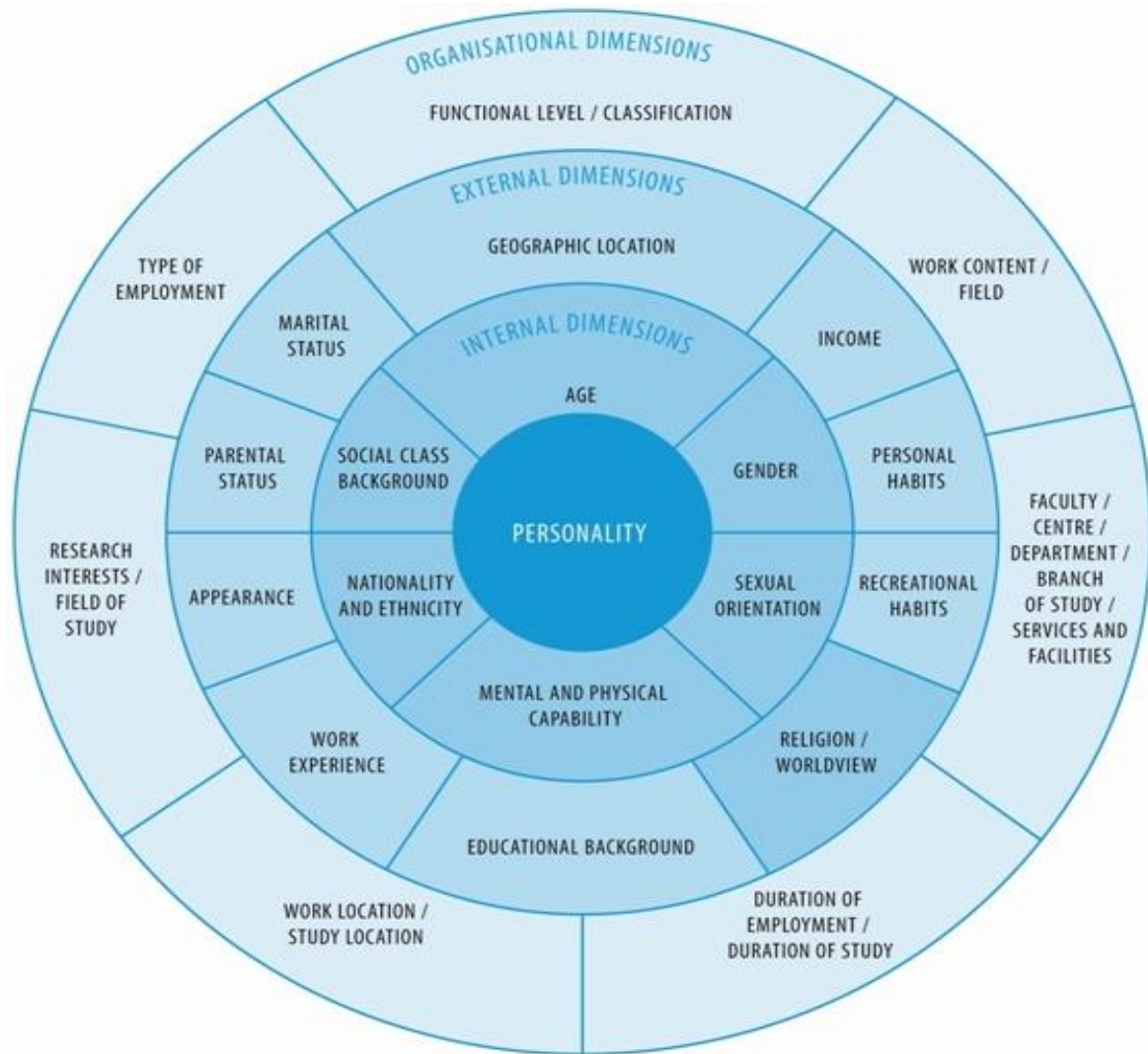
- # Prasad, P. (1997). Managing the organisational melting pot: dilemmas of workplace diversity. California, Sage.
- # Pyke, J. (2005). Productive Diversity: Which Companies are Active and Why. Department of Applied Economics. Melbourne, Victoria University.
- # Paletz, S., Peng, K., Erez, M. and Maslach, C. 2004. Ethnic composition and its differential impact on group processes in diverse teams. *Small Group Research*, 34:128-157.
- # Perotin, V., Robinson, A. and Loundes, J. 2003. Equal opportunities practices and enterprise performance: a comparative investigation on Australian and British data. *International Labour Review*, 142(4):471-506.
- # Pringle, J., Konrad, A. and Prasad, P. 2006. Conclusion, reflection and future direction. In *Understanding and Managing Diversity*. Readings, cases and exercises. 3rdedn. Harvey and Allard (eds), Pearson/Prentice Hall, N.J.
- # Rajan, A., Martin, B. and Latham, J. 2003. *Harnessing workforce diversity to raise the bottom line*. Create, Tunbridge Wells.
- # Redford, K. 2005. Positive approach reaps benefits. *Personnel Today*, 8/23/2005:18-19.
- # Richard, O., Barnett, T., Dwyer, S. and Chadwick, K. 2004. Cultural diversity in management, firm performance, and the moderating role of entrepreneurial orientation dimensions. *Academy of Management Journal*, 47(2):255-266.
- # Roberson, Q. and Park, H. 2007. Examining the link between diversity and firm performance: the effects of diversity reputation and leader racial diversity. *Group Organisation Management*, 32(548-568).
- # Rutherford, S. and Ollerearnshaw, S. 2002. *The business of diversity. How organisations in the public and private sectors are integrating equality and diversity to enhance business performance*. Schneider-Ross.
- # R. Roosevelt Thomas, Jr. (March-April 1990). "From affirmative action to affirming diversity," Harvard Business Review.
- # R Roosevelt Thomas Jr. (Winter 1998). "Making Diversity pay off," Leader to Leader.

- ✦ R Roosevelt Thomas Jr. (Winter 1999). "Diversity Management: Some measurement criteria," *Employment Relations Today*.
- ✦ R Roosevelt Thomas Jr. (Summer 2006). "Diversity Management: An essential craft for leaders," *Leader to Leader*
- ✦ Radin, Margaret Jane, 1991. "Affirmative Action Rhetoric," *Social Philosophy and Policy*, 8 (Spring): 130–149.
- ✦ Rawls, John, 1971. *A Theory of Justice*, Cambridge, Massachusetts: Harvard University Press.
- ✦ Reynolds, William Bradford, 1984. "Individualism vs. Group Rights: The Legacy of *Brown*," *Yale Law Journal*, 93 (May): 995–1005.
- ✦ Rosenfeld, Michel, 1991. *Affirmative Action and Justice: A Philosophical and Constitutional Inquiry*, New Haven, Connecticut: Yale University Press.
- ✦ Rothman, Stanley, S. M. Lipset, and Neil Nevitte, 2002. "Diversity and Affirmative Action: The State of Campus Opinion," *Academic Questions*, 15 (Fall): 52–67.
- ✦ Sandalow, Terrance, 1999. "Identity and Equality: Minority Preferences Reconsidered," *Michigan Law Review*, 97 (May): 1874–1916.
- ✦ Shiner, Roger, 1973. "Individuals, Groups and Inverse Discrimination," *Analysis*, 33 (June): 185–187.
- ✦ Sessa, V. I. (1996). "Using Perspective Taking to Manage Conflict and Affect." *Journal of Applied Behavioral Science* 32(1): 101–115.
- ✦ Silvestri, Philip, 1973. "The Justification of Inverse Discrimination," *Analysis*, 34 (October): 31.
- ✦ Simon, Robert L., 1974. "Preferential Hiring: A Reply to Judith Jarvis Thomson," *Philosophy & Public Affairs*, 3 (Spring): 312–320.
- ✦ Skrentny, John David, 1996. *The Ironies of Affirmative Action: Politics, Culture, and Justice in America*, Chicago: University of Chicago Press.
- ✦ Smyth, Frederick L. and John J. McArdle, 2004. "Ethnic and Gender Differences in Science Graduation at Selective Colleges with Implications for Admission Policy and College Choice," *Research in Higher Education*, 45 (June): 353–381.

