Chapter 3

Managing in Diversity: the Major Domain and Contemporary Transitions

Udaya Mohan Devadas
University of Kelaniya, Sri Lanka
https://doi.org/10.18778/8220-533-6.04

Abstract

Diversity has been a popular term both in theory and practice for many decades, especially with globalization. This chapter discusses diversity and diversity management with special reference to cultural diversity. The aim of this chapter is to understand: how diversity has been viewed and explained, what concepts and models explain diversity, what solutions are given in managing diversity, and what the future of managing cultural diversity might be. A targeted literature review was carried out for the purpose, using journal articles, selected books, theses and documents, as well as other open web sources. The review outcomes show that: diversity has been viewed differently in different times, it is mainly explained in terms of its cognitive and cultural dimensions, diversity management has been mainly targeted for performance improvements, and in the future managing cross-cultural diversity is likely to focus on enabling individuals to be more successful in different cultures, based on their cultural competencies and intelligence, rather than on ethnocentric views towards other cultures.

Keywords: diversity, managing diversity, cross cultural diversity, change in diversity management, problems and challenges for diversity management

Introduction

Differences between people and communities have been a critical issue since times immemorial. In dealing with diversity, there are key questions to be addressed: how is diversity perceived? What concepts and models explain diversity? What are some solutions in managing diversity? And what is the future of managing cultural
diversity? The chapter answers these questions while building an argument to label the subject as “managing in cross cultural diversity”, rather than managing cross cultural diversity, considering the latest developments in the field.

**Background: Views on Diversity and Related Concepts**

*Diversity*, a buzz word in political, management, and human rights agendas at various levels, such as national and international, corporate, public, non-governmental, as well as individual, is greatly valued as a concept and a practice. In its basic sense, diversity is accepting and tolerating all kinds of differences. However, it moves beyond simple tolerance to embracing and celebrating the rich dimensions of diversity. Diversity means understanding that each individual is unique, and recognizing individual differences, along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.\(^1\) Diversity is related to differences which can be innate or biologically – and/or psychologically-determined, or they can be an outcome of socialization within a particular group (Monin and Belhoste 2013). Such differences that emphasize multiplicity, overlapping and crossing between sources of human variability, can be understood as diversity (Dietz 2007).

The term *cross-cultural diversity* refers to differences in race, ethnicity, language, nationality or religion\(^2\) and to a variety or multiformity of human social structures, belief systems, and strategies for adapting to situations in different parts of the world.\(^3\) Cultural diversity can be defined as “the difference in human traits, qualities, values and beliefs which an individual adapts to by nature and nurture, depending on the group to which the individual belongs and relates to” (Toutet, Escaille, Eisenring and Ranz 2007: 6). Cultural diversity represents the quality of diverse or different cultures, as opposed to a monoculture,\(^4\) which includes, but is not limited to: nationality, ethnicity, race, traditions, customs, values, religious beliefs, political views, language, sexual orientation, ancestry, parental and marital status, educational background, income, dress, gender, and age.\(^5\)

The term *multiculturalism* has been used both in the literature and in practice interchangeably with the term *cultural diversity*. Multiculturalism is the co-existence of diverse cultures that includes racial, religious, or cultural groups, and is manifested in customary behaviours, cultural assumptions and values, patterns of thinking,

---

\(^1\) [http://gladstone.uoregon.edu/~asuomca/diversityinit/definition.html](http://gladstone.uoregon.edu/~asuomca/diversityinit/definition.html) (accessed 10.02.2020).


\(^4\) [https://www.definitions.net/definition/cultures](https://www.definitions.net/definition/cultures) (accessed 27.04.2020).

Diversity management is an intrinsic approach to business ethics and human interrelations (Rosado 2006). This facilitates diverse workforce to demonstrate its full potentials without discriminating any advantages or disadvantages in any particular groups over others (Torres and Bruxelles 1992). Furthermore, diversity management acknowledges and respects the contributions which various groups have made to society, and incorporates these contributions in a general program of human resources management (Rosado 2006). Managing diversity is much broader than multicultural issues and embraces many different types of people who represent different cultures, generations, ideas, and thinking while standing for different things (Llopis 2011). Managing diversity also becomes strategic as it links business results with the results of best practices in creating a diverse and inclusive workplace.9

Benefits of Diversity

Traditionally, diversity was valued as a corporate social responsibility measure to address the issue of discrimination. With the identification of diversity as a strength in policy decisions, there have been many perceived benefits of diversity, such as: inspiring creativity, driving innovation, capitalizing on multiple knowledge, sparking insights to make businesses more competitive and profitable, enhancing higher quality, increasing marketing capabilities, enabling to recruit a diverse talent pool for a better strategic fit, creating more productive teams characterized by better performance, and creating more opportunities for personal and professional growth.10

---

As a result, diversity enables to create an inclusive environment for successful strategic implementation to drive results and competitive differentiation through enhancing innovation, choices and insights at national, regional, organizational, and team levels. Due to these perceived and realized benefits, solutions are found at different levels to managing diversity, especially cultural diversity.

