



GENDER AND DIVERSITY MANAGEMENT
(Theoretical Concepts and Constructs used in Empirical Research and Current Literature)

Prof. A. SURYANARAYANA
Dean (Academics)
Department of Business Management
R G Kedia College
Email: professorsuryanarayana@gmail.com

ABSTRACT

Diversity is more than just a passing blip on the corporate conscience. Over the past two decades it has become a major competitive factor for many companies and even something they are proud of. Yet others remain to be convinced. They want the business justification for diversity to be sound and demonstrable. To do that, it's necessary to address at least five major issues. They are: how does diversity (i) help an organization expand into global markets, (ii) help build brand equity, (iii) support the organization's human asset/resource strategies, (iv) build corporate image among our consumers, and (iv) enhance operational efficiency? Of necessity, building the business case for diversity in any given company will vary, but in general it can be stated in two compelling arguments: (i) For both large and small companies these days, the neighborhood in which they sell is the entire world, so it is essential that their workforces look and think like the world, in all of its ethnic, racial, and behavioral variety. (2) The demographics of almost every nation are changing so dramatically that over the coming decades it will be impossible for employers to fill their ranks with members of the traditional workforce.

While we can make a persuasive business case for diversity, available research evidence also suggests that there are few direct positive or negative effects of diversity on business performance in terms of productivity, quality of work life, and bottom line. Some researchers even suggested that a more "nuanced" view of the business case for diversity may be more appropriate. In this context, we need to examine more closely that nuanced view and its implications for managers. For this purpose, an attempt is made in this Paper to examine the various theoretical concepts and constructs used in diversity and diversity management from the good amount of literature base as well as empirical findings available from qualitative and quantitative research studies.

Key Words: Diversity, Diversity Management, Inclusion, 'Field', and *emic (ex post)* vs. *etic approach* (ex-ante).

INTRODUCTION

Diversity refers to differences among members of the group or organization on any characteristic (Olsen & Martins, 2012). Kreitz (as cited in Podsiadlowski, Groschke, Kogler, Springer, & Zee,



2012) defined diversity as “any significant difference that distinguishes one individual from another, covering a wide variety of factors that might be obvious to other individuals or hidden under the surface.” As per Robbins, Judge and Vohra (2013), there are different bases of diversity such as age, sex, race, gender, ethnicity, religion, disability status, sexual orientation. While these demographic characteristics constitute surface-level diversity, others like personality, attitudes and values represent deep-level diversity. Diversity is complex as it includes both (i) explicit and observable biographical characteristics and (ii) implicit factors that are within the individuals and not explicitly expressed. Diversity is therefore a wide, varied and manifold construct because there are different forms of diversity such as customer diversity, supplier diversity, diversity in the composition of the Board of Directors (BOD), workforce diversity. Diversity in organizations does not always bring about positive outcomes.

One perspective argues that diversity results in better group functioning, group cohesion and in a better team, group, and organizational performance. And then the other perspective argues that diversity results in conflict and collision. Researchers have drawn on social categorization theory (Tajfel & Turner) and similarity-attraction paradigm (Byrne) to suggest the negative effect of diversity via such processes such as conflict and reduced cohesiveness (as cited in Olsen & Martins, 2012). Hence, diversity has mixed consequences or repercussions in organizational functioning. **Diversity Management (DM)** has been a subject of popular discourse for management practitioners ever since it was started first in 1980s. Managing diversity has remained prime agenda in the twenty first century as today's organizations are required to deal with diverse workforce more than ever before. Effective DM allows organizations to get access to the widest possible pool of skills, abilities, and ideas.

DIVERSITY vs. CONCEPTS OF INCLUSION AND ‘FIELD’

Another construct similar to diversity is *inclusion*. Shore et. al., (2011) argue that the construct of inclusion has remained nascent without consensus on the nature of this construct or its theoretical underpinnings. Building on Brewster's Optimal Distinctiveness Theory (ODT), they define inclusion as the degree to which an employee perceives that he or she is an esteemed member of the work group through experiencing treatment that satisfies his or her needs for belongingness and uniqueness. For the distinction between these two, Robertson (2006) suggests that they may not describe separate types of work environment but different approaches to DM. As a corollary, though diversity and inclusion are used as two distinct concepts, benefits from the two might however be similar. Diversity and DM draw support from Bourdieu's concept of “field” where fields are “contested terrains” in which actors compete for appropriation of different forms of capital (Tatli & Ozbilgin, 2012). Further, according to them, relating this line of argument of Bourdieuan concept of capitals into the study of workforce diversity is based on the premise that limitations of the dominant *etic* approaches in the current diversity research can be overcome by using the *emic* approach suggested by Bourdieu.