- ✦ Stroup, Timothy, 1982. "Affirmative Action and the Police," *International Journal of Applied Philosophy*, 1 (Fall): 1–19.
- ✦ Sturm, Susan and LaniGuinier, 1996. "The Future of Affirmative Action: Reclaiming an Innovative Ideal," *California Law Review*, 84 (July): 953–1036.
- ✦ Symposium, 1979. "Bakke—Civil Rights Perspectives," *Harvard Civil Rights-Civil Liberties Law Review*, 14 (Spring).
- ✦ Shaw, J. (1995). Cultural Diversity at Work. Sydney, Business and Professional Publishing.
- ✦ Sinclair, A. (2000). "Women within diversity: risks and possibilities." Women in Management Review 15(5/6).
- ✦ Thomas, R. (1991). Beyond Race and Gender: Unleashing the power of your total workforce by managing diversity. New York, AMACO.
- ✦ Wasserstrom, Richard, 1976. "Racism, Sexism, and Preferential Treatment: An Approach to the Topics," *UCLA Law Review*, 24 (February): 581–622.
- ✦ Wilkins, David B., 2005. "A Systematic Response to Systematic Disadvantage? A Response to Sander," *Stanford Law Review*, 57 (May): 1915–1961.
- ✦ Wise, Tim, 2005. *Affirmative Action. Racial Preference in Black and White*, New York: Routledge.
- ✦ Wolf-Devine, Celia, 1988. "An Inequity in Affirmative Action," *Journal of Applied Philosophy*, 5 (March): 107–108.
- ✦ Woodruff, Paul, 1976. "What's Wrong with Discrimination?" *Analysis*, 36 (March): 158–160.
- ✦ Yates, Steven, 1994. *Civil Wrongs: What Went Wrong with Affirmative Action*, San Francisco: Institute for Contemporary Studies.

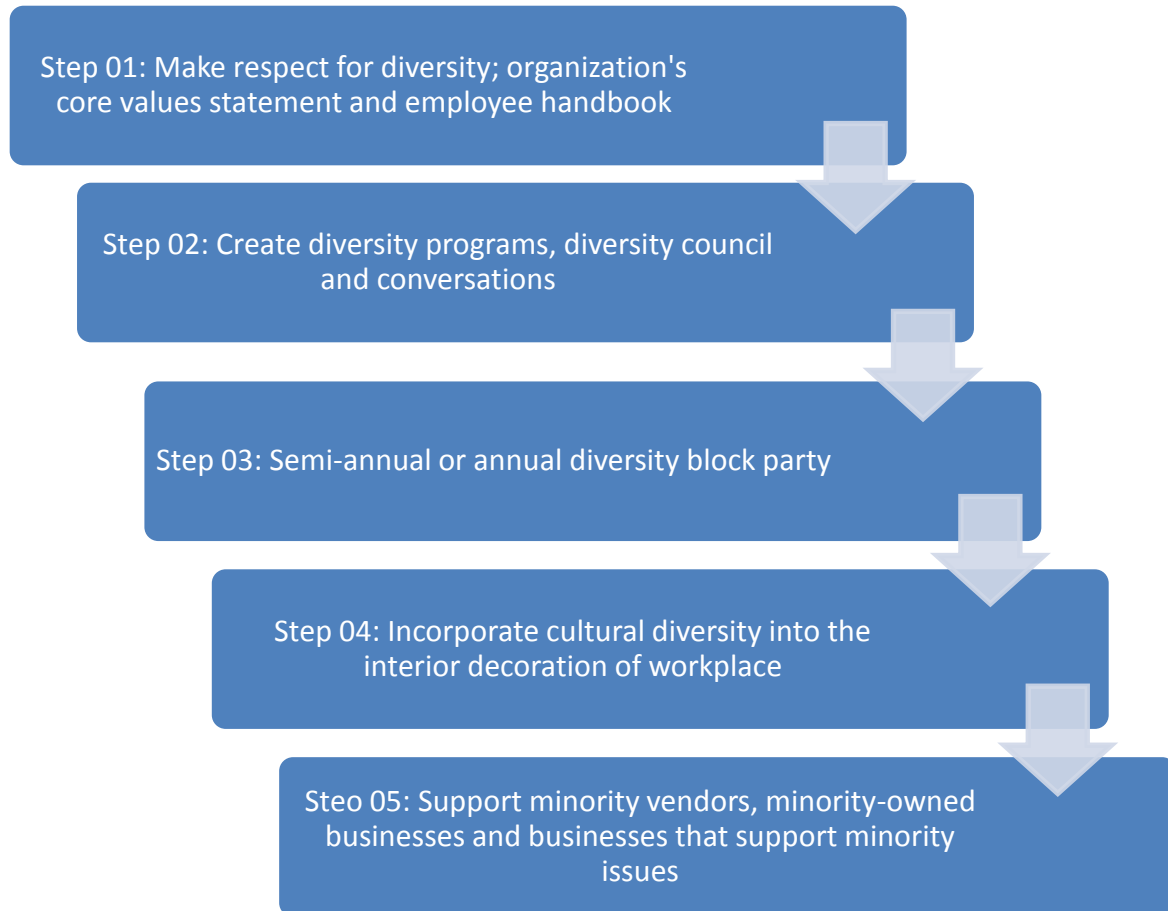
Appendices

Appendix 3.1: Dimensions of Diversity



Source: www.univie.ac.at/diversity [Lee Gardenswartz and Anita Rowe, two well-known Diversity Management pioneers, developed the structure of Diversity]