Main Focus: Concepts and Models of Explaining Diversity

It is important to know the alternative knowledge bases that explain the phenomenon in question using different perspectives, models and frameworks, in order to analyze how diversity has been dealt with.

Concepts and Models of Explaining Diversity

Extant literature provides evidence in diversity factors, causalties, and process of creating diversity. The proceeding sections will briefly describe such evidence.

Ethnocentrism vs. Cultural Relativism

Ethnocentrism is a behavior or beliefs that favor one particular culture and judge other cultures against it. Thus, ethnocentric individuals judge or make decisions based on the ideas and beliefs of their own culture and use these to judge other cultures. Cultural relativism is the concept of understanding different cultures and respecting their beliefs. Cultural relativists value other cultures and try to understand their “odd” practices. Their judgments are influenced by ideas and beliefs of others’ and they value diversity. On the other hand, ethnocentrism can lead to racism and perceiving diversity as a problem and/or threat.

Halls’ Model of Cultural Iceberg

In 1976, Hall developed a model of cultural iceberg presented in Figure 1. As can be seen, the external or conscious culture, characterized by behavior and beliefs, is regulated by the internal or subconscious culture that is based on values and thought patterns. Therefore, one should actively learn the internal culture of others to understand its explicit behaviors without judging a new culture only based on what is seen at the surface level.

Geert-Hofstede’s Six Cultural Dimensions
After studying multi-national corporations, Hofstede (1980) described six dimensions of understanding cultures: power distance index (high vs. low), individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance index (high vs. low), long vs. short-term orientation, and indulgence vs. restraint. National cultures have been categorized based on their evaluations under these six dimensions. A detail account of this model has been provided in the following chapters in this book.

Hall and Hall Model of Culture
Hall and Hall (1990) presented a model that identifies eight cultural dimensions (Figure 2). As can be seen, the set of alternative cultures, identified alongside the cultural dimensions include: monochronic and polychronic cultures; public space and private space cultures; individualistic and collectivistic cultures; doing and being cultures; present-oriented, past – and future-oriented cultures; hierarchical power and equality power cultures; high context and low context cultures; and competitive and co-operative cultures.
Seven Cultural Dimensions of Trompenaars and Hampden-Turner

Trompenaars and Hampden-Turner developed this model based on research performed over a period of 10 years into people’s preferences and values, conducted on over 46,000 respondents in 40 countries (Trompenaars and Hampden-Turner 1993). 75% were managers and the remaining 25% – administrators. The study found that people from different cultures differ in very specific, even predictable ways, as each culture has its own way of thinking, values and beliefs, and different preferences. As a result, the authors developed seven cultural dimensions to compare different cultures. These are: universalism vs. particularism; individualism vs. communitarianism; specific vs. diffuse; neutral vs. emotional; achievement vs. ascription; sequential time vs. synchronous time; and internal direction vs. outer direction.

Lewi’s Model

Lewi’s model presents three alternative culture types based on behaviors rather than nationality or religion (Lewis 1996). They are: linear-active, multi-active, and reactive. Under each, Lewis identified many cultural dimensions for a better comparison of behaviors. Based on these dimensions, three types of cultures can be compared (Table 1).

Model of Core Problem and Core Solution

Holden presented his model in 2002 (Figure 3). In the model, some ethnocentric cultures regard diversity as a problem for the cultural shock. Some geocentric cultures consider the cultural shock, which stems from diversity, as a solution for adjustments that paves the way for the development of intercultural skills to benefit from cross-cultural management.
The Global Project’s Nine Cultural Dimensions
The GLOBE project’s nine cultural dimensions, developed by House et al. (2004), is based on a survey collected from more than 17,000 middle managers, in 951 organizations, across three industries, in 62 countries and regions. This is an extension of Hofstede’s model. This model identifies nine dimensions that describe differences...
in national cultures. These dimensions are power distance, uncertainty avoidance, performance orientation, assertiveness, future orientation, humane orientation, institutional collectivism, in-group collectivism, and gender egalitarianism. It provides ten country cluster categories based on the nine cultural dimensions.

**Critical Cultural Variable Model**

Susan Vonsild (2007) presents three critical variables of a culture: (1) urgency, (2) authority, responsibility and accountability, (3) commitment, agreements and contracts, risk taking, and conflicts (Figure 4). Urgency is determined by the way in which time is viewed and used. Based on the way communication happens, and whether a group or individuals get precedence, the nature of commitments, agreements and control is to be determined. Based on the extent to which power is distributed and the extent to which a given structure allows uncertainty, the orientation of culture to authority, responsibility and accountability is determined.