Hence, they propose *emic (ex post)* approach to researching diversity at work than focusing only on pre-established (ex-ante) or *etic approach* to workforce diversity. *Emic* perspective identifies emergent and situational categories of diversity, as embedded in specific time and place. However, there are few research studies which have operationalized diversity using the *emic* approach (Tatli, 2011). This suggests that situational antecedents to diversity relatively need more exploration than other antecedents. Podsiadlowski et. al., (2013), while



suggesting different approaches to diversity, contend that diversity strategy, diversity orientation, and diversity perspective are often used synonymously. Moreover, strategic response to diversity can be episodic, freestanding, or systemic (Dass & Parker, 1999) or can range from “not doing anything” to having a full blown diversity strategy that integrates various interventions into an organization-wide general framework (Bhawuk, Podsiaclowski, Graf & Triandis, as cited in Podsiaclowski, et.al, 2013).

MYRIAD APPROACHES TO DIVERSITY MANAGEMENT

As there are different concepts of diversity, so are there different concepts of Diversity Management. DM has been defined as "enabling every member of the workforce to perform his or her potential" (R.R. Thomas, as cited in Olsen & Martins, 2012).

Cox defines diversity management as the sum of organizational practices for managing people to maximize potential advantages and as policies for recruiting and retaining talent from different backgrounds (Cox & Blake, as cited in Podsiaclowski et.al, 2013). Olsen and Martin (2012) define DM as the utilization of Human Resource Management (HRM) practices to increase or maintain variation in human capital on some given dimensions to facilitate rather than cause any hindrance to the achievement of organizational goals. Though the focus is on demographic characteristics, it is taken as proxy for other deeper level diversity. White (as cited in Ollapally & Bhatnagar, 2009) uses a metaphor and defines DM as “creating a level playing field”—an environment where each individual has the same opportunity to score. Cox and Beale (as cited in Curtis & Dreachslin, 2008) conceptualized DM as a three-stage developmental process: awareness, understanding, and action. They argue that action or behaviors are required to translate awareness to reality ranging from diversity training, education, mentoring, and Organizational Development (OD) activities. DM interventions have been found to affect outcomes at the individual, group, and the organizational level.

FINDINGS FROM EARLIER RESEARCH STUDIES AND EMPIRICAL EVIDENCE

There is good amount of qualitative and quantitative research on the theme of diversity and Diversity Management. The qualitative research is concerned with defining or operationalizing the construct of diversity, diversity strategy, diversity discourse, and DM practices. Review of available literature shows that single category diversity dominates the multi-category diversity. Also, there is no meta-analysis carried out by considering all aspects of diversity. Meta-analysis on demographic diversity and team performance suggested that specific demographic variables (functional background, organizational tenure, etc.) had small positive relationship with team performance as well as team creativity and innovation (Bell et.al, 2011). Literature considering the antecedents and consequences of diversity is also minimal. The focus of most of the studies on diversity has been only at the surface level. Also, vast literature on diversity and DM has focused on the positive outcomes than compared to the negative outcomes. Moreover, research studies have considered diversity as an antecedent in most cases. There is sparse literature on diversity as a moderating variable. In one study, diversity strategy was found to moderate the relationship between racial diversity and organizational performance (Cunningham, 2009).

GENDER AS THE BASE OF DIVERSITY



Among other forms of diversity at the surface level, *gender* has been associated with positive outcomes. If we look into the vast and varied literature that is available on diversity, compared to other bases of diversity, gender as a basis looms large and figures out to be more prominent than others. Gender as a base for diversity has garnered worldwide attention as the number of females joining the workforce has increased significantly in the current era compared to the earlier times. Most researches have examined as to how the inclusion of female workforce in the BOD has resulted in increased financial performance (Campbell & Vera, 2007). However, not all the studies suggest consistent findings with gender and firms' performance. Dwyer, Richard, and Chadwick (2003) posit that the effect of gender diversity at the management level is moderated by a firm's strategic orientation and organizational culture in which it resides. Hence, they suggest that a supportive environment needs to be put in place to reap the benefits of gender diversity.

In similar lines, Smith, Smith, and Verner (2006) found that proportion of women in top management jobs had positive effect on firm's performance while keeping firm's other characteristics constant. Of course, the positive effects, however, depend on the qualification of female top managers. Francoeur, Labelle, & Desgagne (2008) found that firms operating in complex environments generated exceptionally positive and unusually significant returns when they have higher proportion of women officers in the employee force. Though women in positions of directors made no difference but women working in management and governance system generated enough value to keep up with stock market returns. All the research studies provide consistent findings with regard to effect of gender and performance though these effects cannot be measured in isolation. Hence, possible role of moderating variables must be taken into account. Cumming, Leung, and Rui (2015) studied the impact of gender diversity and securities fraud and found that the former can reduce the likelihood and severity of fraud. Effect of gender diversity was compared across full samples in male-dominated and female dominated industries and found that the presence of women was more effective in reducing frequency and severity of fraud in male dominated industries.