Appendix 3.2: Celebration of Diversity in Workplace



Appendix 5.1: Profile of selected Branches and Departments

Bank's Name	Name of Branches/Departments
1. Prime Bank Ltd.	Ashulia, Bashundhara, Faridpur, Jamalpur, Mouchack
2. Sonali Bank Ltd.	HRD, Tangail, Noakhali, Comilla, Basaboo, Armalitola, Dilkusha
3. Brac Bank Ltd.	Banani, Bogra, Elephant Rd., Jessore, Finance
4. Standard Chartered Bank	Motijheel, Dhanmondi, Gulshan
5. Dutch Bangla Bank Ltd.	Barisal, Board Bazar, Banani, CDA Avaneue, Gulshan
6. Islami Bank Bangladesh Ltd.	Kodomtoly, Saidpur, Jatrabari, Mirpur, Baridhara
7. NCC Bank Ltd.	Kustia, Khulna, Feni, Baridhara
8. Jamuna Bank Ltd.	Shantinagar, Motijheel
9. EXIM Bank Ltd.	Nawabpur, Sonaimuri, Uttara
10. Mercantile Bank Ltd.	Sylhet, Karwan Bazar, Dhanmondi
11. Al Arafah Islami Bank Ltd.	Islampur, Jatrabari, Konapara
12. First Security Islami Bank Ltd.	Motijheel, Dhanmondi
13. Premier Bank Ltd.	Savar, Tongi
14. Bank Asia Ltd.	Gulshan, Uttara, Rangpur
15. United commercial Bank Ltd.	Bangshal, Dilkusha, Dhanmondi, HRD
16. Mutual Trust Bank Ltd.	Principal, Babubazar, Agrabad, Sylhet
17. One Bank Ltd.	Dhanmondi, Karwan Bazar, Raozan, Anowara
18. Eastern Bank Ltd.	Upshahar, Rangpur, Principal, Khulna
19. Janata Bank Ltd.	Khulna, Pabna, Rajshahi, Noakhali, Motijheel, Magura
20. Shahjalal Islami Bank Ltd.	HRD, Dhaka main, Joydebpur, Mirpur
21. Trust Bank Ltd.	Kafrul, Joypara, Patuatoly

22. Southeast Bank Ltd.	Bangshal, Shyamoli, Tangail
23. Standard Bank Ltd.	Topkhana, Gopalganj, Matuail
24. National Bank Ltd.	Finance, Asadgate, Bangshal, Barisal
25. Dhaka Bank Ltd.	Rajshahi, Rangpur, Moghbazar, Baridhara
26. RajshahiKrishiUnnoyon Bank	Joypurhat, Rangpur, Pabna
27. Meghna Bank Ltd.	Principal, Chawkbazar, Narayanganj
28. Modhumoti Bank Ltd.	Motijheel, Chittagong
29. Union Bank Ltd.	Dilkusha, Zindabazar
30. HSBC	Uttara, Sylhet
31. ICB Islamic Bank Ltd.	Narayanganj, Khulna
32. NRB Bank Ltd.	Nayapaltan, Ashulia
33. City Bank Ltd.	Savar, Khulna, Agrabad, HR, Dhanmondi

Appendix 5.2: Distribution of Sample from selected Branches and Departments

Bank's Name	No. of Employees	Name of Branches/Departments	No of respondents
1. Prime Bank Ltd.	2867	Ashulia, Bashundhara, Faridpur, Jamalpur, Mouchack	15
2. Sonali Bank Ltd.	22446	HRD, Tangail, Noakhali, Comilla, Basaboo, Armalitola, Dilkusha	15
3. Brac Bank Ltd.	6886	Banani, Bogra, Elephant Rd., Jessore, Finance	19
4. Standard Chartered Bank	1903	Motijheel, Dhanmondi, Gulshan	6
5. Dutch Bangla Bank Ltd.	5556	Barisal, Board Bazar, Banani, CDA Awanue, Gulshan	15
6. Islami Bank Bangladesh Ltd.	13574	Kodomtoly, Saidpur, Jatrabari, Mirpur, Baridhara	14
7. NCC Bank Ltd.	2277	Kustia, Khulna, Feni, Baridhara	10
8. Jamuna Bank Ltd.	2204	Shantinagar, Motijheel	6
9. EXIM Bank Ltd.	2515	Nawabpur, Sonaimuri, Uttara	7
10. Mercantile Bank Ltd.	1962	Sylhet, Karwan Bazar, Dhanmondi	8
11. Al Arafah Islami Bank Ltd.	2649	Islampur, Jatrabari, Konapara	8
12. First Security Islami Bank Ltd.	2673	Motijheel, Dhanmondi	6
13. Premier Bank Ltd.	1350	Savar, Tongi	5
14. Bank Asia Ltd.	1773	Gulshan, Uttara, Rangpur	10
15. United commercial Bank Ltd.	3679	Bangshal, Dilkusha, Dhanmondi, HRD	14
16. Mutual Trust Bank Ltd.	1587	Principal, Babubazar, Agrabad, Sylhet	9
17. One Bank Ltd.	1861	Dhanmondi, Karwan Bazar, Raozan, Anowara	12
18. Eastern Bank Ltd.	1559	Upshahar, Rangpur, Principal, Khulna	11
19. Janata Bank Ltd.	14413	Khulna, Pabna, Rajshahi, Noakhali, Motijheel, Magura	20
20. Shahjalal Islami Bank Ltd.	2145	HRD, Dhaka main, Joydebpur, Mirpur	10
21. Trust Bank Ltd.	1674	Kafrul, Joypara, Patuatoly	8
22. Southeast Bank Ltd.	2221	Bangshal, Shyamoli, Tangail	9
23. Standard Bank Ltd.	1548	Topkhana, Gopalgonj, Matuail	9

24. National Bank Ltd.	4236	Finance, Asadgate, Bangshal, Barisal	12
25. Dhaka Bank Ltd.	1503	Rajshahi, Rangpur, Moghbazar, Baridhara	9
26. RajshahiKrishiUnnoyon Bank	Not found*	Joypurhat, Rangpur, Pabna	10
27. Meghna Bank Ltd.	Not found*	Principal, Chawkbazar, Narayanganj	8
28. Modhumoti Bank Ltd.	Not found*	Motijheel, Chittagong	7
29. Union Bank Ltd.	Not found*	Dilkusha, Zindabazar	8
30. HSBC	Not found*	Uttara, Sylhet	11
31. ICB Islamic Bank Ltd.	Not found*	Narayanganj, Khulna	3
32. NRB Bank Ltd.	Not found*	Nayapaltan, Ashulia	7
33. City Bank Ltd.	2535	Savar, Khulna, Agrabad, HR, Dhanmondi	15
Total	1,09,596		336

**Seven banks' (SL. 26-32) annual reports were not available at the time of secondary data processing. These banks are: Rajshahi Krishi Unnoyon Bank, Meghna Bank Ltd., Modhumoti Bank Ltd., Union Bank Ltd., HSBC, ICB Islamic Bank Ltd., NRB Bank Ltd.*

Appendix 5.3: Diversity – Inclusive Culture



Source: blog.simplycareer.net

Diversity Management and
Affirmative Action Program in
Managerial Decision Making:
Global Perspective with the
Context of Bangladesh

2014

[Simply, diversity means different groups of people (surface level) in respect of age , social class, ethnicity, gender, race and culture (oriental and occidental), religious and spiritual belief and also in terms of educational background, knowledge, skill, experience (Deep/cognitive level) etc. which affects performance of organization via implementation of Affirmative Action Program (Fair & Justice) & synergy (Cost effectiveness). In broad terms, it also covers organizations' diversified working environment, program, policies & procedures, strategies, tools, office equipment.]

DM &
AAP

Questionnaire on DM and AAP

[All information will be kept as confidential]

[Coding is for researcher use only]

Name of the person _____ Designation: _____

Organization name _____

Type of Organization _____

1. Male 2. Female Coding

Age: 1. 18-30 2. 30-40 3. 40-50 4. 50 and above Coding

Question 1) In what areas do you think your organization has been effective in promoting diversity at workplace?