**Figure 4.** Critical cultural variable model


**Hard and Soft Model of Cross-Cultural Diversity**

Based on a comparative study, Eriksson and Hägg (2016) developed a Model of Central Cross-Cultural Aspects (Table 2) that compares India and Sweden in terms of four cross-cultural aspects: time, relationships, gender equality, and hierarchy. India represents a hard model of cultural diversity, whereas Sweden – soft. Other countries can be closer to either model, or represent a mix of both hard and soft aspects.
Table 2. Hard and Soft model of Cultural Diversity

<table>
<thead>
<tr>
<th>Dimension</th>
<th>India (hard model)</th>
<th>Sweden (soft model)</th>
</tr>
</thead>
</table>
| Time          | • more synchronous  
                • not emphasizing deadlines and time scheduling  
                • scheduling is only a guideline  
                • flexible deadlines                                                                  | • sequential pattern  
                • following schedules and observing deadlines  
                • punctuality  
                • deadlines are respected                                                              |
| Relationships | • more collectivistic  
                • preference for group recognition and groupwork  
                • valuing relationship-based promotion                                                                 | • more individualistic  
                • more likely to work independently  
                • valuing individual recognition and merit-based promotions                           |
| Gender equality | • more masculine culture  
                • valuing gender discrimination  
                • giving women a secondary status                                                        | • promoting feminine culture  
                • valuing gender equality  
                • accepting rules for uniformity between men and women                                |
| Hierarchy     | • maintaining hierarchies with high power distance  
                • accepting centralized power  
                • belief in managers’ control guidelines                                               | • mainly accepting low power distance hierarchies  
                • using decentralized power  
                • belief in managers’ coaching model                                                   |

Source: Extracted from Eriksson and Hägg (2016).

Integrated Model, Explaining Cultural Diversity

It is clear that all models that explain diversity focus on cultural diversity and are mainly based on individuals’ cognition (including values, believes and attitudes), and behaviors. The models can be categorized based on their focus (Table 3):

Table 3. Focus of cultural diversity models

<table>
<thead>
<tr>
<th>Attitude, values - and cognition-based models</th>
<th>Behavior-based models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnocentric vs. geocentric</td>
<td>Lewi’s Model</td>
</tr>
<tr>
<td>Hall’s Cultural Iceberg Model</td>
<td></td>
</tr>
<tr>
<td>Geert Hofstede’s Six Cultural Dimensions</td>
<td></td>
</tr>
<tr>
<td>Hall and Hall Model of Culture</td>
<td></td>
</tr>
<tr>
<td>Seven Cultural Dimensions of Fons Trompenaars</td>
<td></td>
</tr>
<tr>
<td>Holden’s Model of Core Problem and Core Solution</td>
<td></td>
</tr>
<tr>
<td>Global Project’s Nine Cultural Dimensions</td>
<td></td>
</tr>
<tr>
<td>Susan Vonsild’s Critical Cultural Variable Model</td>
<td></td>
</tr>
<tr>
<td>Hard and Soft Model of Cultural Diversity</td>
<td></td>
</tr>
</tbody>
</table>

Source: Author (2020).
Table 3 demonstrates that diversity has been mainly explained by giving more priority to culture and cognitive factors. Nonetheless, the definitions of diversity include many factors such as race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies other than culture and cognitive factors. With this limitation, we would like to present our model for explaining diversity (Figure 5) that highlights three main areas at “individual”, “meso”, and “macro” levels. These levels have emerged in today’s diversity-related issues and require more attention in explaining diversity, even highlighting the co-dependencies that can exist among the factors at different levels.

**Solutions Given in Managing Diversity**

Solutions for managing cultural diversity can be discussed in three main ways: applying diversity management strategies, developing skills and competencies for cultural sensitivity, and policy guidelines for decision making with regard to cultural diversity.
Diversity Management Strategies

Strategies for managing cultural diversity refers to the extent to which decision makers recognize cultural diversity and its potential advantages and disadvantages leading to a set of actions to be implemented. Four such main sets of strategies for managing cultural diversities are: (i) ignoring cultural differences, (ii) minimizing cultural differences, (iii) managing cultural differences (Adler 1997), and (iv) cultural adaptation (Singh 2014). The best practices in diversity management at a corporate/organizational level are derived from these strategies and include: creating a diverse and inclusive workplace through recruitment; retention and management of diverse talents by effective use of executive diversity councils; mentoring and sponsorship programs, and creating employee resource groups; addressing and supporting multiple lifestyles and personal characteristics within a defined group and educating such groups; and providing support for the acceptance of and respect for various racial, cultural, societal, geographic, economic and political backgrounds. In implementing and managing a cultural diversity program, proper guiding frameworks are important. Figure 6 presents such a framework (Toutet, Escaille, Eisenring and Ranz 2007).

