

HR leaders hold the key to effective diversity management

...as more and more important decisions are taken at local level

By Lola-Peach Martins

Abstract

Purpose – *Observes that diversity management (DM) is central to the HRM function in work organizations, and the past decade has seen employers seeking to establish more devolved management structures that place more emphasis on local-level managerial decision-making.*

Design/methodology/approach – *Argues that an important component of this shift in many organizations has been the reconfiguration of the role of first-line managerial leader (FLML) to encompass a wider range of HRM responsibilities. Hence, diversity management and leadership in this regard are a key HRM role for leaders and managers.*

Findings – *Highlights case-study evidence to illustrate how far the success or otherwise of such a process of change is explicable in terms of the role played by four inter-related, sets of factors which are key elements linked to organizational learning and strategic fit.*

Practical implications – *Advances the view that organizations that wish to enhance the HRM/DM role and performance of FLMLs need to adopt a holistic strategic approach which encompasses organizational learning and FLML strategies.*

Originality/value – *Demonstrates that organizations that use an integrated framework to help with the close co-ordination of business and HRM activities are likely to perform better as they engage in effective learning.*

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“From a very early age, we are taught to break apart, to fragment the world. This apparently makes complex tasks and subjects more manageable, but we pay a hidden, enormous price. We can no longer see the consequences of our actions; we lose our intrinsic sense of connection to a larger whole,” said Peter Senge (2006, p3). Yet it is not unusual to find organizations handling diversity management (DM) in a fragmented way.

Diversity management (DM) is typically described as a management practice concerned with valuing people as key human resources (Ozbilgin and Worman, 2006). Minday (2006) referred to it as a burgeoning phenomenon worldwide. In fact it has been a subject of immense attention in the UK for well over a decade.

Based on research in various sectors, the Chartered Institute of Personnel and Development (CIPD) reports (2005-2008) provide details of the key drivers for diversity. They range from the desire to recruit and retain the best talent to legal pressures and from corporate social responsibility to being an employer of choice.

Considered carefully and holistically, it becomes clear that these DM drivers support the theory of integration between DM, organizational learning, strategic HRM, and the FLMLs role in workplace organizations.

The multifaceted nature (Ozbilgin, 2008) of DM can at least in part be blamed for the definitional complexity of the DM phenomenon as well as the nebulousness of the first-line managerial leader (FLML) role. Kochan *et al.* (2002) have shown that, by creating and adopting fundamental management principles based on four cases¹, work organizations globally have been able to develop appropriate strategies and policies to help them in creating a diverse culture, which in turn has influenced how diversity is managed strategically.

In this regard the studies identified leadership effectiveness as being core to creating and managing diversity synergies. Others have implied that organizational learning is the key factor. Therefore, DM tends to be addressed from either organizational learning (OL) or leadership perspectives.

From an organizational learning perspective DM should be recognized as a process concerned with triple-loop learning (transformational learning). If the organization is a practising or even a partial learning organization (LO), it should embrace both LO and FLML principles and practices.

At the heart of transformational learning, the practice of managing diversity² occurs where FLMLs are continuously developed and expected to play a key multifaceted role given their fundamental position in their work organization, and the anticipated impact of their role on team, organization and business performance.

DM integration and performance issues

What is the likely impact of DM integration on team, organizational and business performance? And what role do FLMLs play in DM integration or DM synergy? An understanding of this role should help the perception of integration.

It is not always agreed that DM has a positive impact on individual, team, organizational and business performance (Kochan et al, 2002; Minday, 2006; Pitts, 2006). Nonetheless, attitudes towards DM – whether positive or negative – will

¹ Typically DM drivers can be reduced to the four cases put forward by Kochan et al (2002): These are: the legal case, the business case, the labor market imperative, and the social expectation and values.

² Managing Diversity [MD] is an on-going process that unleashes the various talents and capabilities which a diverse population bring to an organization, community or society, so as to create a wholesome, inclusive environment that is safe for differences, enables people to reject rejection, celebrates diversity, and maximizes the full potential of all, in a cultural context where everyone benefits (phrases from Samuel Betances of Souder, Betances and Associates, in Rosado. C, 2006).

depend largely on how the theory of integration is perceived. Syed and Kumar (2006) posited that there is no single entity in DM. Similarly, Ozbilgin, (2008) argued that performance success depends on how diversity is managed – whether the process is sophisticated enough (integrated or synergized) depicting its multifaceted nature.

Synergy has been broadly defined as the combination of effects produced by two or more parts, elements or individuals (Corning, 1998). Similarly, a group of employment-law solicitors has defined synergy as “the interaction of two or more parts to produce a combined result which is greater than the sum of the individual parts”, hence enabling those responsible for managing diversity (FLMLs, for example) to use the wider practice of it to benefit the organization (Pavey and Filder, 2010).

In this regard DM integration must be about leadership since both DM and FLML are concerned with valuing people and creating and sustaining diversity synergies. In managing diversity, FLMLs must be able to continuously create and sustain an environment of trust between them and their team members by demonstrating how much individuals, as well as teams, are valued.

To this end, the FLML’s contribution to HRM policy development and implementation of the associated DM strategies are crucial to the effective execution of an integrated DM strategy. Put another way, triple-loop learning is also essential at the FLML level.