1. Race Coding
2. Age
3. Gender
4. Nationality
5. Social class

Question 2) Do you think innovation & problem solving derived by diversified workforce and associated policies?

1. Yes Coding
2. No
3. No effect

Question 3) Does diversified workforce promotes business productivity due to opportunity of choosing/employing right person from diverse people than non-diversified (homogenous) organization?

1. Yes Coding
2. No
3. No effect at all/indifferent

Question 4) Do you think diversified workforce (Deep level: experience & knowledge, education, skill) helps to create synergy (Profitability via cost effectiveness) than non-diversified workforce?

1. Yes
2. No
3. No effect at all/indifferent

Coding

Question 5) Does diversity & it's management promotes the best practices in the business case?

1. Strongly agree
2. Moderately agree
3. Agree
4. Disagree
5. Strongly disagree

Coding

Question 6) Compared to non-diversified organization, does diversified one get competitive advantage due to existence of heterogeneous group of people?

1. Much better/higher
2. Somewhat better/higher
3. About the same
4. Somewhat worse
5. Much worse

Coding

Question 7) What (would be/are) the key features of a diversity policy in your organization?

1. Implementation of AAP.
2. Equal Employment Opportunity
3. Anti-Discrimination
4. Equal opportunities (in addition to employment such as assignment, recognition etc).
5. None of the above

Coding

Question 8) Do you think - your organization has a diversity policy (e.g. regarding hiring, promotion, retention)? If so does it practice/adheres to its diversity policy?

1. Yes
2. No

Coding

If no it is because of –

3. Policy framing needs to be revised.
4. Policy exists but not practiced
5. A game of politics

[If yes, please go for question no 09, otherwise please go for question no 10]

Question 9) Do you support the implementation of Affirmative action Program and other diversity program (diversity training, monitoring and follow up, accountability, scoring) help to ensure effective diversified workplace/environment?

1. Yes
2. No
3. Indifferent

Coding

Question 10) Do you think your organization embodies your vision of a sustainable diverse workplace/working environment?

1. Yes
2. On the way to practice
3. No

Coding

[Thanks for your valuable response]

References:

- # Anderson, Elizabeth S., 2002. "Integration, Affirmative Action, and Strict Scrutiny," *New York University Law Review*, 77 (November): 1195–1271.
- # Appiah, Kwame Anthony, (2011). "Group Rights and Racial Affirmative Action," *Journal of Ethics*, 15 (September): 265–280.
- # Arnold, N. Scott, 1998. "Affirmative Action and the Demands of Justice," *Social Philosophy and Policy*, 15 (Summer): 133–175.
- # Astin, Alexander W. and Dongbin Kim, 2004. "Cross-Racial Interaction Among Undergraduates: Some Consequences, Causes, and Patterns," *Research in Higher Education*, 45 (August): 529–554.
- # Ayers, Ian and Richard Brooks, 2005. "Does Affirmative Action Reduce the Number of Black Lawyers?" *Stanford Law Review*, 57 (May): 1807–1854.
- # Bassett-Jones, N. 2005. The paradox of diversity management, creativity and innovation. *Creativity and Innovation Management*, 14(2):169-175.
- # Bertone, S., A. Esposto, et al. (1998). Diversity and dollars: productive diversity in Australian business and industry. Melbourne, Workplace Studies Centre, Victoria University.
- # Bertone, S. and M. Leahy (2003). "Multiculturalism as a conservative ideology: impacts on workforce diversity programs - a research agenda." Asia Pacific Journal of Human Resources 41(1).
- # Burton, C. (1991). The promise & the price: The struggle for equal opportunity in women's employment. Sydney, Allen & Unwin.
- # Barnes, Katherine Y., 2007. "Is Affirmative Action Responsible for the Achievement Gap Between Black and White Law Students?" *Northwestern University Law Review*, 101 (Fall): 1759–1808.
- # Beauchamp, Tom L., 1998. "In Defense of Affirmative Action," *Journal of Ethics*, 2: 143–158.

- # Beckwith, Francis J. and Todd E. Jones (eds.), 1997. *Affirmative Action: Social Justice or Reverse Discrimination?* Amherst, New York: Prometheus Books.
- # Bell, Derrick, 2003. "Diversity's Distractions," *Columbia Law Review*, 103 (October): 1622–1633.
- # Beauchamp, T. L., 2006. "Affirmative Action and Racial Preference: A Debate," *Mind*, 115 (July): 747–750.
- # Corlett, J. Angelo, 1993. "Racism and Affirmative Action," *Journal of Social Philosophy*, 24 (Spring): 163–175.
- # Curry, George E. (ed.), 1996. *The Affirmative Action Debate*, Reading, Massachusetts: Addison-Wesley Publishing Company.
- # Cassell, C. 2004. The business case and the management of diversity. *Women in Management. Current research issues volume II*. Davidson, M. and Burke, R. (eds). Sage:250-262
- # Catalyst, 2005. *Creating a business-aligned diversity scorecard*. Making Change series. www.catalystwomen.org
- # Catalyst, 2004. *The bottom line: connecting corporate performance and gender diversity*. Catalyst, www.catalystwomen.org.
- # CIPD, 2005. *Managing diversity. Linking theory and practice to business performance*. Chartered Institute of Personnel and Development, London.
- # Cox, T. 2001. *Creating the multicultural organisation. A strategy for capturing the power of diversity*. University of Michigan Business School Management Series.
- # Charlesworth, S., P. Hall, et al. (2005). Drivers and Contexts of Equal Employment Opportunity and Diversity Action in Australian Organisations. Melbourne, RMIT Publishing.
- # Cope, B. and M. Kalantzis (1997). Productive Diversity: A new Australian model for work and management. Sydney, Pluto Press.
- # Chrobot-Mason, D., Konrad, A., and Linnehan, F. 2006. Measures for quantitative diversity scholarship. In *Handbook of Workplace Diversity*. Konrad, Prasad and Pringle (eds), Sage.

- # Cox, T. (2001). Cultural Diversity in Organisations. San Francisco, Barrett-Koehler Publishers Inc.
- # Cox, T. (1993). *Cultural Diversity in Organizations: Theory, Research & Practice*. San Francisco, Berrett-Koehler.
- # Chang, Mitchell J. *et al.* (eds.), 2003. *Compelling Interest: Examining the Evidence on Racial Dynamics in Colleges and Universities*, Stanford, California: Stanford University Press.
- # Clarke, Simon, 2006. "The Case for Affirmative Action," *The Philosopher's Magazine*, Issue 33 (First Quarter): 73–77.
- # Cohen, Carl, 1995. *Naked Racial Preference*, Lanham, Maryland: Madison Books.
- # DaGama Pinto, C., B. D'Netto, et al. (2000). *Theoretical and Practical Issues in Diversity Management*. Melbourne, Monash University.
- # Dagher, J. and B. D'Netto (1997). *Managing Working Diversity in Australia*. Melbourne, Monash University.
- # DeCieri, H. and M. Olehalns (2001). Workforce Diversity in Australia: Challenges and Strategies for Diversity Management. Melbourne, Faculty of Business and Economics, Monash University.
- # Department of Immigration and Multicultural Affairs (2000). *21st Century Business - Delivering the Diversity Dividend: Reports of the Productive Diversity Partnerships Program*. Canberra, Commonwealth of Australia.
- # David A Thomas (September 2004). "Diversity as Strategy," *Harvard Business Review*.
- # Diversity Inc, 2006. *The business case for diversity. Based on best practices from the nation's leading data-driven diversity list: the DiversityInc Top 50 Companies for Diversity*. 5th edition. DiversityInc. www.DiversityInc.com.
- # David A Thomas, Robin J Ely (September-October 1996). "Making differences matter – A new paradigm for managing diversity," *Harvard Business Review*.
- # Davis, Michael, 1981. "Racial Quotas, Weights, and Real Possibilities," *Social Theory and Practice*, 7 (Spring): 49–84.