Global Diversity Management (GDM) of corporations, presented by Bartlet and Goshal in 1989, is an important strategic choice to leverage diversity in organizations (Özbilgin and Tatli 2014). This model presents four alternative strategies for managing diversity (Figure 7).

---

**Steps for Effective Diversity Management**

1. Leadership Commitment and Training
   - The leadership has to be trained.
   - The commitment has to be communicated.
2. Carry out a cultural Assessment
   - Assess your needs with the help of surveys and interviews.
3. Develop Diversity Politics
   - Link diversity programs to strategic plans.
   - Decentralized diversity efforts.
4. Implement Diversity Policies
   - Clearly communicate visions and goals of your diversity policies.
5. Educate your workforce
   - Provide diversity training for your workforce.
6. Create Employee Network Group
   - Encourage and support the creation of affinity groups and employee networks.
7. Assemble a Diversity Council
   - The diversity council oversees the process and acts as a review committee.
8. Asses your progress
   - Corrective actions if necessary. Carry out potential assessments.

**Figure 6.** Steps for Effective diversity Management


---

Figure 7. Corporate design model of managing diversity

(a) Contextual Moderators
- Accountability structures
- Workforce characteristics
- Legal, political and institutional environment

(1) Espoused Diversity Practices
(2) Enacted or Implemented practices
(3) Perceptions of Practices

(b) “Motivational Significance” for practice implementers:
- Formalization, transparency, accountability
- Institutional context
- Individual characteristics of practice implementers

(4) Attitudinal and Cognitive Reactions
(5) Behavioural Reactions
(6) Outcomes for the Organizations:
- Managerial diversity
- Legal discrimination
- Performance

Figure 8. The process model of diversity
Figure 7 demonstrates that a multi-domestic set up is highly decentralized and values local responsiveness to fully capitalize on cultural diversity. A global set up does not encourage such a high level of diversity as it mainly has an ethnocentric approach in its decisions with a highly centralized focus on efficiency. In an international set up, diversity is valued to some extent as a resource for wealth maximization under the strategic guidance of the center. A transnational model is more divergent and challenging, it capitalizes on all cultural strengths and resources.

In many cases diversity-related activities are studied (and implemented) in isolation, and they do not always work according to the plan as many factors come into play between diversity practices and organizational outcomes (Nishii, Khattab, Shemla, and Paluch 2017). As a result, organizations cannot rely on specific diversity-related activities to consistently produce favorable results, in the absence of a holistic view of the situation (Nishii et. at. 2017). Hence the process model of diversity (Figure 8) which explains how diversity is viewed and strategies are designed and practiced in its holistic context is noteworthy.

Moreover, it is important to consider contextual influences, such as history and human geography, that moderate the variations in diversity practices and outcomes. Such a contextual approach suggests an analysis of facilitating and hindering factors of diversity, stimulated within a particular context level (Figure 9) (Özbilgin and Tatli 2008).

The process and contextual models alone do not elaborate how the depth of diversity interventions that organizations adopt is shaped by the maturity (age and legitimacy of activity), resources, and strength of provided support. Such diversity interventions vary from shallow actions to organizational transformation initiatives.
The intervention model of diversity presents three major sets of diversity and inclusion interventions: (1) informational interventions which involve diversity management activities for providing information, training, and education to staff; (2) structural interventions which seek to change and develop organizational structures and processes; and (3) cultural interventions that challenge the implicit cultural assumptions of an organization to make organizations more welcoming of difference and inclusive practices (Jonsen and Özbilgin 2014). Figure 10 shows how the maturity and the depth of diversity is achieved under the three major diversity interventions.

A simplification of the critical domains, related to the diverse and inclusive model of large corporations in doing business in a global scale is useful and helpful. Especially since in many places there is no proper legal framework enforcing diversity and inclusion. The House model of diversity presents a critical component of global diversity management to correct this error (Figure 11).

It is crucial to see how the deviation between “what is written down and shown off—the rhetoric”—deviates from “what actually goes on—the reality” with regard to diversity practices. The communication model of diversity explains this relationship (Jonsen and Özbilgin 2014) by describing the state of diversity in organizations under different scenarios (Figure 12). The *Walk the talk* type of organizations are
Managing in Diversity: the Major Domain and Contemporary Transitions

Figure 11. House Model of Diversity

Figure 12. Communication Model of Diversity
Source: Jonsen and Özbilgin (2014: 381).
highly committed to diversity in reality and they actively share information about their diversity activities. *The empty rhetoric* organizations talk proactively about diversity, but they do not take more than cosmetic action that perhaps is political for *window dressing*. The *Just do it* type applies to organizations which have a diversity strategy while undertaking important activities, but do not officially state them or label them as diversity activities. Organizations that rhetorically reject diversity and have no strategy or dedicated resources for diversity management will fall under the *low priority* quadrant.