Research on gender has explored whether gender has made progress with regard to management and leadership over a period of time (Broadbridge & Simpson, 2011; Embry, Padgett, & Caldwell, 2008). Broadbridge and Simpson (2011) in their purely conceptual paper discuss how gender over the period of 25 years to the current stage has now reduced to gender denial and gender concealment. This has led to both disadvantage and privilege. Embry, Padgett, and Caldwell (2008) found that men using *gender inconsistent* (feminine) style were evaluated more positively than men using a *gender consistent* style. In addition, a perceived female leader who used a gender-inconsistent (masculine) style was evaluated more positively than a perceived male leader who used a masculine style, but only by female participants.

Another study by Powell, Butterfield, and Parent (2002), suggested that though there has been a significant increase in the proportion of women managers, there was no significant change in the perception of women managers and leaders. A good manager is considered as predominantly masculine. Atwater, Brett, Waldman, DiMare, and Hayden (2004) found that some sub-roles were found to be more masculine while others were found to be more feminine. Allocating resources, networking, problem-solving delegation, and strategic decision making would be perceived as more masculine, while supporting and consulting others were perceived as more feminine. Additionally, male respondents saw most sub-roles as masculine than female



respondents. Nishii (2013) found that within inclusive climates, interpersonal bias is reduced in a way that gender diversity is associated with lower levels of conflicts. All these research studies on gender and management, or gender and leadership suggest that these are largely influenced by stereotypes or perceptions.

METHODOLOGICAL APPROACHES USED IN DIVERSITY RESEARCH

Both quantitative and qualitative research has been conducted in the domain of diversity and DM. Adopting a unique methodology, Curtis and Dreachslin (2008) take an integrative approach by means of going through 26 relevant portions from the available literature on diversity intervention programs by means of training, education, mentoring, and organizational development activities. They find that most of those interventions were carried out using experimental, quasi-experimental, case study, descriptive, and developmental methods. Majority of the intervention programs employed quasi-experimental research designs.

Pre- and post-test surveys were also carried out among participants who attended diversity course. Self-reported measures were carried out to assess the change in attitudes of the participants that attended the diversity course. Similar kinds of study designs were adopted for education, mentoring, and OD interventions. Most research on gender and leadership as well as gender and management have taken more of a qualitative approach for studying the progress of the latter over a period of time (Broadbridge & Simpson, 2011). Most of the quantitative research approach to gender and performance have used correlations, descriptive statistics, and regressions to study the impact of gender diversity on organizational level outcomes (Dwyer, Richard, and Chadwick, 2003; Smith, Smith, and Verner, 2006; Francoeur, Labelle, & Desgagne, 2008).

Cumming, Leung, and Rui (2015) employed robust measures to study the impact of gender diversity and security fraud. They used control firm approach to create group of control firms (non-fraud firm). They came up with empirical models to test their hypotheses while controlling firms' characteristics like age and governance factors. They took 742 control firms out of a sample of 1484. Logistic regression was employed with two stage estimates of determinants of fraud. The findings were subjected to robustness by bootstrap technique. They also addressed the endogeneity between likelihood of fraud and number of female directors on board.

Embry, Padgett, and Caldwell (2008) have used surveys among undergraduate business students and it is alleged that their sample is not an appropriate one as they do not mention whether the students are working or full time students. If the students are not working, their perception of the leader will be far from reality and may not give the accurate result. The major problem with the methodology is the simulated situation where the leaders and subordinates were fictional characters, which might have led to biased findings and stereotypes. Also, there was no clue over the composition of perceived leaders in terms of male and female.

Hence, this study was subjected to a number of methodological lapses and the sample size was also small. Similar problems in methodology were found in another research study on gender and stereotypes where the sample consisted of undergraduate and part time students (Powell, Butterfield, & Parent, 2002) there by missing the context. Relying on student samples can be taken as drawback for this study as well. Methodology was not rigorous as they carried out mean analysis and basic descriptive one. It lacked robust measures of data analysis. Atwater, Brett,



Waldman, Di Mare, and Hayden (2004) used Yukl taxonomy of 14 managerial roles. It used non-parametric binomial tests. Though the results were tested by means of means score, z-tests, and chi-square values, in terms of methodology, they could have employed other rigorous methods than simple descriptive and comparison checks by means of chi-square. Despite the fact that samples drawn were students and 75% of them had supervisory experiences, there is no proper justification for the choice of sample.