- # Durlauf, Steven N., 2008. "Affirmative Action, Meritocracy, and Efficiency," *Politics, Philosophy and Economics*, 7 (May): 131–158.
- # Epstein, Richard A., 2002. "A Rational Basis for Affirmative Action: A Shaky but Classical Liberal Defense," *Michigan Law Review*, 100 (August): 2036–2061.
- # Ezorsky, Gertrude, 1991. *Racism and Justice: The Case for Affirmative Action*, Ithaca, New York: Cornell University Press.
- # Esen, E. 2005: 2005. *Workplace diversity practices survey report*. Society for Human Resource Management, Alexandria VA, USA. www.shrm.org/research.
- # Gassmann, O. 2001. Multicultural teams: increasing creativity and innovation by diversity. *Creativity and Innovation Management*, 10(2): 88-95.
- # Godwin, K. 2006. Brent Council – breaking the glass ceiling. *Equal Opportunity Review*, 151:6-11.
- # Guillory, W. 2004. *The roadmap to diversity, inclusion, and high performance*. Innovations International Publishing.
- # Gahringer, Robert E., 1979. "Race and Class: The Basic Issue of the Bakke Case," *Ethics*, 90 (October): 97–114.
- # Glazer, Nathan, 1975. *Affirmative Discrimination: Ethnic Inequality and Public Policy*, New York: Basic Books.
- # Hajdin, Mane, 2002. "Affirmative Action, Old and New," *Journal of Social Philosophy*, 33 (Spring): 83–96.
- # Hansson, Sven Ove, 2004. "What are Opportunities and Why Should They Be Equal?" *Social Choice & Welfare*, 22 (April): 305–317.
- # Haslett, D. W., 2002. "Workplace Discrimination, Good Cause, and Color Blindness," *Journal of Value Inquiry*, 36: 73–88.

- # Hasnas, John, 2002. "Equal Opportunity, Affirmative Action, and the Anti-Discrimination Principle: The Philosophical Basis for the Legal Prohibition of Discrimination," *Fordham Law Review*, 71 (November): 423–542.
- # Hill, Thomas E., 1991. "The Message of Affirmative Action," *Social Philosophy and Policy*, 8 (Spring): 108–129.
- # Himma, Kenneth Einar, 2001. "Discrimination and Disidentification: The Fair-Start Defense of Affirmative Action," *Journal of Business Ethics*, 30 (April): 277–289.
- # Ho, Daniel E., 2005. "Why Affirmative Action Does Not Cause Black Students to Fail the Bar: A Reply to Sander," *Yale Law Journal*, 114 (June): 1997–2004.
- # Henry, P. 2003. *Diversity and the bottom-line. Prospering in the global economy.* TurnKey Press, Austin.
- # Herring, C. 2006. *Does diversity pay? Racial composition of firms and the business case for diversity.* Dept of Sociology and Institute of Government and Public Affairs, University of Illinois, Chicago.
- # Hubbard, E.E. 2004. *The diversity scorecard. Evaluating the impact of diversity on organisational performance.* Elsevier
- # Hyter, M. and Turnock, J. 2005. *The power of inclusion. Unlock the potential and productivity of your workforce.* Wiley, Canada.
- # Ibarra, Robert A., 2001. *Beyond Affirmative Action: Reframing the Context of Higher Education,* Madison, Wisconsin: University of Wisconsin Press.
- # Jacobs, Lesley A., 2004. *Pursuing Equal Opportunities: The Theory and Practice of Egalitarian Justice,* Cambridge: Cambridge University Press.
- # James Surowiecki, (Abacus – 2004). "The Wisdom of Crowds - Why the many are smarter than the few,"
- # Jossey-Bass. De Dreu, C. and West, M. 2001. Minority dissent and team innovation: the importance of participation in decision making. *Journal of Applied Psychology*, 86(6):1191-1201.

- # Kerston, A. (2000). "Diversity management: dialogue, dialectics and diversion." Journal of Organisational Change 13(3).
- # Kolb, D. M. and S. S. Silbey (1991). Enhancing the Capacity of Organizations to Deal with Disputes. Negotiation Theory and Practice. J. W. Breslin and J. Z. Rubin. Cambridge, Mass., Program on Negotiation at Harvard Law School: 315–322.
- # Lawrence, P. R. and J. W. Lorsch (1967). Organization and Environment: Managing Differentiation and Integration. Boston, Harvard University.
- # Lobriecki, A. (2001). "Changing views on diversity management: The rise of the learning perspective and the need to recognise social and political contradictions." Management Learning 32(3).
- # Landau, Iddo, 1997. "Are You Entitled to Affirmative Action?" *International Journal of Applied Philosophy*, 11 (Winter-Spring): 17–22.
- # Leach, Bryan W., 2004. "Race as Mission Critical: The Occupational Need Rationale in Military Affirmative Action and Beyond," *Yale Law Journal*, 113 (March): 1093–1143.
- # LeFevre, Joseph, 2003. "The Value of Diversity: A Justification of Affirmative Action," *Journal of Social Philosophy*, 34 (March): 125–133.
- # Morgan, G. (1986). Images of Organization. Newbury Park, Calif., SAGE Publications.
- # Mihaly Csikszentmihalyi (1996). "CREATIVITY - Flow and the psychology of discovery and invention," Harper Perennial.
- # Mills, Nicolaus (ed.), 1994. *Debating Affirmative Action: Race, Gender, Ethnicity, and the Politics of Inclusion*, New York: Dell Publishing.
- # Mosley, Albert G., 1998. "Policies of Straw or Policies of Inclusion? A Review of Pojman's 'Case against Affirmative Action'," *International Journal of Applied Philosophy*, 12 (Fall): 161–168.
- # Murray, Dale, 2005. "The Affirmative Action Debate," *Teaching Philosophy*, 28 (June): 284–287.