Talking about diversity together with quality is important. The total quality diversity model (Figure 13) recognizes two dimensions: Horizontal, i.e. the individual interactional change dimension (embracing and valuing diversity), and Vertical, i.e. the institutional structural change dimension (harnessing and empowering diversity). The first dimension is mainly biological, usually visible through age, gender, race, ethnicity, sexual orientation, and disabilities. It focuses on creating foundational awareness on diversity. The second dimension is related to a change in corporate culture and structure. Managing the four sets of factors helps achieve quality standards by valuing and harnessing diversity.

"Unity in diversity"

**Figure 13.** A holistic model of total quality diversity

**Source:** Rosado (2006: 8).
Learning Competencies for Cultural Sensitivity

Strategies for diversity management require training and developing competencies. In this case, there are some human resource management activities to be practiced. They are mainly relating to educating all groups and providing them support to recognize, accept and respect for various dimensions of different backgrounds of people (Rosado, 2006). There are two approaches to such a cross-cultural education: offering training to diverse groups of employees for an entry-level skill, and providing training to managers and other employees who work with diverse employees (Luthans 1995). Three more types of learning include: learning culture and languages, learning avoiding cultural biases, and learning cultural skills (Singh 2014). They teach cultural skills for life and work leadership success at different levels (Figures 14, 15 and 16) (Gundling 2003).

Education for avoiding cross-cultural conflicts and improving cross-cultural communication constitute two more critical skills (Anand 2014). The following measures for avoiding conflicts play a critical role: (a) probing for cultural dimensions, (b) learning about other cultures, and (c) altering organizational practices and procedures. In enhancing cross-cultural communication, Anand (2014) cites Hall and Hall’s (1990) high context vs. low context communication model. In the high context communication model, the contextual details and biases are included in a message, communicated. In a low context communication message, the details about the message are included, not the context or the biases of the respondent.

![Diagram](diagram.png)

**Figure 14.** People Global Skills

**Source:** Gundling (2003).
LEADERSHIP

Organisational
- Managing Change
- Innovating
- Transferring Knowledge
- Strategic Planning

Group
- Negotiating
- Selling
- Training and Development
- Building Global Teamwork

Interpersonal
- Evaluating People
- Obtaining Information
- Giving and Receiving Feedback
- Establishing Credibility

Building Relationships

Figure 15. Global business skills
Source: Gundling (2003).

SUCCESSFUL INTEGRATION

Community
- Getting Around
- Pursuing Local Activities
- Embracing the new Country
- Contributing/Being Productive

Family/Friends
- Creating a Home
- Developing New Routine
- Making New Friends
- Staying in Touch

Individual
- Respecting Difference
- Communicating Effectively
- Thriving in Transition
- Preparing for Re-entry

Building Relationships

Figure 16. Global Expatriation Skills
Source: Gundling (2003).
Policy Guidelines for Cultural Diversity
Policy guidelines are important at organizational and national levels to support the cultural diversity strategy implementation and competency development for cultural sensitivity.

 Australians have long recognized the importance of diversity as a competitive advantage. Their government’s *diversity works* policy that promotes utilizing cultural and linguistic skills of workforce to benefit organizations and the economy has led organizations to launch diversity practices to attract foreigners in local markets. Another outcome is the rich educational information on cultural diversity (Toutet, De L’Escaillie, Eisenring, Tomàs and Ranz 2007).

In the European context, diversity management policy priorities are: commitment from leadership to link it to organizational strategies and values; operationalizing cultural diversity as “walk the talk” rather than just “talk the talk”; leadership training for leaders to value and recognize diversity and its importance to organizations; celebration of culture through firm-wide or office-wide events to retain employees who represent a cultural minority and to hire them; networking to promote employees’ career development, informal mentoring, education and access to senior management; and recruiting people who belong to different cultures (Toutet, De L’Escaillie, Eisenring, Tomàs and Ranz 2007).

In the North American private sector diversity management policies include: leadership commitment to diversity management, strategic planning for diversity and inclusion, assessment and evaluation of diversity management practices, and involving employees in the diversity management process (Toutet, De L’Escaillie, Eisenring, Tomàs and Ranz 2007).

In the context of India, Anad (2014) suggests some policy guidelines in managing cross-cultural diversity strategies and practice: (1) the recognition and acceptance of a diversity policy by top-level leaders; (2) the existence of a policy for formal communication of diversity policy among all relevant stakeholders; (3) creating a separate policy for diversity training provided to relevant parties, organization-wide; (4) recognizing differences, created by other sources other than individual cultural differences; (5) recognizing and valuing minority groups; (6) linking reward systems to diversity management to reinforce the importance of effective diversity management; and (7) establishing a flexible work environment; (8) monitoring the progress and process of the diversity management.