Given the growing concerns about devolution of HRM to FLMLs, organizations need to be even more cognizant of the importance and benefits of DM integration. Integrated frameworks that discourage single-level conceptualizations of DM in the territory of legal or organizational policy, and capture the relational interplay of structural and other concerns, are a must (Syed and Ozbilgin, 2009). As a result of a well-integrated DM framework, problem-solving will be enhanced, deep diversity will occur and there will be strong synergies between and within teams (Larson Jr., 2007). Without appropriate frameworks in place to guide organizations in the strategic management of FLMLs, they will struggle to take on and perform their devolved HRM responsibilities (Martins, 2007), which include managing diversity

The FLML DM role and the four-factor HRM/strategic-fit framework

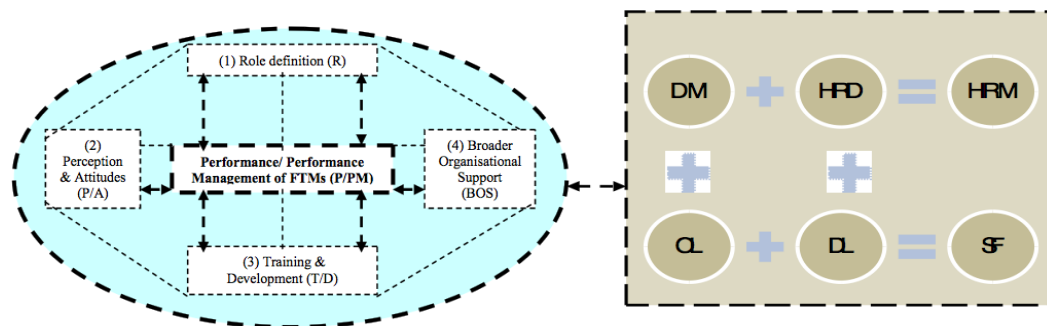
Typically, the FLML’s team will consist of people from diverse backgrounds, of diverse genders, with diverse talents, knowledge, skills, competencies, experiences, ethnicities, cultures, physical appearance, age and psychological contracts. Such wide diversity is evident in UK manufacturing companies (Ozbilgin and Tatli, 2005). This vastness of diversity means that FLMLs play an even more crucial role in selecting as well as retaining their team members. Furthermore, forces such as increased globalization, and the demand for sustainable human-resource management practices make DM a core HRM responsibility for FLMLs. In view of these FLML challenges, organizations cannot escape understanding the key factors affecting their DM performance.

Organizations tend to be unclear regarding the FLML's HRM role *vis-à-vis* DM, how they can support them in this regard and the type of organization culture required to provide such support. In fact, Martins (2007) identified four key factors³ as exerting an important influence over the way in which FLMLs respond to, and cope with, their newly reconfigured HRM roles.

Figure 1 illustrates that diversity management (DM), and human-resource development (HRD) are key FLML roles, and that their effectiveness is based on organizational learning (OL) and diversity learning (DL), which should both be tied in with the organization's strategic goals – strategic fit (SF). Where an organization fails to integrate these elements, the role and performance of LMs becomes problematic.

The influences wielded by the factors identified in Martins' study lend weight to the suggestion that – if FLMLs are to carry out their HRM (including DM) responsibilities efficiently – attention needs to be paid by employers to a number of inevitably inter-related factors. These are the perceptions and attitudes of primary stakeholders (including FLMLs), the development of clear role expectations and related criteria, and the putting

Figure 1 FLML Four-Factor HRM/SF Framework, L.P. Martins



in place of training and development activities that are closely linked to these expectations and that are likely to engender attitudes and behaviors supportive of them. Martins' study further revealed that the occurrence of such attitudes and behaviors is facilitated or hindered by the degree to which the broader organizational environment is supportive of them. To put it another way, the extent to which the organizational and managerial cultures, structures and systems within which they work serve to reinforce their importance and desirability.

Conclusion

DM is central to the HRM function in work organizations, and the past decade has seen employers seeking to establish more devolved management structures⁴ that

³ The degree to which their new role is adequately defined and clearly communicated; the perceptions and attitudes of primary stakeholders (including LMs) of the role; the extent to which they receive appropriate training and the overall development opportunities made available; and how far broader organizational systems and structures serve to facilitate or hinder role/performance.

⁴ Changed strategies require supporting management structures (May, 1999)

place more emphasis on local-level managerial decision-making. An important component of this shift in many organizations has been the reconfiguration of the role of FLMLs to encompass a wider range of HRM responsibilities. Hence, diversity management and leadership in this regard are a key HRM role for LMs.

Against this background, the present article has highlighted case-study evidence to illustrate how far the success or otherwise of such a process of change is explicable in terms of the role played by four, inevitably to some extent inter-related, sets of factors which are key elements linked to organizational learning and strategic fit.

In short, organizations that wish to enhance the HRM/DM role and performance of FLMLs need to adopt a holistic strategic approach – which encompasses organizational learning and FLML strategies – towards achieving this objective. This is because organizations that use an integrated framework to help with the close co-ordination of business and HRM activities are likely to perform better as they engage in effective and efficient learning.⁵

Note

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⁵ That is, distinct stages of learning which show the vigorous relationships between them (Yeo, 2002).

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Box-out quotes

It is not unusual to find organizations handling diversity management in a fragmented way.

Forces such as increased globalization, and the demand for sustainable human-resource management practices make diversity management a core HRM responsibility for first-line leaders and managers.

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