- # Nagel, Thomas, 1973. "Equal Treatment and Compensatory Discrimination," *Philosophy & Public Affairs*, 2 (Summer): 348–363.
- # Newton, Lisa, 1973. "Reverse Discrimination as Unjustified," *Ethics*, 83 (July): 308–312.
- # Nickel, James W., 1972. "Discrimination and Morally Relevant Characteristics," *Analysis*, 32 (March): 113–114.
- # Nieli, Russell (ed.), 1991. *Racial Preference and Racial Justice: The New Affirmative Action Controversy*, Washington, D.C.: Ethics and Public Policy Center.
- # Nunn, William A., 1974. "Reverse Discrimination," *Analysis*, 34 (April): 151–154.
- # Nonaka, I. (1991). "The Knowledge-Creating Company." *Harvard Business Review* 69(6): 96–104.
- # Norton, J. Renae and Fox, Ronald, E. (1997). *The Change Equation: Capitalizing on Diversity for Effective Organizational Change*, American Psychological Association, Washington, D.C.
- # Opportunity Now, 2004. *Diversity dimensions – integration into organisational culture*. Opportunity Now, London.
- # O'Flynn, J., N. Fisher, et al. (2001). "The Diversity Dividend." [HR Monthly](#).
- # O'Neil, Robert M., 1975. *Discriminating Against Discrimination: Preferential Admissions and the DeFunis Case*, Bloomington, Indiana: Indiana University Press.
- # Orfield, Gary with Michael Kurlaender (eds.), 2001. *Diversity Challenged: Evidence on the Impact of Affirmative Action*, Cambridge, Massachusetts: Harvard Education Publishing Group.
- # Orlans, Harold June O'Neill (eds.), 1992. *Affirmative Action Revisited*, Newbury Park, California: Sage.
- # Owen, Matthew S. and Danielle S. Barbour, 2007. "Disparate Impact and the Use of Racial Proxies in Post-MCRI Admissions," *Michigan Law Review First Impressions*, 105: 144–148. [[available online](#)]
- # Pojman, Louis, 1992. "The Moral Status of Affirmative Action," *Public Affairs Quarterly*, 6 (April): 181–206.
- # Purdy, Laura, 1994. "Why Do We Need Affirmative Action?" *Journal of Social Philosophy*, 25 (Spring): 133–143.

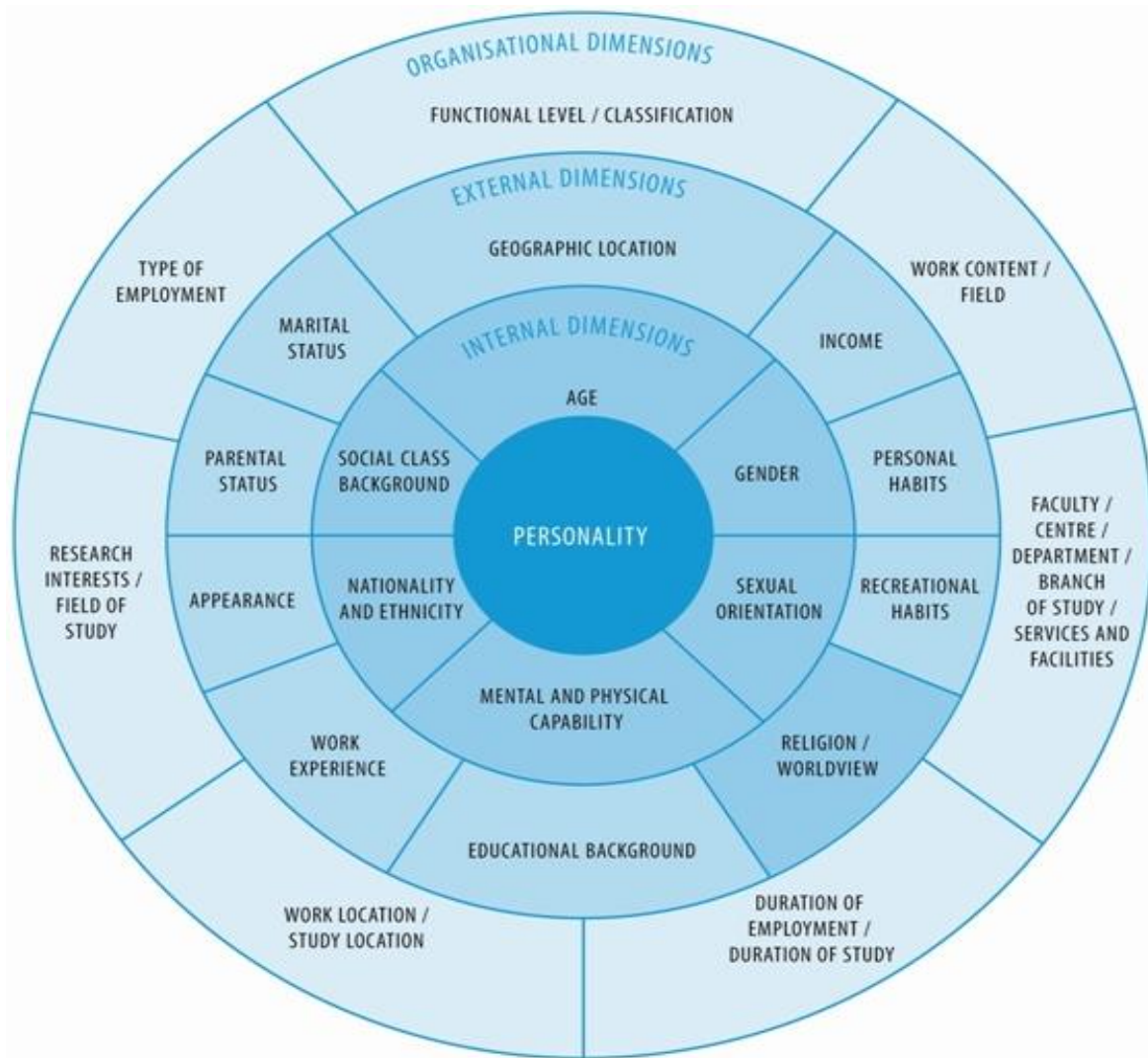
- # Prasad, P. (1997). Managing the organisational melting pot: dilemmas of workplace diversity. California, Sage.
- # Pyke, J. (2005). Productive Diversity: Which Companies are Active and Why. Department of Applied Economics. Melbourne, Victoria University.
- # Paletz, S., Peng, K., Erez, M. and Maslach, C. 2004. Ethnic composition and its differential impact on group processes in diverse teams. *Small Group Research*, 34:128-157.
- # Perotin, V., Robinson, A. and Loundes, J. 2003. Equal opportunities practices and enterprise performance: a comparative investigation on Australian and British data. *International Labour Review*, 142(4):471-506.
- # Pringle, J., Konrad, A. and Prasad, P. 2006. Conclusion, reflection and future direction. In *Understanding and Managing Diversity*. Readings, cases and exercises. 3rdedn. Harvey and Allard (eds), Pearson/Prentice Hall, N.J.
- # Rajan, A., Martin, B. and Latham, J. 2003. *Harnessing workforce diversity to raise the bottom line*. Create, Tunbridge Wells.
- # Redford, K. 2005. Positive approach reaps benefits. *Personnel Today*, 8/23/2005:18-19.
- # Richard, O., Barnett, T., Dwyer, S. and Chadwick, K. 2004. Cultural diversity in management, firm performance, and the moderating role of entrepreneurial orientation dimensions. *Academy of Management Journal*, 47(2):255-266.
- # Roberson, Q. and Park, H. 2007. Examining the link between diversity and firm performance: the effects of diversity reputation and leader racial diversity. *Group Organisation Management*, 32(548-568).
- # Rutherford, S. and Ollerearnshaw, S. 2002. *The business of diversity. How organisations in the public and private sectors are integrating equality and diversity to enhance business performance*. Schneider-Ross.
- # R. Roosevelt Thomas, Jr. (March-April 1990). "From affirmative action to affirming diversity," Harvard Business Review.
- # R Roosevelt Thomas Jr. (Winter 1998). "Making Diversity pay off," Leader to Leader.