In the North American public sector, diversity management policy considers developing formal processes for diversity management, decentralizing diversity efforts, providing diversity training to the workforce, and building accountability for diversity efforts.

At an organizational level, the support of the top management is a critical diversity policy area, which includes: (1) to conduct an organizational audit to include continuous monitoring of all human resource management decisions around hiring, placement, training and development, evaluation, promotion, compensation, and reward systems; (2) to assess whether diverse workforce feel good about their
stay and experience and enjoy the work; (3) to establish and communicate clear performance standards to recognize critical competencies necessary for each job that values diversity; (4) to provide continuous feedback to identify undesirable behaviors to be changed and desirable behaviors to be encouraged by a company; (5) to avoid imitation so as to be contextually sensitive utilizing the human resources, strengths, and culture of an organization.

**Future of Managing Cultural Diversity**

With the very popular concept of globalization, managing cross-cultural diversity was welcomed by the world. However, recently the views on cross-cultural diversity, especially with the change of leadership of global powers, the concept seems to be questioned and in need of a more cautious adaptation. As a result, such issues as how the evolution of responses towards diversity, the changing nature of managing cross-cultural diversity, and new global tensions with cross-cultural diversity need to be examined to understand the future of managing diversity.

**Evolution of managing in cultural diversity**

*Racism*, i.e. zero tolerance with regard to diversity or different races, is one extreme consequence of cross-cultural diversity. It was the dominating approach between 18th to early 20th centuries. This paradigm totally excluded the “outside” members and included groups from a particular “inside racial group”. With racism, during the 19th century *nativism*, i.e. favoring the native population over migrants, was also common, followed by *racial intolerance*, i.e. refusal to accept behaviours, beliefs, or opinions that are different from one’s own race. This trend dominated from 1920s to 1940s, followed by *nationalism*, in which people saw their nations as superior to all others, and their own group was benefited (Ericsson 2016). Although nationalism began already in the 17th century, it reemerged since the great depression in 1940. *Multiculturalism*, i.e. managing certain cultures to satisfy the needs of a particular culture, focusing on managing and sharing with the out group, was the next movement. Multiculturalism first began as an official national policy in the western, English-speaking countries, later becoming a theme of national policies, such as in Canada (1971) and Australia (1973). Since its inception, multiculturalism has been backed by organizational, national, regional, interregional and global level entities until recently. This strategy sometimes may provoke nations or groups who are managed by someone else, especially countries subjected to such management are prone criticizing multicultural management practices.

Recently scholars have been investigating the competencies needed to become successful in different contexts rather than focusing on diversity factors. *Cultural competence* (CC), a research area in psychology for about 50 years (De Angelis 2015), has become an answer to this question. Cultural competence is defined as the ability

---

of a person to effectively interact, work, and develop meaningful relationships with people of various cultural backgrounds. It goes beyond tolerance to include, recognize, and respect diversity through words and actions in all contexts (De Guzman, Durden, Taylor, Guzman, and Potthoff 2016). The main components of CC are: (1) awareness of one’s own cultural worldview; (2) attitude towards cultural differences; (3) knowledge of different cultural practices and worldviews; and (4) cross-cultural skills. Fundamentals for organizations to promote cultural competence include: (1) a defined set of values and principles, behaviors, attitudes, policies, and structures that enable them to work effectively cross-culturally; (2) a capacity to value diversity, conduct self-assessment, manage the dynamics of difference, acquire and institutionalize cultural knowledge and adapt to diversity and the cultural contexts of the communities they serve; and (3) incorporation of those two fundamentals in all aspects of policy making, administration, practice, and service delivery (NPIN 2020). In this case, CC should have critical principles; defining culture broadly, valuing clients’ cultural beliefs, recognizing complexity in language interpretation, facilitating learning between providers and communities, involving the community in defining and addressing service needs, collaborating with other agencies, professionalizing staff hiring and training, and institutionalizing cultural competence (NPIN 2020).

Recently the term cultural intelligence (CQ) is gaining high popularity. It was first developed by Christopher Earley (2002), and Earley and Soon Ang (2003). CQ is defined as “a person’s capability to adapt effectively to new cultural contexts” (Ward, Wilson, and Fischer 2011), and “an outsider’s seemingly natural ability to interpret someone’s unfamiliar and ambiguous gestures the way that person’s compatriots would” (Earley and Mosakowski 2004). CQ has been studied in over 98 countries for nearly two decades to identify it as a form of intelligence, related to emotional intelligence (Earley and Mosakowski 2004). As the latest version of diversity management, CQ has become the future for cross-cultural management due to the fact that it assesses one’s capability of relating and working effectively in culturally diverse situations. Under CQ, unlike in multiculturalism, individuals are trained to manage themselves to effectively and flexibly perform among outsiders. Society for Human Resource Management (SHRM) presents four major components of CQ that flow in a cyclical manner: CQ drive, CQ knowledge, CQ strategy, and CQ action. SHRM further presents three major strategies: experience and reflection, training and coaching, and developing personal CQ development plans (Livermore and Dyne 2015). The introduction of CQ created a paradigm shift of research from focusing on cultural differences to focusing on how to perform effectively in diversity. The conceptualization of CQ comprises four elements: (1) metacognitive CQ (the mental capability to acquire and understand cultural knowledge); (2) cognitive CQ