CONCLUDING COMMENTS AND POTENTIAL RESEARCH ISSUES

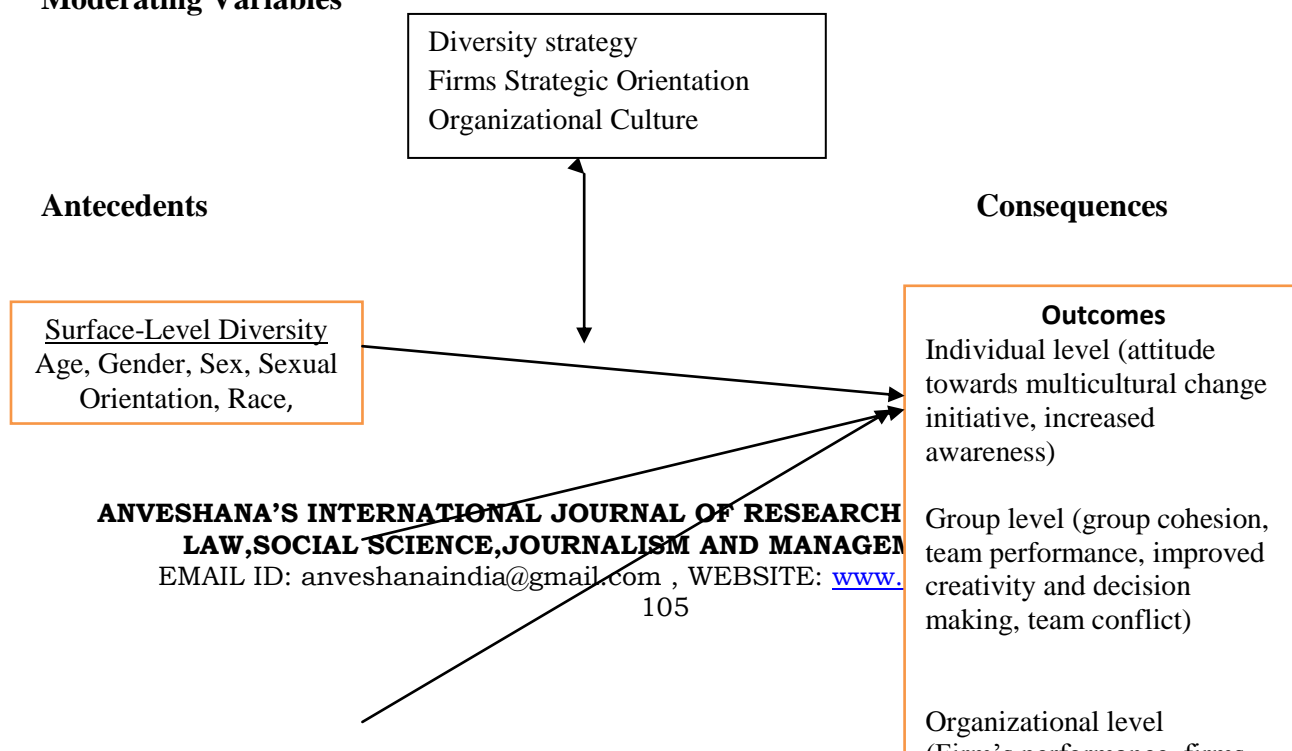
As there has been not much published work in the area of gender and diversity management in the Indian organizational context, this is a potential research area requiring in depth investigation. The issue of *inclusion* has garnered significant attention starting from government organizations to development agencies. The fact that NGOs have been recruiting employees from marginalized communities and minorities including women suggests that diversity will be more of a rule than exception in the days to come.

In this regard, it would be meaningful to explore the perceptions of workforce diversity and inclusion among the employees from the development sector. A pertinent research question to be raised for seeking a meaningful answer is to come up with a universally acceptable definition for the concept of diversity such that it includes the concept of *inclusion* as well. It is no denying the fact that the number of females joining the workforce especially in the post-economic reforms era in corporate houses continues to witness an upward swing. In this backdrop, it would be meaningful to study if the participation of women in the workforce leads to increased corporate financial performance in general and sectors like banking and insurance in particular that have more women representation compared to other formal sectors.

[Note: A Conceptual Framework detailing the Antecedents and Consequences of Diversity and Diversity Management is given below in Appendix-1.]

Appendix-1: A Conceptual Model of Diversity and Diversity Management in terms of its Antecedents and Consequences

Moderating Variables





Deep Level Diversity

Personality, attitude,
values

**Diversity Management
Interventions**

- Training,
- Education,
- Mentoring, and
- OD interventions

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