- # R Roosevelt Thomas Jr. (Winter 1999). "Diversity Management: Some measurement criteria," *Employment Relations Today*.
- # R Roosevelt Thomas Jr. (Summer 2006). "Diversity Management: An essential craft for leaders," *Leader to Leader*
- # Radin, Margaret Jane, 1991. "Affirmative Action Rhetoric," *Social Philosophy and Policy*, 8 (Spring): 130–149.
- # Rawls, John, 1971. *A Theory of Justice*, Cambridge, Massachusetts: Harvard University Press.
- # Reynolds, William Bradford, 1984. "Individualism vs. Group Rights: The Legacy of *Brown*," *Yale Law Journal*, 93 (May): 995–1005.
- # Rosenfeld, Michel, 1991. *Affirmative Action and Justice: A Philosophical and Constitutional Inquiry*, New Haven, Connecticut: Yale University Press.
- # Rothman, Stanley, S. M. Lipset, and Neil Nevitte, 2002. "Diversity and Affirmative Action: The State of Campus Opinion," *Academic Questions*, 15 (Fall): 52–67.
- # Sandalow, Terrance, 1999. "Identity and Equality: Minority Preferences Reconsidered," *Michigan Law Review*, 97 (May): 1874–1916.
- # Shiner, Roger, 1973. "Individuals, Groups and Inverse Discrimination," *Analysis*, 33 (June): 185–187.
- # Sessa, V. I. (1996). "Using Perspective Taking to Manage Conflict and Affect." *Journal of Applied Behavioral Science* 32(1): 101–115.
- # Silvestri, Philip, 1973. "The Justification of Inverse Discrimination," *Analysis*, 34 (October): 31.
- # Simon, Robert L., 1974. "Preferential Hiring: A Reply to Judith Jarvis Thomson," *Philosophy & Public Affairs*, 3 (Spring): 312–320.
- # Skrentny, John David, 1996. *The Ironies of Affirmative Action: Politics, Culture, and Justice in America*, Chicago: University of Chicago Press.
- # Smyth, Frederick L. and John J. McArdle, 2004. "Ethnic and Gender Differences in Science Graduation at Selective Colleges with Implications for Admission Policy and College Choice," *Research in Higher Education*, 45 (June): 353–381.

- ✚ Stroup, Timothy, 1982. "Affirmative Action and the Police," *International Journal of Applied Philosophy*, 1 (Fall): 1–19.
- ✚ Sturm, Susan and LaniGuinier, 1996. "The Future of Affirmative Action: Reclaiming an Innovative Ideal," *California Law Review*, 84 (July): 953–1036.
- ✚ Symposium, 1979. "*Bakke*—Civil Rights Perspectives," *Harvard Civil Rights-Civil Liberties Law Review*, 14 (Spring).
- ✚ Shaw, J. (1995). Cultural Diversity at Work. Sydney, Business and Professional Publishing.
- ✚ Sinclair, A. (2000). "Women within diversity: risks and possibilities." Women in Management Review 15(5/6).
- ✚ Thomas, R. (1991). Beyond Race and Gender: Unleashing the power of your total workforce by managing diversity. New York, AMACO.
- ✚ Wasserstrom, Richard, 1976. "Racism, Sexism, and Preferential Treatment: An Approach to the Topics," *UCLA Law Review*, 24 (February): 581–622.
- ✚ Wilkins, David B., 2005. "A Systematic Response to Systematic Disadvantage? A Response to Sander," *Stanford Law Review*, 57 (May): 1915–1961.
- ✚ Wise, Tim, 2005. *Affirmative Action. Racial Preference in Black and White*, New York: Routledge.
- ✚ Wolf-Devine, Celia, 1988. "An Inequity in Affirmative Action," *Journal of Applied Philosophy*, 5 (March): 107–108.
- ✚ Woodruff, Paul, 1976. "What's Wrong with Discrimination?" *Analysis*, 36 (March): 158–160.
- ✚ Yates, Steven, 1994. *Civil Wrongs: What Went Wrong with Affirmative Action*, San Francisco: Institute for Contemporary Studies.

Appendices

Appendix 3.1: Dimensions of Diversity



Source: www.univie.ac.at/diversity [Lee Gardenswartz and Anita Rowe, two well-known Diversity Management pioneers, developed the structure of Diversity]

Appendix 3.2: Celebration of Diversity in Workplace



Appendix 5.1: Profile of selected Branches and Departments

Bank's Name	Name of Branches/Departments
1. Prime Bank Ltd.	Ashulia, Bashundhara, Faridpur, Jamalpur, Mouchack
2. Sonali Bank Ltd.	HRD, Tangail, Noakhali, Comilla, Basaboo, Armalitola, Dilkusha
3. Brac Bank Ltd.	Banani, Bogra, Elephant Rd., Jessore, Finance
4. Standard Chartered Bank	Motijheel, Dhanmondi, Gulshan
5. Dutch Bangla Bank Ltd.	Barisal, Board Bazar, Banani, CDA Avaneue, Gulshan
6. Islami Bank Bangladesh Ltd.	Kodomtoly, Saidpur, Jatrabari, Mirpur, Baridhara
7. NCC Bank Ltd.	Kustia, Khulna, Feni, Baridhara
8. Jamuna Bank Ltd.	Shantinagar, Motijheel
9. EXIM Bank Ltd.	Nawabpur, Sonaimuri, Uttara
10. Mercantile Bank Ltd.	Sylhet, Karwan Bazar, Dhanmondi
11. Al Arafah Islami Bank Ltd.	Islampur, Jatrabari, Konapara
12. First Security Islami Bank Ltd.	Motijheel, Dhanmondi
13. Premier Bank Ltd.	Savar, Tongi
14. Bank Asia Ltd.	Gulshan, Uttara, Rangpur
15. United commercial Bank Ltd.	Bangshal, Dilkusha, Dhanmondi, HRD
16. Mutual Trust Bank Ltd.	Principal, Babubazar, Agrabad, Sylhet
17. One Bank Ltd.	Dhanmondi, Karwan Bazar, Raozan, Anowara
18. Eastern Bank Ltd.	Upshahar, Rangpur, Principal, Khulna
19. Janata Bank Ltd.	Khulna, Pabna, Rajshahi, Noakhali, Motijheel, Magura
20. Shahjalal Islami Bank Ltd.	HRD, Dhaka main, Joydebpur, Mirpur
21. Trust Bank Ltd.	Kafrul, Joypara, Patuatoly

22. Southeast Bank Ltd.	Bangshal, Shyamoli, Tangail
23. Standard Bank Ltd.	Topkhana, Gopalganj, Matuail
24. National Bank Ltd.	Finance, Asadgate, Bangshal, Barisal
25. Dhaka Bank Ltd.	Rajshahi, Rangpur, Moghbazar, Baridhara
26. RajshahiKrishiUnnoyon Bank	Joypurhat, Rangpur, Pabna
27. Meghna Bank Ltd.	Principal, Chawkbazar, Narayanganj
28. Modhumoti Bank Ltd.	Motijheel, Chittagong
29. Union Bank Ltd.	Dilkusha, Zindabazar
30. HSBC	Uttara, Sylhet
31. ICB Islamic Bank Ltd.	Narayanganj, Khulna
32. NRB Bank Ltd.	Nayapaltan, Ashulia
33. City Bank Ltd.	Savar, Khulna, Agrabad, HR, Dhanmondi