16 https://culturalq.com/ (accessed 03.03.2020).
(knowledge about cultures, their similarities and differences); (3) motivational CQ (interest and confidence in functioning effectively in intercultural contexts); and (4) behavioral CQ (the capability to adapt behaviors in intercultural interactions).

The evolution described above is presented in Figure 17 below.

![Figure 17. Evolution of responses towards cultural diversity](source: Own elaboration.)

**Changing Nature of Cultural Diversity**

The art of defining diversity has been changing in recent years. Canada was the first state to adopt multiculturalism as a national policy in 1970, identifying diversity as its strength. Nonetheless, although diversity is valued greatly, nowadays Canadians are experiencing some issues related to multiculturalism. According to an online survey commissioned during 2017 and 2018 by the Privy Council Office that supports Prime Minister’s office, 46% of the respondents see diversity as a factor that is changing Canada in ways they did not like. Furthermore, 61% also agreed that too many minority groups are seeking special treatments, while 59% said too many...

---

immigrants fail to adopt Canadian values. The founder and the CEO of the Canadian Centre for Diversity and Inclusion also expressed that there is a “woeful lack of understanding in Canada about the experiences of newcomers”. Apart from that, the voice of some critical media (such as Rebel Media) also reflects such diversity issues: adopting bad cultural practices by non-Canadian minorities, discrimination against native Canadians in accessing facilities by non-Canadian-minority Muslims, difficulty of communicating with non-Canadian communities as some of them use their native languages, pushing native-Canadians from their homes as a high level of cultural pressure from non-Canadian minorities, losing political and governing control to non-Canadian Chinese in some Canadian cities (like Vancouver), increasing perception of native Canadians that diversity will not work as it did 20 or 50 years from now; people's concerns about the spread of Chinese goods, native Canadians' concerns over the emergence of Sharia law in Canada, and pressure for government to teach languages other than English and French in schools. According to a national polling partnership between CBC (Canadian Broadcasting Corporation) and the Angus Reid Institute, 68% of Canadian respondents said minorities should be doing more to fit in with the mainstream society instead of maintaining their own customs and languages (53% Americans think the same). The survey also found that only 32% agreed that there should be cultural diversity, i.e. that different groups should maintain their own customs and languages. Adding to this, CBC, further reports the poll’s findings that 79% of respondents said Canada should give priority to Canada’s own economic and workforce's needs rather than to people in crisis abroad.

In the USA, Trump’s presidential campaign reflected views demeaning of immigrants, racial minorities, Muslims, women, and many other groups (Ferdman 2018). Ferdman (2018) refers to The New York Times' report on Trump's cabinet as “whiter and more male than any first cabinet since that of Ronald Reagan in the 1980s.” Ferdman argues that Trump’s slogan to “make America great again” did not value diversity and may result in exclusion. The US green card diversity lottery programme that encouraged the country’s diversity policy is to be abolished by Trump’s government, focusing on skills and results.

In the US corporate sector, the stages of diversity and inclusion have often reflected a continuum from, “civil rights” to “affirmative actions” to “managing diversity and inclusion” to “diversity and inclusion as a strategic imperative” (National

Multi-Cultural Institute). This is a change of concerns over diversity from seeing it as a legal requirement to making it a strategic business model. Thus, in the US corporate sector, diversity is changing to “strategic diversity”, going beyond the traditional limits of differences to include everyone and everything, even similarities, complexities and tensions that should advance business and achievements, create a real impact on business, enhance creativity, drive business values, create space for innovations, creativity, potentials and thoughts (Gates 2014 and 2013). Thus, skills and competencies are also becoming diversity factors.

**Tensions with Cross-Cultural Diversity**

Forbes reports that most diversity and inclusion initiatives fail due to ignorance and are promoted, among others, aiming at financial performance. Based on over 40 years of data on large and private employers in America, Stanford and Harvard found such employers to still be homogenous, at large, and *more divided* than they were in the 1970s. Despite a rise in diversity trainings, inclusion efforts, and tech-based hiring solutions, the racial wealth gap is growing. According to a 2017 study reported in *The New York Times*, white college graduates’ earnings per hour are on average approximately 21% higher than Black college graduates; an increase by 8% since 1979. In addition, according to Harvard Business Review reports, diversity training has failed and is unsustainable; some of them still can generate bias or spark a backlash and racial imbalances, and discriminations against women persists.

On this basis, the changing nature of managing cultural diversity questions whether cross-cultural diversity can further benefit societies and corporations. In this case, cultural intelligence suggests a more democratic option in responding to managing cultural diversity. In today’s context, when the Covid-19 pandemic has been paralyzing the whole world economically, socially, culturally and demographically, the concept of diversity is to be challenged. This is mainly due to society’s new orientation towards redefining their networks and partnerships, social distancing that has led people to be intolerance towards the unknown and out group members, and emerging concepts in self-sufficient economies reducing the dependencies. Thus, the future world will mostly welcome not managing a culture by someone else, but managing the self to perform among unfamiliar and out group contexts. This proposes to critically move from managing cross-cultural diversity to “managing in cross-cultural diversity” which enables individuals to be successful in different cultures using cultural intelligence they developed.

---

Conclusions

Although diversity has been regarded through the prism of individual differences, the dimensions of differences are changing to encompass anything and everything. The key models that explain diversity are limited to discussing cultural diversity, and many factors are yet to be considered at individual, meso, and macro levels, with their causal interrelationships. Managing cultural diversity at national and organizational levels has been focused incrementally since 1970s. However, the focus of diversity management is changing from a corporate social responsibility concern to strategic concern, evolving from racist responses to developing cultural intelligence. Recently diversity and inclusion policies and practices have been critiqued over their demerits in spite of their realized merits. This has led decisionmakers to rethink their evolving diversity policies and strategies with the change of global leadership and political landscapes. Thus, mainly two arguments have emerged in managing diversity: to be more democratic in terms of diversity matters, and to withdraw and control diversity measures, while adopting novel approaches to defining differences, which stimulates a fresh research agenda towards diversity using integrated approaches.

References


Gate, D. F. (2013), Strategy: The Evolution of Diversity and Inclusion Thought and Practice (Trailer), https://www.youtube.com/watch?v=oiGr975Y5gA (accessed 02.05.2020).


Özbilgin, M., Tatli, A. (2008), *Global Diversity Management: An Evidence-Based Approach*, Palgrave, Basingstoke, UK, https://books.google.nl/books?id=8Zk2AgAAQBAJ&pg=PA365&lpg=PA365&dq=%C3%96zbilgin+%26+Tatli,+2008&source=bl&ots=MltAwVMmP&sig=AGfU3e5fBKux4U8ptu_LC5TdkpkrE_VA&hl=en&sa=X&ved=2ahUKEwjawqiY6pAhVVeH0KHZDKCjKQ6AdEwECAgQAA#v=onepage&q=%C3%96zbilgin%20%26%20Tatl%2C%202008&f=false (accessed 01.01.2020).


**Key Terms and Definitions**

Cross-cultural diversity – This refers to differences in race, ethnicity, language, nationality or religion and to a variety or multiformity of human social structures, belief systems, and strategies for adapting to situations in different parts of the world.

Diversity – Diversity means understanding that each individual is unique, and recognizing individual differences, along the dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, physical abilities, religious beliefs, political beliefs, or other ideologies.

Diversity Management – This is an intrinsic approach to business ethics and human interrelations (Rosad 2006), and it facilitates diverse workforce to demonstrate its full potentials without discriminating any advantages or disadvantages in any particular groups over others (Torres and Bruxelles 1992).

Multiculturalism – It is the manner in which a given society deals with cultural diversity by recognizing and acknowledging a “plural society”, while accepting the existence of many other cultures in addition to the dominant culture.

**Autobiographical Note**

**Udaya Mohan Devadas**, PhD, senior lecturer (grade 1) at the department of human resource management, University of Kelaniya, Sri Lanka, and consultant in HRM and HRD. He earned his PhD in human resource development from the Universiti Putra Malaysia in 2013 and his Master of Business Administration degree from the Post Graduate Institute of Management (PIM) of the University of Sri Jayawardenepura, Sri Lanka, in 2005. His research interests include national human resource development, corporate HRD and HRM, women in leadership, qualitative research.

---

methods, and grounded theory research. He has published international book chapters with Springer links and Pearson’s publishers, and articles in indexed and international academic journals. He is currently the editor-in-chief in the Kelaniya Journal of Human Resource Management, and the coordinator of the Faculty’s staff development. He was a visiting researcher in 2017 and 2018 at the University of Lodz, Poland and has been the former head of the department of HRM, University of Kelaniya, Sri Lanka while holding many administrative positions, including chair and co-chair in international and national conferences.

ORCID ID: https://orcid.org/0000-0002-4617-1409