Appendix 5.2: Distribution of Sample from selected Branches and Departments

Bank's Name	No. of Employees	Name of Branches/Departments	No of respondents
1. Prime Bank Ltd.	2867	Ashulia, Bashundhara, Faridpur, Jamalpur, Mouchack	15
2. Sonali Bank Ltd.	22446	HRD, Tangail, Noakhali, Comilla, Basaboo, Armalitola, Dilkusha	15
3. Brac Bank Ltd.	6886	Banani, Bogra, Elephant Rd., Jessore, Finance	19
4. Standard Chartered Bank	1903	Motijheel, Dhanmondi, Gulshan	6
5. Dutch Bangla Bank Ltd.	5556	Barisal, Board Bazar, Banani, CDA Awanue, Gulshan	15
6. Islami Bank Bangladesh Ltd.	13574	Kodomtoly, Saidpur, Jatrabari, Mirpur, Baridhara	14
7. NCC Bank Ltd.	2277	Kustia, Khulna, Feni, Baridhara	10
8. Jamuna Bank Ltd.	2204	Shantinagar, Motijheel	6
9. EXIM Bank Ltd.	2515	Nawabpur, Sonaimuri, Uttara	7
10. Mercantile Bank Ltd.	1962	Sylhet, Karwan Bazar, Dhanmondi	8
11. Al Arafah Islami Bank Ltd.	2649	Islampur, Jatrabari, Konapara	8
12. First Security Islami Bank Ltd.	2673	Motijheel, Dhanmondi	6
13. Premier Bank Ltd.	1350	Savar, Tongi	5
14. Bank Asia Ltd.	1773	Gulshan, Uttara, Rangpur	10
15. United commercial Bank Ltd.	3679	Bangshal, Dilkusha, Dhanmondi, HRD	14
16. Mutual Trust Bank Ltd.	1587	Principal, Babubazar, Agrabad, Sylhet	9
17. One Bank Ltd.	1861	Dhanmondi, Karwan Bazar, Raozan, Anowara	12
18. Eastern Bank Ltd.	1559	Upshahar, Rangpur, Principal, Khulna	11
19. Janata Bank Ltd.	14413	Khulna, Pabna, Rajshahi, Noakhali, Motijheel, Magura	20
20. Shahjalal Islami Bank Ltd.	2145	HRD, Dhaka main, Joydebpur, Mirpur	10
21. Trust Bank Ltd.	1674	Kafrul, Joypara, Patuatoly	8
22. Southeast Bank Ltd.	2221	Bangshal, Shyamoli, Tangail	9
23. Standard Bank Ltd.	1548	Topkhana, Gopalgonj, Matuail	9

24. National Bank Ltd.	4236	Finance, Asadgate, Bangshal, Barisal	12
25. Dhaka Bank Ltd.	1503	Rajshahi, Rangpur, Moghbazar, Baridhara	9
26. RajshahiKrishiUnnoyon Bank	Not found*	Joypurhat, Rangpur, Pabna	10
27. Meghna Bank Ltd.	Not found*	Principal, Chawkbazar, Narayanganj	8
28. Modhumoti Bank Ltd.	Not found*	Motijheel, Chittagong	7
29. Union Bank Ltd.	Not found*	Dilkusha, Zindabazar	8
30. HSBC	Not found*	Uttara, Sylhet	11
31. ICB Islamic Bank Ltd.	Not found*	Narayanganj, Khulna	3
32. NRB Bank Ltd.	Not found*	Nayapaltan, Ashulia	7
33. City Bank Ltd.	2535	Savar, Khulna, Agrabad, HR, Dhanmondi	15
Total	1,09,596		336

**Seven banks' (SL. 26-32) annual reports were not available at the time of secondary data processing. These banks are: Rajshahi Krishi Unnoyon Bank, Meghna Bank Ltd., Modhumoti Bank Ltd., Union Bank Ltd., HSBC, ICB Islamic Bank Ltd., NRB Bank Ltd.*

Appendix 5.3: Diversity – Inclusive Culture



Source: blog.simplycareer.net

Diversity Management and
Affirmative Action Program in
Managerial Decision Making:
Global Perspective with the
Context of Bangladesh

2014

[Simply, diversity means different groups of people (surface level) in respect of age , social class, ethnicity, gender, race and culture (oriental and occidental), religious and spiritual belief and also in terms of educational background, knowledge, skill, experience (Deep/cognitive level) etc. which affects performance of organization via implementation of Affirmative Action Program (Fair & Justice) & synergy (Cost effectiveness). In broad terms, it also covers organizations' diversified working environment, program, policies & procedures, strategies, tools, office equipment.]

DM &
AAP

Questionnaire on DM and AAP

[All information will be kept as confidential]

[Coding is for researcher use only]

Name of the person _____ Designation: _____

Organization name _____

Type of Organization _____

1. Male 2. Female Coding

Age: 1. 18-30 2. 30-40 3. 40-50 4. 50 and above Coding

Question 1) In what areas do you think your organization has been effective in promoting diversity at workplace?

- 1. Race Coding
- 2. Age
- 3. Gender
- 4. Nationality
- 5. Social class

Question 2) Do you think innovation & problem solving derived by diversified workforce and associated policies?

- 1. Yes Coding
- 2. No
- 3. No effect

Question 3) Does diversified workforce promotes business productivity due to opportunity of choosing/employing right person from diverse people than non-diversified (homogenous) organization?

- 1. Yes Coding
- 2. No
- 3. No effect at all/indifferent

Question 4) Do you think diversified workforce (Deep level: experience & knowledge, education, skill) helps to create synergy (Profitability via cost effectiveness) than non-diversified workforce?

1. Yes
2. No
3. No effect at all/indifferent

Coding

Question 5) Does diversity & it's management promotes the best practices in the business case?

1. Strongly agree
2. Moderately agree
3. Agree
4. Disagree
5. Strongly disagree

Coding

Question 6) Compared to non-diversified organization, does diversified one get competitive advantage due to existence of heterogeneous group of people?

1. Much better/higher
2. Somewhat better/higher
3. About the same
4. Somewhat worse
5. Much worse

Coding

Question 7) What (would be/are) the key features of a diversity policy in your organization?

1. Implementation of AAP.
2. Equal Employment Opportunity
3. Anti-Discrimination
4. Equal opportunities (in addition to employment such as assignment, recognition etc).
5. None of the above

Coding

Question 8) Do you think - your organization has a diversity policy (e.g. regarding hiring, promotion, retention)? If so does it practice/adheres to its diversity policy?

1. Yes
2. No

Coding

If no it is because of –

3. Policy framing needs to be revised.
4. Policy exists but not practiced
5. A game of politics

[If yes, please go for question no 09, otherwise please go for question no 10]

Question 9) Do you support the implementation of Affirmative action Program and other diversity program (diversity training, monitoring and follow up, accountability, scoring) help to ensure effective diversified workplace/environment?

1. Yes
2. No
3. Indifferent

Coding

Question 10) Do you think your organization embodies your vision of a sustainable diverse workplace/working environment?

1. Yes
2. On the way to practice
3. No

Coding

[Thanks for your valuable response]